

China Business Weekly

8 July 2025



FCCC/EUCBA ACTIVITIES

Webinar: Financial Incentives for Doing Business with China
9 July 2025, 10h00 CEST



The Flanders-China Chamber of Commerce is organizing a webinar focused on **Financial Incentives for Doing Business with China**. This webinar will take place on **9 July at 10 am CEST**.

The programme is as follows:

10h00-10h05: Introduction by **Ms Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10h05-10h20: Introduction to the China Belgium Direct Equity Investment Fund by **Mr. Rik Daems**, former Belgian Minister and Vice Chairman of the China-Belgium Direct Equity Investment Fund (CBDEIF)

10h20-10h35: Introduction to the Capricorn Fusion China Fund by **Mr Steven Levecke**, Partner, Capricorn Partners

10h35-10h45: Financial Support by Flanders Investment and Trade by **Mrs Caroline Steensels**, Team leader Financial Support, Flanders Investment and Trade

10h45-11h00: Q&A

Practical information:

Date: 9 July 2025

Time: 10 AM - CEST

Location: Online

Participation fee for members: FREE

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ACTIVITIES SUPPORTED BY FCCC

EARLY BIRD RATE TILL 17 JULY: 5th Innovation Fair – Nanjing – September 16-18, 2025



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

- **Standard Rate:** €980 (till 17 July)

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.

This initiative is designed for companies and research institutes from Europe looking to develop business activities in China.

Industries include, but are not limited to:

- Advanced Manufacturing
- New Energy
- Artificial Intelligence
- Low Altitude Flight Technology
- Environmental Technology
- Fintech
- Pharma & Medtech
- Food & Beverage
- Fashion & Beauty Products
- Innovation Services

If your organization operates in any of these sectors and seeks partnerships or market entry in China, this event offers a tailored platform to connect and grow.

Based on your specific business interests, our team in China will arrange targeted B2B meetings with relevant counterparts to ensure a valuable and productive experience.

Benefits & Cost of Participation

Covered Costs

- 1x Economy Class Roundtrip Ticket
- Hotel and meals throughout the event

Services Provided

- Matchmaking Space (Booth)

- Speaking Opportunity
- Personalized Matchmaking Service

Registration Fees per Participant

- **Standard Rate:** €980 (till 17 July)
- **Late Registration:** €1280 (from 18 July to 18 August)

Payment instructions will be sent via email after we confirm your registration.

If you are interested in taking part in the Innovation Fair then email us at: gwenn.sonck@flanders-china.be

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



Join us at the **8th China International Import Expo on November 5 – 10, 2025 – Shanghai, China** where ICBC will showcase its **Signature Booth**, organized under a financial institution-led exhibition model.

ICBC has a pleasure to offer a **Free Booth for FCCC members at the Expo**.

Exhibition Area: **Food and Agricultural Products**

Since 2021, ICBC's booth has welcomed over **430 international** exhibitor participation from **60+ countries**, hosted **50+ matchmaking events**, and supported **60+ product launches**, playing a key role in advancing global trade cooperation.

This year's ICBC booth will feature a 1,200 m² space including:

- Product Display Area
- Business Negotiation Area
- Event & Financial Services Zones
- VIP Lounge
- Live Streaming Area
- Newly added Buyers' Corridor and Key Buyers' Product Selection Area

The Buyers' Corridor will host direct matchmaking opportunities with leading enterprises such as **JD.com**, **Suning.com**, **Bright Food Supply Chain**, and **Greenland Zhongxuan**, all of whom will have dedicated spaces and onsite purchasing representatives.

Exhibitor Invitation Criteria

Our chamber can recommend 5 qualified international food and agricultural enterprises.

- Booth space and design coordinated by ICBC
- Promotional activities (≤50 attendees) may be arranged with advance notice
- All travel and logistics costs are the responsibility of the exhibitors

For registration and further details, please contact: gwenn.sonck@flanders-china.be

PAST EVENTS

Webinar: Enforcement of IP in China – July 1, 2025



The Flanders-China Chamber of Commerce, the EU-China Business Association and the China IP SME Helpdesk organized an exclusive webinar focused on the **Enforcement of Intellectual Property Rights in China** on 1 July 2025.

Ms. Alessandra Capriglia, Project Manager, China IP SME Helpdesk, introduced the Helpdesk, an EU-funded initiative, providing free initial advice to European SMEs on the protection, management, and enforcement of intellectual property in China, covering the four jurisdictions of Mainland China, Hong Kong, Macao and Taiwan, each of them with a different IP system. Since 2008, the Helpdesk has helped hundreds of thousands of SMEs. In terms of services, the helpline is the most important service and there is an email address that you can write to, sending all your inquiries, your questions about IP, and the Helpdesk will respond within three working days in a very confidential way. In case you have very concrete questions about your IP strategy in China, you can also schedule a one-on-one consultation session with our IP business advisor. All the Helpdesk's services are free of charge. The Helpdesk regularly uploads webinars and informative videos on its YouTube channel.

Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce and EU-China Business Association, introduced both organizations and welcomed the participants to the 12th joint webinar with the China IP SME Helpdesk. It is very important that companies doing business with China also have an IP strategy included in their China business plan, and that is why every year we continue to have several sessions on IP. China has rapidly established itself as a global leader in innovation, driving progress across some of the most transformative sectors of our time, and it now leads the world in patent filings, reflecting a deep and strategic investment in IP. In 2024, China ranked on the 11th place of the Global Innovation Index published by the World Property Organization, while in 2010, China was on the 43rd place. So the speed of innovation in China is really remarkable, and many of our companies are in China for its innovation drive. They see China as a fitness center where you continuously need to stay fit as the Chinese competition is very fierce. So our companies really need to be part of this ecosystem to be able to grow on the local market, so in China, for China, but also to go global together.

