

China Business Weekly

9 September 2025



FCCC/EUCBA ACTIVITIES

China Dinner: From Survival to Success: Level Up Your China Strategy to a New Reality

11 September 2025, 17h00-21h00 CEST at the 18th-century Hotel Falligan, Ghent



The **Flanders-China Chamber of Commerce (FCCC)** is organizing an exclusive in-person China Dinner, taking place on **Thursday, 11 September at 17:00h** at the historic **Hotel Falligan**, located in the heart of Ghent.

This event follows the recent publication **“Navigating the New Chinese Business Environment”**, developed in cooperation with **Silk Road Partners**, and supports business leaders in reassessing and future-proofing their China strategies in light of today's fast-changing realities.

Theme of the evening: “From Survival to Success: Level Up Your China Strategy to a New Reality”

Why attend?

China continues to evolve rapidly: it remains a global economic powerhouse and is now a frontrunner in innovation, filing nearly 70% of all AI patents worldwide in 2023 (Stanford AI Index Report 2025). Geopolitical tensions are increasingly shaping the global economic order, creating heightened business uncertainty for companies operating internationally. Therefore, doing business has become more complex, demanding greater agility, strategic rethinking, and local adaptation. This dinner will offer practical insights and expert perspectives to help business leaders navigate risks, seize new opportunities, and realign their China approach for long-term success. In particular, it will provide participants with a framework to self-assess how they score in addressing this strategic rethink.

Keynote Speaker:

Mr. Peter Buytaert, Co-founder, Silk Road Partners, International Advisor in net-zero strategy, M&A, and cross-border business development along the Silk Road region.

Programme:

17h00–17h30: Arrival and registration (optional guided visit of Hotel Falligan)

17h30: Welcome and introduction by **Ms. Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

17h40: Keynote presentation by **Mr. Peter Buytaert**, Co-founder, Silk Road Partners

18h25: Q&A and sharing of experiences

19h00: **Networking dinner** in the salons of Hotel Falligan

Who should attend?

This event is tailored for **CEOs, export managers, international business developers, and entrepreneurs** with current or future interests in China or the broader Asian region.

Practical details

Venue: Hotel Falligan, Kouter 172, 9000 Ghent

Date: Thursday, 11 September 2025

Time: 17:00 – 21:00

Participation fee:

- €95 (excl. VAT) for FCCC members
- €135 (excl. VAT) for non-members

The event takes place in the 18th-century salons of Hotel Falligan, one of Ghent's finest neoclassical landmarks. A guided visit of the historic building will be available for interested participants prior to the dinner.

Ensure your participation by registering **before 4 September** to secure your spot.

[**SUBSCRIBE HERE**](#)

Join us: Shandong Business Forum – 22 September, 10 AM – Bekaert, Zwevegem



The Flanders-China Chamber of Commerce (FCCC) and the Province of Shandong are organizing an exclusive conference exploring Shandong's dynamic business environment and vast potential for cooperation. The event will also showcase Bekaert's remarkable success story in the province.

Date & Time: 22 September, 10h00 CEST

Venue: Bekaert Headquarters, Bekaertstraat 2, Zwevegem

The seminar will be followed by a walking lunch with the delegation at **Bekaert Castle**.

Several of our member companies, such as **Bekaert** and **Beaulieu**, have already made significant investments in **Qingdao** and **Weihai**, Shandong Province. They have benefitted from the province's very business-friendly investment environment. An important delegation of leaders from **Shandong Province** will also introduce the business environment during this seminar.

Shandong Province: A Thriving Economic Powerhouse

Located on China's eastern coast, Shandong Province is one of the country's most dynamic and economically powerful regions. With a population of over 100 million, it ranks among China's top provinces in terms of GDP, trade, and foreign investment.

Shandong has a diverse and robust industrial base, with strengths in machinery and equipment, food processing, transportation, textiles, medical devices, electronics, and new materials. The province is also rapidly advancing in emerging fields such as healthcare, IT and outsourcing, intelligent manufacturing, and green energy.

The province's strategic coastal location, with major ports in **Qingdao**, **Yantai**, and **Rizhao**, makes it a vital hub for

international trade and a gateway for global business and investment.

Shandong's strong commitment to **innovation, openness, and sustainability** is creating new opportunities for foreign investors. The combination of a skilled workforce, world-class infrastructure, and supportive government policies ensures an attractive investment climate.

The programme is as follows:

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

10:05-10:15 Presentation of Shandong Business Environment by **Mr. Yu Lei, Chief Representative of Shandong province**

10:15-10:30 Presentation of the Weihai industrial and investment environment by **Mr. Zhang Gang, Vice-mayor of Weihai City**

10:30-10:45 Experiences of **Bekaert** of investing in Shandong province

10:45-11:00 Experiences of **Esco Group** by **Mr. Thierry Schmidt, Chairman Esco Group**

11:00-11:15 Q&A

11:15-11:30 Company tour

11:30-13:00 Networking with the delegation during lunch at **Bekaert Castle**

This seminar is a valuable opportunity to:

- Hear success story from world-leading Belgian companies already active in Shandong
- Gain insights directly from provincial leaders on the region's economic environment and strategic industries
- Explore new business and investment opportunities in one of China's most important provinces

Interested in joining us?

Sign up using the link below by **15 September**.

