

# China Business Weekly

5 August 2025



## FCCC/EUCBA ACTIVITIES

**Webinar: Cybersecurity and AI Compliance in Europe – Burden, or Opportunity?**  
**19 August 2025**



The Flanders-China Chamber of Commerce is organizing an exclusive webinar focused on **Cybersecurity and AI Compliance in Europe – Burden, or Opportunity?** This event will take place on **19 August at 10:00 AM CEST**.

For many companies, Europe's digital compliance landscape is a maze of complexity. The stringent requirements of cybersecurity frameworks, comprehensive privacy laws like the GDPR, and the groundbreaking AI Act are often perceived as significant hurdles, demanding substantial investment and adaptation for any organization operating or planning to operate within Europe.

This webinar offers a crucial exploration of how a proactive and integrated approach to European compliance can transform these perceived burdens into genuine strategic opportunities. We'll delve into how adhering to these high standards can not only mitigate risks but also foster a robust competitive edge, build profound trust with European customers and partners, and even unlock pathways to innovative business models. Discover how your organization can leverage compliance as a powerful catalyst for growth and sustained value in Europe's dynamic digital economy.

### About the speaker:

**Koert Van Espen** is **Managing Partner of Apogado**, an independent consultancy guiding organisations toward compliance in cybersecurity, privacy, and AI, combining both legal and technical expertise. Koert holds MSc in Engineering and MBA degrees, he graduated as one of the first security experts from the University of Leuven (Faculty of Engineering Science). For over 30 years he has been involved in and fascinated by new possibilities of digitalisation and its consequences on information security and privacy. Koert held various functions ranging from research to management and strategic or technical consulting, and was cabinet member for the state secretary for privacy.

**The programme is as follows:**

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

10h05-10h30: How companies can turn EU cybersecurity, privacy, and AI compliance into strategic business opportunities by **Mr Koert Van Espen, Managing Partner of Apogado**

10h30-10h45: Testimonial from (speaker to be decided) who will provide valuable first-hand insights based on his experience.

10h45-11h00: Q&A

**Practical information:**

**Date:** 9 August 2025

**Time:** 10 AM - CEST

**Location:** Online

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**Webinar: “Experiences of Bekaert of Investing in Weihai, Shandong Province  
August 26, 10h00 AM CEST**



EU-China  
Business Association  
欧盟中国贸易协会



The Flanders-China Chamber of Commerce and the EU-China Business Association are organizing a webinar which focuses on “**Experiences of Bekaert of Investing in Weihai, Shandong Province**”. This webinar will take place on **26 August at 10h00 CEST**.

Several of our member companies, such as Bekaert, Beaulieu and Marquardt, already have major investments in Weihai. They have benefitted from the city's very business-friendly investment environment. The city has established several pillar industries, including machinery, food, transportation equipment, textiles and garments, medicine and medical devices, electronics and new materials. The emerging industries of Weihai are medical & healthcare, information & outsourcing and “intelligent” manufacturing.

Over the past 11 years, the Flanders-China Chamber of Commerce and the Weihai Global Partnership Center have formed a strong bond to help build and then strengthen trade relations between both sides and to introduce each other's investment environments.

The green energy sector could attract companies producing methanol and ammonia from hydrogen; equipment for the hydrogen industry; data centers used for artificial intelligence; semiconductor production, especially wafer fabrication; and

companies committed to carbon neutrality.

**The program is as follows:**

10:00 – 10:05: Introduction by **Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce/ EU-China Business Association**

10:05 – 10:25: Presentation of Weihai and Interview on the Weihai industrial and investment environment with **Mr Hui Chen, Chief Representative of Weihai in the EU**

10:25 – 10:45: Experiences of Bekaert of investing in Weihai by **Mr. Sean Sun, Senior Vice President, Rubber Reinforcement, North Asia, Bekaert**

10:45 – 11:00: Q&A Session

**Practical information:**

**Date:** 26.08.2025

**Location:** Online

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## ACTIVITIES SUPPORTED BY FCCC

### 5<sup>th</sup> 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**.

Building on the success of previous editions, the 5<sup>th</sup> Innovation Fair is scheduled to take place from 16-18<sup>th</sup> 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

- **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: [gwen.sonck@flanders-china.be](mailto:gwen.sonck@flanders-china.be)

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



Join us at the **8<sup>th</sup> 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 m<sup>2</sup> 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: [gwen.sonck@flanders-china.be](mailto:gwen.sonck@flanders-china.be)

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## ARTIFICIAL INTELLIGENCE

### AI giving China competitive edge in business



**China's accelerated efforts to boost the application of fast-evolving artificial intelligence (AI) in a wide range of sectors will help the country gain a competitive edge in tech frontiers and create immense business opportunities for investors** amid external uncertainties, said experts and entrepreneurs. China, they said, is at the global forefront in the development and application of AI technology, which has become a vital force bolstering its economic development and industrial upgrades, as the country recognizes AI as an essential tool in fostering new quality productive forces and building up new growth drivers. The country's super-large market, robust engineering talent pool and thriving innovation ecosystem

will underpin its capacity to drive technologies from research labs into the industrial arena, they added.