Mr. Toby Mak, IP expert of the China IP SME Helpdesk, gave a presentation on **Enforcement of IP in China**. He is a registered Chinese patent attorney working for the Chinese IP firm Tee & Howe Intellectual Property Attorneys and doing a lot of work for two IP organizations: the American Intellectual Property Law Association (AIPLA), and the Intellectual Property Owners Association (IPO). He was born and educated in Hong Kong. Tee & Howe has about 230 people, including 82 patent attorneys and 15 trademark attorneys, most of them based in Beijing.

Unlike most other jurisdictions, in China, IP could be enforced by the judiciary and the administration through civil and administrative cases. Enforcement of IP in China is done under the bifurcated case system, with separate infringement and validity trials. In an infringement case, it will only be determined whether there was infringement of IP and the validity of the IP would be tried separately. Invalidation is done at the CNIPA, which now handles all the trademark and patents in China, while the infringement is either handled in the courts or by local administrations.

We have to note is that the **courts** are overwhelmed, and they have a high tendency to push cases away. The Beijing IP Court is one of the busiest IP courts in China, receiving about 2,000 cases a year with about 100 judges. Most of the cases have to be tried by three judges, which explains why courts have a high tendency to push cases away. They **require very strict formalities to be complied with in order for them to take your case. If you have not prepared your documents and evidence well, they will not accept your case.** If you do not use someone who has done it before, you would find your cases being rejected by the courts very easily. On the other hand, the administration is eager to handle patent infringement cases. Judicial patent cases are expensive, costing about CNY1.5 million. Trademark or design cases would be a lot cheaper at about CNY0.5 million. The courts could grant injunctive relief and damage awards, but cases take about 9 to 16 months, slower than administrative action in China, but faster than in the U.S., where it could take about three to five years to get the first decision. The administration can provide the patentee only injunction relief and will not be able to provide any damage awards, even though they could impose fines on the infringer. The result of the

administrative cases could be used later in civil action to claim damage awards. It is very fast, particularly compared to the court actions. It takes only about three months to get a decision.

What is the infringement environment in China. Most Chinese infringers are lazy, cheap, and not well advised. Infringers tend to produce products that look exactly the same as the original one, but do not work well. In some cases, these products may not even work at all. Which IP tools do we need in such an environment, dealing with such lazy and cheap infringers? **Registered IP is needed, as non-registered IP is difficult to enforce. This is the most important to remember.** If you want to be protected, you need registered IP.

What types of intellectual property are available in China to protect you? These include trademark, copyright, design, utility model, and invention patents. The time needed for you to get the registered IP is not long for trademarks, copyrights, designs, and utility models, but for invention patents, it could be a lot longer. However, depending on whether the Patent Prosecution Highway (PPH) is used, invention patents could also be granted relatively quickly. **Chinese Customs can stop exports of infringed goods if the IP is registered.** Customs in other parts of the world stop infringing goods from coming into their respective jurisdictions, but in China, the Chinese customs is there to stop the infringing goods from getting out. Mr. Mak has done a study about 10 years ago, showing that 97.5% of goods seized by Chinese Customs were trying to get out of China. Utility models in China can also be granted quickly but compared to trademark, copyright and design, are more expensive and difficult to enforce. You will need to talk to your patent attorney because this is something that could be quite complex. Enforcement relies on a patentability evaluation report to which the patentee has no way to respond. Once the report is out saying the utility model is not good due to whatever reason, the patentee is stuck. The recent trend is that utility models seem to be discouraged by the Chinese government. The number of utility models granted and filed in China has been dropping in the last three years.

Invention patents, on the other hand, they tend to take time to be granted, although there are ways to accelerate the process. An invention patent is equivalent to a European patent. Compared to the trademark, copyright, design, and utility model, they are more expensive and difficult to enforce, and more difficult to get around if the patent specification was well-drafted. However, unlike utility models, the enforcement of invention patents do not require a patentability evaluation report, because such patents have gone through what we call substantive examination. Infringement cases would generally be suspended if the invalidation petition is accepted.

Administrative IP enforcement has been only available to trademark, copyright, and designs. Patents, utility models, and invention patents have been accepted for less than 18 months. Since local administrations are competing for business with the courts, and this is relatively new, practically none of them have any experience in dealing with such cases. But they could be accepted relatively easily, and the progress would be very fast. However, strong local protectionism does exist. If you are a foreign patentee, then you are bound to file the case where the infringer resides, and the infringer tend to be a significant taxpayer in that jurisdiction. So the administrations tend to be more protective of local infringers. To file such enforcement cases, you need to notarize and certify power of attorney, but legalization is no longer required. A certificate of good standing issued by the patentee's local company registry is required as well as **evidence of infringement notarized by a Chinese notary.** Once accepted, the hearing is arranged in four to five weeks and the case decided within three months from the date of acceptance by the local administration. Then it is still possible to file a civil case in the courts in a place distant from the residence of the infringer. There are now specialized IP courts in Beijing, Shanghai and Guangzhou.

The Chinese IP system is pretty friendly to right holders, who win about 75% of the time. The infringers are lazy, but it requires the right holders to actually spend the resources, the time and the effort to go after the infringers.

A Q&A session concluded the webinar.

FCCC NEWS

Messrs. Fornier (Barco) and Ghyoot (Umicore) appointed to the Board of Directors of the Flanders-China Chamber of Commerce



Mr. Wouter Ghyoot (Umicore)



Mr. Johan Fornier (Barco)

At the General Assembly of the Flanders-China Chamber of Commerce (FCCC) on June 28, Mr. Johan Fornier, Executive Vice-President Surgical & Modality, Barco, and Mr. Wouter Ghyoot, Vice-President Government Affairs, Umicore, were appointed to the Board of Directors. Mr. Ghyoot replaces Mrs. Nathalie Bortels, UMS, Global Operations Director, Umicore, who resigned from the Board.