FCCC Members: Free of charge

Non-members: Participation is also free, but we'll confirm your registration after reviewing it.

[SUBSCRIBE HERE](#)

Exclusive Luncheon: His Excellency Mr. Cai Run, Ambassador of the People's Republic of China and Head of the Chinese Mission to the EU
9 October, 12h00 CEST – Brussels

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

Exclusive Luncheon

His Excellency Mr Cai Run, Ambassador
of the People's Republic of China and
Head of the Chinese Mission to the EU



When
 **9 October**
12h00 CEST

Where
 **De Warande,
Zinnerstraat 1,
1000 Brussels**

The **EU-China Business Association** is organizing an **exclusive luncheon** with His Excellency **Mr. Cai Run, Ambassador of the People's Republic of China and Head of the Chinese Mission to the EU**. The Chinese Ambassador will deliver an address on the opportunities and challenges shaping the future of **EU-China trade and investment relations**.

This exclusive event is a unique opportunity to meet the Chinese Ambassador to the EU and raise subjects you would like to discuss.

This luncheon will take place on **9 October at 12h00 CEST at 'De Warande', Zinnerstraat 1, 1000 Brussels**.

The programme is as follows:

12h00 – 12h30 Registration Networking Cocktail

12h30 – 12h35 Introduction, by Mr. Jochum Haakma, Chairman, EU-China Business Association

12h35 – 12h50 Speech on the outlook of EU-China trade and investment relations by H.E Mr Cai Run, Ambassador of the People's Republic of China and Head of the Chinese Mission to the EU

12h50 – 13h10 Q&A Session

14h00 End of luncheon

The luncheon is certain to be well attended, so we strongly recommend you book now to guarantee your place.

Practical information:

Date: 9 October, 2025

Time: 12h00 - 14h00 CEST

Location: De Warande, Zinnerstraat 1, 1050 Brussels

Price: €185 excl. 21% VAT (€47.25)

Deadline for subscription: 29 September 2025

About EUCBA:

The EU-China Business Association is the EU-wide federation of business organisations in the EU promoting business relations with China. EUCBA is offering platinum and silver partnerships for European and Chinese companies. If you are interested to raise your profile and sponsor this luncheon, please send an email to: info@eucba.org

[SUBSCRIBE HERE](#)

ACTIVITIES SUPPORTED BY FCCC

Flanders Investment and Trade (FIT) Contact Days Asia-Pacific

30/09 – Bruges; 1/10 – Leuven; 2/10 – Lier

Ready to speed up your international planning? During the Contact Days we bring our worldwide expertise to you. A Contact Day puts you in direct contact with our post heads in our extensive foreign network. In one-on-one talks they answer all your export questions and discuss with you your international plans for the market you are interested in. Moreover, the experts from our regional desks in Flanders are also at your disposal.

For China and Hong Kong you can meet with the Flemish Economic Representatives Koen De Ridder (Beijing); Frank van Eynde (Shanghai) and Siegfried Verheijke (Hong Kong).

Target market: Australia; China; the Philippines; Hong Kong; Japan; Malaysia; Singapore; Taiwan; Thailand; Vietnam and South-Korea

For whom?: Branches or offices of companies and organizations in the Flanders region

Where and when?: Bruges on 30/09; Leuven on 1/10; and Lier on 2/10

Price?: Free

Why participate? Do you have export plans for the Asia-Pacific and are you looking for inside information? Do you have detailed questions about your strategy? Do you want more explanations about information or support received from FIT? In that case the Contact Days are for you. Subscribe and ask for one or more B2B talks with our country experts.

Important: Participants can't choose time slots. You need to be available the whole day until the time of your appointment is confirmed.

Subscription is open till **13 September 2025**. Details about how to subscribe are available in Dutch [here](#)

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.

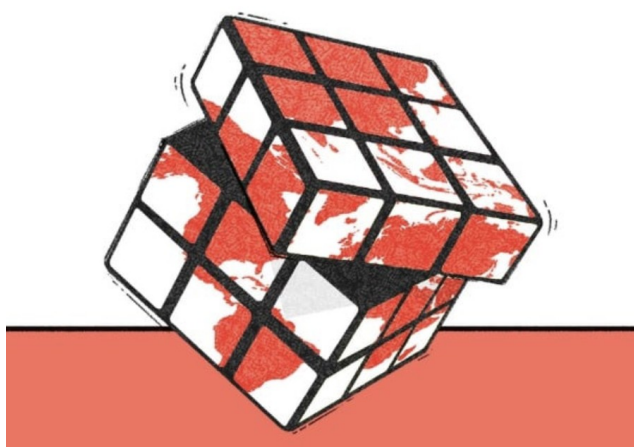
- Booth space and design coordinated by ICBC
- Promotional activities (≤50 attendees) may be arranged with advance notice
- All travel and logistics costs are the responsibility of the exhibitors

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

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MACRO-ECONOMY

China potential leader of Asian-style globalization



Globalization is not dead, it will become 'more Asian' with China as a potential leader, according to Ian Goldin, Professor of Globalization and Development at the University of Oxford. Globalization is alive and well in Asia, that would not be where it is – growing at 5% a year, eliminating extreme poverty – without globalization. But **globalization is becoming more fragmented, more regional, and more Asian** as the U.S. wants to remove itself from it. Globalization is transforming rapidly, both in terms of where the biggest participants are – mainly in Asia – and also what it will be over time. **It will comprise less manufacturing, less low value, more services, more digital and more technology.** And globalization is not only about the movement across national borders of good things – vaccines, cars and everything else – but also the risks associated with it. The Covid-19 pandemic was a manifestation of globalization. The risks are growing along with the benefits, Professor Goldin argued in the Open Questions series of the South China Morning Post.