Zhu Min, former Deputy Managing Director of the International Monetary Fund (IMF), said **China will make great strides in the use of AI technology in the next 18 months to two years**, emphasizing that the country's large-scale manufacturing, vast consumer market of 1.4 billion people and abundant industrial application scenarios present unique advantages for the development of AI. Zhu made the remarks during the 16<sup>th</sup> Annual Meeting of the New Champions, also known as Summer Davos, in Tianjin in June. He said AI Plus will serve as an important driving force for China's economic growth. China has surpassed the United States in the number of academic papers on AI, taking the top spot worldwide, Zhu said, adding that such papers increasingly focus on the specific industrial applications of AI. Noting that Chinese AI startup DeepSeek had opened a broad space for AI deployment, he said China's services sector, technology and AI have huge growth potential, with future employment to take place in these emerging fields.

**Goldman Sachs analysts said breakthroughs in generative AI have the potential to bring about sweeping changes to the global economy.** These breakthroughs could drive a 7%, or about USD7 trillion, increase in global GDP and lift productivity growth by 1.5

percentage points over a 10-year period, they said. Under the AI Plus initiative, China will work to effectively combine digital technologies with its manufacturing and market strengths, according to this year's Government Work Report. China will support the extensive application of large-scale AI models, and vigorously develop new-generation intelligent terminals and smart manufacturing equipment, the report said.

Li Haitao, Dean of Cheung Kong Graduate School of Business in Beijing, said AI is profoundly reshaping the business landscape and is bound to transform various industries. Currently, China and the U.S. have the greatest potential to lead in the next round of the AI revolution, he noted. According to Li, China has a large number of well-educated engineering talent and AI professionals, improved digital infrastructure such as 5G and computing networks, massive amounts of data, and ever-increasing innovation capabilities, which provide a solid foundation for the training and adoption of AI models. The emergence of Chinese AI companies such as DeepSeek is due to the country's long-term and accumulated achievements in multiple leading fields, such as education, the internet, 5G communication, digital payment, technological infrastructure and renewable energy, Li added.

**China's AI sector** will make big strides in the next 10 to 15 years, with its market size reaching CNY1.73 trillion by 2035, accounting for 30.6% of the global total, said market research company CCID Consulting. "The recent wave of AI innovation, led by open-sourced large language models, is so encouraging that companies are quickly mobilizing themselves to harness such technologies," said Samantha Zhu, Chairperson of Accenture Greater China.

She underscored that China is emerging as "an innovation-driven economy", with breakthroughs in areas like AI, robotics, renewable energy and electric vehicles. The consultancy estimates that adopting a holistic approach to productivity, with **generative AI** acting as a multiplier, **could boost productivity growth from 1.9% to 15.9%**. It said China has one of the most vibrant AI ecosystems in the world, driven by a mix of enterprise adoption, tech startups and public-private partnerships. To fully capitalize on the opportunities, multinational corporations should empower local teams to codevelop AI solutions with local partners, integrate AI into core operations, and leverage China as a strategic launchpad for scalable innovation, it added. Zhu emphasized that there is strong momentum for AI-driven transformation as businesses quickly integrate it into decision-making, operations and customer engagement. "Looking at the vibrant AI ecosystem, we can say that China is not just an AI market – it is a proving ground for AI adoption by enterprises at scale."

Zhu's views were echoed by **Karel Eloot, Senior Partner of McKinsey & Co.** China, Eloot said, has good technological infrastructure in terms of digitalization and AI, and has developed a world-class business-to-consumer ecosystem, laying a strong foundation for further innovation. "Chinese companies have been very open to experiment with new things so that they can learn very fast," Eloot said, adding that **Chinese firms are at the forefront of digital analytics and technology transformation**. He said generative AI is very important for the future development of "lighthouse factories", which represent the highest level of global intelligent manufacturing, the China Daily reports.

## MANUFACTURING

### Fitness equipment from Ningjin in Shandong province conquers the world



**Ningjin, a county under Dezhou city in Shandong province with a population of less than 500,000 has quietly become one of the world's largest commercial fitness equipment production bases.** The small county now accounts for more than 70% of China's domestic fitness equipment market and its products have been exported to over 170 countries and regions. At the center

of this industrial rise is Zhou Yueming, Founder of **Shandong DHZ Fitness Equipment Co.** He got his start in the late 1990s in a roadside workshop barely large enough to fit two lathes. Using a hammer and a second-hand welder in his backyard, he banged out the very first set of fitness equipment ever made in Ningjin. Today, Zhou is Chairman of a company with a sprawling 340,000-square-meter super factory capable of producing 500,000 units a year. He's quick to stress, however, that scale alone doesn't make it "super". "A real super factory needs four things," he said. "Super capacity, super response, super quality and super intelligence. Without those, you're just big, not great."

