

China Business Weekly

14 October 2025



FCCC/EUCBA ACTIVITIES

Webinar: “Belgian Customs and its activities in China” – 16 October, 10 AM CEST



The **Flanders-China Chamber of Commerce (FCCC)** is organizing a webinar focused on 'Belgian Customs and its activities in China', which will take place online on **16 October 2025 at 10 am CEST**.

The program is as follows:

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

10h05-10h25: Procedures and regulations of the Chinese customs and other institutions related to import or export by **Mr. Emmanuel Geronnez, Customs Attaché in Beijing**

10h25-10h45: Support given by the Federal Agency for the Safety of the Food Chain (FASFC) to local companies when exporting to China by **Ms. Annabelle Schreiber, Agricultural Attaché, Embassy of Belgium in China**

10h45-11h00: Q&A Session

Practical Information:

Date: 16 October 2025

Time: 10 AM - CEST

Location: Online

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Webinar: “Grants and Opportunities in EU Circular Economy” 21 October 2025, 10H00 CEST



The **Flanders-China Chamber of Commerce (FCCC)** is organizing a webinar focused on “**Grants and Opportunities in EU Circular Economy**”, which will take place on **21 October 2025 at 10 am CEST**.

Navigating the European Union's rapidly evolving circular economy regulations is no longer just about meeting requirements, but a strategic necessity for any business that imports or is doing business in the region. The old “take, make, dispose” model is being replaced by a regenerative system, which brings a whole new set of legal obligations. To avoid risks and find new market opportunities, it's critical to understand and adapt to this new framework.

During this webinar, we'll provide a clear breakdown of the key legal instruments shaping the EU's circular economy. **The experts will share forward-looking, practical advice drawn from extensive experience with multinational corporations.** They will deconstruct the core objectives, analyze key legal instruments, and explore practical case studies to illustrate compliance challenges and successful strategies.

Furthermore, the EU offers a wide range of **grants and incentive schemes** to support companies in advancing **green technologies, sustainable business models, and low-carbon solutions**. In this webinar, we will therefore also present **key opportunities** available to companies in **Europe and Belgium**, including **Chinese companies investing in Europe**. The session will highlight **practical pathways** to leverage EU **sustainability-oriented programs**, such as **Horizon Europe** and the **Innovation Fund**, as well as Belgian **tax incentives** for green investment, such as the new **thematic investment deduction**. Thus, we will demonstrate how companies can **unlock financial support** while aligning with **Europe's strategic sustainability agenda**.

The program is as follows:

10h00-10h05: Introduction by **Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce**
10h05-10h15: Introduction & European Context by **Mrs. Els Van Poucke, Partner, Deloitte Legal Lawyers**
10h15-10h25: Key Legal Instruments Shaping the EU's Circular Economy by **Mrs. Dominique Vanherck, Director, Deloitte Legal Lawyers**
10h25-10h35: Practical implications for importers – Case study by **Mr. Charles D'Haene, Junior Associate, Deloitte Legal Lawyers**
10h35-10h45: EU Grants, Incentives & Belgian Tax Opportunities by **Mr. Xu Lin, Manager, Deloitte's Grants & Incentives Team**
10h45-11h00: Q&A Session

Practical Information:

Date: 21 October 2025

Time: 10 AM - CEST

Location: Online

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Webinar: European Business in China: Position Paper 2025/2026 24 October 2025, 10h00 CEST



The **EU–China Business Association** is organizing a webinar focused on “**European Business in China: Position Paper 2025/2026**”, which will take place on **24 October 2025 at 10 am CEST**.

The **Position Paper 2025/2026** highlights the key challenges faced by European companies operating in China, examines broader issues within China’s economy, and provides constructive recommendations to the Chinese Government on how these challenges can be addressed.

With China now entering the preparatory phase of its **15th Five Year Plan (2026-2030)**, the Paper reviews the results of the **14th Five Year Plan (2021-2025)** and suggests focus areas for the upcoming plan. The aim is to refine guiding principles to foster a more open, transparent, and mutually beneficial **EU–China trade and investment relationship**.

To support China’s overarching goal of securing sustainable, high-quality economic growth, the Paper puts forward five key recommendations, calling for action to tackle underlying structural challenges, optimize capital allocation, promote equitable trade relationships, and implement policies that allow European companies to contribute more to China’s green and digital transitions.

This is an excellent opportunity to gain first-hand insights into the current business landscape in China and explore how European companies can navigate the country’s evolving economic and regulatory environment.

Programme:

10h00 – 10h05: Welcome remarks by **Ms. Gwenn Sonck, Executive Director, EU-China Business Association**

10h05 – 10h40: Presentation on the “**EU Business in China: Position Paper 2025/2026**” by **Mr. Adam Dunnett, Secretary General, European Union Chamber of Commerce in China**

10h40 – 11h00: Q&A Session

Practical Information:

Date: 24 October 2025

Time: 10h00 CEST

Location: Online

Price: Free

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European Industry Visit to Weihai City – 10-11 November 2025



EU-China
Business Association
歐盟中國貿易協會



The **EU-China Business Association** and the **Flanders-China Chamber of Commerce** are organising a two-day industry visit to **Weihai City, Shandong Province** from **10 to 11 November 2025**. The aim of the visit is to get a better understanding of the unique investment environment of Weihai City and the excellent cooperation opportunities. During the visit, you will meet with high-level government leaders, have meetings with potential Chinese partners, visit development zones and be shown around leading Weihai companies.

