

China Business Weekly

25 November 2025



MEMBERS' NEWS

On November 22, Hainan Airlines launched Brussels-Chongqing route, establishing a new convenient “Air Bridge” between China and Belgium



On 22 November 2025, Hainan Airlines announced the official launch of its direct flight route between Brussels and Chongqing and held a grand inaugural ceremony at Brussels Airport. Airport and Hainan Airlines staff warmly welcomed passengers boarding the inaugural flight at the gate, presenting them with panda toys and chocolates. The airport then organized a ceremonial vehicle escort for flight HU470 as it taxied for departure. Distinguished guests attending the event included Ms. Li Yan, Chargé d'Affaires a.i. of the Chinese Embassy in Belgium; Counsellor Xie Yajing; Ms. Sylvie Van den Eynde, Chief Passenger Aviation Officer of Brussels Airport; Mr. Jan Van de Reydt, Head of Network Development at Brussels Airport; Mr. Maarten Evenepoel, Senior Manager Network Development at Brussels Airport; and Mr. Li Meng, General Manager of Hainan Airlines Brussels Office. **Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce (FCCC), also attended the inauguration ceremony.**

The inauguration of this new route establishes **another efficient and seamless air bridge between China and Belgium**, broadening prospects for economic cooperation and cultural exchange and further enhancing bilateral connectivity. “By opening this new Chongqing connection, Hainan Airlines reinforces its confidence in Brussels Airport as an important hub for travel between China and Europe. Each new route broadens the bridge between our regions, offering more choice for travellers and more opportunities for cooperation. We are proud of this partnership and look forward to supporting the continued expansion of Hainan Airlines from Brussels Airport.”, says **Sylvie Van den Eynde, Chief Passenger Aviation Officer at Brussels Airport.**

This addition marks the airline's latest international service from Belgium to China, complementing its existing flights to Beijing, Shenzhen, and Shanghai. With this expansion, **Hainan Airlines will operate a total of 17 weekly flights between Belgium and China**, strengthening connectivity across China's Eastern, Western, Southern, and Northern

regions. This enhanced network will offer travelers more flight choices, foster cultural and economic exchanges between the two countries, and create further opportunities for bilateral trade and multisector collaboration.

The Brussels-Chongqing route will operate three times per week, with round-trip flights scheduled on Mondays, Thursdays, and Saturdays. The outbound flight (HU470) will depart from Brussels Airport at 11:20 local time and arrive at Chongqing Jiangbei International Airport at 05:10 the following day (Beijing time), with an estimated duration of 10 hours and 50 minutes. Please note that flight schedules are subject to change. Passengers are encouraged to confirm details at the time of booking. The return flight (HU469) will depart Chongqing at 02:50 Beijing time and arrive in Brussels at 07:35 local time, taking approximately 11 hours and 45 minutes. Tickets can be booked via Hainan Airlines' official website, mobile app, WeChat official account, mini-program, customer service hotline (95339), as well as its ticket offices and authorized sales agents.

Chongqing (IATA: CKG) serves as a strategic hub for China's western development, a vital junction between the Belt and Road Initiative and the Yangtze River Economic Belt, and a key node along the New International Land-Sea Trade Corridor. Hainan Airlines has established a significant operational presence in Chongqing, supporting the city's vision to become an international aviation hub. The carrier currently offers direct flights from Chongqing to numerous global destinations, including Seattle, Paris, Rome, Milan, Madrid, Osaka, Bangkok, and Auckland, building bridges between Southwest China and North America, Europe, and Asia. In addition to its international network, Hainan Airlines provides extensive domestic routes from Chongqing to major Chinese cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Haikou, Sanya, and Urumqi. This seamless connectivity offers passengers from across China convenient access to international flights via Chongqing. The airline remains committed to enhancing its Chongqing hub with continuously optimized routes and high-quality service, further contributing to regional development.

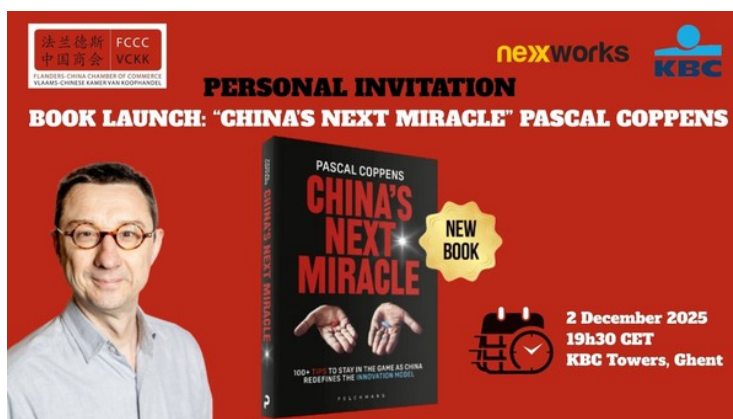
As the capital of Belgium and often referred to as the "Heart of Europe," Brussels is home to major European Union institutions and NATO headquarters. The city artfully blends historical heritage with modern vitality, featuring stunning medieval architecture, vibrant cultural venues, and a distinctive skyline where contemporary skyscrapers stand alongside ancient landmarks.