The concept of "super response" is one he's particularly proud of. In 2020, when the Covid-19 pandemic brought global trade to a halt, Zhou's team pivoted rapidly. Within seven days, they repurposed their machinery to mask production lines, helping meet local demand and keeping workers on the payroll. "That's what we mean by response," Zhou said. "It's not just reacting fast. It's about being aligned with what the world needs, before the world

even knows it needs it.”

In the early 2000s, as China’s domestic fitness trend began to emerge, more and more Ningjin locals began following Zhou and tinkering with gym machines. Over time, a kind of collective trial-and-error engineering culture took hold. As orders grew, the local government stepped in. Industrial parks were zoned, export support was introduced and logistics infrastructure was upgraded. **Today, nearly 3,000 fitness and sports equipment companies call Ningjin home.** In 2024, the county’s gym equipment industry reached a total output value of CNY13.9 billion, employing over 40,000 people. The small county is also home to 11 provincial-level “little giant” firms, which refer to innovative specialized small enterprises recognized by the Ministry of Industry and Information Technology (MIIT). One of them, MBH, has pioneered automated assembly lines for home-use cardio machines and now holds dozens of domestic and international patents. “Innovation doesn’t have to mean blue-sky R&D,” said Liu Xinli, General Manager of MBH. Liu said that sometimes it means figuring out how to shave 0.5 second off a welding cycle or pack a rowing machine into a box that fits better in a shipping container.

**“The next battlefield isn’t price. It’s algorithms, data and user experience. It’s not about making more, it’s about making smarter,”** he emphasized. At MBH, 47 different product series, with over 400 individual models, line showroom floors. Around 30% of them are intelligent devices, embedded with software that recognizes users’ faces, evaluates their health metrics and tailors a workout plan in real time. Liu said that the company’s orders this year are up more than 40%, with around 70% of those being exports. In the company’s warehouse, dozens of containers packed with equipment are ready to leave for Brazil, valued at around USD50,000 per container.

Such a sentiment echoed across town at **Shandong Brightway Fitness Equipment Co**, another rising star in Ningjin’s fitness equipment manufacturing galaxy. Their production line runs on full automation – laser cutters, robotic welders, automated paint sprayers – achieving over 95% in-house parts manufacturing. In recent years, e-commerce sales alone contributed to over 50% growth year-on-year. What makes Ningjin truly unique isn’t just its manufacturing muscle, it’s the speed of its ecosystem. Thanks to its dense clustering of nearly 3,000 related enterprises, any gym machine can be built, assembled and packaged without ever leaving the county. **“From design to sales, everything happens right here. Every component, every screw, every tube – we can get it within 30 minutes,”** said Duan Tiemin, Chairman of Brightway.

This ultra-efficient network has transformed Ningjin into what one might call a “county-level supercomputer”. Every company a node, every supplier a subroutine, all running one vast calculation: how to make fitness equipment faster, cheaper and smarter than anyone else. In the first quarter alone, Ningjin’s 28 major fitness equipment firms generated more than CNY1 billion in industrial output, with tax revenue up nearly 26% year-on-year. Exports of fitness equipment also accounted for over half the county’s total foreign trade last year, and the sector comprised 16 of its top 20 exporting firms. For years, Ningjin’s manufacturers focused on OEM, churning out low-cost gear under foreign labels. That’s changing. An increasing number of Ningjin companies are going beyond contract work and building their own brands, backed by serious R&D. A public brand called Ningjin Fitness Equipment now covers 59 product lines, and the area has been designated as a national sports industry demonstration base, the China Daily reports.

## FOREIGN TRADE

### Games expo ChinaJoy in Shanghai attracts more than 700 firms



**The ChinaJoy 2025 Entertainment Expo and Conference kicked off in Shanghai on August 1** as multiple entertainment companies said that after observing

the China market’s momentum, they are determined to go even further in tapping into the growth opportunities. Tatsuo Eguchi, Chairman and President of Sony Interactive Entertainment (Shanghai) Co (SIE Shanghai), told the Global Times that the Chinese gaming market is showing positive development trends. He highlighted that the market has shifted from being primarily mobile game-focused to the gradual rise of console games, with an increasing variety of choices for players and more diverse game themes. SIE Shanghai has dedicated an area at the Expo to Chinese national style. The exhibition area offers several games to try, including the upcoming Phantom Blade Zero, Lost Soul Aside and Exiledge and last year’s hit Black Myth: Wukong. Each game had long lines of players waiting to try them out.

Regarding the business environment for foreign companies in Shanghai, Eguchi expressed appreciation for the strong support provided by the local government. He particularly mentioned assistance in facilitating cooperation between

foreign enterprises and local developers, as well as arranging event venues. “We are grateful for the favorable environment that Shanghai provides for the gaming industry,” Eguchi added.