China has been the biggest beneficiary of globalization. Its opening up and growth have been extremely significant, and globalization is the reason it has been so successful in reducing poverty domestically and growing so rapidly. As it reaches higher levels of income, the composition of what it exports is changing. It is no longer a low-cost manufacturing center. Increasingly, its economy is comprised of more value-added, technologically advanced products and more services. That's good, because it reflects the structural and demographic changes in the economy. Other countries will

benefit because they will become low-cost manufacturing centers: India, Bangladesh, Vietnam, Cambodia and others. But more low-cost manufacturing and services are being done by automation. With automated services, there will be no call centers in the future. Administrative offices will be all digital. Robotic equipment is doing a lot of repetitive manufacturing tasks. So the ability of countries to benefit like China did will be slower and different. China was lucky that it was able to develop from an unskilled, low-paid workforce to a higher-skilled, better-paid one at a time when there was still a big need for low-skilled labor and repetitive work. But with automation, that will not be the case in the future.

There will still be manufacturing in China, but it will be very different compared to the past. It needs to be more value-added, more automated, more technological, with more robotics. The question of what humans will do in manufacturing compared to what machines will do, will change in big ways. Advances in artificial intelligence (AI) and robotics are accelerating that change. As automation advances, it is the prices of skilled labor and capital that become more important than the price of low-cost labor, because machines are capital. This becomes very important in determining where high-value-added manufacturing locates. If China wants to compete, it needs to make sure it has available skilled labor and cheap capital, with lots of investment. Increasingly it will be for Asian markets and the domestic market, not for export to the U.S., said Professor Goldin.

On President Trump's tariff policy, he said that what Trump is doing is unpredictable and very bad for the U.S. economy. The worst effects will be felt in the U.S. in the medium term. It will lead to inflation, a slower reduction in interest rates and slower growth. Higher prices will also be bad for poor people. It will increase the cost of imports, and poorer people pay a bigger share of their income on these imported products. So it will increase inequality in the U.S. It's also pushing down the dollar and consumer confidence, reducing investment.

For the rest of the world, we will see the implications of this in less reliance on supply chains that are integrated with the U.S. That means there will be a diversion to other markets. Asia will become more integrated. China will stimulate demand domestically and rely more on the domestic market. Europe will look increasingly to Asia rather than to the U.S. for trade, investment and

technology. **The U.S. is going to become a smaller and smaller share of global supply chains, of global value-added investment, global trade and the global economy.** For the rest of the world, this could lead to an acceleration of integration. China, India and other countries should reduce tariffs and stimulate trade. At least for the next four years, it means that the U.S. cannot be a reliable partner in anything. That will increase the need for diversification away from the U.S. Other countries have to reinforce their commitment to a rule-based trade system, multilateralism, net zero on climate, the World Health Organization (WTO) and stopping pandemics.

To reduce global poverty, slow climate change and reduce conflicts, pandemics and other risks, the rest of the world needs to emerge stronger as a result of this test. China and other countries – China can show leadership – should demonstrate that what the U.S. is doing is not going to

change their behavior, because solving global problems is necessary for the benefit of all humanity. This is not only for the world, but for China's future. China has learned it needs to stop pandemics. **China knows it's got to do what it can to slow climate change. China knows that it's got to protect intellectual property, because it's now the biggest producer of intellectual property in the world.** China knows that it's got to work with other countries to address big shared problems. It's important that in this process, with the U.S. tariff escalation and lack of coordination and cooperation, everyone else's commitment to address shared problems is reinforced. This will compensate to some extent for the U.S. withdrawal. Hopefully, at some point in the future, the U.S. will come back to play its part in solving our common world problems, Professor Ian Goldin said in an interview published in the South China Morning Post.

ENVIRONMENT

Inner Mongolia's Baotou becoming key player in green energy transition



Once a heavy industrial base built on steel and rare earths, Baotou in Inner Mongolia is reinventing itself as a key player in China's green energy transition, with onshore wind power equipment becoming its latest industrial cluster. At the Ming Yang New Energy Equipment Manufacturing Industrial Park, the shift is visible. Assembly lines are working in full swing, with robotic arms moving with steady precision, fastening bolt after bolt. At first glance, the pace does not seem extraordinary, but the difference is striking. "Forty-two bolts on a single unit would take three workers nearly 16 hours with heavy hydraulic wrenches. The robots finish the job in just four," said He Changguo, General Manager of Ming Yang Group's northern manufacturing center. "Our production lines are running flat out for more than 10 projects, piecing together turbines bound for projects across Inner Mongolia and neighboring provinces," said He.

