

China Business Weekly

19 August 2025



FCCC/EUCBA ACTIVITIES

**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

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

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ARTIFICIAL INTELLIGENCE

AI powering China's industrial evolution



Artificial intelligence (AI) is playing an increasingly important role in manufacturing in China and in its continuing industrial evolution or revolution. ‘Industry plus artificial intelligence’ is surging across the Chinese manufacturing landscape, driven by tech companies scrambling to develop AI agents to solve tasks.

At a textile mill in Suzhou, Jiangsu province, the rhythmic clatter of looms is now harmonized with a new sound: the silent, rapid-fire calculations of artificial intelligence. **China Telecom’s “StarWeave Textile AI Agent” is relentlessly at work here**, adjusting thread tension in real-time and scrutinizing fabric for flaws as it emerges, transforming an age-old craft in the process. The results speak volumes: 99% on-time delivery, a 20% surge in productivity and near-perfect defect detection, China Telecom said. This is not an isolated experiment, but a glimpse into a sweeping transformation where AI is rapidly becoming the indispensable engine powering China’s industrial evolution.

AI agents are software systems that use AI to pursue goals and complete tasks on behalf of users. Unlike traditional AI, which may simply assist or provide recommendations, **AI agents are capable of executing complex workflows without continuous human input.** These agents are purpose-built to perform specialized roles within a company, such as customer support, data analysis, compliance checking or even performing financial tasks, experts said. Li Lecheng, Minister of Industry and Information Technology, chaired a meeting in Beijing in June, outlining a comprehensive strategy to accelerate AI’s

technological innovation and integrated application, thereby positioning AI as a core driver of China’s new industrialization. Xie Shaofeng, Chief Engineer at the Ministry of Industry and Information Technology (MIIT) said at a news conference that the Ministry has also coordinated with provincial governments **to develop 11 national AI innovation pilot zones.** Central and local authorities have jointly built specialized manufacturing innovation centers for embodied AI robots, humanoid robots and other next-generation technologies to drive the development of industrial clusters, Xie said.

Hong Qunlian, Researcher at the National Development and Reform Commission’s Chinese Academy of Macroeconomic Research, said: “Manufacturing is the focal point of competition among major powers and technological supremacy. Nurturing strategic advantages for the future fundamentally relies on the high-quality development of our manufacturing industry. Promoting AI-driven industrial upgrading is paramount for China’s real economy over the next five years. Achieving breakthroughs in critical technologies is not optional, it is essential, as we still face challenges in these areas.”

Ryoji Sekido, co-CEO of Accenture Asia Pacific, said: “China stands at the forefront of global AI innovation and deployment, serving as an unparalleled benchmark for enterprise transformation. **There is no better place to witness AI progress than right here in China and Shanghai. The ecosystem’s rapid evolution is impressive.**” Sekido highlighted how Chinese companies are transitioning from isolated AI experiments to comprehensive, enterprise-wide reinvention. He pointed to electric vehicle giant BYD as a paradigm shifting case. “This isn’t about simple AI use cases. BYD harnessed AI end-to-end – from battery R&D and design automation to manufacturing and autonomous driving systems – fundamentally reinventing operations to accelerate time-to-market and capture dominant market share,” Sekido said. This approach, he stressed, represents “corporate reinvention”, where AI becomes a strategic engine rather than a productivity tool.

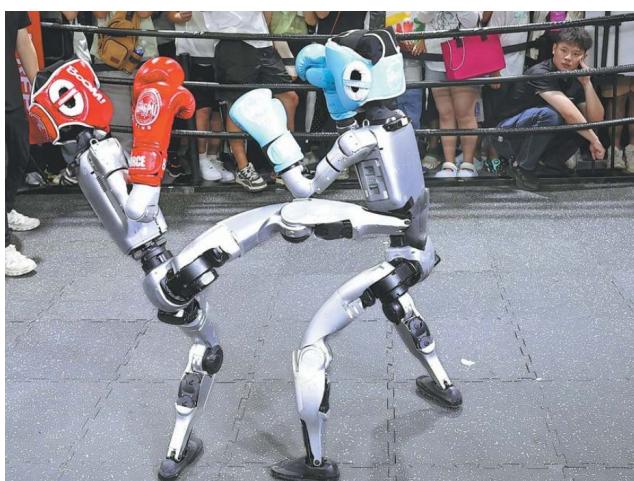
The statistics also confirm the surge. Market research company International Data Corp (IDC) revealed a seismic shift: **the proportion of Chinese industrial enterprises deploying large models and intelligent agents has skyrocketed from 9.6% in 2024 to 47.5% in 2025.**