To date, Hainan Airlines has resumed or launched over 70 international and regional routes from cities across China, including Beijing, Shanghai, Shenzhen, Haikou, Chongqing, Xian, Changsha, Dalian, Guangzhou, Hangzhou, Chengdu, Guiyang, Lanzhou, Yichang, and Changchun. The airline will continue to expand its global network in response to growing travel demand. As the only Skytrax Five-Star airline in the Chinese mainland, Hainan Airlines places the highest priority on safety and upholds its "Sincere Service" philosophy. Through its premium five-star service, the airline is dedicated to providing passengers with a safe, comfortable, and hassle-free travel experience, contributing to the high-quality development of China's civil aviation industry.

For more information, please visit the Hainan Airlines website www.hnair.com or www.hainanairlines.com or contact the service hotline at 95339. Note: All times are local. Flight information is subject to final confirmation on the official website.

FCCC/EUCBA ACTIVITIES

Book Launch: "China's Next Miracle" by Pascal Coppens
2 December 2025, 19h30 CET – Ghent



The launch of **Pascal Coppens' new book – "China's Next Miracle"** is organized in collaboration with KBC, Flanders-China Chamber of Commerce and nexworks. This will take place on **2 December at 19:30**. Don't miss this exclusive first

look at how China is shaping the next wave of global innovation and transformation.

Programme:

19h30: Welcome reception with drinks

20h00:

Introduction by **Matthias De Clercq**, Co-CEO, nexxworks

Keynote by **Pascal Coppens**, author of the book “China’s Next Miracle”

Closing by **Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

21h15: Networking reception with drinks & finger food

22h30: End of evening

About Pascal Coppens: Pascal Coppens is a sinologist, entrepreneur and China expert. Author of “China’s New Normal” and “Can We Trust China?”. In “China’s Next Miracle”, he explores how China is entering a new era of innovation and transformation.

Practical Information:

Date: December 2nd **Time:** 19:30

Location: KBC Towers, Ghent, Kortrijksesteenweg 1100, Gent

Price: Free event – limited capacity (first come, first served)

For members only. Deadline for subscription: 21 November 2025.

Drinks are on the partners of this event

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PAST EVENTS

Webinar: Managing Compliance and Risks in China in Times of Geopolitical Tensions – 18 November 2025



The **Flanders-China Chamber of Commerce** organized a webinar focused on **Managing Compliance and Risks in China in Times of Geopolitical Tensions** on **18 November 2025**. **Mr. Philippe Snel, Founder and Lawyer at DaWo Law Firm Shanghai**, shared his view from China on current developments and provided practical guidance on how to best address risk and compliance management.

Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce (FCCC), welcomed the participants and introduced the speaker. More than ever, our companies have to be resilient and adapt their China strategy in this very quickly evolving business environment. Mr. Philippe Snel has been practicing as a foreign lawyer in China for over 20 years. He founded Dawo Law Firm Shanghai and has advised numerous foreign investors on establishing and growing their businesses in China. In recognition of his contributions to Shanghai’s development, he received the Silver Magnolia Award from the Shanghai Municipal Government in 2021, and in 2022 he was also appointed as Counselor for Economic Diplomacy at the Belgian Consulate General in Shanghai. According to a survey of European companies in China, doing business in the country has become more difficult. This challenge is not unique to European or other foreign businesses –

Chinese companies are also finding the current business environment very difficult. The report also mentioned that EU companies in China used to have higher EBIT margins in China than elsewhere, now it is the other way around for almost two-thirds of EU companies. However, 70% of European companies still claim that they are profitable in China but profitability growth is no longer what it used to be. But still, China remains a very important market for our companies considering the size and dynamism of the market which exists nowhere else.

Mr. Philippe Snel, Founder and Lawyer at DaWo Law Firm Shanghai, explained that based on the results of the European Chamber of Commerce survey and other surveys, business in China is not becoming easier in many different ways, but there is tremendous resilience and a sort of inevitability of business in China, and that means that whatever the circumstances are, people are bound to continue to do business with China. Our supply chains worldwide are still very much linked to China and have not been decoupled as some would have wished. One of the elements that is keeping some people awake at night is to ensure the compliance of their activities in China. **Compliance is the process of operating a business in accordance with all regulatory, administrative and legal provisions that are applicable in the country.**

Mr. Snel mentioned four points about the context of compliance. The first point is that the economic slowdown continues. GDP growth has gradually slowed down. The expectation for 2025 is 5% growth, which seems impressive, but each year there are between 7 and 10 million new students that graduate, and just to get these people new jobs, you probably need 3% to 4% growth. What is more of a concern is the constitution of that growth. Exports are the main component of economic growth, which is absolutely not in line with the expectations of the government over the past five year plan. Consumption was supposed to drive growth after investment slowed down. Consumption is increasing by about 2% this year, but is clearly not taking off as the government would have liked. Investments are going down, so you really have an economic growth that is supported by exports. Exports are impacted by tariffs, but there has been an effect of front loading, people pre-buying stocks in anticipation of the tariffs coming on. That has boosted exports in the first two quarters of the year. Companies are dealing with bottomline profits that are being cut dramatically, which leads them to reduce costs. Salaries basically have stalled and bonuses are also limited or non-existent, which obviously has people concerned and may lead to people seeking other sources of revenue, maybe through ways that are not necessarily the most legitimate.