Baotou hosts 44 onshore wind power equipment

makers spanning turbines, blades, generators, gearboxes and towers. Guangdong-headquartered Ming Yang Group, a major renewable power equipment and solutions maker, which entered the city in 2021, has since expanded from a single plant into the anchor of the local supply chain. The parts localization rate for turbine units is expected to reach 85% this year, allowing most core components from gearboxes and generators to bolts to be produced within the city. The city's ambition is tangible at one of the country's largest blade testing centers which started operations in 2024. A colossal 113-meter blade, longer than a soccer field, is strapped into a massive rig. It will swing millions of times over seven months, enduring fatigue tests designed to mimic years of operation.

Much of Inner Mongolia's wind potential comes from the desert and Gobi areas which offer abundant wind resources and also pose challenges for turbine design and operation, such as frequent sandstorms and extreme temperature swings. Ming Yang's new 10 megawatt turbines are designed to withstand temperatures from -35°C to 60°C, and are equipped with sand-resistant blades, advanced filters, and smart sensors to adjust automatically to harsh conditions. Each turbine sweeps an area the size of six soccer fields and can generate enough electricity in a single day to power about 1,300 households for a month. Since production began in 2022, the Baotou facility has supplied equipment for more than 100 projects nationwide, generating around 55 billion kilowatt-hours of green electricity.

In 2022, Ming Yang Group and the Baotou government established a smart energy research institute, followed by an academician workstation for wind, solar, and hydrogen. Backed by more than 50 researchers and support from the Chinese Academy of Sciences (CAS), the center has developed recyclable blades and models tailored to low

wind, desert, and coastal sites. “Baotou’s wind power equipment industrial park is a model of developing new quality productive forces,” said Sun Yue, Deputy Governor of Shiguai district, which is home to the industrial park. “We’ve built the onshore wind power industrial base with an annual capacity for 1,500 turbines and 1,800 ultra-long blades.”

Baotou’s industrial shift is also evident at Baogang Group, the city’s steelmaker. The company has developed 500 MPa-grade rare earth wind power steel, among the highest globally, offering improved welding and fatigue resistance. The material is now widely used in turbine towers, giving Baogang a foothold in the renewable supply chain. “Baotou

is moving from an old industrial base to a high-quality development hub,” Sun added. “By linking manufacturing, research and development (R&D), testing, maintenance and recycling, we are building a competitive cluster with national and global influence.” This strategy aligns with Inner Mongolia’s goal of installing 300 gigawatt of new energy sources by 2030. In 2024, **Inner Mongolia’s installed capacity of new energy sources exceeded 135 GW, making it the first region in China where renewable energy capacity overtook that of coal-fired power.** This figure is more than triple the level recorded at the end of 2019. As of May 2025, the installed capacity of new energy sources in the region had surpassed 143 GW, the China Daily reports.

INNOVATION

WIPO names the Shenzhen-Hong Kong-Guangzhou city cluster the world's top innovation hub



The World Intellectual Property Organization (WIPO) has selected the Shenzhen-Hong Kong-Guangzhou city cluster as the world’s top innovation hub, due to a new ranking involving venture capital deals. For the first time in five years, **the Chinese cluster surpassed Tokyo-Yokohama in Japan** to claim top spot in the **2025 Global Innovation Index** released by WIPO. Hong Kong Financial Secretary Paul Chan said that the addition of venture capital deals as a key indicator in the index was essential for inspiring ideas to emerge as real-world enterprises. “Hong Kong is Asia’s premier financial center. We offer deep liquidity, a wide spectrum of financing channels and a supportive environment for innovation,” Chan said at this year’s index launch event, which was hosted in the city for the first time at the Science Park. “Hong Kong is blessed with a vibrant ecosystem of angel investors, venture capital and private equity funds, supporting companies at every stage of growth.” The Finance Secretary also underscored that Hong Kong and the Greater Bay Area were exceptionally well positioned to become one of the world’s most dynamic and influential innovation clusters, with the city playing a pivotal role.

Carsten Fink, Chief Economist of WIPO’s Department for Economics and Data Analytics, said the new metric of venture capital deals played a role alongside a cluster’s

existing strengths in patent filings and scientific publications. He said all three metrics were given equal weight in the ranking, with the data used for venture capital including more than 236,000 deals across 66,000 locations worldwide. “We don’t just want to track science and technology activity. We also want to see how clusters turn ideas into entrepreneurship and ultimately new products and services that emerge in the marketplace,” Fink said.

Third place in the index was taken by San José-San Francisco, followed by Beijing and Seoul. Shanghai-Suzhou was in the sixth spot, followed by New York City and London, Boston-Cambridge, and Los Angeles. Among the top 100 global innovation clusters this year, 33 economies were represented. China had the most with 24 clusters, followed by the United States with 22 and Germany with seven. WIPO reported that the top 10 clusters globally accounted for a significant share of all innovation activity, contributing 40% of the world’s patent applications and 35% of its venture capital deals. The Shenzhen-Hong Kong-Guangzhou cluster registered 6,916 venture capital deals in 2025, a figure that placed it sixth among the top 10. In this category, San José-San Francisco led the ranking. In scientific research, the cluster’s output of 193,605 publications put it in third place, trailing Beijing and Shanghai-Suzhou. Its 117,542 patent applications, meanwhile, secured the second position after Tokyo-Yokohama.