Why Weihai?

Several of our member companies, including **Beaulieu** and **Bekaert**, have major investments in Weihai and have benefitted from the city's highly business-friendly investment environment. The Flanders-China Chamber of Commerce and the Weihai Foreign Investment Bureau have formed a strong bond to help build and strengthen trade and investment relations. The city is located on the eastern tip of Shandong Province, facing Korea and Japan across the sea. It has a coastline of almost 1,000 km.

The leading eight Industrial Clusters of Weihai are:

- Advanced equipment and intelligent manufacturing
- New medicine and medical devices
- New generation information technology
- Green energy
- Carbon fibre and other composite materials
- Marine life and healthy food
- Textiles and leisure sports
- Health tourism

Practical information:

Date and time: 10-11 November 2025

Location: Weihai, Shandong Province

Deadline for subscription: 7 October 2025

Participation fee: €450

This includes:

- Participation in all organized activities (including lunches and dinners)
- 2 hotel nights in Weihai
- Presentation of your company in Brochure (English/Chinese)

The number of participants will be limited. In case you are interested in joining this visit, please send an e-mail to: gwenn.sonck@flanders-china.be.

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ACTIVITIES SUPPORTED BY FCCC

Interuniversity Job Market for Young Researchers – Online from 5/2 → 19/3/2026
Live 26/3/2026 @ Flanders Expo Ghent



Are you looking to strengthen your organisation with innovative thinkers and creative problem solvers?

Join the **interuniversity Job Market for Young Researchers** on **Thursday, 26 March 2026** at **Flanders Expo Ghent** – the premier career event connecting organisations like yours with the **PhD and postdoc talent pool** of the **5 Flemish universities** (Ghent University, KU Leuven, VUB, the University of Antwerp and UHasselt).

For more than a decade, this flagship event has been the go-to hub for companies and organisations eager to attract the next generation of knowledge-driven innovators.

Why participate?

- Meet hundreds of PhD candidates and postdocs in person, ready to take their next career step.
- Take part in **free online Career Lunches** every Tuesday & Thursday from 5 February to 19 March 2026 (12–1 pm) – an easy way to connect with talent even before the fair.
- Receive a **complimentary CV Book** after the event with direct access to motivated candidates.
- Explore [highlights from the 2025 edition](#) and **book your booth for 2026 today**. Sign up [here](#) and select the **SILVER package** for direct access to top talent.

For more information about the Career Lunches or other opportunities, feel free to reach out to [dr. Katrien Daemen-de Gelder](#).

The 5 Flemish universities look forward to welcoming you in Ghent and helping you connect with tomorrow's innovators.

PAST EVENTS

Exclusive Luncheon with His Excellency Mr. Suo Peng, the newly appointed Minister for Trade and Economy of the Chinese Mission to the EU – 9 October 2025 – Brussels



The **EU-China Business Association** organized an **exclusive luncheon** with His Excellency **Mr. Suo Peng, the newly appointed Minister for Trade and Economy at the Chinese Mission to the EU** on **9 October 2025** at **De Warande in Brussels**. Ambassador Cai Run, who was originally scheduled to give the address, was not able to attend. He deeply regrets missing our event and looks forward to the opportunity to join us next time. Minister Suo Peng represented the Ambassador.

This exclusive event was a unique opportunity to meet the Minister in charge of Economy and Trade at the Chinese Mission to the EU and to raise topics for discussion.

Following a networking cocktail, **Mr. Jochum Haakma**, Chairman, EU-China Business Association, introduced the event. **H.E. Mr. Suo Peng**, Minister for Trade and Economy, Chinese Mission to the EU, gave an address on the **Outlook for EU-China Trade and Investment Relations**.

A Q&A session and luncheon concluded the event.

A detailed report will follow next week.

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FOREIGN TRADE

Hainan FTP turning into global trade and services hub, thanks to preferential tariffs



The Hainan Free Trade Port is accelerating its transformation into a global trade and services hub, with preferential tax and zero-tariff policies fueling double-digit growth in industries ranging from aircraft maintenance and engine repair to agro-processing, duty-free retail and healthcare. As Hainan province prepares to launch island-wide special Customs operations in December, officials report surging international business and expanding industrial eco-systems that are drawing in companies.

Since its launch in 2022, the one-stop aircraft maintenance base in the FTP has serviced more than 2,300 aircraft. The facility has performed full-body painting for over 270 planes and repaired 58,000 aviation components, making it a cornerstone of the local aviation industry. Policy support has been instrumental. Haikou Customs said it has backed the sector through temporary import and export repair policies. Under these measures, 100 aircraft have been repaired, generating benefits worth CNY2.6 billion and tariff exemptions of CNY38 million. The aircraft repair base provides exemptions from import duties for inbound aircraft repairs, flexible Customs rules and tax breaks on key parts to lower costs and turnaround times for foreign clients. These advantages have attracted more than 100 aircraft from over 20 overseas carriers, including Qatar Airways and Iberia Airlines. “We’re seeing a lot of loyal customers return, and many new clients are coming in as well,” said Yuan Yong, Party Secretary of Grand China Aviation Maintenance Co, a unit of Hainan Airlines Aviation Technic Co.