Crucially, those implementing these technologies across multiple operational areas have increased from 1.7% to 35%. “We’re moving rapidly beyond isolated pilots,” said Cui Can, Senior Research Manager of IDC China. “High-value intelligent agent applications are landing and scaling.” IDC forecasts China’s industrial AI spending to reach CNY90 billion by 2028, fueled by this accelerating adoption. This is far more than mere automation. AI is

enabling a fundamental evolution in how Chinese industry operates, moving from fragmented point solutions toward interconnected, increasingly autonomous systems. “Industrial AI agents represent a critical lever,” Cui said. “They drive the innovation cycle for essential industrial assets – datasets and large language models – creating a self-reinforcing ecosystem for advancement,” the China Daily reports.

ROBOTICS

Robot manufacturers focus on greater intelligence



Robots that are not only able to run, dance and play soccer, but also sort parts on an assembly line or play a game of mahjong were once fantasies confined to science fiction, but are now a reality showcased at the recent World Robot Conference (WRC 2025) in Beijing. Over 200 domestic and international robotics companies showcased more than 1,500 exhibits, with over 100 new products making their debut. Among the participants were 50 humanoid robot companies, the highest number among similar exhibitions worldwide. Qiao Hong, President of the World Robot Cooperation Organization, highlighted cognition, decision making and safety as key future development trends for embodied intelligent robots.

The Conference showed rapidly advancing embodied intelligence technology, with humanoid robots as the highlight, demonstrating significant progress achieved globally and particularly in China, while the event also served to illuminate a wide range of future commercial applications. **Themed “Making Robots Smarter, Making Embodied Agents More Intelligent,”** the five-day conference that finished last week featured forums, exhibitions, competitions and networking events – with over 200 robotics companies from around the world showcasing their latest innovations, including wheeled robots, collaborative robots and quadruped or hexapod robotic dogs.

Unitree Robotics, based in Hangzhou, Zhejiang province, brought its latest humanoid R1 and quadrupedal A2

automatons to the conference. A crowd favorite was a boxing match by two of the latest upgraded GI robots. The mechanical boxers punched and defended like real human fighters, while getting up to continue even after being knocked down. Marketing Manager at Unitree Liu Jinda said the sparring demonstration wasn’t just for show. “During boxing, multiple joints need to coordinate with extremely fast reaction times. When subjected to external forces, the robots must quickly regain stability and balance. This practice provides valuable experience for developers to improve robotic performance.”

In the exhibition area of Galaxea AI, visitors only needed to say “Please make the bed,” and the company’s new R1 Lite robot responded by completing the task in a randomly disordered bedroom all by itself. Galaxea AI Chief Scientist Zhao Hang said the key to embodied intelligence robots lies in their “brain” represented by the sophistication of their algorithms. R1 Lite’s Vision-Language-Action model uses a single end-to-end architecture to achieve precise control from visual perception to its sophisticated joints, enabling it to perform highly complex, long-sequence tasks like making a bed.

At a conference forum, Ni Guangnan, Academician at the Chinese Academy of Engineering (CAE), emphasized that **combining robots with AI requires elevating robotic intelligence through “brain-eye-action” coordinated systems** – enabling automatons to see, understand and act in the real world. Unitree CEO Wang Xingxing said that while current robotic hardware is generally sufficient, their AI capabilities still fall far short of industry needs, and developing sufficient embodied intelligence models will be the most critical task for the industry in the future.