TAXATION ADVISE

RsA Asia: Tax Incentives for Foreign Investors Reinvesting in China

According to the official announcement jointly issued by the Ministry of Finance, the State Administration of Taxation, and the Ministry of Commerce, a tax credit policy will apply to foreign investors who reinvest distributed profits into China through direct investment. This measure aims to implement the decisions of the Party Central Committee and the State Council, in line with the Corporate Income Tax Law and its implementing regulations. The tax preferential policies for foreign investors reinvesting profits are outlined as follows:

Foreign investors who directly reinvest distributed profits from Chinese resident enterprises into eligible domestic projects between January 1, 2025, and December 31, 2028, are entitled to a tax deduction equivalent to 10% of the investment amount.

If the deductible amount exceeds the tax payable in the current year, the unused portion can be carried forward to subsequent years until fully utilised. Qualified investments include capital increases, the establishment of new enterprises, or the acquisition of equity from unrelated parties, provided that the invested enterprises operate in industries listed as encouraged. The investment must be held continuously for at least five years (60 months).

Where a tax treaty between China and the investor's jurisdiction provides a lower tax rate on dividends or other equity investment income, the treaty rate will prevail.

This policy is effective from January 1, 2025, until December 31, 2028. Tax credits generated during this period can

continue to be applied beyond 2028 until fully offset. Investments made between January 1, 2025, and the date of this announcement are eligible for retroactive application, while investments made prior to 2025 do not qualify.

For the purpose of this policy, “overseas investors” refers to non-resident enterprises as defined under China’s Corporate Income Tax Law, while “Chinese resident enterprises” refers to entities legally incorporated and operating within the territory of China.

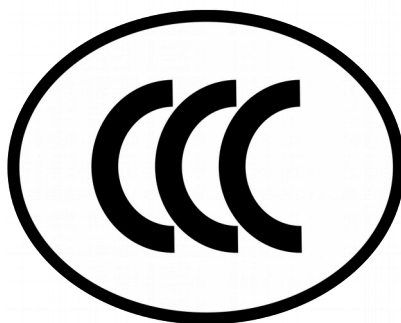
The distributed profits that qualify for reinvestment include dividends, bonuses, and other forms of equity investment income paid from actual retained earnings by domestic enterprises to foreign investors.

To be eligible, investments must be made in industries listed in the Catalogue of Industries Encouraged for Foreign Investment. Furthermore, the investment must be maintained for no less than five years. If the investor withdraws the investment after the five-year period, the deferred taxes must be settled within seven days. If the investment is withdrawn before five years, the tax incentive becomes invalid, requiring repayment of the deferred taxes and a proportional reduction in the tax credit.

Analysts note that this policy is expected to further encourage foreign investors to reinvest in the Chinese market. It reflects China’s broader commitment to creating an open and transparent business environment by reducing barriers, offering fiscal incentives, and fostering long-term foreign investment.

TRAVEL ADVISORY

Uncertified power banks banned on domestic flights in China



China’s aviation regulator has banned uncertified power banks on domestic flights, citing urgent safety concerns over fires and other hazards linked to lithium batteries. The Civil Aviation Administration of China (CAAC) said that quality issues with lithium batteries in power banks have threatened aviation safety, prompting the move. The ban applies to power banks without valid China Compulsory Certification (known as 3C), those with unclear 3C labels or those subject to product recalls. The 3C certification is a mandatory safety and quality standard for products sold in China. For power banks, it ensures they do not pose risks of fire, electric shock or other hazards. The country began 3C certification for power banks on August 1, 2023, and sales of products without the certification have been prohibited since August 1 last year.

The Administration said the measure follows a surge in incidents globally involving fires and smoke from lithium batteries on aircraft, including 15 cases in China’s aviation sector this year. In one incident on January 28, a fire broke out on an Air Busan flight due to a passenger’s power bank, damaging the aircraft. Lithium batteries are prone to risks under external factors such as high temperatures, pressure and collisions, which can lead to internal short circuits and excessive heat. This can trigger an increase in temperature in the battery, resulting in fires or explosions that are difficult to extinguish. A recent report from China’s market regulation authority found that out of 149 batches of power banks inspected, 65 were substandard.

A staff member at Beijing Capital International Airport told China Daily that passengers carrying power banks must now show 3C marks at security checks, and devices under recall will not be allowed through. Power banks under 100 watt-hours can be carried onboard, while those between 100 and 160 watt-hours require airline approval. Devices exceeding 160 watt-hours are prohibited. Airports will provide areas for passengers to abandon or temporarily store their noncompliant devices, along with mailing services for those who wish to send them home, the China Daily reports.

INTERESTING PUBLICATIONS

“China and the Global AI Race”, published by the Cheung Kong Graduate School of Business



The Cheung Kong Graduate School of Business (CKGSB) has published a paper on “China and the Global AI Race”. This white paper shows how organizations can thrive by leveraging China’s deep integration of artificial intelligence with its advanced manufacturing and data ecosystems. Understand the profound shifts happening in open-source AI, robotics, and leadership, and see how they are creating new models for global growth and innovation.

The world is entering a new chapter, one where artificial intelligence isn’t just another industry—it’s becoming the backbone of the global economy. China, once known mostly as the world’s factory, is now stepping forward as a driving force in the AI revolution, building smart systems and new industries that will shape the decades ahead.

China and the Global AI Race takes you inside this transformation. This white paper unpacks how China is using AI to change everything from manufacturing and logistics to healthcare, retail, and global trade. It looks at how leading Chinese companies, from established giants to agile startups, are using AI not just to compete at home, but to build influence and partnerships around the world.

“AI is no longer just a sector—it is the architecture of a new global economy... And China’s role in this transition is increasingly strategic,” said Li Haitao, Dean & Dean’s Distinguished Chair Professor of Finance, CKGSB.