Hainan’s aviation maintenance hub has also worked to streamline its supply chain. It now stocks over 2,200 types of parts – nearly 18,000 items in total – dramatically shortening supply times, said Liu Jia, General Manager of the base’s Procurement Management Department. The system allows overseas suppliers to store parts in a bonded “aviation materials supermarket”. Airlines only pay once parts are used, turning the traditional “search for parts” model into one where “parts wait for people”. As a result, wait times for components have been cut by two to

three months. Preferential FTP policies – such as waiving deposit requirements for inbound aircraft and allowing bonded materials – have significantly lowered expenses. “These comprehensive policies can save customers 10% to 15% on maintenance costs. The number of overseas aircraft we serviced in the first half of this year already nearly reached the total for all of last year,” Yang said. Wang Haiye, Chairman and General Manager of Haikou Airport Aircraft Engineering Co, said: “By building a complete maintenance ecosystem, we attract more planes to Hainan for service, which in turn encourages airlines to open new routes here.”

Beyond aviation, Hainan’s “value-added tariff exemption policy” is fueling manufacturing expansion. Under the scheme, imported goods are exempt from tariffs if at least 30% of their value is added through local processing. AUSCA International Oils and Grains, based in the Yangpu Economic Development Zone, has been a key beneficiary. Since production began in 2021, the company has saved about CNY300 million in tariffs, according to Chairman Zhang Hui. AUSCA imports soybeans and other raw materials from Brazil and Canada for processing and domestic sales.

Tariff reductions have expanded to other sectors. “It now extends to the health food industry, and in seafood, processing has shifted from primary to deep processing with higher added value,” said Feng Nan, Deputy Director of the Yangpu Economic Development Zone’s Administrative Committee. As of August, the policy generated CNY9.52 billion in domestic sales in Yangpu, with tariff exemptions of CNY737 million, representing over 80% of the provincial total. According to Haikou Customs, since 2020, the three “zero-tariff” schemes – covering raw materials, self-use production equipment, and operational transport vehicles and yachts – have been gradually expanded, now spanning “sea, land and air”, the China Daily reports.

The South China Morning Post reports that, also in Hainan, the world’s first commercial underwater data center is now operational. Servers are installed in a 1,300-ton underwater data cabin, equivalent to the weight of 1,000 passenger cars, in Lingshui county. “We put the entire data cabin in the deep sea because seawater can help cool down the temperature,” Pu Ding, Project Manager at Shenzhen HiCloud Data Center Technology, said. “Compared to land-based data centers, installations under the sea can reduce energy consumption needed for cooling, helping to lower operational costs.” Each cabin, located 35 meters underwater, contains 24 server racks capable of hosting 400 to 500 servers. Under Hainan’s 14th Five Year Plan, the province proposed building a subsea data center featuring 100 data cabins. The project is central to an integrated industrial estate focused on developing new technologies for the blue economy.

ENTREPRENEURSHIP

Hubei province expands support for start-ups



China is expanding its network of high-tech industrial parks to drive innovation and new economic growth, with projects in Hubei province, including the youth pioneer park in Wuhan's Optics Valley, emerging as key platforms for research, entrepreneurship and advanced manufacturing. The Hubei Youth Pioneer Park in the Wuhan East Lake High-Tech Development Zone, also known as Optics Valley of China – jointly developed by the Communist Youth League of Hubei, the development zone and Huazhong University of Science and Technology – has become a vibrant hub for young entrepreneurs. Covering 19,000 square meters with incubation and acceleration facilities, the park provides startups with a full-chain support system ranging from training and mentorship to financing and market access. Backed by provincial programs such as "Talent Gathering in Hubei" and "Students Stay in Wuhan", the park **has incubated 254 enterprises and teams so far**, including 61 founded by college graduates within five years of graduation.

"The Hubei Youth Pioneer Park offers particularly strong support for college students, providing services such as rent reductions, funding connections and policy guidance to help startups grow," said Wang Jie, General Manager of Wuhan Qianda Intelligent Technology Co, a company based in the park. Founded in 2023, the company focuses on embedded software and hardware development for high-temperature gas sensors used in vehicles and industrial environments, as well as humidity analyzers. All of the products are independently developed, from materials to smart control systems, he said, adding that the company's high-temperature ammonia sensor has already reached a leading level in China.

"Qianda is just one of many innovation-driven startups here," said Xu Jie, Chairman of the Hubei Youth Pioneer Park in Optics Valley. By **offering a services chain that combines co-working space, incubation and acceleration**, the park provides tailored support to companies at different stages of growth. To date, it has nurtured 254 youth-led enterprises and teams in sectors such as opto-electronics, healthcare and artificial intelligence (AI). "We have also provided more than 100 targeted services to help startups go global, supporting their expansion into international markets," Xu said, adding that the park will continue to safeguard enterprises'

overseas ambitions and help more high-tech companies step onto the global stage.

