

China Business Weekly

10 June 2025

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中國商會

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FLANDERS-CHINA CHAMBER OF COMMERCE
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PAST EVENTS

Exclusive Innovation Trip China 2025, led by Carl Decaluwé, Governor of the Province of West Flanders – Hangzhou & Shanghai – 25-31 May 2025



From 25 to 31 May, the Province of West Flanders and the Flanders-China Chamber of Commerce (FCCC) joined forces to organize **an innovation mission to China, led by Governor Carl Decaluwé**. This visit marked 25 years of collaboration between West Flanders and Zhejiang Province.

The FCCC was represented by Mr Philippe Latour, Chairman and Gwenn Sonck, Executive Director.

The mission was **moderated by Professor Rudy Aernoudt**, who provided expert economic insights throughout the journey.

More than 40 participants from the business and education sectors took part in this eye-opening mission. The trip began in Hangzhou, the capital of Zhejiang Province, known as a hub of innovation and home to several of China's most prominent unicorns. The trip then continued to Shanghai.

We visited a wide range of pioneering companies, including:

- **Unitree Robotics** – Developer of advanced quadruped robots used in logistics, public safety, and industry
- **Alibaba Group** – Global leader in e-commerce, cloud computing, and digital infrastructure
- **Dahua Technology** – Expert in smart surveillance and security systems
- **Robam Appliances** – Innovator in smart kitchen automation, showcasing “dark factory” manufacturing
- **NIO (Shanghai)** – Leading electric vehicle manufacturer and FCCC member, famous for its battery swap technology, enabling a full battery change in under 3 minutes

- **Pony.ai** – A front-runner in autonomous driving systems, transforming the future of mobility

We also visited many other innovative Chinese companies and had valuable exchanges throughout the journey. This mission offered participants first-hand exposure to China's fast-paced innovation ecosystem, sparking new ideas, potential partnerships, and inspiration for the future of business and education in Flanders.

The FCCC also organized a seminar on the current business landscape in China, which will be reported in the next newsletter.

VRT's report: "Who is winning the innovation race? If we don't work together with China, we will be wiped out in Europe"

Ms. Veerle De Vos of VRT wrote the following report about the innovation trip, entitled **"Who is winning the innovation race? If we don't work together with China, we will be wiped out in Europe"**. In recent years, China has focused on innovation. The country wants to transform itself from the world's factory to a leader in new technology and is investing heavily in AI, robotics and electric cars. The province of West-Flanders, led by Governor Carl Decaluwé, went to the city of Hangzhou in eastern China, the new 'Silicon Valley', to witness this transformation with its own eyes.

Day 1: The "dark factory"

"What was your first memory of China?", one of the participants asks me on the first day. I think back to my arrival at Wuhan airport in the first half of the 90s, a kind of hangar where suitcases were thrown roughly to the ground because the only baggage belt was broken. The Hangzhou airport where the participants from West-Flanders arrive has four terminals and is connected to the city center by an elevated highway and a metro line. The first stop on this exclusive innovation trip is a so-called "dark factory". Robam is a company that makes modern kitchen appliances without the use of a single worker. Dozens of robots are at work in the dark factory while robot carts speed back and forth between the various belts.

Previously, 260 people worked here, now only 10. By no longer switching on the lights, the factory also saves on electricity. "Fascinating", says Stefaan Lambrecht of the Danis Group, specialized in breeding and slaughtering pigs. "This is something we as entrepreneurs need to know. We also need to move towards more automation, otherwise we will become irrelevant." But what about employment? "In West-Flanders we have too few employees, not too many", says Lambrecht.

Day 2: Dancing robots, smart glasses and surveillance cameras

Today, two of the six "Hangzhou tigers" are on the program. No exotic animals but progressive startups that have put Hangzhou on the map. One of them is BrainCo, which specializes in neuro-technology, with prostheses and headphones that connect the computer to the brain. The company is located in "China Artificial Intelligence City", a complex with dozens of startups that specialize in applied artificial intelligence. The second "tiger" of the day is Unitree, known for its two- and four-legged robots, which are already widely used in hospitals and in industry in China. They are slightly more complex specimens than the robots that we regularly encounter in the elevator of the hotel, on their way with room service.

With open mouths, the participants watch how the Unitree robots can climb up and down the stairs and get up again when they are pushed over. "I didn't expect this", says Kathy Dewitte of High School Vives. "I want to bring more students here as soon as possible for studies and internships. This is so inspiring: the future is made here." During the Q&A after the demonstration, the Unitree representative cannot deny that the robots can also be trained in a military context or as assistance to the police. "What are your plans for Europe?" asks another participant. "Wait a minute, I'll give you our business card", the spokesperson says quickly. "Welcome to West Flanders", adds Governor Decaluwé.

Company number three is Dahua, a specialist in security cameras. Room after room is filled with the latest models, some of which can recognize people up to five kilometers away. Ironically enough, we as a VRT team are not allowed to take any pictures here. "It's a bit scary", says Gregoire De Veyt of the Lecot Group. "In China, there is one camera for every two inhabitants. That is not where we want or need to go in Europe."

Day 3: The top university behind Deepseek

The technology boost of recent years is not only the result of the long-term plans of the Chinese government but also of education. Two-thirds of all Chinese college and university students graduate in a STEM field. Research institutions, such as the Hangzhou Innovation Center of Zhejiang University, receive ample subsidies from the government. The founder of AI platform Deepseek was also a student here. "The research we do here into new materials for semiconductors or robots is done in close collaboration with the business community," says researcher and engineer Jiang Kairui. "We listen to the companies and focus our research on what they need." She shows us the silicone mixtures that her research revolves around. "In the West, more fundamental research is done, we focus on practice."

One of the many labs in the innovation center houses a strawberry farm. "This is where we test our sensors and robots," says Fei Zhengzao. "The idea is to fully automate strawberry cultivation." He enthusiastically shows us the robot arm he is building and the plastic strawberry dangling in front of it. "One of the most difficult things for a robot is to pick strawberries," he says, "because they are so fragile."

Professor Wang has discovered a new way to make graphite, one of the raw materials for semiconductors. The raw material is straw, a waste product. Like many other researchers here, he has started his own start-up. His ambition is

great: within five years, he wants to turn it into a large, environmentally friendly and high-tech company, with 1,000 employees.

The provinces of East-Flanders and Antwerp closed their China desks in recent years, but the province of West-Flanders continues to celebrate its close ties with China. “The Chinese are doers,” says Carl Decaluwé during a banquet in the evening with the province of Zhejiang. “In Europe we talk a lot about new concepts, here they implement them. They have that in common with us, West-Flemish. It is in our own interest to continue working with China.”

Day 4: Electric cars and “swap stations”

After Hangzhou, the group heads to Shanghai, home to many electric car manufacturers. Elon Musk also built his largest Tesla factory here. But recently, his Chinese competitor BYD overtook him as the largest EV manufacturer. In 2024, 11 million electric cars were sold in China, half of all cars sold. The visitors from West-Flanders come especially for NIO, a car manufacturer that works with interchangeable batteries. There is a swap station in the car park, where one driver after another drives up. The car drives itself in with the help of an AI assistant and in just three minutes it drives out again with a new battery. The driver can scroll on his mobile phone in the meantime.