China’s innovations in embodied intelligence are powered by the robust development of its robotics industry. According to data released at the conference, the country’s robotics industry generated nearly CNY240 billion in revenue in 2024. In the first half, industrial robot production in China reached 370,000 units while service robot output hit 8.82 million units, representing year-on-year growth of 35.6% and 25.5%, respectively. **China** has also been the world’s largest industrial robot application market for 12 consecutive years, with its **share of the world’s newly installed robots increasing from 51% in 2023 to 54% in 2024.**

Rev Lebedev, Vice President of Omniverse and simulation technology at Nvidia, said in a speech at a forum that China boasts the world's largest pool of top-tier graduates in computer science and AI, while holding a distinct advantage in physical-world tech development. This enables the country to produce robots that are both cost-effective and highly efficient, a capability unmatched by other countries. Moreover, China possesses not only manufacturing prowess, but also the unique ability to deploy robots at scale and iterate rapidly. By deploying robots in real-world applications and collecting operational data, Chinese developers can continuously optimize robotic systems.

The embodied intelligence sector is attracting not only AI innovators, but also traditional industrial robotics companies. At WRC 2025, established players like Siasun and Dobot, once focused on robotic arms and autonomous forklifts, now deployed humanoid robots. They are injecting new momentum into the application of embodied intelligence technologies. At the opening ceremony of the conference, the Chinese Institute of Electronics unveiled 10 most promising application scenarios for humanoid robots, such as automotive manufacturing, petrochemical production inspection, emergency response operations, home services and agricultural tasks, the China Daily reports.

LOGISTICS

China's shipping charts digital, green and smart course



China's maritime industry is improving efficiency in shipping logistics, and is achieving some important firsts along the way. On June 23 the container ship Yuanhai Zeda became the first vessel in China to **complete its registration using a ship technical parameter certificate instead of the traditional bulky paper inspection documents.** The process of registering the 15,000-metric-ton vessel, which would have previously taken days, took less than a day to complete. The swift registration is an example of reforms driven by the Hainan International Ship Registration Authority, which has embraced digitalization and innovative policy changes. By slashing required paperwork from 32 documents down to 15 and fully digitizing the approval process, registration efficiency has soared by over 60%, said Li Fangcao, a staff member in the registration service department.

"It's like using an electronic ID instead of paper documents," Li said, adding that the entire application can be submitted online, which saves companies significant time and costs. On April 9, another vessel, Shengchang 777, submitted its paperwork in the morning and had received 18 certificates by the afternoon. Thanks to cross-department collaboration and the streamlined system, **foreign ship re-registrations that once took 30 days now require just a single day.** Cai Yinghong, Director of the Hainan International Ship Registration Authority, said,

"Our goal is to build an internationally aligned ship registration service system." Cai noted Hainan has pioneered several nationwide firsts, including a unified ship registration system covering the entire island, a two-level review process for international ship registrations, and a temporary ship ownership registration system. These innovations have increased the efficiency of ship registration by over 90%. The implementation of a "non-stop certification" service has allowed vessels to complete certification without interrupting their voyages, resulting in annual savings exceeding CNY1 million per ship.

At Ningbo Zhoushan Port, one of the world's busiest cargo hubs in Zhejiang province, China is demonstrating its commitment to maritime safety and environmental protection through a process called Port State Control (PSC). According to Jin Tianqi, Deputy Director of the Security Inspection Center at the Ningbo Maritime Safety Administration, the Ningbo Maritime Bureau has intensified PSC enforcement efforts, conducting approximately 400 inspections annually within its jurisdiction. "Through scientific scheduling and random checks, a dynamic supervision mechanism focused on high-risk vessels has been established. This approach has significantly improved the overall technical condition of incoming ships and effectively reduced the risk of major maritime accidents," Jin said. These efforts have effectively reduced maritime accidents and cultivated a market environment rewarding well-managed ships. Digital technologies are rapidly being integrated into PSC practices. Some ports across China have begun deploying drones to inspect ship hulls and using smart terminals to collect on-site data, boosting enforcement efficiency and transparency. These innovations point to the future direction of PSC systems worldwide.