Sharing the same goal of empowering startups, the **Wuhan Institute of Industrial Innovation and Development** focuses on helping companies grow stronger as they scale up. Established in 2021 and officially operational since 2022, the Institute is one of Hubei province's most high-profile new research entities. It has rapidly evolved into a hub linking universities, leading enterprises and investment institutions, channeling resources into fields such as opto-electronics, life sciences and advanced manufacturing. The Institute also focuses on full-cycle support, the commercialization of key technologies, and the creation of an innovation ecosystem. By establishing innovation units, **the Institute guides the flow of capital into areas such as technology transfer, industrial incubation and technological breakthroughs, stimulating innovation among small and medium-sized enterprises**, Wang added. Today, the Institute hosts more than 90 research institutes, corporate innovation centers and public service platforms, forming a rainforest-like ecosystem where ideas are nurtured, capital converges and young entrepreneurs find fertile ground.

The Institute's ecosystem is not only limited to Wuhan. Its model of linking research with industry is also taking root in Yichang, Hubei, where abundant green energy is fueling the rise of computing power and the digital economy. **Known as the "world capital of clean energy", Yichang boasts a wealth of green power resources** that provide a solid foundation for the development of the city's computing power industry.

The Hubei provincial government has placed strong emphasis on developing Yichang's computing power sector. In its three-year action plan (2023-25) for accelerating the development of computing power and big data, it pledged support for Yichang to establish itself as **a national hub for the "East-to-West Computing Resource Transfer" project**, guiding the construction of new data centers in Yichang. A key carrier of this strategy is the Beidou industrial park project in Yichang's Dianjun district, which serves as a vital platform for big data and computing power applications. With an investment of nearly CNY3 billion, the park builds on Yichang's existing digital economy and focuses on Beidou satellite applications, promotion and commercialization. It aims to attract high-tech industries to the district. "So far, the park has attracted more than 20 enterprises, including QuikTech Co, as well as five research institutions. The first 20 enterprises to move in are starting renovations and equipment installation alongside the construction process," said Xie Xiao, Chairman of Yichang Jinhui Big Data Industry Development Co, one of the park's main investors. Among them is QuikTech, which set up its R&D and production base in Dianjun in late 2022. The Beijing-based company is a national-level high-tech enterprise driven by AI and robotics, focusing on intelligent solutions for life sciences, the China Daily reports.

SCIENCE & TECHNOLOGY

China aims to become global leader in sci-tech by 2030



China aims to become a global leader in science and technology by 2035, and has identified the next five years as a critical, decisive period for breakthroughs towards that goal. This push comes as international competition intensifies in strategic fields such as semiconductors and artificial intelligence. The Minister of Science and Technology, Yin Hejun, reported that national R&D investment has surged by 48% compared to 2020, the number of researchers remains the world's largest, and **China has climbed to 10th place in the Global Innovation Index.** It has led the world in the volume of high-impact international journal publications and patent applications for five consecutive years. While China has achieved front-runner status in areas like space exploration, 5G and new energy, the semiconductor and AI sectors remain key battlegrounds, especially as U.S.-led export curbs hobble Beijing's access to advanced chip manufacturing technology.

"The core challenge for China's chip industry is transitioning from a strategy of 'catching up' and 'import substitution' to one of pioneering new technological pathways," according to Professor Ye Tianchun, a leading academic in integrated circuits at the Chinese Academy of Sciences (CAS). "The semiconductor industry is facing the dual challenges of a technology blockade and supply chain decoupling," Ye noted. "The paramount development needs remain in the independent R&D of advanced process nodes, exploring new technical routes and cultivating a collaborative ecosystem."

China has achieved a degree of self-sufficiency in mature process nodes, specifically those of 28 nanometers and above. However, the high-end market is still dominated by American, Japanese and European companies. **Systematic breakthroughs are still needed in the development of advanced process equipment, such as lithography machines and their core components.** At the same time, as transistor sizes approach their physical limits, the global semiconductor industry is actively exploring new frontiers, with emerging technologies such as photonic chips and quantum computing offering potential for performance leaps. "Domestically, fully depleted silicon-on-insulator (FDSOI) technology presents an opportunity," Ye said. The technology has less

demanding requirements for advanced lithography tools.

"Another pressing issue is the problem of low-level, redundant internal competition. In almost every segment where localization has been achieved, there are more than five domestic companies competing," Ye said. "This is partly a result of U.S. restrictions pushing firms into horizontal expansion, and partly due to policy incentives attracting capital and new entrants who replicate mature products, thereby wasting innovative resources." The strategy of catch-up and substitution, while building capabilities within the global ecosystem, has also created a dependency on foreign technological road maps, leaving China strategically passive. In the face of decoupling efforts led by the United States, China must now establish its own development model, Ye said, describing it as "building our own house with our own blueprints".

According to Professor Li Xianjun of the Beijing Academy of Social Sciences, "China must not only overcome existing bottlenecks, such as developing extreme ultraviolet (EUV) lithography, but also make forward-looking investments in emerging and disruptive technologies." Li said this included advancing chiplet packaging to achieve near-advanced performance using mature nodes, actively building the RISC-V open-source chip ecosystem to break traditional architecture monopolies, and **exploring entirely new manufacturing techniques, such as nano-imprint lithography.** "Growth in areas like computing infrastructure, intelligent driving and smart manufacturing is expected to be a key market driver during the 15th Five Year Plan (2026-2030)," he added.