“This process extends the life of the battery,” says the NIO spokesperson. “Constantly connecting your car to a fast charger is bad for the battery and therefore also less environmentally friendly.” NIO is already active in Hungary, where it also has a factory for switching stations, and in Germany, Norway, Denmark and the Netherlands. But all cars are still made in China. Recent sales figures are disappointing, also because of the European import tariffs. “We certainly want to come to Belgium”, says the spokeswoman, “but we cannot yet put a timeframe on that.”

Day 5: Self-driving robot taxis and robot trucks

The last company on this trip is Pony.ai, a manufacturer of hardware and software for self-driving cars, founded in Boston but mainly active in China. Striking: three of the five founders studied or worked in the U.S. It is something we have heard before: Chinese top students still go to the U.S. or Europe to gain knowledge or work experience and broaden their view of the world. Afterwards they start a company in China.

Pony.ai is already experimenting with self-driving taxis, but is also fully investigating the possibilities of self-driving trucks. In Luxembourg, they recently obtained a license to start a test phase there as well. “Our taxis can now also handle complex traffic situations,” says the spokesperson. “Everything happens automatically. Customers order a taxi via an app and also pay in advance.” “This is really impressive,” says Kester Goh, Founder and CFO of Magnax from Kortrijk, a company that specializes in electric motors. “For me it is clear: we will have to step up our game in Europe if we do not want to become irrelevant. If we do not cooperate with this country, we will simply be swept away.”

Entrepreneur Dirk Vyncke, who has years of experience doing business in Asia, also concurs. “If you can't beat them, join them.” “We lack a clear vision of the future regarding innovation in Europe,” says Louis Jonckheere, CEO of the Winter circus of Ghent and Chairman of Vlerick. “In a democracy as complex as the European one, that is not so obvious. But if you look closely at Ghent or at Flanders, there are a number of sectors in which we are also very strong, just think of our biotech and our chip industry.” “We need to bring the story of our entrepreneurs more into the classrooms, encourage our students to start their own business, and guide them in their first steps. If we don't do that, I give us another ten years before China has overtaken us. And then I fear that the gap will be too big.”

FCCC/EUCBA ACTIVITIES

Webinar: Setting up your own Manufacturing Facility in China: Trends and Best Practices from Orfit Industries – 17 June 2025, 11:00 AM CEST

WEBINAR

Setting up your own Manufacturing Facility in China: Trends and Best Practices from Orfit Industries

17th June 2025

11:00 AM CEST

www.flanders-china.be

The Flanders-China Chamber of Commerce is organizing an exclusive webinar focused on **Setting Up Your Own Manufacturing Facility in China**. This event will take place on **17 June at 11:00 AM CET**.

China has long been recognized as the world's manufacturing powerhouse, producing everything from consumer goods to industrial equipment. However, in the face of ongoing global supply chain disruptions, evolving regulations, and tariff challenges, many European companies are now asking:

Is China still a viable destination for manufacturing? If the answer is yes for your business, the next critical question becomes: **How do you establish a successful manufacturing operation that aligns with your strategic objectives and avoids costly mistakes?**

Ms. Ting Zhang, Founder & CEO of Crayfish Ltd will highlight key considerations for establishing manufacturing operations in China. She will share practical insights, essential strategies, and real-life case studies based on her work with international businesses.

The webinar will also feature a testimonial from **Mr. Steven Cuypers, Chairman of the Board at Orfit Industries**, who will provide valuable first-hand insights based on his company's experience.

The programme is as follows:

- 11h00 - 11h05: Introduction by **Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce**
- 11h05 – 11h30: **Setting Up Your Own Manufacturing Facility in China** by **Ting Zhang, Founder & CEO of Crayfish Ltd**
- 11h30 - 11h50: Experience of setting up a company in China by Orfit Industries, **Mr. Steven Cuypers, Chairman of the board of directors at Orfit Industries**
- 11h50 - 12h00 Q&A

Practical information:

Date and time: 17 June 2025 at 11:00 AM CEST

Location: Online Price: FREE

[**SUBSCRIBE HERE**](#)

Webinar: European Business in China 2025: Business Confidence Survey 2025 **25 June 2025 – 10 AM CEST**



The EU-China Business Association is organizing an exclusive webinar on the key findings of the **European Union Chamber of Commerce in China's Business Confidence Survey (BCS) 2025**.

During this webinar, you will gain insights into how European businesses are adapting to a rapidly changing business environment in China.

Global trade tensions, price deflation, razor-thin margins, low domestic consumption, and a weakening global

economy have all increased business uncertainty. These challenges have led many European Chamber members to revise their growth and profitability forecasts.

This session will provide an overview of the current landscape for EU businesses in China and explore how they are adjusting their strategies in response.

Programme:

10:00–10:05 | Introduction by **Gwenn Sonck, Executive Director, EU-China Business Association**

10:05–10:35 | Key Insights from the Business Confidence Survey 2025 by **Robert Jarvis, Policy and Communications Manager, European Chamber**

10:35–10:55 | Q&A Session

10:55–11:00 | Closing by **Jochum Haakma, Chairman, EU-China Business Association**

We look forward to your participation in this timely and important discussion.

Practical information:

Date: 25 June 2025

Time: 10 AM - CEST

Location: Online

Price members: FREE (registration required)

[SUBSCRIBE HERE](#)

Webinar: Enforcement of IP in China – Tuesday, July 1, 2025 at 4 AM CEST

CHINA
IP SME HELPDESK



Webinar

Enforcement of IP in China

Tuesday, July 1st 2025
10 AM (CEST) / 4 PM (Beijing time)



The Flanders-China Chamber of Commerce, the EU-China Business Association and the China IP SME Helpdesk are organizing an exclusive webinar focused on the **Enforcement of Intellectual Property Rights in China**. This event will take place on **1 July 2025 at 10:00 AM CEST**.

During this session, **Mr. Toby Mak, IP expert of the China IP SME Helpdesk**, will provide participants with practical insights into the various enforcement mechanisms available to SMEs facing intellectual property infringement in China.

The webinar will walk attendees through the process of enforcing IP rights in a Chinese court. It will address key areas such as administrative actions, civil litigation, criminal sanctions, and other alternative enforcement methods.

This session is particularly important for SMEs aiming to safeguard their intellectual property in the Chinese market and take appropriate legal action when confronted with infringement.

The programme is as follows:

10h00-10h05: Introduction of the **China IP SME Helpdesk** – **Ms. Alessandra Capriglia**, Project Manager

10h05-10h15: Introduction of the **Flanders-China Chamber of Commerce and the EU-China Business Association** – **Ms. Gwenn Sonck**, Executive Director

10h15-10h50: Enforcement of IP in China – **Mr. Toby Mak**, IP expert of the China IP SME Helpdesk

10h50-11h00: Q&A session

Practical information:

Date: 1 July 2025

Time: 10 AM - CEST

Location: Online

Price members: FREE (registration required)

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ACTIVITIES SUPPORTED BY FCCC

The Third China International Supply Chain Expo (CISCE) – 16-22 July 2025 – Beijing



中国国际供应链促进博览会

China International Supply Chain Expo (CISCE)

The China International Supply Chain Expo (CISCE), as the world's first state-level expo focusing on the supply chain, is a global public good shared by the whole world. The third CISCE is scheduled to be held in Beijing from July 16 to 20, 2025, with a total area of 120,000 square meters and six major chains which include advanced manufacturing, clean energy, smart vehicles, digital technology, the healthy life, and the green agricultural chain, and one supply chain service exhibition area. Up to now, nearly 200 companies have signed up to participate in the third CISCE. We welcome the active participation of Chinese and foreign enterprises.