U.S. chip manufacturer **Qualcomm China hosted the “Snapdragon Theme Pavilion”** for the sixth time at ChinaJoy, partnering with 75 industry leaders in China, including telecom operators, mobile, PC, and XR device manufacturers, top game studios, game tech companies, publishers, and e-commerce platforms. Aside from a mobile phone equipped with its Snapdragon 8 series chip, Qualcomm China also showcased 15 XR devices powered by the Snapdragon platform, delivering detailed, realistic visuals due to the high bandwidth and strong rendering capabilities of the Snapdragon XR platform. With the deployment of 5G-A 10G networks by China Telecom and ZTE, it enabled ultra-low latency transmission at over 8K resolution, ensuring smooth and clear video in a complex, high-traffic venue.

**A total of 743 companies registered for this edition of ChinaJoy, 237 of which are foreign companies** from 37 countries and regions, including the U.S., Canada, UK, Germany, Japan and South Korea, according to the organizers. Games remain the core segment of this year's ChinaJoy, with leading companies such as Tencent, NetEase and Century Huatong showcasing multiple popular products. NetEase showcases activity games like *Where Winds Meet*, *Identity V*, and *Naraka: Bladepoint*, along with new titles *Sea of Remnants* and *DESTINY*, with some available for on-site play. Huawei is releasing its game centers at the Expo presenting multiple native mobile games on HarmonyOS, including Tencent's *Honor of Kings* and *Light and Night*, *Perfect World's Jade Dynasty 2*, and EA authorized *Plants vs. Zombies*, among others. For overseas game companies, Blizzard's booth features classics like *World of Warcraft*, *Hearthstone*, *Overwatch* and *Diablo*, and Bandai Namco is showcasing mobile games *Naruto* and *One Piece*.

ChinaJoy 2025 features a pavilion for toys and models, where global companies showcase their latest action figures from games and anime. Wu Jun, Owner of MoshowToys, a mecha figure brand from Dongguan, Guangdong province, told the Global Times that he has seen huge growth in the domestic toy market since the beginning of 2025. He said that as the domestic market evolves, consumers are becoming more rational, which has seen toy manufacturers shift their focus from aesthetics to creating long-term IPs with cultural depth. “China is transitioning from 'Made in China' to 'Created in China,' with cultural exports and IP development as key goals,” he said, adding that he has noticed that with growing interest from Chinese gaming and film companies, toy market activity is boosted, signaling promising future potential.

**In the first half of 2025, China's domestic gaming market established a new record, with actual sales revenue reaching CNY168 billion, up 14.08% year-on-year.** The number of game players rose to 679 million nationwide, a 0.72% increase, also a new high, according to a report on the Chinese gaming industry released during the 22<sup>nd</sup> China Digital Entertainment Industry Congress. Damian Jaskowski, a Polish gaming industry observer, told the Global Times that he has been closely following the Chinese gaming market and highlighted that China has many excellent games and developers. He is full of expectation for the development potential of the Chinese gaming market and, in 2024, participated in writing a *Game Developer's Guide to the Chinese Market*, aiming to provide valuable information for small-scale game companies worldwide to enter the world's largest gaming market. *Black Myth: Wukong's* international influence has energized the Chinese gaming market, Jaskowski said. “With its success, more outstanding Chinese games will have the opportunity to gain global recognition and popularity,” the Global Times reports.

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## CHINA NEWS ROUND-UP

### GDP growth underperforms in Shenzhen and Guangzhou

**Two cities that have served as economic pillars of Guangdong province appear to be losing steam relative to their peers, prompting calls for stronger action to revive businesses.** Tech hub Shenzhen and manufacturing center Guangzhou reported gross domestic product growth of 5.1% and 3.8% respectively in the first half of 2025, both below the national average of 5.3%. The simultaneous slowdown came as uncertainty grips the global supply chain and domestic demand fails to

make up for the shortfall, analysts said.

“Shenzhen is facing dual headwinds from weakening global demand and a local property downturn, particularly in the commercial real estate sector, which has dragged down both exports and investment,” said Peng Peng, Executive Chairman of the Guangdong Society of Reform, a think tank affiliated with the provincial government. Shenzhen's decline is particularly notable as fixed-asset investment (FAI) dropped 10.9% year-on-year and real estate development plunged 15.1%, reflecting weakened investor confidence. While the city's hi-tech industries grew by over 35%, its exports fell 7% and total trade dipped by

1.1%. These figures indicate external pressures – particularly the tariff disputes and tech curbs being levied by Washington – continue to weigh heavily on the city. “The decline in fixed investment in Shenzhen was somewhat unexpected, particularly the steep fall in real estate investment. Office vacancy rates in the city remain high,” Peng said.