Another essential element in regard to the economic context **are the international trade tensions**, which are growing. The Nexperia catastrophe has shown that global supply chains are still very much interwoven and are still sensitive to decisions being made on one side or the other. It also shows that China is flexing its trading arm and will respond to decisions that it deems to be unfair elsewhere in the world. The Nexperia story is a matter of management practices and therefore ties into what we are discussing. European and Chinese expectations in terms of management practices are different and this difference is being largely underestimated by Western headquarters and governments. The Nexperia problem is due to a misperception of management expectation on both sides in relation to compliance and how companies should be managed financially. The rare earth discussion is another one that is impacting trade and compliance directly. There is also **the Shein story**, or debacle, and their store opening in Paris, which has drawn a lot of protests, but has still been a success from a commercial point of view. It has triggered the French government in opening an investigation and trying to stop the access to the European market for the Shein platform. **This is typically an example of Chinese management not understanding compliance requirements in Europe**, or at least not being sufficiently attentive to it, and not making sure that their operations are compliant in Europe. It also happens that Western European companies and headquarters do not realize the compliance requirements in China, and sometimes pay a very big price.

Thirdly, there is also **the new buzzword of involution**, which means that the economy is turning on itself, resulting in **disruptive competitive practices**. Basically, people are struggling or fighting for marketshare. The most visible effect is a downward spiral in prices, and a cut throat competition to access markets at all costs. China producer price deflation is worsening. The government is not yet calling it deflation, but clearly the numbers are there. On the other end, profitability for manufacturing is up from last year by more than 15% or 17%. So profitability seems to be returning. Excessive competition is also creating overcapacity, and the temptation to export overcapacity worldwide. From a compliance point of view, this cut throat competition leads to a lot of cutting corners, security and safety concerns, and practices that are simply illegal.

The last element in regard to this context is the situation of real estate, which is still hurting. There is no bubble bursting, but it is affecting consumption because it is putting a big uncertainty over future economic development. It has effect on compliance in several ways. One is that a lot of these companies actually postpone payments and the real estate developers and companies linked to them have huge payment problems, but are not yet declared bankrupt, because the government is not allowing them to go bankrupt, considering that most of them are too big to fail. So this has an effect on payment terms and payment modalities, as well as on illicit practices in terms of payments and financial flows. And it also has an effect on foreign currency exchange, which remains very much controlled. Although China is encouraging its companies to invest overseas, the State Administration of Foreign Exchange (SAFE) is still very much scrutinizing and verifying overseas investments and payments more than before, because they are concerned that money would be channeled illegally out of the country by some of these real estate tycoons. So that's the context, which changed certainly from before Covid, **a context in which growth and development is not a given, and in which you are fighting almost every day to maintain your market position, and anything goes to achieve that goal.**

Let's now look at some **regulation and trade compliance**. China is becoming part of more trade agreements. In the past two years, there's been updates and increasing implementation. **Dual use items have been added to the controlled**

export list in which drones and parts of drones are now included. China is restricting the export of drones so as to avoid that they would be used in a military context. This was not the case just a few years back. There's also the restriction on rare earth and strategic materials. AI is working for Chinese customs and is detecting much easier mismatches in real time. And there are the unreliable entity list and the blocking measures. In response to the U.S. entity list by the Commerce Department, China has put forward its own unreliable entity list, also affecting international trade. If you're trading with China, you better make sure that you regularly update your information and that your custom declarations are accurate and specific. The consequences can be costly if it's not done properly. It's important to keep in mind that the U.S. is not the only one that is regulating trade worldwide. China definitely is now extending its trade muscle and is using the resources it has to also extend influence on international trade where it can. Incidents involving rare earth and associated materials and dual use incidents in the last two and a half weeks of October cover two pages, and some affect ordinary businesses. One example: on the 27th of October, camouflage fabric was declared as 100% cotton, but was clearly for military use. The export transaction incurred a fine of CNY553,000 because it was not declared properly and only after detection by the Customs. There were also fines for graphite, emulsion, and powder, where the wrong code was used.

The Chinese government is in a position to affect your supply chains, perhaps not every day, but when it thinks it has an interest in showing its force to eventually have its interest respected. You need to make sure that your supplier is complying with Chinese regulations properly, that he is registering the shipments as they should be registered, and obviously that you understand that from your side you may be held accountable for using the products that you buy from China. China's foreign unreliable entity list is affecting businesses worldwide, both the U.S. entity list and the Chinese unreliable entity list. If you look at the U.S. entity list, what we see in our practice every day in relation specifically to Huawei, is two things. One is that **the restriction imposed on Huawei by the U.S. Department of Commerce is directly affecting many of our businesses in Europe**, and people are having a hard time to deal with this restriction while at the same time maintaining or seizing the business opportunities that they may have in regard to China. Huawei is one of the central players in many different industries, for instance in the EV market, and is becoming in many ways a company that you cannot go around. **People have to do business with Huawei regardless of the restrictions imposed by the U.S. government.** From our experience, these restrictions are not necessarily being activated so far, and we expect that it will be less and less the case. We saw in the Nexperia case that China is responding with its own tools when it feels that it has been illegitimately targeted by restrictions from other countries. There are the anti-blocking regulations, which specifically prohibit a foreign company to act on Chinese soil in execution of foreign legislation. **If you're doing business in China and refusing to sell, for instance, to Huawei, you can be sanctioned for that.** Or you can be put on the unreliable entity list if you help foreign governments suppress Chinese enterprises, thereby seriously undermining Chinese national sovereignty, security, and development interests. So companies big and small in Europe need to understand that your compliance concern is not only valid with regard to U.S. regulation, but also with regard to Chinese regulation. That puts you in a difficult situation sometimes, but one should not underestimate, as the Nexperia story has shown, the power of the Chinese government to disrupt businesses worldwide if they want to do so.