The report also explores how AI is reshaping work itself. Some jobs will disappear, many will evolve, and entirely new roles will emerge. It’s not just workers who need to adapt—leaders too must rethink how they build teams, develop talent, and navigate an increasingly AI-powered world.

At the same time, the white paper examines China’s growing role in open-source AI development, its push to bring intelligent machines into everyday life, and the challenges of balancing rapid growth with questions around ethics, security, and global collaboration.

The paper can be downloaded in PDF format [here](#)

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FOREIGN INVESTMENT

China to extend Shanghai pilot FTZ measures nationwide



China will extend 77 pilot measures implemented in the China (Shanghai) Pilot Free Trade Zone (FTZ) nationwide, Tang Wenhong, Assistant Minister of Commerce, announced following the publication of a government circular. **The measures span seven key areas: services trade, goods trade, digital trade, intellectual property protection, government procurement reform, behind-the-border management systems reform, and risk prevention and control.** Of the overall package, 34 measures will be extended to other FTZs across the country, including those related to innovation in digital yuan application scenarios, optimized cross-border fund management for multinational corporations, and data-export negative list mechanisms. The remaining 43 measures will be implemented nationwide, covering cross-border electronic payment applications, commercial encryption certification recognition, data security management certification, government data transparency, and digital government procurement platforms.

Tang said that in recent years, the global openness index has been declining, with unilateralism and protectionism intensifying, posing severe challenges to multilateralism and free trade. **FTZs serve as the vanguard of reform and opening-up and are trailblazers of innovative development,** he noted. Independently conducting experiments in FTZs to align with high-standard international economic and trade rules and replicating these results on a broader scale are crucial measures to steadfastly manage China's own affairs well and expand high-level opening-up. "This reflects China's resolute commitment to upholding the multilateral trading system and practicing free trade principles, while also injecting strong momentum into continuously optimizing the business environment and promoting high-quality economic development," he said. The measures focus on promoting trade and investment liberalization, further expanding market access, and enabling the world to share the opportunities of China's opening-up. Intellectual

property protection, government procurement and state-owned enterprise reform account for nearly half of the total. For example, in the field of government procurement, a package of 15 measures including further increasing transparency of information for limited competition projects and encouraging the publication of procurement announcements in both Chinese and English will further improve the transparency and fairness of China's government procurement procedures while steadily aligning with international standards, Tang noted.

The initiative builds on a November 2023 plan that positioned the Shanghai pilot FTZ as a pioneer in aligning with high-standard international economic and trade rules, establishing it as a national demonstration zone for institutional opening-up. After more than a year of pilot testing, Shanghai has developed leading and landmark institutional innovations and valuable best practices, the circular said.

Assistant Minister Tang added that in the next step, China will expand pilot programs into broader areas, introducing institutional innovations to support new trade models, data flow facilitation and regulatory breakthroughs in fields such as artificial intelligence (AI) and fintech to foster high-quality development and cross-border digital trade. Tang said China will continue to advance higher-level investment liberalization and facilitation, intensify stress testing for market access, and promote the orderly opening-up of sectors such as telecommunications, the internet and healthcare for foreign businesses.

Meng Huating, Director of the Free Trade Zone and Free Trade Port Department of the Ministry of Commerce (MOFCOM), said that to date, a total of **379 innovative measures from China's FTZs have been replicated and promoted at the national level,** creating an enabling environment where reform and opening-up benefits are broadly shared. Meng said that local governments will be guided to implement these reforms in line with local realities, giving priority to those most urgently needed by businesses and the public, with the goal of expanding the reach of institutional innovation and delivering its benefits to a wider range of regions.

Jerry Chen, Director of North Asia at Louis Dreyfus Company, a Rotterdam-headquartered multinational trader and processor of agricultural commodities, said that China's growing openness and transparency toward foreign investors, along with expanded market access and equal treatment, are key reasons for multinational corporations to continue to increase their investment in the country.

This overview is based on reports by the Global Times and the China Daily.

MANUFACTURING

Hebei's Pingxiang county becoming a global hub for the bicycle, child stroller and toy car industry



From a humble beginning as a producer of ordinary bicycles, Pingxiang county under Xingtai city in Hebei province has developed into a global producer, not only of advanced bicycles, but also baby strollers and toy cars. In the '70s two locals cobbled together the first locally-produced bicycle called Black Tiger. Gradually, a bicycle parts trading market emerged and today it is a global manufacturing hub for bicycles and children's vehicles with over 8,000 upstream and downstream enterprises. There is a saying in the local industry: "The world looks to China for baby strollers, while China looks to Pingxiang for them."

Pingxiang county now produces about 50% of the nation's and 40% of the world's bicycles and child vehicles, with products exported to over 100 countries and regions. In recent years, a growing number of foreign merchants have traveled to the county to inspect and purchase bicycles, strollers and components. The county has hosted 19 consecutive expos to showcase its bicycles, child vehicles, and toys. The latest exhibition in March attracted more than 1,500 companies from inside and outside the province and customers from around the globe, with CNY4.15 billion in orders.

The industry has evolved from small assembly operations into a sophisticated cluster with a complete industrial chain, covering everything from raw materials like steel, plastic, and rubber to parts manufacturing, whole-vehicle assembly, research and development (R&D), and modern logistics. It is a key pillar of the local economy, employing 120,000 people and generating revenue of over CNY30 billion in 2024, according to Li Yunping, an official with the county's Market Supervision and Administration Bureau. The bicycle and child vehicle industry in Pingxiang has undergone remarkable modernization in recent years. The county has strengthened its technological innovation drive, and accelerated the upgrading of industrial clusters.