The rapid development of AI is a dual catalyst for the chip industry. It creates explosive demand for specialized AI chips while simultaneously transforming chip design and manufacturing processes through automation, advanced materials screening, and improved equipment efficiency. The 15th Five Year Plan period will be crucial for the accelerated innovation and widespread application of AI, Chen Xiaohong, Academician of the Chinese Academy of Engineering said.

China's AI strategy involves three key pillars. **First**, concentrating efforts to make breakthroughs in foundational algorithms, development frameworks and high-end chips. **Second**, promoting the development of brain-inspired computing to reduce the energy consumption of training and running large models; advancing explainable AI to tackle issues of model "hallucination" and opaque decision-making; and enhancing cross-modal representation and generation technologies to improve the understanding and creation of multi-modal information spanning text, images, sound and video. **Third**, fostering the integration of data, algorithms, computing power and computing networks. This involves improving data markets, promoting authorized use of public data, building open-source algorithm ecosystems and establishing national computing power scheduling platforms, the South China Morning Post reports.

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CHINA NEWS ROUND-UP

U.S. President Trump announces 100% additional tariff on all Chinese imports

U.S. President Donald Trump has announced an additional tariff of 100% on all Chinese imports from November 1, on top of levies already in place, in retaliation for curbs on rare-earth exports imposed by China. Beijing “hit the world with something that really is not anything that people are going to do, and it was shocking”, Trump said, referring to the rare-earth export curbs. He also cast doubt on a possible meeting with Chinese President Xi Jinping on the sidelines of the APEC Summit in South Korea. “We’re gonna have to see what happens. That’s why I made it November 1. We’ll see what happens,” he said. “Also on November 1, **we will impose export controls on any and all critical software**”, Trump added, describing China’s actions as “absolutely unheard of in international trade, and a moral disgrace in dealing with other nations”.

Trump claimed that countries “throughout the world” had received “letters” from China expressing intentions to “impose export controls on each and every element of production having to do with rare earths, and virtually anything else they can think of, even if it’s not manufactured in China”. In a social media post, Trump said he had been “surprised” by China’s move, which he warned would “clog markets” and hurt global production across industries. “There is no way that China should be allowed to hold the world ‘captive’,” he wrote, calling the move “sinister and hostile”. In addition to the increased tariffs, Trump noted that “many other countermeasures” were “under serious consideration”. Trump emphasized the U.S. market’s leverage over China, saying: “We import from China massive amounts, and maybe we’ll have to stop doing that.”

Wall Street reacted strongly to Trump’s threats, sending markets spiraling. The S&P 500 dropped 2.7% in its worst day since April. The Dow Jones Industrial Average fell 1.9%, and the Nasdaq composite lost 3.6%. John Moolenaar, Chairman of the U.S. House Select Committee on China, said **China’s new restrictive measures on rare earths were an “economic declaration of war” against the U.S.** and “a slap in the face to President Trump amid his efforts to fight for a level playing field.” The Michigan Republican expressed his readiness to work with the Trump administration to “show China that its belligerent trade actions will be met with serious efforts to protect the American people, secure our supply chains, and **cut off the flow of U.S. capital and technology into China**”. However, Democrats on the

House Foreign Affairs Committee in a statement blamed Trump for China’s tightening of rare earth exports. “China’s export controls didn’t come ‘out of nowhere’,” said Gregory Meeks, ranking member of the panel. “They are retaliation for Trump’s reckless trade war, where he used American export controls as negotiating leverage. Trump’s actions are resulting in expensive consequences for American families.”

The latest developments come as the world’s two largest economies now face a November 10 deadline to reach a comprehensive trade deal. Amid their negotiations, China has yet to purchase any U.S. soybeans this season, diverting orders instead to Brazil and Argentina, the South China Morning Post reports.

China to impose export controls on rare-earth technologies

China will impose export controls on a range of rare earth technologies, covering mining, smelting and the recycling of secondary resources, the Ministry of Commerce (MOFCOM) announced. Foreign organizations and individuals must obtain a dual-use item export license from the Ministry before shipping controlled items to destinations outside China. Effective immediately, the government has banned the unauthorized export of technologies, data and know-how, from mining and smelting to magnet production and recycling, including all technical services for production line assembly, maintenance and upgrading. Rare earth-related items possess dual-use attributes, and the implementation of export controls is an internationally common practice, said a Ministry Spokesperson.

MOFCOM and the General Administration of Customs (GAC) issued four consecutive announcements, implementing export controls on items related to super-hard materials, some rare earth equipment, and raw and auxiliary materials, some medium and heavy rare earth items, and items related to lithium batteries and artificial graphite negative electrode materials. **Rare earths consist of 17 elements that are widely used in high-tech products** ranging from smartphones and flat-screen televisions to wind turbines and fighter jets. In April, China imposed export controls on these items for domestic organizations and individuals. However, some overseas entities and individuals have directly or indirectly transferred or supplied controlled items of Chinese origin – either in their original form or after processing – to relevant parties. These actions have led to the direct or indirect use

of such items in sensitive fields like the military, causing significant harm or posing potential threats to China's national security and interests, the Ministry official said.