**Guangzhou**, the provincial capital, **continues to be held back by underperformance** in two of its bedrock industries: **automobiles and real estate**. While its growth was slower than Shenzhen’s, there has been marginal improvement compared to the most difficult periods of the recent past. After 15 consecutive months of contraction, the value-added output of large-scale industrial firms edged up 0.7% in the first half of 2025. Property investment also turned positive, rising 4.1% year-on-year after three years of decline. Nonetheless, pain points persist, most notably in the fuel-powered auto sector where output fell 5.7%. In contrast, exports surged 25.2% year-on-year, the largest increase among China’s top 10 trading cities. Shipments to Africa, Asean and the European Union all jumped over 30%, suggesting the city is gradually diversifying away from its dependence on the U.S. market.

“This rebound partly stems from a low base last year, but also from Guangzhou’s export structure, which relies more on intermediate goods and less on consumer products,” said Wang Zhen, Researcher with the Shenzhen-based China Development Institute. “That makes it less exposed than Shenzhen to global trade shocks.” Guangzhou has long been regarded as a barometer of China’s economy, but it has been overtaken in terms of raw GDP by Chongqing municipality.

Whether Guangzhou and Shenzhen can reverse the downward trend in the second half of the year depends on the stability of foreign trade and the recovery of their staple industries, Peng said, as reported by the South China Morning Post.

## More than 40% of the world's AI models are Chinese

**China is now home to 1,509 AI models, which accounts for more than 40% of the world’s total, according to the World Artificial Intelligence Conference (WAIC) in Shanghai**, showing the country’s great leap forward in the fast-growing technology. There are 3,755 AI models worldwide, according to the WAIC. Tencent Holdings and SenseTime launched new AI models at the conference. Tencent’s Hunyuan 3D World Model 1.0 showed its prowess in generating detailed three-dimensional environments, while SenseTime touted improvements in reinforced learning efficiency delivered by SenseNova V6.5. “We see AI enabling scalable and cost-efficient production of multimodal content across text, images, audio and video,” said UBS Securities Analyst Wei Xiong, who pointed out that Chinese models were “showing early success in AI video generation”. The number of AI models reflects the country’s big strides in transforming into an AI powerhouse through various private and publicly backed open-source development initiatives, narrowing the gap with the U.S.

**The open-source approach gives the public access to**

**a program’s source code**, allowing third-party software developers to modify or share its design, fix broken links or scale up its capabilities. According to the American benchmarking platform LMArena, created by researchers from the University of California, Berkeley, China has become home to the world’s top open-source AI models.

While American AI giants such as OpenAI and Meta Platforms did not take part in this year’s WAIC, which concluded on July 28, Chinese Big Tech firms from Alibaba Group Holding to Huawei Technologies showcased their latest AI-related developments. Hangzhou-based Alibaba unveiled its latest large multimodal model, powered by its Qwen AI model family, which was specifically designed for intelligent automotive cockpits. This was jointly developed with U.S. mobile chip firm Qualcomm and Banma, Alibaba’s intelligent cockpit solution provider.

On the AI hardware side, domestic semiconductor enterprises – including Huawei and start-ups such as Moore Threads and Tencent-backed Enflame – displayed their latest AI processor technologies. **Huawei**, which occupied a central space at the Shanghai World Expo Exhibition and Convention Center, **showed to the public for the first time its Supernode 384 system** – which is a cluster of 384 Ascend AI processors – spread across 12 computing cabinets and four bus cabinets. That system delivers 300 petaflops of computing power and 48 terabytes of high-bandwidth memory, gaining attention in China as an alternative to Nvidia’s NVL72 system.

WAIC also showed a rising trend among domestic AI infrastructure suppliers to join forces in building commercial computing resources amid the strong demand for advanced computing power in China’s AI sector. SenseTime unveiled a “compute mall” initiative with more than 10 domestic partners – including chip design firms Huawei, Hygon Information Technology, Cambricon Technologies, Biren Technology and Moore Threads – that would allow AI developers to freely combine and allocate a variety of computing resources, platform tools and AI model services just like “purchasing goods” at a supermarket. “The overall share of domestically produced computing power remains very low, likely even below 10%,” said Chen Daliang, CEO of Suanova – a Shanghai-based AI computing resources provider and a subsidiary of Hong Kong-listed Yeebo Technology.

## China rebukes protectionism after Trump announces new tariffs on 69 countries

**In the wake of U.S. President Donald Trump’s latest announcement on new tariffs to be imposed on 69 trading partners ranging from 10% to 41%, China has reiterated a stern warning against protectionism** amid growing concern that it will “harm the interests of all parties”. “China’s position against the arbitrary imposition of tariffs has been consistent and clear: there are no winners in tariff or trade wars,” Guo Jiakun, Spokesman for the Ministry of Foreign Affairs, said at a press conference. The announcement included a 35% duty on many goods from Canada and 39% on imports from Switzerland. Most of the tariffs are due to take effect this week. Most Asian economies will face a levy of 15% to 20%, but exceptions

include India at 25%, and Laos and Myanmar at 40%. Taiwan will face a 20% tariff.