The Haikou Maritime Safety Administration, which manages the Qiongzhou Strait, a critical shipping channel linking the South China Sea to domestic markets, has introduced **an electronic approval system allowing foreign vessels to pass without submitting physical paperwork.** Foreign ships can upload their application documents via the Strait Transit Management Information

System, where they are routed to the appropriate approval channels. Relying on this digital platform, maritime officials can provide uninterrupted, year-round service. This “online submission, online approval” model has drastically shortened the approval period, from what once took several working days to just a matter of hours.

As a result, **the turnaround time for vessels has significantly improved**, reducing both time and operational costs for international shipping companies, and ensuring the efficient operation of the Qiongzhou Strait as a major transportation artery. Once a foreign vessel's transit application is approved, Haikou Maritime activates a “one-stop” safety information notification mechanism.

China's maritime cruise sector is also spearheading

green transformation, with Guangzhou's Pearl River night cruise industry standing out. As of July, over 1.7 million visitor trips have been made on the river's battery-powered, zero emission vessels, making Guangzhou a global leader in eco-friendly urban water tourism. The Pearl River East Channel – a historic waterway renowned for its scenic night cruises – is being transformed into a zero-emission demonstration zone, highlighting how environmental upgrades can go hand in hand with urban tourism. The river section has been designated a key emission control zone.

China's maritime achievements are already impressive: it operates the world's largest ocean fleet, hosts the most extensive network of world-class ports and handles nearly one-third of global maritime cargo, the China Daily reports.

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CHINA NEWS ROUND-UP

U.S.-China trade: partial agreements possible but significant breakthroughs unlikely

With the tariff truce between China and the United States extended for another 90 days, and in the lead-up to a potential meeting of their presidents later this year, **room for “piecemeal agreements” exists** for the two countries in terms of export controls and purchases of goods, according to analysts. **But the odds of significant breakthroughs** – at least in the short term – **are unlikely**, as negotiations between the two countries will continue to be difficult and serve as a long-term test of trade resilience, they added. Pushing Beijing to buy more U.S. goods is one of Washington's priorities. Just ahead of the tariff truce deadline, U.S. President Donald Trump urged China to quadruple its orders of American soybeans – a major U.S. export to China. Trump said that he and President Xi Jinping could meet “before the end of the year” if both sides can come to a trade deal.

Malaysian Prime Minister Anwar Ibrahim said that Xi was expected to attend an Asean summit to be held in Kuala Lumpur in October, potentially turning the annual talks into a stage for a high-stakes meeting between the leaders of the world's two largest economies. “Now negotiators can focus their attention on negotiating a trade deal, which would pave the way for a Trump-Xi summit this fall,” said Wendy Cutler, Senior Vice President for the Asia Society Policy Institute and a former Deputy U.S. Trade Negotiator. Compared with the “phase one” trade deal that the two countries reached during Trump's first term – when China agreed to expand purchases of certain U.S. goods and services by at least USD200 billion, compared with 2017 levels – Beijing will be a more demanding counterpart this time around, after having learned important lessons, she

said. Moreover, for soybeans and other agricultural products, the demand is far more inelastic than many assume, according to Zha Daojiong, Professor with the School of International Studies at Peking University.

“For China or any other buyer to commit to new purchasing arrangements from any seller, the usual set of issues is in place: change in consumption levels, contracts already entered into, costs in making a switch, et cetera,” Zha said. Former U.S. Trade Negotiator Stephen Olson, now a visiting Senior Fellow at the Yusof Ishak Institute in Singapore (ISEAS), said China feels it has considerable leverage and will refuse to go along with a one-sided deal as it did with the phase-one agreement. “Additional relief from U.S. technology restrictions on China could be part of the price China extracts for agreeing to a summit,” he said.

If Presidents Trump and Xi do meet this year, they may strike a deal that includes further tariff cuts and progress on export restrictions, but some deeper structural issues such as China's industrial policies will remain mostly unaddressed, Olson predicted, the South China Morning Post reports.