The rules specify that export applications for end-uses involving the “research, development or production of logic chips at 14 nanometers or below, or storage chips with 256 layers or more”, as well as for the manufacturing, testing equipment and materials for such advanced chips, will be subject to case-by-case approval. The same rigorous, case-by-case approval will apply to exports intended for the research and development (R&D) of artificial intelligence (AI) with potential military applications.

In the first eight months of 2025, China's cumulative rare earth exports reached 44,355 metric tons, up 14.5% year-on-year. The increase in exports indicates that global demand for Chinese rare earths remains persistently strong, the China Daily reports.

The South China Morning Post adds that even before the latest measures were announced, **European businesses have been complaining about the slow pace of license approval.** The EU Chamber of Commerce said that by September 9, only 19 of 141 applications for rare earth export licenses had been approved, with some 121 in process. This had led to seven instances of halted production in August, with 46 expected in September. “Unfortunately, we have seen not much progress since the China-EU summit, so we need to start working with our Chinese friends to start making progress. And as you can see, the news does not seem to be very good for the moment,” EU Ambassador to China Toledo said. China's latest export controls on rare earths are expected to have a direct impact on the global semiconductor supply chain, **complicating the production of AI and memory chips from major U.S. and South Korean suppliers**, according to analysts.

The State Administration for Market Regulation (SAMR) also announced an investigation into U.S. chipmaker Qualcomm over its alleged failure to file a mandatory antitrust notification related to its acquisition of Israeli semiconductor firm Autotalks in June. Chinese authorities also announced separate export controls on lithium battery and graphite anode materials, which are key components in EVs, as another step in China's broader effort to protect its strategic technologies.

China imposes reciprocal fees on U.S.-linked ships calling on its ports

China will levy phased fees on U.S.-linked vessels calling at its ports starting on October 14, a retaliatory action set to take effect the same day as similar surcharges on China-linked ships calling at U.S. ports that were announced in April by the Office of the United States Trade Representative (USTR). Beijing will apply the fees to vessels under several classifications: those owned or operated by U.S. enterprises, organizations and individuals; those whose owners or operators are under direct or indirect ownership by U.S. entities holding a stake of at least 25%; and those built by or flagged under the U.S., the Ministry of Transport said in a statement. The Chinese government will impose the fees in gradually increasing phases, structured similarly to the U.S. plan: the

fee will begin at CNY400 per net ton starting on October 14, CNY640 next April, CNY880 in April 2027 and CNY1,120 in April 2028. Vessels making multiple calls at Chinese ports will only pay the fee upon first arrival, and no vessel will be charged more than five times in a given year, the statement said, adding that fees will be collected by local maritime authorities under detailed guidance from the Transport Ministry. “We urge the U.S. to immediately rectify its mistakes and cease the unjust suppression of China's maritime shipping industry,” China's Ministry of Transport said.

The new fees are being imposed under a revision of maritime transport rules made at the end of September, which allow Beijing to implement necessary countermeasures against any country or region that imposes or supports discriminatory bans, restrictions or similar measures targeting Chinese operators, vessels or crews. However, as the U.S.-owned or operated fleet deployed in China is smaller relative to the Chinese operators exposed to the U.S., it will have limited impact. Linerlytica calculated that the total fees payable by Chinese operators in the U.S. could reach USD1.15 billion in the first year of implementation, compared to just USD180 million for American operators under an identical framework.

But that analysis did not include the Transport Ministry's inclusion of vessels owned or operated by entities with U.S. stakeholders. This may ultimately bring in more revenue than estimated, as private equity firms, banks and finance companies have significant holdings in maritime shipping. The U.S. port fee could subject the world's top 10 carriers to USD3.2 billion in charges by 2026, with the fleet of Chinese Cosco Group being the most exposed, according to shipping data provider Alphaliner. The China Shipowners' Association recommended that the Chinese government reply to the U.S. fees in kind, urging “decisive action” from the government to safeguard fair competition, the South China Morning Post reports.

China becoming a leading research nation

China is emerging as a leading research nation across a wide range of disciplines, with more original innovations being published in journals by the Netherlands-based publishing company Elsevier, Laura Hassink, Managing Director for Scientific, Technical and Medical Journals at Elsevier, said. Some of the research has been groundbreaking as decades of investment in basic and fundamental studies have begun to pay off, and more advances are expected, she said. “We definitely see a growing number of research articles from China these years. What's even more important, we see that the quality continues to increase, making the impact of the Chinese published articles grow. That echoes the high-quality research being done in China,” Hassink said. “Such an increase in both quality and quantity from Chinese research projects is rarely seen in other parts of the world at the moment,” she said during the Pujiang Innovation Forum, held in September in Shanghai, where Elsevier was an academic strategic partner.

International collaboration has been a key driver in China's

systematic improvement in research quality, Hassink said. China began to expand international research collaboration about a decade ago, and “what we see in general is that the more international, the better a research usually is,” she said. One notable example was a report on combating liver cancer, led by Chinese experts and published in *The Lancet* in July. The report involved more than 50 specialists from countries and regions that include Japan, South Korea, the United States, Spain, France and Italy. “It was the first time in the journal’s more than two-century history that it had invited Chinese scholars to lead a cancer-related commission to address a major global health challenge,” Hassink said, adding that China is also strong in fields such as physical science, material science and artificial intelligence (AI).