“The new rates preclude the worst but are cold comfort,” said Alex Holmes, Regional Director of Asia at the Economist Intelligence Unit (EIU). “They represent a big rise in trade barriers and leave plenty of questions unanswered. “Tariff rates settling at 15% to 20% for most of the region outside of China will hurt producers, narrow profits along the supply chain, and curtail U.S. demand,” he said.

Holmes contended that, without clarity on sector-specific tariffs, a lower overall rate offers little reassurance. For example, while South Korea has agreed with the U.S. on a 15% export tariff covering items such as cars – a major decrease compared with the 25% general auto import tariff – uncertainties remain regarding tariffs on electronics, which comprise the region’s largest export sector, by far. Trump reached a deal with South Korea, the European Union, Japan, Indonesia and the Philippines.

Most of Trump’s new tariff rates will take effect on August 7, except for Canada, which will face the new duties immediately, and Mexico, which was granted a 90-day negotiation period, with its tariff temporarily set at 25%. Trump also issued a separate order for Canada that raises the rate on Canadian goods subject to fentanyl-related tariffs to 35%, from 25% previously, claiming that Canada had “failed to cooperate” in curbing illicit narcotics flows into the U.S.

Earlier last week, following the third round of trade talks with the U.S. in Stockholm, China said that both sides had reached a consensus to extend their “tariff truce” by another 90 days, while the U.S. side insisted that the deal was still pending the President’s explicit approval. If nothing unexpected happens, the U.S. will continue to impose 30% additional tariffs on China after August 12, when the original truce is due to expire, the South China Morning Post reports.

## Brain-like computer could shake-up future of AI

**Chinese engineers have unveiled the world’s first brain-like computer made up of more than 2 billion artificial neurons.** The neuron count of the “**Darwin Monkey**” approaches that of a macaque and could be used to advance human brain-inspired artificial intelligence (AI), according to its developers at Zhejiang University. The Darwin Monkey is the latest generation of brain-inspired computers produced by Zhejiang University researchers. “This is the world’s first brain-like computer based on a dedicated neuromorphic chip with more than 2 billion neurons,” the university said. The computing system, made up of 960 Darwin 3 brain-inspired computing chips creating over 100 billion synapses, is “a step closer to achieving more advanced brain-like intelligence”, it said. The Darwin Monkey has been successfully deployed to complete tasks like content generation, logical reasoning and mathematics, using the groundbreaking Chinese AI company DeepSeek’s brain-like large model. The neuron and synaptic resources of the brain-inspired computer could also be used to simulate the brains of various animals, such as macaques, mice and zebrafish, which the

university noted could advance brain science research.

Neuromorphic computing, also known as brain-inspired computing, draws inspiration from the brain’s neural networks and processing capabilities through the use of artificial neurons and synapses. Brain-inspired computing can allow for more efficient information processing by allowing systems to mimic cognitive functions like decision-making, learning and memory. This could enable faster and more adaptable problem-solving as well as more advanced AI systems. Spiking neural networks go one step further than traditional artificial neural networks, by using discrete spikes or signals rather than continuous values to represent and transmit data, thereby more closely modeling the function of biological neurons.

In April last year, Intel announced that it had built the first 1.15 billion-neuron neuromorphic computing system, Hala Point, saying it would build a path towards “more efficient and scalable AI”. The system was initially deployed at the U.S. Department of Energy-funded Sandia National Laboratories.

The Darwin 3 chip, which the Darwin Monkey system relies on, was developed in 2023 by Zhejiang University in collaboration with the research institute Zhejiang Lab. The lab is jointly funded by the university, the Zhejiang provincial government and Alibaba Group, the South China Morning Post reports.

## Chinese autonomous delivery vehicles enter the international market

**Chinese autonomous delivery vehicle makers are accelerating their push into global markets, with new milestones achieved in South Korea, Europe and beyond.** On July 24, domestic autonomous vehicle manufacturer Neolix signed a cooperation agreement with the city of Incheon in South Korea, signaling the first official use of unmanned delivery vehicles in South Korea. According to the memorandum of understanding (MOU), Neolix will partner with the Incheon Free Economic Zone Authority (IFEZA) to provide smart logistics automation services to key logistics hubs in Incheon, while long-term plans also involve the use of Incheon as a strategic base for expanding its investment and operations across the South Korean market, according to Neolix. Incheon Mayor Yoo Jeong-bok expressed high hopes for the partnership, saying he aims to make the city a pioneer in smart transportation and logistics innovation. He added that Incheon will work to attract more leading smart city enterprises as it strives to join the ranks of the world’s “top 10 global cities”. As a new bridge for China–South Korea cooperation in intelligent transport and logistics, Yu Enyuan, Founder and President of Neolix, called the agreement “a key step” in the company’s international expansion.