A **new anti-unfair competition law** came into force on October 15, addressing the difficulties related to the digital economy. It breaks new ground on e-commerce platforms, imposing direct liability on corporate executive decision makers. Regardless of your role or title, **if you're a decision maker in a Chinese company, you may be held accountable directly under this law and may be facing penalties**, including financial penalties, if you have either obviously participated in an act that is infringing against the law or if you have tolerated your employees to act against the anti-unfair competition law, or if you fail to put in place sufficient supervision and control. This is a far-reaching obligation and potentially liability that you may face. Some of you may be legal representatives of your companies while not living or being permanently in China. You have to be conscious of these responsibilities that will lie on you as well, for instance, as legal representative or as general manager and that you may have to face if you are in China.

What you need to do is to make sure that your people are sufficiently trained, that they are made aware of the restriction, that you understand what is going on in your company and that you have a clear trust relationship with the people that are managing your business in China. Also under this anti-unfair competition law is the extraterritorial reach to regulate market operations originating beyond the borders of the country. For instance the Shein situation in France. If France goes ahead with this intention to stop Shein of doing business, one may expect that there will be a sort of retaliation action based maybe on this law on any companies doing business on the web here in China and having websites dealing with data. It has already happened recently for a French luxury group.

The criminal law on anti-bribery and anti-corruption was changed and now also extends to corruption affecting private businesses, as opposed to only state-owned enterprises. It specifically identifies three situations or major offenses, being illegally engaged in a similar business, illegally seeking profits for relatives or friends, and crimes of sharing or selling assets of a company at a low price. This is actually a positive evolution, but the backside is that your company may become subject to the same measures. Due to the economic pressure, there is an increased risk of private corruption, bribery within private companies, such as irregular trading activities going on. There are still too many companies that don't have an updated or effective anti-bribery policy that is put into place in their code of conducts and internal regulations. The price of ignoring compliance is increasing. We talked about fines, massive damages, planned shutdowns and market bans, for instance, in the medical sector. So we cannot insist enough on the effects and the consequences of not properly managing this problem here in China, Mr. Snel concluded.

DaWo Law Firm Shanghai has published a digital **"Compliance in China" booklet**. If you are interested to receive the PTT and the booklet, please send an e-mail to info@flanders-china.be

ACTIVITIES SUPPORTED BY FCCC

EU SME Centre: 2025 Understanding China Conference

10 December 2025, 9:00-19:00 Brussels Time – Brussels & Online



This year, the EU SME Centre's flagship event will unfold as a one-day, content-rich programme on 10 December, bringing together policymakers from EU institutions, analysts, business leaders, and industry experts. Participants will decode the latest developments shaping EU-China relations and the business environment for SMEs. The 2025 edition will also feature sessions on topics such as innovation ecosystems and emerging consumer trends, alongside networking opportunities to connect with peers.

Agenda

Brussels Time (CET)

9:00–9:30 Opening Remarks

9:30–11:00 Session 1: Update on EU-China Relations

11:00–11:15 Coffee Break

11:15–12:45 Looking Back, Looking Forward: China's 15th Five-Year Plan

12:45–13:30 Networking Lunch

13:30–14:30 Session 3: De-risking without Decoupling

14:30–15:30 Green Transition and Innovation Ecosystems

15:30–15:45 Coffee Break

15:45–16:45 Session 5: Digital Transformation, Technology, and Data Security

16:45–17:45 Session 6: Emerging Consumer Trends in China

17:45–19:00 Networking Cocktail

Registration and Attendance

This event is open, free of charge, to stakeholders of the EU SME Centre from all EU Member States and countries participating in the Single Market Programme. To register to this event, please fill in the form [here](#). The Understanding China Conference is organised in a hybrid format: onsite in Brussels with online livestreaming. Please note partner organisations of the EU SME Centre and intermediary organisations such as government agencies, industry associations, business support organisations (BSOs), trade promotion organisations (TPOs), chambers of commerce, and clusters are given priority for onsite attendance.

About the Understanding China Conference

The Understanding China Conference is an annual series of keynote presentations, panel discussions, and workshops organised since 2011 by the EU SME Centre. The Conference's objective is to inform stakeholders on the most recent developments and trends observed in China and discuss potential impacts on European small and medium-sized enterprises. This event has been developed for intermediary organisations in Europe such as government agencies, industry associations, business support organisations (BSOs), trade promotion organisations (TPOs), chambers of commerce, and clusters. Participation is free of charge and all sessions are organised in English. Ask our EU Partnerships Manager Davide Orlandi your questions about this event by email at: davide.orlandi@eusmecentre.org.cn.