Since 2023, the CISCE has been successfully held for two editions, becoming a global economic and trade event with distinctive exhibition features, diverse activities and fruitful cooperation, and making positive contributions to the construction of a more secure, stable, open and inclusive global industrial and supply chain.

Venue: China International Exhibition Center Shunyi, Beijing - Contact: 010-84600162

REGISTER NOW: 5th Innovation Fair – Nanjing – September 16-18, 2025



The EU-China Business Association (EUCBA) is a supporting organization of the 5th Innovation Fair in Nanjing

Building on the success of previous editions, the 5th Innovation Fair is scheduled to take place from 16-18th September 2025. The fair promotes international business development, uncovers sourcing opportunities, and provides access to the Chinese market while allowing for opportunities for representation and distribution of Chinese businesses in Europe. Based on your specific requirements, our team in China will book relevant counterpart meetings for you.

Benefits & Cost of Participation	How to Participate
Covered Costs Travel 1x Eco Class Ticket (roundtrip) Hotel and meals throughout the event Services Provided Matchmaking Space (Booth) Speaking Opportunity Personalized matchmaking service Registration Fees per Participant Early Bird Rate: 880 EUR (valid until 16 May.) Standard Rate: 980 EUR (valid from 17 May. to 17 July) Late Registration: 1280 EUR (valid from 18 July. to 18 Aug.) Payment instructions will be sent via email after we confirm your registration.	1. Apply by registering following the QR code. 2. Complete your company and product descriptions as well as your target Chinese counterparts.  Scan the QR Code to REGISTER

After registration, we kindly ask you to share the confirmation via email to saramedina@spi.pt

Visit the Fair's website at <https://innovationfair.net>

Subscribe by scanning the QR code above or clicking on the link below.

Contact FCCC: Gwenn.sonck@flanders-china.be

[SUBSCRIBE HERE](#)



Introduction to the ICBC booth at the 8th China International Import Expo (CIIE) November 5-10, 2025 – Shanghai



Introduction to ICBC Booth at the 8th China International Import Expo

The 8th China International Import Expo (CIIE) will be held from November 5 to 10, 2025, at the National Exhibition and Convention Center (Shanghai). As a comprehensive partner of the CIIE, Industrial and Commercial Bank of China (ICBC) has taken a pioneering role since the 4th CIIE in 2021 by exclusively launching a distinctive ICBC booth in the Food and Agricultural Products Exhibition Area, uniquely organized through a financial institution-led entrusted exhibition model.

By leveraging its global network, ICBC has invited international exhibitors through its overseas branches. Over the past four years, the number of participating exhibitors, exhibited products, and countries of origin has continued to grow steadily. To date, the ICBC booth has hosted more than 430 exhibitor participations from over 60 countries and regions.

In addition, the booth has successfully organized nearly 50 matchmaking sessions between exhibitors and buyers, and supported exhibitors in holding over 60 product launches and promotional events. These efforts have greatly contributed to facilitating international trade connectivity and enhancing global business cooperation.

Overview of ICBC Booth at the 8th China International Import Expo

This year, with strong support from the Head Office, ICBC Shanghai Branch will continue to set up a booth in the Food and Agricultural Products Exhibition Area. In collaboration with the CIIE Bureau, the booth will also feature two newly added functional zones inside the exhibition hall: a Buyers' Corridor and a Key Buyers' Product Selection Area, aimed at enhancing matchmaking effectiveness for exhibitors and buyers. The booth details are as follows:

- **Exhibition Area:** Food and Agricultural Products
- **Booth Size:** 1,200 square meters
- **Booth Location:** Hall 8.2, National Exhibition and Convention Center (Shanghai)
- **Functional Zones within the Booth:**
 - Product Display Area
 - Business Negotiation Area
 - Event Area
 - Operation Area
 - Financial Services Area
 - Live Streaming Area
 - VIP Lounge

With the support of the CIIE Bureau, Industrial and Commercial Bank of China (ICBC) will co-host a Key Buyers' Product Selection Event during the Expo. Near the venue of this event, ICBC will also set up a dedicated Buyers' Corridor, featuring exclusive display and negotiation areas for key buyers.

Fifteen leading enterprises from sectors such as e-commerce, major retail chains, international trade, and food and beverage—including JD.com, Suning.com, Bright Food Supply Chain, and Greenland Zhongxuan—have already joined as Buyers' Corridor members. Each company will have a designated display and negotiation area within the corridor, with purchasing representatives stationed onsite to engage in direct matchmaking discussions with exhibitors.

Exhibitor Requirements for the 8th CIIE

The exhibitor recruitment process for the ICBC-commissioned booth at the 8th China International Import Expo is about to begin. We kindly request that relevant overseas institutions actively invite qualified international enterprises to register. The specific requirements are as follows:

1. **Each overseas institution may register up to five (5) exhibitors in principle.**
2. **Exhibitors must be overseas enterprises in the food and agricultural products sector.**
3. **The booth will be designed and constructed in a unified manner by ICBC Shanghai Branch.** Booth usage and space allocation will be coordinated and arranged by the branch.
4. **To enhance the quality of the exhibition area, priority will be given to:**
 - Well-known food companies
 - Country-specific specialty products
 - Exhibitors showcasing new product launches or debut displays
5. **The exhibition area can accommodate promotional and matchmaking events for up to 50 participants.** Overseas institutions with such needs are requested to inform ICBC Shanghai Branch in advance. Arrangements will be made based on the overall activity plan for the booth.
6. **All costs related to product shipping, accommodation, and meals are to be borne by the exhibitors themselves.**

Industrial and Commercial Bank of China – Shanghai Branch International Business Department, May 2025

Industrial and Commercial Bank of China sincerely invites institutions and enterprises from both home and abroad to join us this golden November at the ICBC Signature Booth, and to make fruitful achievements at the 8th China International Import Expo!

Contact FCCC: Gwenn.sonck@flanders-china.be

MEMBERS' NEWS

Chengdu-Belgium airports reach cooperation



Thanks to the matchmaking efforts of the Flanders-China Chamber of Commerce (FCCC) – among others – Chengdu Shuangliu International Airport and Ostend-Bruges International Airport signed a Memorandum of Understanding (MoU) on cooperation.

On May 28, the 5th Opening Chengdu Sharing Session 2025-Signing Ceremony for the Strategic Cooperation between Chengdu Shuangliu International Airport and Ostend-Bruges International Airport & Marketing Event of Ostend-Bruges International Airport, took place at the Business & Innovation Centre for China-Europe Cooperation (CCEC). Hosted by Ostend-Bruges International Airport and supported by Chengdu Municipal Commerce Bureau, Chengdu Municipal Port and Logistics Office, Chengdu Opening-up and International Cooperation Center (COICC), Chengdu Shuangliu International Airport, and CCEC, the event marked a new chapter in in-depth aviation cooperation between Chengdu and Belgium.