Hong Kong Secretary for Innovation, Technology and Industry Sun Dong said that the three key evaluation metrics for the rankings were priorities for governments around the world, and that authorities would press on with these areas. “We must continue to increase the number of our patent applications. We also need to further strengthen our advantage in fundamental research by publishing more scientific articles,” Sun said. “Third, and also very important, we need to attract more venture capital to Hong Kong to develop more start-ups.” Sun said venture capital

was a key pillar for future development, with past initiatives yielding positive results. He cited the Innovation and Technology Venture Fund, which had attracted more than HKD18 billion in private funding, and a university support scheme that helped over 620 student-led start-ups.

WIPO Chief Economist Fink said Hong Kong was a “really important scientific hub” where the major universities rank among the top institutions in the world and that WIPO’s data was reflected in the scientific publication output. “You also have interesting examples where scientific ideas that emerged from Hong Kong then led to start-ups across the border and led to companies.” He added that most of the

patenting output of the cluster came from the Shenzhen area, particularly companies such as Huawei and Tencent. “These are some of the major patent filers worldwide and they are located in this cluster. I think the venture capital deal activity you see on both sides of the border, but of course, Hong Kong is also an important source of financing for innovative activities in this cluster.” The Chief Economist also noted that governments in successful innovation clusters, including Hong Kong, should focus on maintaining the existing ecosystem and adapting to new technological trends such as artificial intelligence (AI), the South China Morning Post reports.

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CHINA NEWS ROUND-UP

China issues anti-dumping ruling on EU-pork imports, imposes cash deposits

China has made a preliminary determination that the EU is dumping pork and pork by-products into its market, causing “material injury” to the domestic industry, the Ministry of Commerce (MOFCOM) announced. The determination includes a **“provisional anti-dumping measure” in the form of cash deposits.** “Starting September 10, importers of the products under investigation shall, based on the margin determined for each company in this preliminary ruling, are to provide corresponding deposits,” the Ministry said. Pork producers who cooperated with the investigation were hit with a rate of deposit between 15.6% and 32.7%, in alignment with a margin of dumping calculated by the Ministry. For those who did not cooperate, a rate of 62.4% would be levied. A list provided by the Ministry showed Spanish producer Litera on the lower end of the range for cooperators, and Dutch group Vion on the higher end.

An official from the Trade Remedy and Investigation Bureau said it is taking a “prudent and restrained” approach on the issue, pointing to the “cordial solution” reached between China and France on the cognac probe as an example to be followed. “Since 2025, China has not initiated any new investigations against the EU, and has issued final rulings in only two anti-dumping cases. In the brandy case, the investigating authority fully considered the appeals of EU companies and concluded the case through a price commitment agreement.” European Commission Trade Spokesman Olof Gill said the EU will study the details before deciding on its next step. “According to the Commission’s assessment, this investigation was based on questionable allegations and insufficient evidence, and thus was not in line with WTO rules for initiating an investigation,” he told the South China Morning Post. EU sources also said the EU will likely bring

this case to the WTO.

“The EU lacks genuine strategic autonomy and often seeks to appease the United States, aligning with it to counter China,” said Wang Yiwei, Professor at Renmin University’s School of International Studies in Beijing. “As the EU continues to launch anti-dumping and anti-subsidy investigations against China, it is necessary for China to take corresponding countermeasures to safeguard its interests.” The investigation into European pork – first launched in June 2024 following an EU decision to raise tariffs on Chinese electric vehicles by up to 38% – was scheduled to wrap up after a year. In advance of the China-EU summit in July, however, China extended the deadline by another six months, a move widely interpreted as a goodwill gesture.

The European Union is China’s biggest source of imported pork, accounting for more than half the overseas supply shipped between 2020 and 2023, according to the China Animal Agriculture Association. Spanish companies are the biggest exporters, sending over 280,000 tons of pork and derivative products during the first half of 2025, with those from the Netherlands and Denmark are behind by a wide margin. China is the world’s largest pork consumer, the South China Morning Post reports.

Export hub Yiwu also serving as entry point for European products

Yiwu has long been recognized as one of China’s largest export hubs, a bustling center where containers are filled with goods destined for markets around the globe. However, it has also been taking on **another role: serving as a consolidation point for European products entering China** and, in some instances, being re-exported to third markets. This development provides

valuable insight into the potential growth of China-Europe trade relations. According to a report by Yiwu Fabu, the city's official social media account, from January to August, goods arriving through the "Yiwu-Xinjiang-Europe + B Bonded Logistics" model in Yiwu reached CNY2.236 billion, up 60.29% year-on-year. The model relies on the Yixin'ou (Yiwu-Xinjiang-Europe) **China-Europe Railway Express**, which has been in service since 2014, and **has become a crucial trade route connecting Europe with Yiwu**. In Yiwu, there is a bonded logistics center where goods imported to Yiwu via the China-Europe Railway Express can then be re-exported through the "B Bonded Logistics" system, utilizing sea-rail intermodal transport or road transport to reach countries like Vietnam, Malaysia, and Thailand.

The China-Europe Railway Express has played an important role in enabling the fast and cost-effective transport of made-in-China products to Europe. However, the issue of what goods are brought back on the return trips and whether there is an imbalance in the number of journeys in each direction has been a topic of discussion in recent years. Yiwu has developed an efficient rail transport network with numerous European cities via the China-Europe Railway Express. This network provides a faster alternative to sea freight and is more cost-effective than air transport, making it easier for European businesses to export to China. The efficiency and convenience of this network have made it an appealing choice for European companies aiming to enter the Chinese market.