At Hebei Kexin Electronic Technology Co, an engineer demonstrates an AI-controlled toy car – a miniature version of a cross-country vehicle. At the verbal instruction "Xiao Wei, turn on the car lights", the vehicle, named Xiao Wei,

turns on its lights right away. When the vehicle is told "Xiao Wei, please read aloud a poem", the vehicle responds: "All right, please listen carefully," and starts reading the poem. General Manager Jin Yu said the vehicle's intelligence is due to the installation of a "smart brain" AI controller. Its chip can handle voice commands, issue collision alerts, and has GPS tracking, just like a real smart car. "With the AI controller, this electric toy car has achieved various functions such as human-machine interaction, automatic obstacle avoidance, Bluetooth connectivity, and online information exchange," Jin said. "Although the technology has become relatively common, its application to toy cars is not yet very widespread," he added.

Another company Hebei Fubei Bicycles Co is creating an industrial ecosystem where R&D is seamlessly integrated with production. Sales Manager Xin Lei said thanks to Kexin's AI controller they were able to launch electric child cars with collision prevention features, and quickly seize the market opportunity. Digitalization is playing an important role in the transformation of the child car industry. A smart connected platform has been established to accelerate deep integration of digital technology with the real economy. So far, 20 companies have embarked on the journey of "smart transformation and digital conversion", with 61 companies completing digital transformations, significantly enhancing the industry's competitiveness.

As a result, the industry in Pingxiang has gradually shifted from its focus on low-cost assembly toward technological innovation and high-quality development. This transformation is exemplified by the story of Wang Zhanying and his company — Xingtai Hengpeng Bicycle Industry Co. The latest **Xiaokabu AI interactive baby stroller** developed by the company is about to be launched on the market in a few months. This stroller not only features functions like voice and gesture control, but also includes capabilities such as automatic following, obstacle avoidance, precise positioning, and anti-loss functions.

"When a child is sitting in the baby stroller, adults don't need to push it by hand. The stroller will automatically follow the footsteps of the adult. Even when encountering slopes or obstacles, it will navigate around them automatically," Wang said. The factory used to be an original equipment manufacturer (OEM), with a low profit margin of less than 8%. However, with the support of the Pingxiang County Bicycle Industry Research Institute, the company underwent a major transformation. For example, the curvature of the stroller's seat cushion has been designed to mimic the shoulder and neck curve of a sleeping baby. Structural analysis conducted by 3D "stress software" resulted in a design where the entire vehicle can be folded up to resemble an elegant travel bag when not in use. The company successfully reduced the weight of the stroller from 12 kilogram to 6 kg, achieving a 50% weight reduction. "These technological innovations enabled the company to gain a significant competitive edge in the market," Wang said, as reported by the China Daily.

HI-TECH

China's sci-tech sector maturing thanks to incentives and financial support



China's sci-tech sector is maturing thanks to incentives and strategic financial support. The T1 robot soccer team, developed by Beijing-based humanoid robotics startup **Booster Robotics**, clinched a sweeping 9-0 victory at the RoboCup German Open in March. Standing 1.2 meters tall and weighing 30 kilograms, the T1 robot is now capable of delivering powerful shots, executing free kicks and performing fluid, human-like motions. Cheng Hao, Founder and CEO of Booster Robotics, said the T1 model was specifically designed for developers with an emphasis on being lightweight, agile and exceptionally durable. "For example, the robot can withstand hundreds of falls and still function without issue. The technical resilience and adaptability have helped the high-tech startup expand its market presence well beyond China. The company has already delivered hundreds of humanoid robots to customers worldwide, including in the United States, Germany, Switzerland, the United Arab Emirates (UAE) and Japan. Cheng Hao said the Beijing municipal government provided great support in terms of equity investment and major project funding, which has helped the company achieve technical and production breakthroughs in a short time.

According to Liang Hongjun, Senior Official at the Beijing Bureau of Economy and Information Technology, **China's capital has built a world-class financing system for emerging industries like robotics.** "The city government has set up a multi-billion yuan robot industry development fund, with heavyweight investment firms such as Sequoia Capital, Hillhouse Capital and IDG Capital establishing a dense presence in the sector. This structure combines public funding with private capital, forming a complete investment chain that supports startups from initial research and development (R&D) through pilot production to real-world application," Liang said. Such systematic financial backing comes at a time when China is intensifying its focus on achieving high-quality economic growth and technological self-reliance through upgraded and innovative measures.

A policy document stated the need to strengthen the role of venture capital as a driving force for technological innovation. It calls for the establishment of national startup investment funds, encourages the development of secondary private equity market funds (S funds), and supports bond financing for both venture and industrial investments. According to Shaw Wang, Founder of Unity Ventures, technology innovation usually requires long-term, patient capital to endure its lengthy development cycles. "Patience is the most critical quality for early-stage investment. Technological development is always a long journey – we must give entrepreneurs sufficient time and patience," Wang said. He added that Unity Ventures is often the first investor in its portfolio companies, accompanying them from their earliest days and helping shape their strategies, fundraising plans, recruitment and branding efforts, with some investments even spanning seven to 10 years.

The philosophy underpins the investor's portfolio, which includes **Beijing-based Haawking**, a chip tech startup that just completed a new pre-B+ financing round, bringing its total funding to several hundred million yuan. As **one of China's rare players in the field of digital signal processor chips**, Haawking is the first in the world to design, develop, and mass-produce DSP chips using the open RISC-V instruction set architecture, a crucial step toward domestic technological independence. "The innovative tech rose from a global DSP market which has long been dominated by U.S. companies, with Chinese firms struggling to establish a meaningful presence," said Li Renwei, Founder and Chairman of the company.

According to the company, its self-developed Haawking-HX2000 DSP chip series, the world's first based on RISC-V architecture, has already developed more than 10 chip models. Several versions have entered mass production and are shipping at an annual volume approaching 10 million units. Li emphasized the company's heavy focus on innovation, noting that over 60% of its employees are R&D specialists and that total R&D investment has exceeded several hundred million yuan to date. "Technological breakthroughs become even more valuable during periods of rapid market change," said Wang of Unity Ventures. "The more uncertain the environment is, the more we should invest in companies with breakthrough potential, as technology remains the underlying force driving social progress."