With the matchmaking efforts made by Chengdu Municipal Port and Logistics Office, COICC, and our C&P members, BORNS and **Flanders-China Chamber of Commerce**, Chengdu Shuangliu International Airport and Ostend-Bruges International Airport officially signed a Memorandum of Understanding (MoU) on cooperation in key fields like **aviation operations, technical management, commercial development, data and innovation**. By pooling their resources and strengths, the two airports aim to explore broader cooperation horizons.

Mr. Eric Dumas, CEO of Ostend-Bruges International Airport, stated: “The annual cargo throughput of Chengdu International Aviation Hub exceeding one million tons has set an example and benchmark for the development of Ostend-Bruges International Airport. We are convinced that this cooperation will enhance supply chain resilience and unlock new market opportunities for Chinese and Belgian enterprises.”

At the event, COICC introduced **the Chengdu & Partners Program**, stating that it will gather kindred spirits and pool premium resources for Chengdu and its enterprises through platform building, project cooperation, and trade promotion. Eric Dumas commented, “We look forward to reaching Chengdu’s business community through this Program and building a more efficient route of cargo transport for China-Europe trade.”

The event was graced by a massive turn-out of industry big-shots. It brought together over **30 leading cargo and logistics companies**, including Lufthansa Cargo, DHL Global Forwarding, Sinotrans Air Transport Development, and China Air Express, all eager to expand international business and deepen cooperation. The Ostend-Bruges International Airport made a promotion presentation on the site, showcasing its state-of-the-art facilities, excellent services, and immense potential for collaboration with Chengdu, enabling the attendees to learn that the airport is the key aviation gateway in Belgium in a clear and profound manner.

Currently, Chengdu is accelerating its **“Three Centers and One Base”** initiative (the Economic Center, Technology Innovation Center, and External Exchange Center in West China and the National Advanced Manufacturing Base). In Chengdu’s epic journey to develop into a modern socialist international metropolis in western China with global influence and reputation, the soaring international aviation hub in the making is unleashing mighty momentum for opening-up.

Since the opening of Tianfu International Airport in June 2021, Chengdu has become **the third city on the Chinese mainland to have two international airports**, achieving a quantum leap in hub connectivity, elements agglomeration and industrial leadership. In 2024, the dual-airport cargo throughput surpassed **one million tons**, making Chengdu the fifth city in China to join the **“Million-Ton Club”**. This year, Chengdu has further expanded its far-reaching global network by launching multiple new international cargo routes.

Meanwhile, Ostend-Bruges International Airport, certified by the European Union Aviation Safety Agency (EASA), is vital in Europe’s aviation landscape.

Eric Dumas introduced that the airport operates **24/7**, ensuring rapid cargo turnover and accommodating all aircraft types. It serves as a training hub for pilots of major airlines and offers seamless connectivity to maritime, road, and rail transition. Its proximity to the Channel Tunnel allows cargo to reach the UK market in as fast as **three hours**. Thus, the airport holds significant advantages in geographical location, operational efficiency, and ground services.

Hedin Mobility Group appointed exclusive importer of NIO Group brands in Belgium and Luxembourg



Hedin Mobility Group, one of the largest mobility players in Europe, has been appointed as the exclusive importer of NIO Group brands – including NIO and firefly – in Belgium and Luxembourg. NIO will be the 15th brand in Hedin Mobility Group’s ever-expanding distribution portfolio, with commercial activities starting in September 2025.

Founded in China in 2014 and listed on the New York Stock Exchange (Nasdaq), Hong Kong and Singapore (SGX), NIO is a world-leading manufacturer of electric vehicles (EVs), known for its cutting-edge technology and innovative solutions

with a strong focus on user experience. The brand is currently active in Sweden, Norway, the Netherlands, Germany and Denmark, and is now further expanding its presence in Europe in collaboration with Hedin Mobility Group.

Thanks to this new partnership, Hedin Mobility Group will be responsible for the distribution of NIO Group brands in Belgium and Luxembourg, including the premium brand NIO and the new brand firefly. The partnership includes not only distribution, but also vehicle sales, after-sales services and spare parts. Initially, a comprehensive offering will be launched, comprising two different brands:

- **NIO, which focuses on premium electric vehicles**, such as the EL6 – an all-purpose electric SUV; the EL8 – a safe, sustainable six-seater luxury SUV; the ET5 – a mid-size electric sedan; and the ET5 Touring – a smart electric break.
- **firefly, NIO's new brand focusing on high-end compact electric vehicles**, with the first model being the firefly: a small electric vehicle designed for urban users.

All vehicles are equipped with NIO's proprietary software and hardware platforms, including intelligent driving chips, advanced chassis systems and the signature NOMI AI assistant – a fully integrated in-car artificial intelligence that provides smooth voice control and control over vehicle functions.

Anders Hedin, CEO of Hedin Mobility Group:

"We are proud to introduce NIO to customers in Belgium and Luxembourg. NIO represents the next generation of electric mobility, combining technological excellence with a strong focus on safety, design and user experience. Thanks to our extensive retail network and local expertise, we are ideally placed to launch these exceptional vehicles in these new markets."

Thijs Meijling, Head of NIO Europe Business:

"This partnership marks an important step in our strategic expansion within Europe. Belgium and Luxembourg are centrally located in the heart of the continent. We are therefore delighted to enter these markets with a strong, experienced local partner. By working with Hedin Mobility Group, we combine local expertise with NIO's global innovation power to offer a flexible, scalable and premium smart EV experience. Our goal is to accelerate our European growth with a modular distribution model that responds to local needs and creates long-term value for our users."

NIO's offering will initially be available exclusively through Hedin Automotive in Belgium from September, with Luxembourg following in 2026. Customers can count on a fully integrated journey – from vehicle selection and financing to service, charging and digital connectivity. NIO and firefly will be presented to the general public for the first time on 19 June during the Link2Fleet ZE Experience Event in Leuven. Visitors can discover the vehicles at the Hedin Automotive stand.

About NIO:

NIO is a global smart electric vehicle company founded in November 2014. NIO is the first automotive company to be listed on the NYSE, HKEX, and SGX. NIO currently has three major brands under its umbrella: NIO, ONVO, and firefly. Ten years after its founding, NIO is now a leading company in the global premium smart electric vehicle market and is dedicated to improving its research and development capabilities for its core technologies. As of the end of March 2025, the company had applied for and been granted more than 9,900 patents. In addition, NIO has developed the NIO Full Stack, a set of 12 technology areas. NIO has R&D and manufacturing facilities in Shanghai, Hefei, Beijing, Nanjing, Shenzhen, Hangzhou, Wuhan, San Jose, Munich, Oxford, Berlin, Budapest, Singapore, and Abu Dhabi. The company has also established sales and service networks in China, Norway, Germany, the Netherlands, Sweden, Denmark, the United Arab Emirates, Israel, and Azerbaijan.

NIO Inc. currently offers nine premium smart electric vehicle models under the NIO brand, one smart electric vehicle under the ONVO brand, and one premium small smart electric vehicle under the firefly brand. As of April 30, 2025, NIO Inc. had delivered a total of 737,558 vehicles, ranking first in the premium BEV segment priced above CNY300,000.