The EU-China Business Association is an associated partner of the EU SME Center.

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AGRICULTURE

Innovation also transforms agriculture in Shandong province



A decade ago, nothing would grow on a large expanse of saline-alkaline land in an agricultural district of Dongying, Shandong province. The land was considered worthless. “The once white, barren land is now transforming into golden, high-yield fields,” a local farmer named Wang said. Nestled on the shores of the Bohai Sea where the Yellow river empties into the ocean, Dongying’s landscape has been shaped by an unusual geographical legacy. The gradual retreat of seawater over time left behind salt deposits that have so far created 227,330 hectares of saline-alkaline land. This area accounts for 38% of the total saline-alkaline land in the province. “In the autumn harvest season, Shandong’s landscape resembles a colorful palette, but the last color we want to see is the white of saline-alkaline land,” said Wang Jingdong, Deputy Director of the Shandong Provincial Department of Agriculture and Rural Affairs. The utilization of saline-alkaline land is part of efforts to increase the quality and efficiency of agricultural production to safeguard China’s food security. Shandong province is exploring a path characterized by ecological prioritization, adaptation to local conditions, compatibility between seeds and land, and technological support.

Land was rehabilitated using irrigation and deep plowing. “It’s very difficult to increase grain yield during the first three to five years, but later with the local government’s support and also after accumulating some experience, the grain yield increased,” a farmer named Li who cultivates wheat, corn and soybeans said. “Trial results showed that the new variety of wheat performs better,” said Zhang Chengda, a staff member at Shandong Fengcai Seed Industry. “It has

resistance to pests and diseases, while requiring less pesticide, adding new guarantees for stable and high yields on saline-alkaline land and bringing tangible hope for increasing farmers’ incomes.” **Researchers keep developing salt-tolerant varieties**, said Li Dianquan, a farmer in Dongying. Another piece of saline-alkaline land with about 100 hectares of selenium-rich rice also saw a bumper harvest. “I never imagined selenium-rich rice could grow on saline-alkaline land. After 180 days of growth, these grains are rich in selenium,” said Song Xinye, a local farmer. Yin Shenghui, Director of the Agricultural Office in the subdistrict, said that through industrialization, standardized production, mechanized processing, and branded sales, the land has increased the village’s collective income by CNY130,000. The once barren land has turned into a breadbasket.

Managing saline-alkaline land is first and foremost a battle with the soil. “The soil was white in spring, waterlogged in summer, and red in autumn, making grain harvesting extremely difficult,” said Gai Junshan, Chairman of Shandong Qianshun Soil and Water Management Technology Co, voicing a shared memory of many Dongying natives. In spring, when it’s warm, dry and windy, water from deep in the soil is pulled to the surface and evaporates, leaving salt on the surface that forms a white crust on the ground, he said. In autumn, the saline-alkaline soil makes it hard for most crops to grow. Only very tough, salt-loving plants like *Suaeda salsa* can survive. This plant turns a bright red color in the fall, covering the fields in a red blanket. Born and raised in Dongying, Gai vowed to reclaim his hometown’s saline-alkaline land when he was 17. He traveled to countries including the Netherlands and Germany to study land rehabilitation techniques, eventually developing technologies suitable for the local conditions to reduce the soil’s salt content from 1.6% to 0.3%, reaching a standard suitable for various crops.

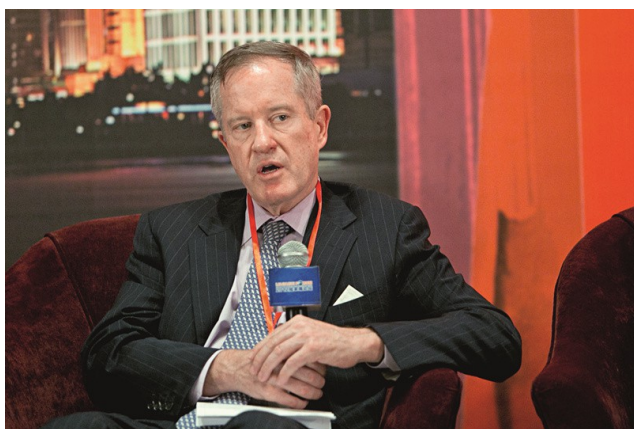
But this is merely the first step. Saline-alkaline land is not just salty, it’s also barren. At the Agricultural High-tech Industrial Demonstration Area of the Yellow River Delta of Shandong province, researchers from Qingdao Agricultural University have been focusing on **making the soil healthy by increasing organic matter**. They promote the cultivation of “green manure” crops, plants grown to be chopped and turned back into the soil to add organic matter. “As soil organic matter increases, the aggregate

structure improves, enabling better water and fertilizer retention and suppressing salt rise, which naturally lowers surface salinity,” said Liu Xinwei, Professor at Qingdao Agricultural University. To verify the long-term effects of these measures, the researchers built 36 isolated cement pools at their experimental base in the demonstration zone. “This is to strictly control interference between different fertilizer treatment plots and ensure accurate and reliable

data,” said Liu. This experiment is planned to last for decades, aiming to unravel the secrets of soil evolution and provide the most solid scientific basis for saline-alkaline land management. The research teams at the demonstration base have made a number of major achievements in breeding new varieties that can grow on saline-alkaline land, such as quinoa and alfalfa grass varieties, the China Daily reports.