In this sense, Chinese policymakers are also moving to streamline capital market access for such hard-tech firms. One key highlight is the recent establishment of a growth tier to the STAR Market at the Shanghai Stock Exchange as part of efforts to deepen reform in the technology-focused board, the China Daily reports.

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CHINA NEWS ROUND-UP

China's Foreign Minister calls on Europe to adopt a pragmatic, rational view

The 13th round of the China-EU High-level Strategic Dialogue was held last week at the EU headquarters in Brussels, during which **Chinese Minister of Foreign Affairs Wang Yi called on Europe to develop a more objective and rational understanding of China and adopt a more positive and practical policy toward China.** He noted that while Europe currently faces various challenges, they have never come – and will never come – from China. China and Europe have no fundamental conflicts of interest but rather share extensive common interests, Wang said.

The dialogue was co-chaired by Chinese Foreign Minister Wang Yi and EU High Representative for Foreign Affairs and Security Policy Kaja Kallas. Noting this year marks the 50th anniversary of diplomatic ties, Wang said that China-EU relations over the past five decades should be characterized as that of partners rather than rivals, with cooperation as the defining feature and ballast. The two sides need to properly handle their differences through dialogue within this framework, he said.

"Facing growing uncertainty and instability in the international landscape, China and the EU, as two major forces and economies, should enhance exchanges, mutual understanding and mutual trust, and advance cooperation, in a joint effort to safeguard the post-war international order and provide the world with much-needed certainty," Wang stressed. On peace and security, Wang said "China is not the U.S., and its path should not be mirrored against America's historical trajectory." He added that **the differences between China and the EU in history, culture and values should not warrant rivalry, nor their disagreements necessitate confrontation.** China has consistently supported European integration and the EU's efforts to strengthen its strategic autonomy and play a constructive role in international affairs, Wang said, expressing hope that the EU will likewise respect China's core interests through concrete actions, including on the Taiwan question.

Kallas said that the EU and China are partners, sharing common responsibilities and having significant influence on major issues such as upholding the central role of the UN and safeguarding international law and the international order, the Global Times reports.

China to levy anti-dumping duties on EU brandy

China has decided to levy anti-dumping duties on European brandy, mostly produced in France, for the next five years – an announcement made while Foreign Minister Wang Yi was on his European tour seeking to resolve trade disputes and improve ties. "There is dumping of related imported brandy from the EU, the domestic brandy industry faces a material threat of injury, and there is a causal relationship between the dumping and the material injury threat. The determined dumping margins range from 27.7% to 34.9%," China's Ministry of Commerce (MOFCOM) said in a statement. The tariffs took effect on July 5, and there will be no retroactive imposition of anti-dumping duties on imports of the relevant brandy originating from the EU from October 11 up to and including July 4. "Beijing has been holding back from actually levying duties in the hope of a softer EU stance on China," said Xu Tianchen, Senior China Economist at the Economist Intelligence Unit (EIU). "Now it is clearly disappointed by the EU playing hardball despite the Chinese overture."

"The tensions are clear, phase three investigations are open, and there are also ones on pork and dairy," said Alicia Garcia-Herrero, Chief Economist at French investment bank Natixis. "Every time the EU Commission says, 'we're done, no high economic dialogue', which is what has happened, China will come with one investigation, let alone export control. They have a lot of leverage. I think the EU Commission needs to first wait for a deal with U.S. President Donald Trump. They're not going to risk it. Secondly, beyond Trump, they're done – they feel they are always retaliated against, there is no goodwill. **EU-China relations are not going well before the summit.**"

China also announced that exporters who had agreed to a minimum export price would be exempt from anti-dumping duties. "The decision to accept price undertakings in this case once again demonstrates China's sincerity in resolving trade frictions through dialogue and consultation," a MOFCOM Spokesperson said. "It is hoped that the EU side will move in the same direction, strengthen dialogue and communication, jointly resolve economic and trade differences, and create favorable conditions for consolidating and expanding China-EU economic and trade cooperation."

While expressing dismay at China's announcement of the tariffs, French cognac makers acknowledged that the tax exemptions offered to companies that committed to a

minimum export price could help the industry avoid a worst-case scenario. “This decision marks the end of the anti-dumping investigation, but not the end of our efforts to ensure that all of our exporters regain unimpeded access to the Chinese market as quickly as possible,” said Florent Morillon, President of the Bureau National Interprofessionnel du Cognac, France’s leading representative for the cognac industry. Smaller producers who did not sign on for the price floor, and those focusing on the lower price markets, will feel most of the impact of this decision, Guilhem Groperrin, Director of the Groperrin family brand, told the South China Morning Post.

China blocks medical device imports from EU in government procurement

China has barred European companies from major Chinese government medical device contracts, hitting back against similar EU restrictions imposed on Chinese firms last month. The Ministry of Finance (MOF) said that European Union companies without operations in China were excluded from government medical device contracts **valued at more than CNY45 million**, effective immediately. **The restriction does not apply to EU-funded companies operating in China.** Non-EU companies taking part in such government tenders must not allocate more than half of the total contract value to importing medical devices from the EU. The Ministry of Commerce (MOFCOM) said the move was a last resort, after Beijing had “repeatedly expressed through bilateral dialogues its willingness to resolve the differences through consultation and arrangements on government procurement”. “Despite China’s goodwill and sincerity, the EU has persisted in taking restrictive measures and building new protectionist barriers,” it said. The restrictions do not apply to projects in which only EU-imported medical devices can meet the procurement requirements.

In June, the EU barred Chinese medical device companies from bidding for public tenders worth more than €5 million for five years. It followed a European Commission investigation, which concluded in January that there was “clear evidence of China limiting access by EU medical device producers to its government contracts in an unfair and discriminatory way”.