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AUTOMOTIVE

China becomes brain of global car industry for R&D and innovation



In recent years, Volkswagen has come to realize that developing cars in Europe and bringing them into China no longer works, as local rivals are coming up with completely new products at a super fast speed and car buyers are young and tech-savvy. Ralf Brandstaetter, CEO of Volkswagen Group China, expressed those ideas in late 2023 in Hefei, capital of Anhui province, where the German company has built an R&D facility dedicated to smart new energy vehicles (NEVs). With an investment of €1 billion, **Volkswagen China Technology Company is the carmaker's largest development center outside Germany.** The center is creating an electric vehicle (EV) platform specifically for the Chinese market and to meet the demands of Chinese customers. The first model is scheduled to roll out in 2026.

At the Auto Shanghai show in April, an executive of Volkswagen made a frank admission that the German company's China strategy was wrong. "To be very honest, two years ago we didn't have the right product strategy or the right approach to drive the business in China," Oliver Blume, Chairman of the Board of Management of the Volkswagen Group, told China Daily. "But at this year's auto show, we're not just talking about strategy or plans on paper – we're showcasing real results, and that makes me very proud of what the teams have accomplished," said Blume. The German automaker's long and profitable association with China began in October 1984 when it inked a deal with the Shanghai Automobile & Tractor Company to begin a joint venture, Shanghai Volkswagen. Now known as SAIC Volkswagen, it is the oldest extant automotive partnership in China. Despite the Germans' initial concerns that the fledgling China operation could not produce even "one Volkswagen-standard car" the first model of the joint venture, the Santana, rolled off the assembly line in late 1985.

German technology and management, coupled with China's reform and opening-up and local workers' diligence, was the right formula for success. The Santana was a triumph, and for more than 30 years Volkswagen – joined by other foreign automakers such as Peugeot, Fiat, Toyota and Hyundai – rode on the path of prosperity created by China's ongoing development and modernization. **By 2009, China had become the world's**

largest vehicle market, and non-Chinese brands accounted for 56% of total vehicle sales, according to the China Association of Automobile Manufacturers (CAAM). But the peak for overseas auto manufacturers in China was followed by a decline as the industry entered the era of NEVs. Volkswagen sales tumbled from 3.85 million units in 2020 to 2.92 million units in 2024. In the meantime, Chinese automaker BYD's sales skyrocketed from 427,000 units in 2020 to 4.27 million units in 2024. Volkswagen wasn't alone. South Korean automaker Hyundai, the world's third-largest carmaker, delivered 507,000 units in China in 2020, but last year its sales shrank to 157,000 units. General Motors, the No. 1 carmaker in the United States, saw its sales in China plunge from 2.9 million units to 1.83 million units over the same period.

The local supply chain in China is one key driver of Volkswagen's efficiency. The company said around 1,100 Chinese suppliers are involved, and the localization rate will gradually be increased to 100%. Volkswagen calls it the second wave of "localization" in the country. In the first wave, the company purchased components from international suppliers' plants in China, which nevertheless required going back and forth with the automaker's headquarters in Germany, a company executive explained. But now, **Volkswagen sources components directly from Chinese companies and involves them in the early stages of development,** which saves time and improves integration. Starting from 2026, over 20 state-of-the-art NEVs will be launched, including battery electric vehicles, plug-in hybrid electric vehicles and extended-range electric vehicles, to suit differing customer demands in China, said the carmaker.

More importantly, these models are not engineered in Germany, but developed with "Chinese solutions", making them more appealing to local customers. The carmaker launched its "in China for China" strategy in 2023. "For us, 'in China, for China' is not just a slogan – it's our execution mode," Brandstaetter told China Daily at the auto show. Despite Volkswagen's renewed confidence, the challenges ahead remain formidable and Brandstaetter is acutely aware of the realities, especially the fierce competition faced from Chinese automakers. While the new generation of Volkswagen models tailored for the Chinese market is just around the corner, Brandstaetter remains cautious. "We are confident, but I think the competition is tough here in China, and this will be an ongoing challenge in the coming year," he said.

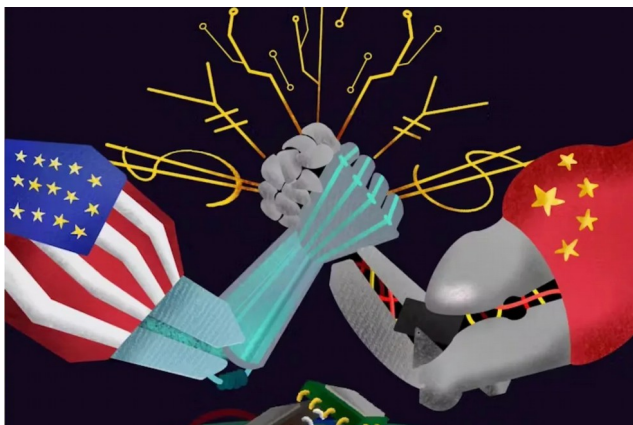
As the world's largest and most fiercely competitive automotive market, **China is redefining the global car industry** – not just as a sales powerhouse, but **increasingly as the epicenter of innovation, research and development, and manufacturing excellence.** "The market here is not just the largest in scale – it is the most innovative," said Christophe Perillat, CEO of French auto parts supplier Valeo. Perillat stressed that Valeo is "inventing in China", not merely importing global

technologies. Some 4,500 engineers work locally, with a large proportion of software developers, underscoring the

growing importance of software and AI in automotive innovation, the China Daily reports.

HIGH-TECH

U.S. still ahead of China in tech race, but gaps are quickly closing



The United States continued to lead China in critical technologies, namely artificial intelligence (AI), biotechnology, semiconductors, space and quantum, according to a report by Harvard University. The authors of the **Critical and Emerging Technologies Index, released by the university's Belfer Center for Science and International Affairs**, said the U.S. maintained its competitive edge because of large-scale American public and private investment, a top-notch and diverse research workforce, and a decades-old decentralized innovation ecosystem. To quantify the global tech race, the index assigned considerable weight to private and public funding resources – a U.S. advantage not captured by trackers focusing on research output, such as the Nature Index and the Critical Technology Tracker, created by the Australian Strategic Policy Institute. Both of these have pointed to China as the leading country in many research fields.

In January, Nature Index showed that in terms of high-quality scientific research output, Sichuan University had overtaken Stanford University, the Massachusetts Institute of Technology, Oxford University and the University of Tokyo in less than two years. The index – maintained by the highly regarded journal Nature – ranks institutions based on their contributions to articles published in the world's most influential science journals. This year the index also showed that China led the world in physics research publications along with Europe, with the U.S. a distant rival. **According to the Australian think tank tracker, China led in 57 of 64 technologies from 2019 to 2023**, which included the fields of defense, space, energy, environment, AI, biotech and quantum. That tracker evaluated the risk of nations monopolizing research in key technologies based on the share of high-impact research output and the number of leading institutions.

"Although both Europe and China are comparable to the

U.S. in raw GDP terms, Europe's regulatory environment and the Chinese state's extensive intervention in its markets prevent it either from achieving economic conditions similar to the U.S., with its uniquely deep capital markets, and favorable conditions for starting new businesses," said Ethan Kessler, a Researcher at the Belfer Center and co-author of the latest report. "There are also factors that we consider in our index, such as the number of successful space launches for the space category, where the U.S. is ahead by a considerable margin. By comparison, in space-related publications, the global field is more even," he added. However, **while China largely trailed the U.S. in all key technology fields, it remained competitive and was steadily narrowing the gap**, the report found.