Yiwu has a strong re-export capability. Goods imported from Europe can be distributed not only within China but also to other countries and regions through Yiwu's extensive sales network. This makes Yiwu a key distribution hub for European imports, enhancing its role in global trade and offering European exporters wider market access beyond Yiwu. The city's dedication to increasing imports from Europe is evident in its proactive policy measures. This year, the Yiwu Bonded Logistics Center has taken advantage of a new wave of comprehensive international trade reforms to boost openness and growth. From January to August, the center achieved a significant increase in import value, setting a new record and surpassing last year's total.

Yiwu is not unique in its approach. Other hubs along the China-Europe rail network are also enhancing their import strategies. For instance, in June, a shipment of vehicles arrived at a bonded warehouse in Chongqing Municipality before being distributed to 4S dealerships across China's western provinces. According to the People's Daily, since 2014, more than 40,000 European cars have been transported to Chongqing by rail and subsequently distributed to more than 10 provinces in the southwest and northwest. This mirrors the pattern seen in Yiwu: inland gateways using rail to bring European goods closer to end-markets and then using logistics to finish the job. **The model of utilizing return trips on the China-Europe rail network to boost exports to China shows potential for further growth.** Of course, challenges persist, and continued efforts are necessary. The diverse efforts taking place in various Chinese cities highlight the untapped potential of China-Europe trade, paving the way for increased European exports to China, the Global Times reports.

Ikea to invest an additional CNY160 million in China

Swedish home-furnishings firm Ikea is deepening its involvement in the Chinese market through price cuts, new product lines and expanded digital services. The retailer plans to introduce more than 1,600 new home products, 23 collections and over 50 new food offerings over the coming year, with a sharp focus on "complete sleep" and "kitchen living". It has pledged CNY160 million in price cuts covering more than 150 bestselling items. Over the past two fiscal years, Ikea China has already spent CNY673 million to develop more low-priced products and launched an AI-powered digital design platform now available in 31 Ikea markets. The company opened new stores in Xian, Shaanxi province, Shanghai, and Shenzhen in Guangdong province in the ongoing fiscal year, apart from the first pickup point in the country that welcomed customers in Shenzhen.

Tolga Oncu, Retail Manager and COO of Ikea Retail, Ingka Group, said: "**China** is not only a vital link in Ikea's global value chain; **it is also the test-bed for retail innovation.** We look very much forward to continuing innovating our retail business in China and **bringing some lessons to other parts of the world.**" Ikea's new brand promise for the 2026 fiscal year – Home Is More Than You Think – is underpinned by its latest China Life at Home Report, which found that people satisfied with their living spaces are more optimistic about the future. Consumers are increasingly seeking flexible, evolving homes, long-term value and products that enhance daily well-being. Ikea said it will focus on inspiration, longevity and affordability as its three guiding values. To deliver on those goals, the retailer plans to expand kitchen offerings with sustainable, cost-effective materials tailored to Chinese cooking, add more localized dishes to its in-store restaurants, and roll out further investments under its "Growing Plus" initiative.

Ikea China has also been stepping up its digital and omni-channel strategy. In August, it **opened a flagship store on JD.com to reach more customers** in the market, following last year's establishment of a retail development center to develop products, logistics and digital solutions designed specifically for the local market. Sustainability remains central to Ikea's China strategy. Ingka Investments, the investment arm of Ingka Group, last month invested in Shanghai Re-Mall Environmental Protection New Material Co, a Chinese recycler of packaging waste, marking the first Chinese investment for Ingka Investments in its Circular Investment portfolio. To date, Ingka Group operates 40 customer touch-points in China, comprising 37 Ikea stores, two experience centers, one design studio and 10 Livat shopping centers, the China Daily reports.

China issues two-year plan for electronics manufacturing

China has released a two-year action plan to stabilize growth in its vast electronic information manufacturing sector, setting targets for annual output and revenue increases through 2026. The action plan, unveiled by the Ministry of Industry and Information Technology (MIIT) and the State Administration for Market

Regulation (SAMR), aims for an average annual growth rate of about 7% in industrial output from large-scale computer, communications and other electronic equipment sectors. Total revenue in lithium batteries, photovoltaics and components is expected to rise more than 5% per year. The government has also set specific product benchmarks: server sales exceeding CNY400 billion, a market penetration of large-screen TVs of more than 40%, and further advances in high-end, intelligent personal computers and smartphones.

The plan urged companies to make full use of China's vast domestic market, strengthen their ability to control entire supply chains, and build resilience against external shocks. According to the plan, the country will help firms stabilize trade in core products such as mobile phones. It also doubled down on efforts to back domestic champions. It pledged to "unswervingly promote the use of homebuilt products", and vowed stronger support for key firms in strategic supply chains, particularly in semiconductors, industrial control systems and the BeiDou Navigation Satellite System. Meanwhile, the plan also called for accelerated breakthroughs in 5G and 6G components, semiconductors and intelligent computing, while fostering new markets for smart wearables, intelligent connected vehicles and digital health.