**Neolix has already launched driverless solutions in countries such as Japan, the United Arab Emirates (UAE), Saudi Arabia and Germany,** across dozens of real-world use scenarios. According to market consultancy QYResearch, the global market for Level 4 autonomous delivery vehicles reached USD1.131 billion in sales in 2024 and is projected to grow to USD2.379 billion by 2031, with a compound annual growth rate of 11.3% between 2025

and 2031, and China remaining one of the key markets in this sector.

**Zelos Tech**, another major Chinese developer, **has completed its first unmanned vehicle deployment in Linz, Austria**, marking its initial operational rollout in Europe. The project was carried out in partnership with DigiTrans, a key Austrian platform focused on transportation and logistics, and its affiliates. According to Zelos, the Z5 delivery vehicle runs entirely on self-developed hardware and software, including sensing algorithms and vehicle control systems, with no reliance on external technology. The Linz project is expected to serve as a beachhead for expanding into German-speaking countries such as Germany and Switzerland, while also laying the groundwork for further moves into France, the Netherlands and other European markets, the manufacturer said.

Although China's autonomous delivery vehicles are gaining better global traction, overseas adoption is still in its early stages, and companies must first go through a phase of educating and building trust with customers, said Zhou Qing, Co-founder of Zelos Tech. "Currently, we have around 11 to 12 vehicles undergoing pilot operations with clients in developed countries, gradually proving their value in real-world scenarios. Once the vehicles meet local entry requirements and gain sufficient market traction, the company expects to see a surge in overseas orders within the next two years," Zhou said. "We chose developed countries as primary overseas targets because their high labor costs make it easier to realize a return on investment in the short term," Zhou said. "Governments and businesses in these markets are more receptive to automation and tend to support commercial validation efforts, helping to accelerate deployment," as reported by the China Daily.

### **Alliance of Chinese IC and AI firms promotes locally-developed processors**

**A group of Chinese semiconductor and AI companies has formed an alliance to push the adoption of locally developed processors for artificial intelligence (AI) projects**, as Chinese regulators question Nvidia about any "back door" risks in its H20 chips. Initial members of the **Model-Chips Ecosystem Innovation Alliance** include Tencent Holdings-backed AI start-up StepFun; Infinigence AI; SiliconFlow; Huawei Technologies' Ascend computing business unit MetaX; Biren Technology; Enflame; Iluvatar Corex; Cambricon Technologies and Moore Threads. The alliance was announced by Shanghai-based StepFun at the World Artificial Intelligence Conference (WAIC). The alliance reflected the growing efforts in the country's semiconductor industry and nascent AI sector to push forward China's tech self-sufficiency agenda – covering computing hardware, software and services – amid U.S. export restrictions on China and rising geopolitical tensions.

The group's establishment comes amid an inquiry of the Cyberspace Administration of China (CAC) in Nvidia, which was recently given the green light by the Trump administration to resume shipments of its China-specific H20 AI processors. The CAC said its inquiry was based on

recent reports of "serious security issues" involving Nvidia's processors and demands from U.S. lawmakers to add tracking features to advanced chips. Moreover, U.S. AI experts indicated that remote-control technologies related to Nvidia's chips have matured.

The Model-Chips Ecosystem Innovation Alliance also comes at a time when Chinese AI infrastructure collaborations are increasing. Infinigence AI – a computing infrastructure platform provider backed by talent from Tsinghua University and funding from domestic Big Tech companies – said it was working with Huawei to launch an updated version of its "compute ecosystem platform" in the Shanghai Foundation Model Innovation Center, a renowned AI incubator in the city.

Hong Kong-headquartered AI firm **SenseTime unveiled the "compute mall" initiative with more than 10 domestic chip design companies**, including Huawei and Moore Threads. This initiative would allow AI developers to freely combine and allocate a variety of computing resources, platform tools and AI model services just like "purchasing goods" at a supermarket.

During his visit to Beijing earlier this month, Nvidia co-founder and CEO Jensen Huang told Chinese media that the company was "working at full speed to restore the H20's production capacity". He said it currently took about nine months between placing wafer orders with the contract manufacturer and delivery of the chips, the South China Morning Post reports. AI spending by China's major cloud services providers was set to reach CNY380 billion this year, up 60% from 2024.

### **Chinese Minister of Industry and Information Technology meets U.S. business delegation**

**Chinese Minister of Industry and Information Technology Li Lecheng met with a delegation led by Rajesh Subramaniam, Chairman of the Board of the U.S.-China Business Council (USCBC), in Beijing**, encouraging more U.S. companies to deepen their roots in China. Minister Li emphasized that China will continue providing support for foreign-funded enterprises as always. He reiterated China's commitment to maintaining a fair, just, and open market competition environment, while safeguarding the legitimate rights and interests of all market participants. Li expressed the hope that the USCBC would help create favorable conditions for the healthy development of industrial cooperation and economic exchanges between China and the U.S. He encouraged more U.S. companies to invest in China, establish roots, actively participate in China's new industrialization process, and provide more competitive products and services, contributing to mutual benefits and win-win outcomes.