Chinese sellers on e-commerce platforms express concerns about U.S. tariffs

Chinese sellers on e-commerce platforms Shein, Temu, TikTok Shop and Amazon, expressed concerns about U.S. tariffs at the three-day China Cross-Border E-Commerce Trade Fair in Guangzhou, which concluded on August 17. With booths at the fair, major online retail platforms – including Shein, PDD Holdings-owned Temu, ByteDance-run TikTok Shop and American e-commerce giant Amazon.com – sought to woo more exporters to

open online shops on their sites. Amazon.com trainer Sandy Zhu, for example, suggested that newcomers to the platform, which caters to 20 overseas markets, sell to the U.S. because traffic was big and doing business there had a “lower threshold” for merchants to navigate. Still, Guangdong Mingjian Electronics Technology, whose portable coffee machines are sold on Amazon.com, was still “worried about policy uncertainties” in spite of the extended tariff truce, said Chen Jianlun, who represented the Chinese firm at the fair. Chen pointed out that the company was forced to suspend its U.S. business for nearly two months from April, when bilateral trade relations soured. That uneasiness reflected the lingering uncertainties over U.S. President Donald Trump’s tariff policy, which has dampened Chinese exporters’ business confidence amid three rounds of high-level talks between trade negotiators of the two countries.

According to Tank Zhou, Sales Manager at e-commerce logistics and supply chain provider EDA Group, many clients suspended U.S. shipments for about a month during the initial U.S. tariff hike. “Although shipments have restarted, merchants feel they’re passive in making decisions”, he said. Other cross-border exporters who depend on seasonal sales campaigns lost business as a result of Trump’s trade war. Festive decorations supplier Yiwu Shuangyuan Christmas Artware in Zhejiang province, typically secured clients in the first half of the year to schedule deliveries during the holiday season. “Some deals collapsed during the initial tariff hike,” Saleswoman Zhu Xiaolin said. Still, the company managed to sign up enough clients to meet this year’s Christmas shipment, she added.

Zhou from EDA, which provides warehousing services to Chinese exporters in foreign countries, said he **advised clients to pursue a “multi-market strategy” that would expand their business beyond the U.S.** He said the company expected its warehouses in Germany and the UK to see faster growth this third quarter, as more merchants diversified their market strategy. Meanwhile, Chen from Guangdong Mingjian Electronics said the firm was exploring opportunities under China’s Belt and Road Initiative (BRI). These would include South Africa and other countries on that continent, the South China Morning Post reports.

China to launch first e-beam lithography machine for commercial use

China is set to deliver its first domestically developed e-beam lithography tool for commercial use, advancing its chipmaking capabilities and taking a step forward in the race for technological advancement. Lithography systems – among the most sophisticated machines ever created – are crucial for the mass production of microchips, though China remains in the very early stages of developing such tools domestically. Named Xizhi after the famed ancient Chinese calligrapher Wang Xizhi, the new machine was developed by a quantum technology lab at Zhejiang University in Hangzhou. It uses a focused electron beam to “write” chip circuits onto silicon wafers. “Due to export controls, such equipment has long been out of reach for leading domestic research

institutions, including the University of Science and Technology of China and Zhejiang Lab,” Hangzhou Daily reported. “The delivery of Xizhi is expected to help break this impasse.”

Beijing has ramped up efforts to localize advanced chip manufacturing in response to U.S. export restrictions on hi-tech equipment, with recent progress strengthening its R&D capabilities. In 2022, the U.S. Bureau of Industry and Security imposed export controls on semiconductor manufacturing equipment, including e-beam lithography systems. Washington has also pressured the Netherlands to restrict ASML from selling its most advanced technologies to Chinese buyers under restrictions adopted by the Dutch government.

E-beam lithography machines cannot produce chips at a large scale like Dutch company ASML’s DUV and EUV lithography systems, but they excel in the testing stage of production, offering high-precision circuit patterning and design flexibility. Priced lower than imported machines, Xizhi can pattern circuit lines as narrow as 8 nanometers, with a positioning accuracy of 0.6 nm, matching international standards. Discussions with multiple companies and research institutions have already begun, the South China Morning Post reports.