China and the EU are scheduled to hold a summit this month in Beijing, marking the 50th anniversary of diplomatic relations. In preparation for the meeting, both sides have been addressing trade disputes, ranging from electric vehicles (EV) to cognac. The “technical” part of negotiations towards resolving the EV dispute had been finalized, with only the final step remaining, Yuyuan Tiantian, a social media account affiliated with CCTV, reported. It said the deal now hinged on “political will” from the European side. But tensions have been on the rise between China and the EU. China also announced that it would impose anti-dumping tariffs on European brandy, which is mostly produced in France. The tariffs of up to 34.9% would last for five years, the South China Morning Post reports.

U.S. lifts curbs on exports of EDA software to China

U.S. electronic design automation (EDA) supplier Synopsys said it had been informed by the U.S. Department of Commerce that the export restrictions related to China, pursuant to a letter received on May 29, 2025, have now been rescinded effective immediately. “Synopsys is working to restore access to the recently restricted products in China,” the company said in the statement. German EDA provider Siemens was recently notified by the Bureau of Industry and Security that the export control restrictions on EDA software and technology to customers in China set forth in the May 23 letter received by Siemens are no longer in place. As a result, Siemens has restored full access to software and technology classified under Export Control Classification Numbers (ECCNs) 3D991 and 3E991, subject to applicable export control laws and regulations, and has resumed sales and support to Chinese customers.

Another world-leading chip design software provider – Cadence Design Systems – said that the U.S. had lifted export restrictions on chip design software for China and that it was in the process of restoring access to software and technology to affected customers.

The U.S. imposed restrictions on EDA tools exported to China in May. EDA tools are essential for designing advanced semiconductors. EDA refers to the use of computer-aided design software to complete processes such as functional design, synthesis, verification, and physical design of chips. As the most upstream part of the industry, EDA software is often hailed as the “mother of chips”. Synopsys, Cadence and Siemens together control more than 70% of China’s EDA market.

Xiang Ligang, Director General of the Zhongguancun Modern Information Consumer Application Industry Technology Alliance, said that “previous U.S. restrictions have ironically catalyzed China’s progress in chips. The U.S. government knows that the two nations are highly complementary to each other in the semiconductor sector”. As the world’s largest semiconductor market, China has great appeal to international companies, he added.

The U.S. also resumed blocked exports of ethane and jet engines to China, the Global Times and the China Daily report.

U.S. tariffs hurt Chinese solar firms

One-third of China’s 121 listed solar producers are in the red and more than 50 along the supply chain have filed for bankruptcy this year. The rain and gloomy skies during the SNEC PV Conference – the biggest in China’s solar-panel manufacturing industry – summed up the mood in the market, whose major players congregated in Shanghai earlier this month for the four-day annual event. The scale was noticeably smaller this year. Several leading companies opted out for a variety of reasons, including tight budgets. More tellingly, CEOs from major producers Longi Green Technology and Tongwei – keynote speakers last year – gave it a miss. The weariness is not surprising. The industry, billed as one of China’s three new economic drivers along with electric vehicle and lithium battery

manufacturing, is facing a double whammy: producers are swimming in a sea of red amid a price war and supply glut at home, while tariffs are blocking access to export markets.

Prices in every segment of the solar panel supply chain plummeted by 60% to 80% in 2024 from a peak in 2023, according to the China Photovoltaic Industry Association, with 39 of the nation's 121 listed producers in the red. Losses in the photovoltaic (PV) manufacturing value chain reached USD40 billion, according to Gao Jifan, Chairman of Trina Solar. Including other business lines, the tally was USD60 billion, he said. "Everyone is questioning how deep and prolonged this downturn will be," Yang Liyou, General Manager of solar-panel maker Jinneng Clean Energy Technology, said at a panel discussion during the conference. "It has not eased. In fact, it's become deeper and longer than we anticipated." Shares of Jinko Solar, the world's top solar panel maker in terms of shipment volume, have declined by nearly 30% in New York this year, bringing the slump to more than 60% from a peak in 2022. Rivals like JA Solar, Tongwei, Trina Solar, Longi, and GCL have slumped by as much as 80% since 2022.

China is the world's biggest solar-panel producer, commanding 80% of global capacity from material processing to final assembly, according to the International Energy Agency (IEA). More than 50 Chinese companies along the solar supply chain have filed for bankruptcy this year, data compiled by market tracker Solarbe showed. China's solar-panel manufacturers enjoyed a bit of a honeymoon in the first half of this year as developers rushed to complete installations before incentives ended this month under China's power market reform. The front-loading means the second-half outcome could be dire. Citigroup forecasts project installations to slump by as much as 44% from an estimated 160 GW in the first half. Globally, growth in solar installations is expected to slow to 10% in 2025 from 33% in 2024 and 87% in 2023, according to forecasts by the Washington-based Global Solar Council, which represents the industry at key international forums such as COP and G20. Over the past year, the industry has attempted to reorganize and reform without much success. Attempts to export a way out of the crisis were met with punitive U.S. tariffs, with the Trump Administration fixing the loophole by targeting Chinese factories located in Southeast Asia, the South China Morning Post reports.

Foreign ice cream no longer cool in China

As in many other areas, young Chinese are turning away from global ice cream brands like Häagen-Dazs in favor of cheaper, nimbler local rivals. Chinese teenagers now prefer domestic brands – they look great, and new products are coming out every month that tempt them to take selfies and post on social media. "Haagen-Dazs is simply not cool" is a sentiment that is becoming common among young Chinese, reflecting broader shifts in the country's consumer landscape. From ice cream to candy, beverages and beyond, **foreign brands that once dominated the Chinese market are losing ground to**

domestic rivals, which are not only outcompeting them on price, but often also on branding and product innovation. For a long time, global brands like Haagen-Dazs were able to maintain high prices in China by styling their products as "premium", "exotic" or "imported", trading on a sense that foreign goods were exciting, higher quality – and, in some cases, safer – than domestically-made alternatives. But those labels appear to carry less weight with **Gen-Z consumers, who have grown up in an era when China already leads the world in a range of industries.**

As China's middle class has seen its disposable income eroded by an economic slowdown and the real estate crisis, many are turned off by the idea of shelling out over CNY30 for a Starbucks coffee or CNY40 for a scoop of Haagen-Dazs ice cream.