**Representatives of several U.S. companies**, including Thermo Fisher Scientific, Otis Worldwide and Apple, **attended the meeting**. The two sides exchanged views on equipment, intelligent manufacturing and other fields. Subramaniam expressed appreciation for the pragmatic measures implemented by the MIIT to support foreign-funded enterprises in China. He stated that the USCBC

remains committed to promoting the healthy development of U.S.-China economic and trade relations, according to the MIIT statement. Ren Hongbin, Chairman of the China Council for the Promotion of International Trade (CCPIT), also met with the delegation, and the two sides exchanged views on issues such as promoting exchanges between the business communities of China and the U.S. and serving enterprises of the two countries, according to the CCPIT.

**U.S. companies continue to expand their presence in the Chinese market.** At the recently concluded third China International Supply Chain Expo (CISCE), the number of participating countries and regions expanded from 55 in the first session to 75, with the number of U.S. exhibitors increasing by 15% compared with last year, remaining the highest among overseas exhibitors. In another example, the 1,000th Tesla Megapack energy storage system produced at its Shanghai Megafactory rolled off the assembly line and will be exported to Europe, the company told the Global Times. It took less than six months for Tesla's Shanghai Megafactory to produce 1,000 Megapacks. Coca-Cola highlighted its resilient performance in China, as it reported stronger growth in the Chinese market in its second-quarter results. The U.S. business delegation's visit serves as another signal that U.S. businesses hope to expand their presence and seek further cooperation in China – a gesture of goodwill, Huo Jianguo, Vice Chairman of the China Society for World Trade Organization Studies in Beijing, told the Global Times.

A report released by the USCBC on July 16 showed that 82% of U.S. companies in China reported a profit. Many said that uncertainties in China-U.S. relations and tariffs are their top concerns but the Chinese market remains vital.

## District in Jiangxi consolidating its status as a hub for eyeglasses

**China's "hometown of glasses" – Yujiang district in Yingtan, Jiangxi province – is upgrading its industrial infrastructure to consolidate its status as one of the five main domestic hubs for eyeglasses. With a history of selling eyewear for 200 years,** Yujiang is focusing its efforts on artificial intelligence (AI) and brand building. As of end-2024, Yujiang's 2.6 square-kilometer eyeglasses industrial zone was home to about 260 companies, with their annual main business income reaching CNY10.8 billion. Zhu Mingming, Founder and CEO of **Rokid**, a Hangzhou, Zhejiang province-based producer of AI-powered eyewear, is one such participant in the eyewear industry transformation of Yujiang. Rokid opened its second global flagship store in the industrial zone in December 2023 to further tap the region's high-tech

development with smart augmented-reality (AR) solutions. The company teamed up with Lens Technology and rolled out Rokid Glasses in June, supported by AI and AR technologies. Weighing just 49 grams, the glasses feature an AR display and are integrated with AI large models, with functions such as real-time translation, object recognition, navigation, message notifications and voiceprint payment. "The product has received 300,000 online orders," said Zhu, adding that the company will set up a production base in the district within two years.

**"The next three years are a crucial period for breakthroughs in the smart glasses sector.** Convincing mass consumers to embrace this innovative wearable technology will be a challenging task," said Zhu. According to International Data Corp (IDC), global smart glasses shipments reached 1.48 million units in the first quarter of this year, a year-on-year growth of 82.3%. Shipments of smart glasses in China soared 116.1% to 494,000 units during the same period. Yujiang is also leveraging its 200-year heritage in the sector to enhance brand building, spur product competitiveness and industrial advancement.

**Jiangxi Strong Optical Co**, a company that set up base in Yingtan in 2017, **is a local pioneer in brand building.** It is not only an original equipment manufacturer (OEM), but also a branded manufacturer since 2021. "Though it is challenging to break through in the sector with a premium brand, we have to build one of our own," said Li Shaoqiang, the company's General Manager. In the past, 60% of the company's sales came from markets such as Europe and the United States, solidifying its position as a major player in optical manufacturing. However, trade woes in recent years have prompted a strategic shift away from these two regions to a focus on emerging markets, where sales have grown steadily.

Yujiang boasts several advantages in developing eyewear businesses, including a well-developed industry chain, abundant talent supply and a business-friendly environment. To streamline operations, the local government has assigned an administrative process coordinator to expedite approvals and support efficiency. "Next, Yujiang will accelerate upgrading of its eyewear sector from traditional manufacturing to a more modernized sector featuring design, research and development (R&D) as well as sales and industrial services," said Li Zhiwen, Director of the eyewear industry development service center of the district, the China Daily reports.

The South China Morning Post adds that sales of Xiaomi's AI glasses are exceeding expectations with sales of more than 50,000 units since their debut on June 26. They are expected to reach annual sales of more than 5 million units, according to a company executive, highlighting the gadget maker's push into the market amid rising competition.

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