Data from Elsevier showed that China’s research output published in the top 1% of high-impact journals achieved a compound annual growth rate of 26% over the past five years. The country’s field-weighted citation impact has also consistently remained above the global average. “Something the Chinese local governments are doing really well is that they have made scientific research a priority years ago and have been fairly steadfast to reach the ambitions at the end of the day,” Hassink said. China’s investment in funding and its strategic approach to allocating resources are also impressive, she added. Different universities are designated focus areas, which allows them to advance science in specialized fields, the *China Daily* reports.

Xiaomi takes on Porsche with customized luxury EVs

Chinese carmakers are already beating their Western rivals when it comes to winning over the country’s middle-class drivers. Now they are **targeting rich customers looking to add a little extra to their cars.** Xiaomi last month started a service that will allow buyers to customize their CNY529,900 SU7 Ultra racer electric sedans with select trim and paint jobs – adding at least CNY100,000 to the sticker price. A major smartphone designer that is making quick inroads with its electric vehicles (EV), Xiaomi is competing for consumers who may otherwise opt for an individualized Porsche or another premium European brand. The German luxury carmaker is also pushing to expand sales of bespoke 911 sports cars in China as it gets squeezed on EVs by local brands.

Porsche and its Western peers long enjoyed strong growth in China, with renowned precision engineering of combustion-engine vehicles. But in recent years, Xiaomi, BYD, Nio and other local manufacturers have narrowed the gap with cutting-edge software and battery technology. Having cornered the market for affordable EVs, they are now targeting wealthier consumers. While Xiaomi’s SU7 Ultra sells for less than the CNY918,000 Porsche Taycan, the Chinese model bears an uncanny resemblance to the German company’s flagship electric model. SU7 Ultra buyers who want to customize their vehicles are required to commit at least CNY100,000 to their personalized touches, which include 24-carat gold bonnet badges and forged wheel hubs in four colors. The service also extends to the CNY329,900 YU7 Max, a SUV that has been compared with Ferrari’s Purosangue.

By adding pricey extras for car buyers, Xiaomi is tapping a lucrative trend. The likes of Ferrari, Bentley Motors and Lamborghini have for years offered their super-rich customers the chance to spend extra cash to make their cars unique. Porsche says more than 90% of 911 buyers choose at least one option from its personalization business, Exclusive Manufaktur, which can add tens of thousands of dollars to the purchase cost. Unique paint jobs are among the most popular: customers can spend around USD13,000 to select from the brand’s library of more than 190 colors, or spend more than USD30,000 to match their new car to their favorite lipstick shade, baby blanket or sports team jersey.

“Our customers don’t want off-the-shelf products,” Porsche Production Manager Albrecht Reimold told reporters at the brand’s Leipzig factory last month. “They want individualized interiors and, in some cases, exteriors that meet their needs.” Porsche plans to expand the customization options and bolster its in-car software and features in China after seeing volumes plummet there. It’s clear that Xiaomi is encroaching on the territory of Western premium brands, the *South China Morning Post* reports.

China to add 60% of global renewable energy capacity by 2030

Global renewable power capacity is on track to double by 2030, the International Energy Agency (IEA) said, with nearly 60% of the growth projected to come from China, whose record-setting expansion in clean technologies contrasts with slowing progress in the United States and other major economies. **The Renewables 2025 report, the IEA’s latest forecast,** predicts a 4,600 gigawatt increase in global renewable power capacity by 2030, equivalent to the combined power generation of China, the European Union and Japan. “The growth in global renewable capacity in the coming years will be dominated by solar PV, but with wind, hydropower, bio-energy and geothermal all contributing, too,” said IEA Executive Director Fatih Birol.

Solar photovoltaics are on course to account for some 80% of the increase in the world’s renewable capacity over the next five years, Birol said. The IEA report noted that China’s policy change – a shift from long-term fixed tariffs to auctions – led to an unprecedented solar photovoltaics and wind power boom in the first half of 2025, but the pace of expansion in the second half remains uncertain. The goal of China’s new policy is to achieve market-driven growth for renewables and facilitate their grid integration, the report said. Largely driven by the solar PV and wind power boom, **China’s renewable capacity additions are forecast to reach nearly 465 GW in 2025, the highest ever for any country,** with an accelerated case projecting up to 509 GW if market and policy conditions align.

Compared with last year, the forecast for the U.S. was revised down by almost 50%, reflecting several policy changes, including the early phasing out of federal tax incentives, new import restrictions, the suspension of new offshore wind leasing, and restricting onshore wind and solar PV projects on federal land. In the European Union, annual capacity additions are expected to decline 1% in 2025 compared with 2024. Overall, the outlook for global renewable capacity growth for 2025-30 was revised

downward slightly by 5% compared with last year, the IEA said. **“Nonetheless, China continues to account for nearly 60% of global renewable capacity growth and is on track to reach its recently announced 2035 wind and solar targets five years ahead of schedule, extending its track record of early delivery,”** according to the IEA, as reported by the China Daily.