"China lags in semiconductors and advanced AI due to reliance on foreign equipment, weaker early-stage private research, and shallower capital markets, but it is far closer to the United States in biotechnology and quantum, where its strengths lie in pharmaceutical production, quantum sensing and quantum communications," the report said. "Backed by economic resources, human capital and centralized planning, China is leveraging scale to reduce dependence on imports, attract innovation within its borders and boost industrial competitiveness," the report added. "Still, China remains constrained by large structural challenges: slowing growth, mounting debt, and industrial overcapacity, among others," it noted.

The Belfer index evaluated each country's performance by measuring factors such as private investments and public funding in actual amounts, the numbers and expertise of researchers, defensive capabilities relative to the technology, legal and policy structures, as well as leadership in international organizations and norm-setting bodies. Most of the data used was from 2023. "China has made significant progress and enjoys unique advantages that will challenge the American AI lead in the next decade," the report said in reference to AI. According to the authors of the report, the U.S. dominated in terms of economic resources, computing power and algorithms, while China led in data and human capital.

But the team said **the U.S. lead in AI "may be more vulnerable than previously assumed"**, citing China's recent releases of DeepSeek's R1 model, which had performance comparable to OpenAI-o1 across mathematics, code and reasoning tasks, as well as Alibaba's Qwen3 family of highly ranked open-source models. "The great progress China has made in AI over the last two years, particularly with regard to model performance and cost-optimized training, underscores the importance of not only pioneering key technologies but also leveraging initial progress to advance growth in a variety of

industries,” the report said. **“China has the most immediate opportunity to overtake the United States in biotechnology,”** the report noted, because China had “dominance in pharmaceutical production through extensive, large-scale public investments and state-backed

manufacturing”. Aside from biotech, Kessler said China was also mostly a threat to U.S. positions in the fields of **semiconductors and quantum** – areas in the index with the smallest gaps in raw scores between the two countries, the South China Morning Post reports.

HIGHER EDUCATION

Chinese universities rush to offer AI majors



The rapid rise of artificial intelligence (AI) as a discipline is reshaping China’s higher education landscape, with universities scrambling to adapt to national strategies and industry demands. Since 2018, when the first 35 Chinese universities introduced undergraduate artificial intelligence (AI) programs, the field has exploded. As of this year, **over 626 institutions nationwide offer AI-related degrees**, however, educators have shown a mix of enthusiasm and caution with regard to balancing quality and quantity. Since the Chinese government outlined its three-step AI development plan in 2017, national and local policies have prioritized AI innovation. The Ministry of Education’s 2022 decision to categorize intelligent science and technology as a first-tier interdisciplinary discipline further institutionalized AI education.

Changsha University of Science and Technology’s School of Artificial Intelligence, established in January in Changsha, Hunan province, epitomizes this trend. Dean Fan Shaosheng explained that the school was created by merging automation, robotics and AI programs to foster interdisciplinary talent. “Our goal is to serve regional economic development and industries such as transportation, power and water conservancy, aligning with Hunan’s development strategy,” he said. The school’s “undergraduate-master’s-doctorate” integrated model shortens training cycles for top students while emphasizing innovation. With 60 faculty members – 80% holding PhDs – and 1,400 undergraduates and 280 graduate students, the school leverages policy incentives, industry collaboration and dynamic curriculum updates to maintain educational quality, he said. Employment prospects remain a key driver. Fan noted that 90% of the school’s AI and automation graduates secured jobs, outperforming institutional averages. Dean Fan highlighted the “high

demand, salary premiums and diverse applications” for AI, but stressed the importance of aligning personal aptitude with professional choice. “Strong math, logic and a passion for technology are prerequisites,” he said.

At Beijing Jiaotong University, the integration of AI into traditional engineering reflects a broader shift. Liu Yueming, Vice Dean of the School of Mechanical, Electronic and Control Engineering, detailed how programs like intelligent vehicle engineering and robotics engineering have emerged from upgrades to meet smart manufacturing and rail transit demands. “High-speed trains are now intelligent entities, requiring expertise in AI-driven design and maintenance,” he said. The school’s four AI-related majors, enrolling 320 students annually, blend mechanical engineering with AI, big data and the internet of things (IoT). With a 70% postgraduate enrollment rate and 97% employment rate, graduates often join state-owned enterprises like China Railway and CRRC Corporation, he said.

Industry alignment remains critical. The university has revamped its curriculum to emphasize cross-disciplinary foundations, delaying specialization until junior year to broaden student adaptability, Liu said. This approach, combined with hands-on innovation platforms and industry-linked research, ensures graduates meet labor market needs. Zhang Haibin, a mechanical engineering student at Beijing Jiaotong University and a robotics enthusiast, highlighted the program’s interdisciplinary rigor. “Robotics isn’t just stacking disciplines – it’s integrating hardware, algorithms and control systems,” he said. His team’s yam planting robot, developed through coursework and competitions, exemplifies practical skills prized by employers. He said robotics competitions and industry projects bridge theory and practice. Zhang credits contests like the National Undergraduate Mechanical Innovation Competition with sharpening his skills.

Beijing University of Technology launched its AI undergraduate program in 2020 and introduced an experimental AI class this year. Designed to bridge the needs of academia and industry, the program emphasizes foundational knowledge, technical innovation and interdisciplinary research, according to Yin Baocai, Program Director and Professor at the university’s School of Information Science and Technology. The inaugural class of 2021 boasted a 55% postgraduate advancement rate, with others securing roles at tech firms such as Lenovo and State Grid Beijing, he said. To address the AI talent gap, the university integrates internships, corporate

collaborations and competitions into its training model. For instance, the “engineering master forum” invites industry experts to deliver lectures, while projects in smart transportation and environmental systems simulate real-world problem-solving, he said. **Yin predicts AI will drive breakthroughs in healthcare, robotics and scientific**

research. Despite the field’s popularity, he emphasized that program applicants require strong logical thinking and programming aptitude to avoid “bandwagon” enrollment. AI majors have become synonymous with “high salaries” and “strong employability”, the China Daily reports.

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CHINA NEWS ROUND-UP

EU restricts Chinese companies' access to procurement tenders in the medical device sector

European Union member states have voted to restrict access to the procurement market for Chinese medical device manufacturers. Chinese firms will be blocked from EU tenders worth more than €5 million for a five-year period in what marks the first use of the EU's **International Procurement Instrument (IPI)**. The measure could be implemented within weeks after the EU Commission gives its go-ahead. The vote added tension in the China-EU relationship ahead of a meeting last week between EU Trade Commissioner Maros Sefcovic and Chinese Minister of Commerce Wang Wentao on the margins of an Organization for Economic Cooperation and Development (OECD) ministerial conference in Paris.

In January, a European Commission investigation concluded that there was “clear evidence of China limiting access by EU medical device producers to its government contracts in an unfair and discriminatory way”. According to the EU, Chinese medical device manufacturers have largely free access to public procurement tenders in the EU market, compared to the restrictions faced by European competitors in China. The EU probe singled out **Beijing’s “Buy China” policies** – particularly in the high-end segment of the medical device sector – **as designed “to directly favor domestic medical devices to the detriment of imported ones”**. It noted that the devices were among the 10 designated under the Made in China 2025 program, with targets for domestically produced products to account for half of all those used in county hospitals by 2020, 70% by 2025 and 90% by 2030. “Overall, the commission found that 87% of public procurement tenders contained explicit or implicit restrictions affecting the procurement of imported medical devices,” it said. The IPI was adopted in 2022 to crack open public procurement markets that are closed to European firms. It is one of a suite of tools created to deal with what the EU considers unfair trading practices by China, the South China Morning Post reports.