MACRO-ECONOMY

Professor Lardy discusses the prospects of China's economic growth and the challenges it faces



In a wide-ranging interview with the South China Morning Post, U.S. Economist Nicholas Lardy, Non-resident Senior Fellow at the Peterson Institute for International Economics, discussed China's economy and U.S.-China relations. Professor Lardy has studied the Chinese economy extensively and has written several books on its growth and development since the late 1970s. Lardy does not believe that the U.S.' "Made in America" program will be able to restore manufacturing jobs and win back market share from China. Manufacturing jobs in the U.S. as a share of total employment have been shrinking for about 70 or 80 years. The manufacturing share of output has not gone down as much, because productivity per worker has gone up. "But the idea that we're going to restore manufacturing jobs to any significant degree, I think, is very unlikely." Manufacturing jobs in 2025 are shrinking, partly because of tariffs. President Trump had this idea that if you put on big tariffs manufacturing would return to the United States. Maybe some companies will start producing in the U.S. to avoid tariffs, but there are a lot of manufacturing companies in the United States that use imported inputs like steel and other things, and as the cost of those goes up, these firms become less productive. They lose market share, and eventually they start laying off workers. Tariffs are not going to be a mechanism for bringing back a significant number of manufacturing jobs.

Is China going to fall into a "middle-income trap", or continue to grow fast and overtake the U.S. to become the world's No 1 economy? Two or three years ago,

some people were talking about "peak China", the idea that China was no longer catching up with the United States. I think that was a mistaken view. To make these comparisons, you have to start out with nominal gross domestic product and then convert it into dollars. China was going through a period of slow inflation, sometimes deflation, for a number of years, which still continues. And the United States had high inflation. So in nominal terms, U.S. GDP was growing rapidly, and Chinese GDP was growing slowly. It looked like they were separating, that China was never going to catch up. But if you took into account the fact that price trends in the two countries diverged, the idea of China reaching its peak relative to the U.S. didn't make any sense because of the inflation. Remember in 2021 and 2022 we had high inflation. Nobody thought that high inflation was going to persist. The Federal Reserve was raising interest rates to slow down inflation, and inflation has come down quite a bit. **I think China will continue to grow more rapidly than the U.S.** The potential growth of the US is something in the neighborhood of 1.5% to 2% – the precise number doesn't really matter. China's potential growth is probably something in the range of 4.5% to 5%. Five years from now, it would be a little bit less. **China is still growing, for the next three to five years, at least twice as fast as the United States.** So I am of the view that convergence – that is, China approaching the U.S.' level of total output – is continuing.

China will not be subject to the middle-income trap. According to the World Bank's categories, China is already an upper-middle-income country. If its growth continues for a few more years, it will be reclassified as an upper-income country, and it will then be one of the handful of countries that have moved from very poor to upper income. There are only a handful of countries that have made this transition, and I think China has a good chance of joining that select group.

What are the biggest challenges for the Chinese economy? The first is productivity. Productivity growth, as measured by total factor productivity, has weakened over the last 10 years, and it's the obvious corollary of the slowing growth combined with a fairly rapid growth of assets. For China to continue to grow at a reasonable rate, it needs to do better on total factor productivity, particularly given the aging of the population, which has now been under way for a few years and will accelerate over the next

decade. So if the working-age population is shrinking, as it has been, the only way to get stronger growth is to make more productive use of the physical assets and labor. That's the biggest underlying challenge. And I think implicitly that's been recognized by China's leadership. They don't talk about total factor productivity like an economist would, but it's in the language, and it's in the thinking that **they need to have a more productive manufacturing sector.**

The second challenge is to deal with the rapid aging of the population. China has frequently been accused of having a very weak social safety net, but I've been looking at social insurance expenditures for pensions, healthcare, workers' compensation and so forth. Their share of GDP over the last 15 years has more than doubled, from about 3.6% of GDP to about 7.7%. That will have to continue, because there are going to be more people retiring. As the share of the older population increases, it's going to be challenging to have an adequate pension system.

China used to depend on exports a lot, what if tensions escalate? It's easy to exaggerate the extent to which China depends on exports. In the past, China was growing quite rapidly. Its exports were growing, but its imports were also growing; net exports did not grow enough to add to economic growth. That situation changed dramatically in 2024, when the contribution of net exports became huge, and is continuing in 2025 when China has an all-time trade surplus. They were important then, but they were not a driver. In the last two years, they have become a driver. In

that respect, China's growth has become unbalanced. It's too dependent on the expansion of exports, and the rest of the world is beginning to take some steps. What China has to do is get back to the situation that prevailed in earlier years, where China was growing fairly rapidly, but it was not dependent on exports. One way of doing that is to increase consumption demand, have more domestic sources of demand, rather than relying on exports. The Chinese call this current situation "involution". China has more than 100 companies that are making EVs. Most of them are losing money. The more efficient firms should take a leading role, like BYD and a few others. There needs to be a consolidation.