China creates K-visa for young STEM talent

China has launched a new visa category for young science and technology specialists as part of its push for technological innovation and self-reliance. Eligible young science and technology professionals would be able to **apply for “young talent” K visas from October 1.** It did not define the category but the Talented Young Scientist Program has an upper age limit of 45 and the Outstanding Young Scientists (Overseas) Fund Project sets the upper age range at 40.

CCTV reported that the K-type visa would be issued to young foreign professionals in science, technology, engineering, and mathematics (STEM) who had graduated from “renowned” domestic or overseas universities or research institutions, or those who were engaged in related education or research at such institutions. Details about the requirements would be posted on Chinese embassy and consulate websites, it said.

“The K-type visa has specific requirements regarding age, educational background, or work experience, and does not require a domestic employer or inviting entity. The application process will also be more streamlined,” it said. China already has 12 categories of ordinary visas, but the K-type visa will be more convenient for holders in terms of the number of entries, the validity period, and the duration of stay, according to the report.

Beijing aims to become a tech superpower by 2035 and sees skills as essential to reaching this goal in its rivalry with the United States. The Talented Young Scientist Program aims to attract researchers from Asia and Africa to work in China while the Outstanding Young Scientists (Overseas) Fund Project encourages top-level natural scientists and engineers to go to China. Top universities in China have also offered competitive salaries and bonuses

to attract foreign researchers, the South China Morning Post reports.

China increasing investment in space information sector

China is accelerating investment in the new and fast-growing space information – or “space computing” – sector which it sees as a future trillion-yuan driver of economic growth, with leading firms joining forces to develop the futuristic technology, which aims to process massive volumes of satellite and aerial data while in orbit. Geovis Technology Co, a Chinese geospatial services provider, recently signed a framework agreement with supercomputer manufacturer Sugon to jointly build what they call an “open and inclusive space computing network”. The planned network will connect users’ devices to satellites, space-based infrastructure and ground platforms, forming a space-ground integrated intelligent computing architecture.

Shao Zongyou, President of Geovis, said in a recent interview with China Daily that **computing in space could soon move from concept to reality**. “Once the space computing network is completed, it will enhance global internet access capacity and stability, supporting applications such as remote work, telemedicine, online education, emergency communications and rural digital development,” Shao said. The ambition is driven in part by the rapid expansion of satellite constellations and the rising sophistication of payloads. “With tens of thousands of satellites planned in the coming years and even higher payload and resolution demands, massive data – and thus computing needs – will surge,” Shao said. “Transmission methods like microwaves are slower than many home networks, while laser communication is too weather-dependent. The ideal is to compute in space, then send only the processed results back to earth,” he added.

The space information sector, which spans navigation, weather forecasting, urban planning and resource exploration, has been developing rapidly under policy support, alongside China’s push into the low-altitude economy and commercial spaceflight.

For Geovis, the deal with Sugon marks a strategic shift from its established strengths in digital earth, AI, big data and cloud integration into the more technically demanding realm of space-based computation. The aim is to upgrade the current one-way satellite “data collection service” into a two-way “computing-as-a-service” model. This would allow for in-orbit intelligent processing linked to deep ground-based applications, potentially opening new commercial opportunities in areas such as real-time earth observation, emergency disaster response and global broadband coverage. However, Shao said that deploying the same computing power in space could cost up to 1,000 times more than on the ground. Moreover, “space weather”, including high-energy particles, radiation and temperature extremes, can damage electronic components and degrade performance over time. Despite these difficulties, Geovis sees space computing as a strategic imperative with long-term returns.

China's investments in chip manufacturing fall, but those in equipment rise

China’s semiconductor industry investment totaled CNY455 billion in the first half of 2025, a decline of 9.8% from a year earlier, according to a report from chip market research firm Cinno. In contrast, **investment in semiconductor equipment surged more than 53%** from the same period last year, highlighting the country’s efforts to establish a self-sufficient supply chain. Wafer manufacturing accounted for the largest share of semiconductor investment at 51%. Of the remaining investment, nearly 19% was directed towards chip design, while 9% was allocated for packaging and testing. These categories experienced declines of about 24% and 28%, respectively, owing to weak consumer demand for electronics and disruptions in the international supply chain. Other investments included encapsulation testing and materials.