Robots compensate for reduction in number of workers

China’s factories welcomed 295,000 newly installed industrial robots last year, easing fears the nation’s manufacturing juggernaut could falter after the population declined for a third consecutive year. The robot boom in the rapidly aging society is helping offset some of the challenges of a declining workforce and bolstering its manufacturing edge, which is set to sharpen further as humanoid technology matures, analysts said. China’s population has declined since 2022, with a decrease of 1.39 million last year. **But the country now has a record 2.027 million active industrial robots, leading the world by a wide margin,** according to the 2025 edition of the **International Federation of Robotics (IFR) World Robotics Report**. More than half of the world’s 542,000 new robots were installed in Chinese factories in 2024, according to the September report. The machines weld car frames, assemble electronic devices and move heavy loads with precision, filling labor gaps caused by the demographic shift.

“It’s an inevitable trend that more simple, repetitive tasks will be done by robots in the future, though some creative and complex tasks still require human ingenuity,” said Professor Gao Xudong from Tsinghua University’s School of Economics and Management. “Despite the shrinking overall population, with improvements in workforce education and the widespread use of robots, China’s manufacturing industry has no problem in maintaining and enhancing its competitive edge,” he added. China’s population fell by about 0.1% last year, but **robot installations during the same period rose by 5% to 295,000 units, accounting for 54% of new industrial robots worldwide,** according to the IFR report. Japan followed China with 44,500 new installations, while the United States ranked third with 34,200. Total installations globally rose by 9% to 4.664 million in 2024.

Humanoid robots represent the next stage in industrial upgrades. While exact order numbers for the smart machines – which resemble humans – are unavailable, companies are progressing quickly from R&D to commercial-scale deployment. In August, Guangdong-based Tiantai Robot secured a landmark order for 10,000 humanoid robots – the largest single order in the industry’s history – targeting the country’s elderly care market. Still, Prof. Gao of Tsinghua University said China will still need large numbers of skilled talent to support its intelligent industries, such as robot maintenance technicians. By 2030, the country is projected to face a shortage of 50 million high-skilled blue-collar workers, according to a report published by China’s Human Resources and Social Security Information Center in April, the South China Morning Post reports.

Measures to help private sector expected to be included in next Five Year Plan

Measures to help private enterprises are expected to be included in the next Five Year Plan (2026-2030). Though the government has already launched a barrage of measures intended to make life easier for private businesses, more than 60% of them still describe the climate as “difficult”, and many industries could soon face a “wave of bankruptcies” if conditions do not improve, according to a recent report by independent research firm Beijing Dacheng. Will the country’s leaders be able to restore the confidence of the private sector and help its entrepreneurs stay competitive in a rapidly changing and unpredictable environment? Zhan Xiao, Co-founder of a consulting firm, is one of many hoping for a lifeline. When she tried to secure financing for a local arts project, she found banks were far less willing to lend to private firms like hers than to her state-owned competitors. She also found local officials harder to reach in smaller cities. “There are no clear channels, things very much depend on personal ties and favors, and a lot of deals are closed during drinking sessions,” she said. “Even getting a bank loan often boils down to favors and relationships, not transparent rules,” Zhan added. “Tenders and bids feel rigged – state-owned firms always stand a much bigger chance of winning when the competition is cutthroat.”

This kind of sentiment presents a huge challenge for Beijing: **private firms are the backbone of the Chinese economy,** generating 60% of the country’s gross domestic product (GDP) and 80% of urban jobs. But many private companies are struggling and remain reluctant to invest. Though the number of private firms in China surged by more than 40% between 2020 and 2025, according to the National Development and Reform Commission (NDRC), **the landscape is increasingly polarized.** The country’s tech giants and advanced manufacturers are thriving. Start-ups in emerging industries like artificial intelligence (AI) and robotics are making waves and attracting generous funding. Yet, **for every DeepSeek, there are thousands of small businesses struggling with weak demand and financing bottlenecks.** According to Beijing Dacheng’s survey of 58 entrepreneurs across 13 provincial-level Chinese regions, firms in traditional manufacturing, services and property-related industries are facing the greatest strain: revenues and profits are falling, cash flows are tightening and lay-offs are on the rise. Looking ahead, fewer than one in five companies said they planned to expand investment over the next two years. Even those inclined towards expansion stressed they would proceed cautiously.

“If conditions don’t improve soon, we may be staring at a wave of bankruptcies across entire industries,” the report said. The warning comes as Beijing steps up a campaign to revive the private sector, with the past few months seeing related policies and high-profile events designed to boost confidence. In February, President Xi Jinping held a meeting with China’s top entrepreneurs – the first gathering of its kind since 2018 – and vowed that the country would protect the interests of entrepreneurs and guarantee a level playing field for private firms. “The policies and measures to promote the development of the private economy must be implemented in a solid and

thorough manner,” Xi said in February. “Whatever the party’s Central Committee has decided must be resolutely carried out – without ambiguity, delay or compromise.” Chinese authorities have since taken several steps in this direction. A new law enshrining the rights of private firms

and banning “profit-driven law enforcement” was enacted in May, and the Supreme People’s Court made several key rulings to further protect the private sector, the South China Morning Post reports.

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