Where is China's economy headed? I'm optimistic about the future of the Chinese economy if they continue on the path of reform. A big part of that is more reform in the financial sector, which I don't think is getting the attention it deserves. All this talk about involution, nobody mentions the role of the financial sector in creating excess capacity. The problem is what I indicated earlier, too much supply coming from companies that do not cover their costs. As long as that situation continues, then you will have a structural problem, including deflation. That's the cause of deflation in China, companies selling goods where they can't cover their costs trying to get market share. Everyone wants to get more market share. As they become more dominant producers, they'll be able to raise their prices and make money. But if everybody's doing that, it doesn't work out. I think that's a big challenge, to have a more efficient allocation of capital.

SCIENCE & TECHNOLOGY

More than half of the world's Top 10 research hubs are Chinese; China overtakes U.S. in medical research



Chinese cities account for more than half of the world's top 10 scientific research hubs, according to the latest Nature Index supplement, with Beijing retaining its position as the leading global science city – a title it has held since 2016. According to the "Nature Index 2025 Science Cities" supplement, the number of Chinese cities among the global Top 10 rose from five in

2023 to six in 2024. While Beijing tops the chart, Shanghai holds second place. The other Chinese cities on the list are Nanjing (fifth) in Jiangsu province, Guangzhou (sixth) in Guangdong province, Wuhan (eighth) in Hubei province and Hangzhou (10th) in Zhejiang province. The New York metropolitan area, the Boston metropolitan area, the San Francisco Bay Area and the Baltimore-Washington metropolitan area in the United States, are also among the global top 10 scientific research hubs.

The supplement, compiled by an organization associated with international publisher Springer Nature, draws on the Nature Index open database, which tracks all contributions made by global research institutions to 145 high-quality natural-science and health-science journals. Shang Yanran, Deputy Chief Planner at the Tsinghua Tongheng Planning and Design Institute in Beijing, said the newly released supplement shows that China plays an important role in driving global scientific and technological innovation. "Innovation is highly concentrated geographically, with North America represented by Silicon Valley, Europe by London, East Asia by Tokyo, and Southeast Asia by Singapore. China has diversified the global innovation landscape, forming a structure centered on Beijing,

Shanghai and Guangzhou, with other key cities collaborating in innovation,” she said.

Chinese cities lead in three of the five major subjects evaluated by the index, namely chemistry, physical sciences, and earth and environmental sciences. Among these, Chinese cities have, for the first time, swept the Top 10 ranks in chemistry, and claimed six spots in each of the other two fields. Beijing ranks first in all three fields. In biological sciences, Western cities continue to lead, with New York and Boston holding the top two spots, and Beijing making it to third place. In health sciences, U.S. cities account for half of the Top 10 positions, while Beijing ranks sixth. In the overall rankings, Hangzhou, home to tech giants such as Alibaba and DeepSeek, advanced three spots since the 2023 Nature Index supplement was released to make it to the world's Top 10 scientific research hubs in 2024. Last year, Hangzhou's research and development (R&D) expenditure surpassed CNY85 billion, an increase of 8.3% from the previous year, according to local authorities. Wuhan, which ranked ninth in 2023, climbed a spot to eighth place in 2024. The city is now home to more than 16,600 high-tech enterprises, with the transaction value of technology contracts exceeding CNY260 billion last year.

In related news, **China has overtaken the U.S. in medical research.** “In 2023, China accounted for 40% of papers in the medical field, a share that actually rose to just over 50% in 2024,” Fred Fenter, Chief Executive Editor of the Switzerland-based publisher Frontiers, said. “In energy research, China is already the clear global leader, producing around 35% of all papers in the field – and with significant impact. There is no doubt

that China is now the leader in scientific publishing and output. Other indicators, such as patents, further reinforce that China has surpassed the U.S. not only in volume but also in high-quality scientific production.” Frontiers also said China made significant contributions to three of the 10 emerging technologies: green nitrogen fixation, next-generation nuclear energy, and generative watermarking, a technology that places invisible markers into AI content to allow it to be traced back to its source.

China's growing pipeline of novel drug candidates is expected to draw increased attention from global pharmaceutical companies and investors scouting for licensing opportunities, as the country's clinical trial capacity has expanded to match those in the U.S. That assessment was made by Shanghai-based Helen Chen, Greater China Managing Partner at L.E.K. Consulting, one of the most respected analysts in China's life sciences industry. “There is increased interest from multinational corporations in conducting investigator-initiated trials for cell and gene therapies in China, given that they can have access to patient data more rapidly than in other markets,” Chen said. As of 2024, China's clinical trial volumes matched 80% of those in the U.S. and exceeded the levels in Europe by 10%, according to a report by L.E.K. Consulting and PharmaDJ. The report, which polled 89 pharmaceutical and contract research organization leaders between August and September, showed China had 2,694 new clinical trials in 2024, up 13% from a year earlier.

Multinational companies accounted for 14.3% of those clinical trials in the country last year, representing a 7% compound annual growth rate since 2019, the South China Morning Post reports.