Wang Peng, Researcher at the Beijing Academy of Social Sciences, said: "The electronic information manufacturing industry is a strategic, fundamental and pioneering sector of the national economy. It is a key pillar for stabilizing industrial growth and safeguarding the country's political and economic security. The action plan seeks to consolidate existing industrial capacity and foster and expand new growth drivers. By combining government support with market mechanisms, China aims to keep the sector on a steady growth path while positioning it to tap new demand both at home and abroad."

Notably, on the consumer side, the plan seeks to stimulate purchases of PCs, phones and TVs, as well as AI-related consumer equipment through credit support, online marketing, and integration with e-commerce and retail promotions. It is also promoting smart devices in healthcare, transport, education and emergency services to open new growth areas. In the first quarter, output of computers reached 85.32 million units, up 9.6% year-on-year. Television shipments totaled 8.84 million units, a 4.7% increase and the second consecutive quarter of positive growth. In January-February, shipments of 5G smartphones hit 41.62 million units, up 7.6%, with domestic brands especially favored by consumers, accounting for 85% of shipments, he noted, as reported by the China Daily.

Many U.S. firms in China stay put as least risky option

Many American companies that operate in China are staying put, as half of a dozen business leaders and business groups said in interviews that's the least risky option, citing the U.S. tariff hikes on China and other manufacturing powerhouses and uncertainty about future U.S. trade moves, Politico reported. The report showed the negative impact of the U.S. tariffs on its own businesses,

and that by contrast, China's large consumption market and stable policies have created a favorable environment for businesses to operate in, a Chinese expert said. The U.S. Administration's penchant for jacking up tariffs on countries for non-trade-related disputes, combined with the open-ended trade talks with China, are prompting many companies that source components there to stay put "until you kind of understand where this is going," said **Stephen Lamar, President and CEO of the American Apparel and Footwear Association**, which represents businesses like J.Crew and Lands' End. **"People don't want to leave China and end up putting their production in the wrong location,"** Lamar said.

In their annual survey, the U.S.-China Business Council found that while most U.S. companies operating in China have felt the sting of trade tensions between Washington and Beijing, a majority of companies still plan to expand investments this year, in part in an effort to continue to capitalize on the Chinese market and because they rely on their Chinese operations to remain globally competitive. "None of this stuff is going to be re-shored," said Tidalwave Solution's Johnson. "The U.S. doesn't have the ecosystem, the people, the tax incentives or the money" to make a shift away from China financially feasible, Johnson said, per the report.

"The scale of the Chinese market is continuously expanding, with enormous consumption potential that is unique globally. In addition, China's policies are very stable, and we have always maintained an open and welcoming attitude toward foreign investment, continuously addressing their concerns," Zhou Mi, Senior Research Fellow at the Chinese Academy of International Trade and Economic Cooperation, told the Global Times. Zhou noted that China also has an environment conducive to knowledge and innovation, providing better conditions for foreign enterprises to explore their own development advantages, enabling them to continuously enhance their technological capabilities and innovate business models in China.

Politico also pointed out that the tariff policy is starting to hit consumers. Major U.S. big-box retailers like Target, Walmart and Home Depot reported higher costs from the tariffs in their second-quarter earnings, and the three companies indicated in their calls with investors that prices would continue to rise in their stores heading into the important holiday shopping season. "The smaller firms that are just buying goods from China aren't going to get away with this for much longer," James Zimmerman, former Chair of the American Chamber of Commerce in China and a partner in the Beijing office of international law firm Perkins Coie LLP, said. "A lot of suppliers in China are turning to the companies they sell to and saying, 'My prices are going up, you've got to pass this on to the American consumer, otherwise we're out of business,'" the Global Times reports.

China's open source AI models narrow gap with global rivals

China's open-source artificial intelligence (AI) models, such as Alibaba Cloud's Qwen and DeepSeek, are rapidly narrowing the performance gap with top global proprietary models, as open-source models become a

major growth engine in the enterprise large-language model market, according to the latest report from market research firm Frost & Sullivan, which conducted a comprehensive study of enterprise-level large-language model (LLM) usage in China's generative AI market for 2025. In the first half of 2025, the daily total token consumption of enterprise LLMs in China reached 10.2 trillion, up 363% compared with the second half of 2024. **Alibaba's Tongyi** led the market with a 17.7% share, making it **the most widely adopted LLM among Chinese enterprises**.

Generative AI is rapidly penetrating the Chinese enterprise market. The report showed that 70% of enterprises opted for public cloud deployment or access for LLMs, and 71% expressed plans to increase their use of public cloud-based generative AI services. These findings further show that Chinese companies are shifting from pursuing the single most powerful LLM to seeking the optimal solution for specific business scenarios.

Open-source models have emerged as a critical driver of new growth in the enterprise LLM market. With continued open-source releases of domestic models like Qwen and DeepSeek throughout 2025, the performance gap between open-source models and leading international proprietary models has nearly vanished. The Frost & Sullivan report predicted that more than 80% of enterprises will adopt open-source LLMs, indicating that **open-source solutions will dominate growth in industry applications**. "China's AI technology has advanced rapidly in recent years. In the large model domain, the country not only offers a wide range of models but has also achieved technological leadership, driven in part by its open-source approach, which has created a cluster advantage," Ma Jihua, a veteran telecom industry analyst, told the Global Times. Recently, Alibaba's Tongyi open-sourced several new models, including the instruction-tuned Qwen3, inference-optimized models, as well as multimodal models such as the AI programming model Qwen3-Coder, according to the company. **Alibaba's Qwen model has captured more than 12.3% of the global market**, surpassing U.S.-based models like OpenAI and the Llama series **to rank fourth worldwide**, according to data from OpenRouter, an international API aggregation platform for large models.