The Global Times adds that the China Chamber of Commerce to the EU (CCCEU) expressed profound disappointment over the EU member states’ reported

approval of restrictive measures under the International Procurement Instrument (IPI), while urging the EU to reconsider the necessity and long-term implications. The IPI is a unilateral instrument targeting Chinese enterprises and contradicts the EU’s stated principles of openness, fairness and non-discrimination in market access, the Chamber said. The CCCEU emphasized that Chinese enterprises have consistently operated in compliance with laws and regulations, following principles of integrity and good faith. Their contributions to the EU – through investment, technological advancement, and job creation – are widely recognized and valued, the Chamber said.

U.S. study: Chinese firms invest more efficiently when facing higher tariffs

Chinese firms tend to invest more efficiently when facing higher duties or import restrictions, according to a study that highlights an unexpected benefit of tariffs by analyzing data from before the two trade wars with the United States. Published in the peer-reviewed Journal of Corporate Finance, the paper examined more than 2,700 listed firms in China, their financial and accounting data from 2003 to 2016, and the trade barriers imposed on the country during this period. The paper was released in April when Chinese exporters faced renewed trade turbulence, with the world’s two largest economies imposing triple-digit tariffs on each other – before agreeing to a 90-day truce in May.

Trade defense instruments (TDIs), such as anti-dumping or countervailing duties, have largely prompted Chinese companies to allocate capital more effectively, according to the paper. This was especially true for cash-rich firms that lacked strong governance, where unchecked investments had been more common. “Our findings reveal a nuanced dynamic, showing that trade protection measures, such as TDIs, can have complex and counterintuitive effects on target firms’ resource allocation and the broader economy.” The authors called trade shocks an “external disciplining mechanism” that reduces free cash flow and curbs over-investment, where excessive resources are poured into underperforming projects.

The positive effects were also driven by “intensified

competition within domestic markets” as trade restrictions made it harder for companies to find buyers at home, the authors said. However, while analysts said firms were now cutting investments, they cautioned that other factors might be driving the trend. Wang Ying, Managing Director at Fitch Ratings, expects a decline in the average capital expenditure intensity of Chinese companies in the near to medium term, driven by slowing demand growth and reduced investment returns. “Nevertheless, the risk of capital misallocation may continue in China’s state-dominated system, where state-owned enterprises with lower operating efficiency prevail in domestic bank and debt capital market financing.” Between 2003 and 2016, the benefits of trade disputes were more pronounced in companies that faced higher penalties, had previously experienced less competition, exported to fewer destinations or had a less diverse product portfolio, the paper found. Gary Ng, Senior Economist at Natixis, said that it typically made sense for firms to reduce investment when facing reduced cash flows. But he warned that China’s current industrial strategy could offset pressures to cut back, the South China Morning Post reports.

Presidents Trump and Xi solve some issues in telephone call

Chinese President Xi Jinping and U.S. President Donald Trump held a much-anticipated 90-minute telephone call during which they discussed Taiwan and their troubled trading relationship before extending invitations to visit each other’s capitals. China insisted that the call was made at Trump’s request. The U.S. President said on social media the call “resulted in a very positive conclusion for both countries”. “During the conversation, President Xi graciously invited the First Lady and me to visit China, and I reciprocated. As Presidents of two great nations, this is something that we both look forward to doing,” he added. The news followed weeks of tit-for-tat accusations as Washington and Beijing blamed each other for breaching a deal reached weeks ago in Geneva when the world’s two largest economies agreed to dramatically cut reciprocal tariffs for 90 days, an outcome Trump then dubbed a “total reset”.

According to separate readouts, the leaders agreed to reverse blocked visas for Chinese students studying in the U.S., an irritant for Beijing, and resume Chinese exports of rare earth minerals, an irritant for Washington. But the tone of the read-outs was notably different, with Trump’s being more positive and China’s more cautious. While a CCTV account said Xi emphasized the importance of the Taiwan issue, Trump noted that the conversation “focused almost entirely on trade”, adding that it did not cover Russia, Ukraine or Iran. “President Xi Jinping emphasized that the United States should handle the Taiwan issue with caution,” according to CCTV, to avoid dragging “the two countries into a dangerous situation of conflict and confrontation”. **Both sides cited the Geneva agreement as a point of reference to build on**, although Beijing appeared keen to establish that it had acted responsibly. “The Chinese people always keep their promises and follow through on their actions. Since a consensus has been reached, both sides should abide by it,” Beijing said. “The U.S. side should view the progress made in a realistic

manner and withdraw the negative measures it has imposed on China,” it added.

Analysts suggested China was increasingly confident. “Beijing’s willingness to proceed now suggests it feels it holds the stronger hand,” said Daniel Russel of the Asia Society Policy Institute (ASPI). China knows Trump is eager for a deal and is leveraging that to the hilt.” Russel noted Trump’s restrained account of the meeting without his signature all caps wording, “presumably because Beijing had demanded assurances he wouldn’t mouth off as a condition for consenting to the call”. U.S. trade officials and analysts expressed hope that the top-level breakthrough would help ease tensions after weeks of rhetoric and tit-for-tat moves that have unnerved global trade, the South China Morning Post reports.

Following the call between the two presidents, the U.S. also decided not to label China a currency manipulator in the treasury’s semi-annual report to Congress, but still accused China of lacking transparency in its exchange rate policies. President Trump also announced that U.S. Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer would head future negotiations with China and that a first negotiation round would be held in London this week.

EU Trade Commissioner tells China that its impressive rise must not crush EU industries

The European Union’s Trade Commissioner Maros Sefcovic has warned China that its “impressive rise must not come at the expense of the European economy” as the bloc continues to push for Beijing to loosen export controls on rare earths and act on trade diversion. Speaking in Brussels two days after meeting Chinese Commerce Minister Wang Wentao, Sefcovic stated that “China has a responsibility to match its support for multilateralism with full respect for the rules meant to ensure fairness and equity. Hence, our calls on China to address systemic issues affecting Europe and other partners, such as overcapacity, subsidies, market access barriers, critical minerals export restrictions, investment conditions and trade diversion,” the Slovakian official said at the Brussels Economic Security Forum. “We are committed to rebalancing this relationship and establishing a level playing field in trade and investment, with symmetrical market opening.”

Sefcovic met Wang on the sidelines of an OECD ministerial summit in Paris and said he raised as a top priority **China’s export controls on rare earth minerals and magnets, which have threatened to undermine European industries**. The issue has become a major stumbling block in efforts to improve ties. “We spent a lot of time talking about the magnets, the new system they introduced and how important it is to have transparency, to have the proper supplies of this very important commodity for our industry,” said Sefcovic, focusing on a key product for which the Chinese government has added export restrictions. While the EU would continue turning to China to tackle “bilateral and global challenges”, Sefcovic said, it was “equally important to address our differences, as the quality of our cooperation impacts not only our industries

and our people, but also the entire global economy”.