Geographically, about 80% of the investments were concentrated in five regions. Jiangsu province led with nearly 21%, followed by Shanghai and Zhejiang province at nearly 19% and 14%, respectively. Beijing and Hubei province, which is making strides in the memory chip industry, each drew 12.5% of the funding. The Yangtze River Delta – comprising Shanghai, Jiangsu, Zhejiang and Anhui – is home to a robust industrial chain for wafer manufacturing and packaging testing.

Investment in semiconductor materials reached CNY16.2 billion in the first six months of the year, making up more than 27% of the total funding – indicating a shift from traditional silicon-based materials to high-performance alternatives, which are essential for electric vehicles, 5G technology and smart grids, according to Cinno. China’s semiconductor industry is entering a new phase focused on “fine cultivation”, according to the report.

Amid rising geopolitical tensions and more restrictive trade policies in some markets, the growth of the chip sector would depend on three main factors: innovation breakthroughs, effective industrial policies and international cooperation, analysts said, as reported by the South China Morning Post.

Special treasury bonds to fund equipment upgrading

China has allocated CNY188 billion from its 2025 ultra-long special treasury bond funds to support equipment upgrades across major economic sectors, the National Development and Reform Commission (NDRC) said. The funds will support about 8,400 projects in industry, energy equipment, power, transportation, logistics, environmental infrastructure, education, culture and tourism, healthcare, elevators in aging residential buildings, electronics, agriculture, grain and oil processing, workplace safety, and recycling, leveraging more than CNY1 trillion in total investment. Bian Yongzu, Executive Deputy Editor-in-Chief of Modernization of Management magazine, told the Global Times that in the current context of slowing economic growth and external pressures, some industries are facing falling factory-gate prices due to weak

demand, which has weighed on revenues and operations and prompted many companies to cut spending on new equipment and research and development (R&D). If this continues, it will erode their competitiveness.

“Issuing ultra-long special treasury bonds to support equipment upgrades is highly significant, as it offers companies access to low-cost financing, spurring them to accelerate technological transformation and R&D investment. This will create greater market demand for emerging industries and technologies and trigger a chain reaction that drives high-end recruitment, boosts household incomes and stimulates consumption,” Bian said. “This will help consolidate the domestic circulation-led growth model, giving China's economy stronger momentum and a healthier growth cycle,” Bian noted. Since the beginning of 2025, the NDRC has worked with relevant government agencies and local authorities to implement the “two new” policy, expanding support for equipment upgrades, refining project application and review standards, and strictly screening projects to advance upgrades in key sectors, the Commission said. The NDRC will work with relevant parties to strengthen coordination, advance projects, accelerate tangible progress, and enforce closed-loop fund management to ensure central government resources are effectively used and the “two new” policy delivers tangible results, it said. Bian said that such issuances will also advance the development of China's bond market, promote the prosperity of yuan-denominated assets, broaden investor options, and improve the capital market, the Global Times reports.

Lack of advanced AI biggest roadblock to robot use

The biggest obstacle to the mass deployment of robots is the lack of advanced artificial intelligence (AI), according to Wang Xingxing, Founder of China's leading robotics company Unitree. Robotic AI had not reached a critical threshold necessary for widespread adoption, Wang said in an interview published by the People's Daily, the official newspaper of the Communist Party. He reiterated his earlier assertion that the “ChatGPT moment” for the robotics industry had yet to arrive. “This is a common challenge worldwide, and many people are working to overcome it,” he said. “But breakthroughs can happen at any time and issues that currently seem insurmountable could be suddenly resolved in the future.”

Wang's remarks come as China's robotics sector – an area also known as embodied intelligence – is gaining momentum, attracting interest from the government, various industries and the public. Unitree garnered national attention after its humanoid robots gave a dance performance during state broadcaster China Central Television's annual Lunar New Year's Eve gala. Weeks later, Wang became the youngest entrepreneur to join Chinese President Xi Jinping's high-profile business symposium in February. Wang, 35, said the heightened attention was beneficial for the entire industry, adding that Unitree and other robotics businesses performed well in the first half of the year, the South China Morning Post reports.

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