"The open-source approach draws developers worldwide, speeding up technological upgrades and real-world deployment, and it could enable open-source models to overtake proprietary ones in reach and use cases," Ma said, adding that by lowering adoption barriers, open source also helps democratize AI and drive its global progress. China's open-source push is gaining momentum, with more domestic tech firms making their proprietary technologies publicly available. In early August, tech giant Huawei fully open-sourced its Ascend AI hardware framework, CANN, along with the Mind series of application suites and development tools. The rapid rise of China's open-source LLMs signifies a profound shift in the global AI landscape, as they boast advantages in scale, performance, ecosystem development, and commercial application deployment, Ma noted. According to the national next-generation AI development plan, China's core AI industry is expected to exceed CNY1 trillion in scale, with related industries surpassing CNY10 trillion, the Global Times reports.

EU lost the solar power race with China, say economists

A group of French and German economists has urged Europe to identify which industries to support in the face of Chinese competition and boldly abandon those where the battle had already been lost, such as the solar power sector. The recommendations were presented in five memos to the Franco-German Council of Ministers at the request of the two governments during a council meeting. The memos cover trade with China, as well as defense, energy, economic growth and the labor market.

The economists advised Europe to protect sensitive sectors such as defense, space and robotics, while leaving mature industries open to cheap Chinese imports. They welcomed Chinese investment in critical technologies such as batteries, provided that technology is shared, according to a summary published by the Franco-German Council of Economic Experts. Jean Pisani-Ferry, French Economist and co-author of the memos, pointed to solar panels as a clear example of an industry Europe should concede. **"Chinese industry is far ahead of everyone else and there's no longer a solar panel industry in Europe,"** he told French TV channel BFMTV Business. "Ultimately, it's not such a big deal because solar panels stay in place once installed. They do not create a dependence, unlike gas, which you need every day. Hence, it's a technology in which we have to admit that we've lost the battle."

For sectors where the EU seeks to compete, Pisani-Ferry urged the bloc to adopt a strict technology-for-market approach, encouraging Chinese investment alongside sharing with European partners. Despite long-standing calls in Europe to tie market access and subsidy restrictions for Chinese battery companies to technology transfers, no such measures have been introduced. France, for instance, offers tax credits of up to €200 million to companies investing in the country, with no obligation to share technological know-how – part of its ambitious vision to become Europe's battery hub.

In June, French President Emmanuel Macron visited the Chinese company Envision's battery factory in northern France, hailing it as a prime example of his push to re-industrialize the rust belt region. Paris and Berlin have promised to "strengthen the competitiveness of the European battery industry" and work towards a bloc-wide preference scheme "in core and critical strategic areas of industrial production, including public procurement", according to the economic agenda published after the council meeting, the South China Morning Post reports.

China imposes anti-dumping duties on U.S. fiber-optic firms

China has slapped American fibre-optic firms with anti-dumping tariffs, hours after the U.S. Treasury imposed sanctions on a Guangzhou-based chemical firm over fentanyl claims. The duties, ranging from 33.3% to 78.2%, went into immediate effect and are to remain in place until April 2028, the Ministry of Commerce (MOFCOM) said in an online statement. Specifically, OFS Fitel faces a 33.3% tariff, Corning a 37.9% levy, and Draka

Communications Americas, along with other unidentified U.S. firms, were hit with a 78.2% tariff. China has imposed anti-dumping tariffs since April 2023 on a type of U.S. fiber used in high-speed optical transmission and data center interconnections. But a six-month probe that began in March found that U.S. exporters were dodging the duties by labelling it as another kind of fiber with similar uses but slightly different technical specifications. “The Ministry ruled that U.S. exporters altered trade patterns without commercial justification to ship the optical fiber to China, undermining existing anti-dumping duties,” the statement said.

Launched at the request of Chinese companies, the probe marked China’s first-ever anti-circumvention investigation, which assesses whether trade practices have been altered to avoid liability for duties. The Ministry said: “China has been prudent in applying trade-remedy measures while upholding fair and free trade. But at the same time, we will take necessary steps to ensure their effectiveness and protect domestic industries.” It also stressed that the investigation was conducted in accordance with Chinese

law and World Trade Organization (WTO) rules.

Beijing’s move came on the heels of the U.S. Treasury’s sanctions on Guangzhou Tengyue Chemical and two of its representatives, coupled with allegations of selling synthetic opioids to Americans. Despite a recent easing of trade tensions between the world’s two largest economies, the issue regarding fentanyl – a potent, synthetic opioid drug – remains a major point of contention. According to the Treasury’s statement, representatives of the company were “directly involved in coordinating the shipments” of synthetic opioids, and other illicit drugs and cutting agents, to the U.S.

All U.S.-based assets of the company and its representatives have been frozen, and the FBI announced a federal indictment against the Guangdong firm, its two representatives, and other associates for allegedly helping ship illicit drugs and cutting agents. Despite three rounds of talks between top trade officials from China and the U.S. this year, the two countries have yet to address the fentanyl issue, the South China Morning Post reports.

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