China processes about 90% of the world's rare earth minerals and introduced export controls on their shipments in April in retaliation for Trump's reciprocal tariffs. Rare earths consist of 17 elements. On April 4, Beijing added seven of these – dysprosium, gadolinium, lutetium, samarium, scandium, terbium and yttrium – to its export control list, plus several rare earth magnets, two days after Trump announced his tariff move, meaning licenses are now required for their export. European businesses have been pushing the Chinese government to streamline and speed up the approval process. Sefcovic asked Wang to separate requests for minerals, which could have military uses, from magnets, which are used more for civilian purposes, the South China Morning Post reports.

China's factory activity contracts in May for the first time in 19 months, according to Caixin PMI

The Caixin China General Manufacturing Purchasing Managers' Index (PMI) dipped to 48.3 in May from 50.4 in April, below the 50-point mark that separates expansion from contraction. The figure hit its lowest level since September 2022. Compared to the official PM, the Caixin manufacturing PMI tracks small, export-oriented companies more closely. Wang Zhe, Senior Economist at Caixin Insight Group, linked the contraction in the manufacturing sector to the decline in both supply and demand, saying unfavorable factors affecting China's economic development remain relatively prevalent. “Uncertainty in the external trade environment has increased, adding to domestic economic headwinds,” he said.

China's May exports were up by 4.8% year-on-year to USD316.1 billion, following April's 8.1% growth and fell short of the estimate of a 6.28% increase in a market survey by Chinese financial data provider Wind. **Exports to the United States plunged by 34.52%**, sharper than the 21% drop seen in April, owing to the trade war between the two countries. Shipments to members of the Association of Southeast Asian Nations (ASEAN) rose by 14.84% in May. Imports, meanwhile, fell by 3.4% year-on-year, compared with a 0.2% downtick in April. Wind predicted a 0.7 per cent increase. China's trade surplus stood at USD103.2 billion in May, up from USD96.18 billion in April.

The Caixin report showed that the gauge for new orders hit contraction for the first time in eight months, recording the lowest level since September 2022. However, business optimism improved from April's low, as surveyed manufacturers generally believed that the China-U.S. trade conflict would abate in the near term, expecting to see improvements in the external market. The indicator for future output expectations remained in expansionary territory in May, with the reading rebounding by nearly 3 percentage points, up from the third-lowest level on record seen in April. “Major macro-economic indicators showed a marked weakening at the start of the second quarter,” Wang said. “The downward pressure on the economy has significantly intensified compared to preceding periods.” He noted that the lasting impact of earlier measures aimed at

stimulating consumption needs further evaluation, saying follow-up actions should be introduced based on actual conditions. “More importantly, boosting domestic demand should be grounded in improving household incomes,” he added.

The National Bureau of Statistics (NBS) reported that the official PMI for China's manufacturing sector came in at 49.5 in May, up from 49 in April, but remained in the contraction zone for a second consecutive month. Lu Ting, Chief China Economist at Nomura, said the improvement in the official manufacturing PMI was led by the increase in new export orders, thanks to the U.S.-China tariff de-escalation. However, he noted that the fact that the manufacturing PMI failed to rise into expansionary territory shows that the impact from the tariff truce should not be overstated, the China Daily reports.

Sales of China's top 100 developers drop by 10.8% in first five months

China's top 100 developers recorded combined sales of CNY1.44 trillion from January to May, a 10.8% year-on-year decline, according to the latest data from real estate market consultancy China Index Holdings (CIH). The contraction remained largely unchanged from the first four months of this year, with only a marginal 0.6 percentage point narrowing, underscoring the continued challenges faced by the sector. The monthly data also revealed an intensifying downward trend, with May sales alone falling 17.3% year-on-year, a 0.5 percentage point wider decline compared to April. The gradual deterioration in sales performance came despite some variations across different tiers of developers.

While firms ranked 31-50 managed to limit their sales decline to 3.6%, other segments saw more pronounced decreases, particularly those ranked 51-100 where sales plummeted by over 15%, according to the CIH data. In addition, **market concentration appeared to be increasing**, with 33 developers maintaining sales above CNY10 billion, matching last year's performance in the same period. Within this group, the number of developers surpassing CNY50 billion actually increased by one to eight, while those crossing the CNY5 billion threshold fell by six to 64, highlighting how **larger developers are demonstrating relative resilience even as their smaller counterparts face growing operational pressures** in an increasingly competitive environment.

Despite persistent market headwinds, there are also emerging signs that supportive policy measures and sales strategies are starting to take effect. Real estate information provider CRIC showed that more than half of leading developers saw month-on-month sales improvements in May, with 22 firms posting gains of over 30%. Several major players such as Greentown China and China Jinmao achieved both year-on-year and month-on-month growth. The rising signs of stabilization come against a backdrop of significant policy easing. In May, the People's Bank of China (PBOC) implemented a comprehensive monetary easing package, including a 50-basis-point cut to the reserve requirement ratio (RRR) and a 10-basis-point reduction in the policy interest rate, with the current five-year loan prime rate adjusted downward

from 3.6% to 3.5%.

Looking ahead to June, CIH expects the current policy loosening to continue, potentially bolstered by developers' mid-year sales pushes. "With the mid-year sales season approaching, developers are expected to accelerate project launches and intensify promotional efforts," it said, as reported by the China Daily.

More Chinese than U.S. universities in World Ranking for the first time

China has surpassed the U.S. for the first time in the number of universities listed in the latest World University Rankings 2025, released by the Center for World University Rankings. Chinese institutions now account for 17% of the list, up from 324 last year to 346 this year, while the number of U.S. universities dropped from 329 to 319. The latest rankings also revealed that **98% of Chinese universities improved their positions** – a surge attributed to enhanced research performance and sustained government investment in higher education. Tsinghua University rose six places to rank 37th, excelling in employability and research. Peking University advanced three places to the 44th, while the University of the Chinese Academy of Sciences jumped four places to 46th – surpassing Shanghai Jiao Tong University in the 61st place and Zhejiang University in the 68th position.

Nadim Mahassen, President of the Center for World University Rankings, said that China is well represented among the world's top universities, and further financial backing from the government will allow the country to be more competitive in the rapidly evolving global academic

landscape. Although the **U.S.** still has eight of the world's top 10 universities – led by Harvard, MIT and Stanford – **83% of its listed institutions declined in rank.** The United Kingdom's Cambridge and Oxford secured the fourth and fifth places, respectively. Mahassen said that while the U.S. still has the top universities in the world, the decline in ranking of the vast majority of its higher education institutions on the list is concerning. "At a time when Chinese universities are reaping the rewards of years of generous financial support from their government, American institutions are grappling with slashed federal funding and disputes over academic freedom and free speech," he said.

Recent controversies, such as the Trump administration's move to revoke enrollment of international students at Harvard, later blocked by a federal judge, highlight the challenges facing U.S. higher education. "For many years, American universities were able to attract a large number of international students, particularly from China. But with China's extraordinary ascent in the rankings, coupled with the recent visa policies of the U.S., the situation may change soon," Mahassen said. Liu Wei, Senior Vice President of New Channel International Education Group, said that China has been gaining ground in multiple international rankings – including QS, Times Higher Education and the Academic Ranking of World Universities – showing consistent improvement in academic output and global research influence. He emphasized that recent U.S. visa policies toward Chinese students, such as the announcement of revoking the visas of some of those studying in "critical fields", are also influencing the global higher education landscape and may affect the future rankings of U.S. and Chinese institutions, the China Daily reports.

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