Meanwhile, competition in China's ice cream market is heating up, with domestic brands releasing new products at an accelerating pace and a wave of powerful new players entering the market, Beijing-based market research firm Chinabgao.com said in a report released earlier this month. **More than 2,200 new ice cream-related start-ups were founded in China in the first half of 2025** alone, according to data from the Chinese company database Qichacha, indicating strong entrepreneurial interest in the sector. Foreign incumbents like Starbucks and Haagen-Dazs appear to be melting under the pressure. Both firms have started cutting prices this year to stay competitive, as domestic chains like Mixue Ice Cream & Tea, Heytea and Nayuki make inroads with sub-CNY10 offers and creative combo sets combining tea and desserts. Many Chinese ice cream and beverage firms roll out new products at a pace that would be unthinkable for global brands like Haagen-Dazs, whose stores mostly stick to the same classic selection of around 20 flavors.

"We launch at least two new flavored drinks every month," said one manager of a tea and ice cream store in Guangzhou. "We're also offering various creative beverages – like good for sleep, energy, or skin whitening." "Products made with seasonal local fruits are more popular," he added. "Labels like 'imported ingredients' don't mean much to young people." Local brands are also often more agile in distribution, building an "everywhere presence" through convenience stores, chain stores and delivery platforms. Whether out shopping, working late, traveling or staying at home, Chinese consumers are always able to access an array of domestic dessert and drink options, the South China Morning Post reports.

Price wars and excessive competition targeted

An article in the People's Daily condemned price wars and excessive competition, or "involution". It urged firms to abandon the race to the bottom and refocus on quality, and warned that *neijuan* (involution) tactics were "infesting" various industries with excess capacity, including electric vehicles (EVs), photovoltaics and batteries. "Solar module prices have tumbled to just CNY0.6 per watt, prices have been slashed on over a hundred EV models while producers of energy storage equipment seek to underbid each other in the race for orders," the editorial said. "A race to the bottom will

weaken the competitiveness of the entire industry.” Cut-throat competition causes profits to plunge, leaving many manufacturers struggling to realize even razor-thin margins. Amid persistent deflation and simmering trade tensions with the United States, industrial profits fell by 1.1% year-on-year in China in the first five months, with a 9.1% decline in May.

Profits in China's car sector, one of the foundations of the country's economy, were down 11.9% during the January-May period. The People's Daily editorial highlighted the decline of the neijuan-riddled sector, saying **average profit margins dropped to 4.3% last year, with only four EV makers – BYD, Huawei-backed Seres, Li Auto and Leapmotor – making money in 2024.** “Resources are wasted on inefficient competition, which stifles innovation and leaves an imbalance in supply and demand. Involution directly affects wage levels, government tax revenues, investment confidence and the whole economy,” it said. It also warned that involution took forms other than price wars, including companies that abused their dominance of the industrial chain to exploit partners upstream and downstream. In addition, the editorial pointed to businesses that cut corners on quality and made copycat products in sectors that already had excess capacity, as well as local officials who made misguided efforts to woo investment through unsustainable tax breaks and subsidies.

This is the second time in a month that People's Daily has taken aim at the vicious cycle of low price, low quality and ineffective, unrelenting competition. The newspaper said at the end of May that **regulators must act quickly and efficiently to stamp out price wars.** A month earlier, the Beijing-based Economic Daily said in a commentary that involution remained prevalent, defining the phenomenon as “the harder you work, the less you gain”. Observers said authorities needed to take tougher action to help ailing businesses escape the trap.

Less than 10 of the 129 Chinese EV brands currently on the market would be profitable by 2030 if the unrelenting discounts continue, as the industry grapples with a price war and chronic overcapacity, according to AlixPartners. However, the country's top EV players were expected to double their market share in Europe to 10% by 2030, the South China Morning Post reports.

Hikvision opposes Canadian order to stop operations

Chinese surveillance camera manufacturer Hikvision expressed strong opposition against the Canadian government's order to cease operations in Canada over so-called national security concerns within 120 days. The company told the Global Times that the Canadian government's move is allegedly based on a misinterpretation of China's National Security Law and National Intelligence Law and unjustly targets Hikvision due to the company's state-owned shareholding structure. The Canadian government has ordered Hikvision to cease operations in Canada, citing so-called national security concerns, Industry Minister Melanie Joly said. “Without any evidence, Canada has groundlessly accused Hikvision's operations of potentially harming its national security and demanded the closure of our Canadian subsidiary. Such actions disregard facts, lack procedural fairness and transparency and amount to discrimination and suppression of a Chinese enterprise,” the company stated.

Hikvision said that it has always adhered to business ethics, operated in full compliance with local laws and regulations and conducted its global operations lawfully. The company urged the Canadian government to uphold the rule of law and take a fact-based approach, fostering a fair, just and non-discriminatory environment for global businesses, rather than acting on speculation and prejudice. The Canadian government claims that the company's operations threaten national security, but it has not identified the specific risks involved or provided any factual or analytical justification, said Zhou Mi, Senior Researcher at the Chinese Academy of International Trade and Economic Cooperation. Nor has it indicated whether these concerns could be addressed through corporate cooperation or technical solutions, and this lack of transparency suggests a high level of subjectivity and arbitrariness in enforcement, potentially undermining the broader market environment and eroding business confidence, Zhou told the Global Times.

The Chinese Embassy in Canada expressed strong opposition to and deep dissatisfaction with the Canadian government's decision, urging it to immediately correct its wrongful move.

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