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CHINA NEWS ROUND-UP

Smart driving emerging as differentiator between car companies at Auto Guangzhou

Smart driving capabilities are emerging as the next major differentiator for carmakers now that electrification has become the industry norm in China, a shift on clear display at Auto Guangzhou, China's final major industry event this year, showcasing 1,085 vehicles from local Chinese carmakers and global brands. Among them, 629 models (58%), are electrified ones, whether purely electric, plug-in hybrid or range-extended. The percentage was a sharp rise from 43.7% a year earlier. Domestic companies including BYD, XPeng, Nio and Voyah are showcasing their latest lineups and foreign brands such as Volkswagen and Toyota are showing that they are leaning heavily on electrification. The shift aligns

with consumer demand. **China's NEV sales rose 32% in the first 10 months of the year** to 12.94 million units, according to the China Association of Automobile Manufacturers (CAAM). In October, NEVs accounted for 51.6% of monthly new car sales, the first time they surpassed 50%.

As almost all carmakers have NEVs in their lineup, they are pinning hopes on **smart driving abilities and in-cabin features to stay ahead of rivals.** The new trend has made the biggest highlight of the show not any carmaker but Huawei. Its intelligent automotive solutions unit is participating in the event for the first time, exhibiting models that feature its hardware and software. Meanwhile, **Huawei's Harmony Intelligent Mobility Alliance (HIMA),** which has been codeveloping brands with carmakers, is seeing its booth teeming with visitors. HIMA's members have increased to five – Aito, Luxeed, Stelato, Maextro and

Shangjie – with their combined sales hitting 1 million units in 43 months. The meteoric sales have convinced car buyers that Huawei excels in smart driving, and the rise of those brands, especially Aito, which is codeveloped with the previously rather uncompetitive Seres, has prompted other carmakers to follow suit. Besides the five brands in HIMA, Huawei's latest joint projects – Qijiang with GAC and Yijiang with Dongfeng – also debuted on the eve of Auto Guangzhou this year.

Both companies have vowed to invest tens of billions of yuan into the programs. Qijiang plans to launch two models in 2026, including a shooting brake that has completed extreme-heat testing and is scheduled for a June market release. Yijiang is scheduled to unveil its first model at the Beijing auto show in April 2026 and says it will add at least one model a year. Multiple new models, including GAC Hyper's A800 and Voyah's Free+, are equipped with Huawei's full suite of cockpit and driving systems. Japanese brands are also adopting Huawei solutions, with Nissan introducing the HarmonyOS-equipped Altima and GAC Toyota confirming the bZ7 as its first model to integrate Huawei's cockpit. Huawei's name dominates marketing materials across booths, with "Huawei intelligent driving" and "HarmonyOS cockpit" printed prominently beside display vehicles. Jin Yuzhi, CEO of Huawei's intelligent automotive solutions unit, said 33 vehicle models from 14 automaker brands now adopt the company's intelligent driving platform, Qiankun. In October alone, monthly sales of Qiankun-equipped vehicles surpassed 100,000 units.

Momenta is also a popular choice for global carmakers. One example is GAC Toyota's bZ7. It adopts Huawei's smart cabin but chooses Momenta as its smart driving solution provider, as Toyota is one of Momenta's investors. BMW and Mercedes are working with Momenta as well to tailor solutions for their models, the China Daily reports.

China launches first high-capacity all-solid-state battery line

China has launched its first high-capacity all-solid-state battery production line, marking a major milestone in the commercialization of this pivotal technology – one that boosts the driving range of electric vehicles and enhances their safety. The line, built by the state-owned automaker GAC Group, is carrying out small-batch trial production. Compared with traditional lithium-ion batteries, the primary advantage of all-solid-state batteries lies in their lack of liquid electrolytes, as they are entirely composed of solid materials.

This technology enables future new-energy vehicles (NEVs) to achieve a longer range and enhanced safety. The advantages of the liquid-free battery stem from two key innovations in the production line. In the anode manufacturing stage, while traditional liquid batteries require three separate steps – slurry preparation, coating and calendaring – the dry process directly integrates these steps into a single operation, reducing energy consumption while improving efficiency. Experts explained that aside from production process optimization, another core breakthrough lies in the electrolytes, abandoning traditional liquid ones in favor of independently developed solid

electrolyte materials, significantly enhancing the product's heat resistance and safety.

With technological breakthroughs achieved in the production line, the next step is industrial implementation. GAC Group's launch of China's first high-capacity all-solid-state battery production line has established it as an industry pioneer with mass-production capability for **automotive-grade all-solid-state batteries rated at 60Ah and above**. Qi Hongzhong, head of new-energy power research and development at GAC's advanced platform technology institute, said that the energy density of the all-solid-state batteries currently under development is nearly double that of existing batteries. Vehicles' range of more than 500 kilometers could be extended to more than 1,000 kilometers after adopting this technology. The plan is to conduct small-scale vehicle installation tests in 2026, with mass production gradually rolling out between 2027 and 2030, according to Qi, as reported by the Global Times.

Winter sports boom drives spending and industry growth

China's winter sports boom, sparked by the 2022 Beijing Winter Olympics and fueled by supportive policies, **has accelerated nationwide**. Amid sluggish consumption, the ice and snow economy has emerged as one of the few segments consistently defying the broader downturn. Some holiday travelers have shifted their destinations from Southeast-Asia to China's northern provinces. Young consumers born in the 2000s and 2010s have become the fastest-growing demographic in the winter sports market, often influencing their families' holiday spending decisions. An iiMedia Research report on the winter sports industry's prospects for this coming winter said the market was worth just under CNY1.05 trillion in 2024, and could surpass CNY1.5 trillion by 2029. The report said more than half of the participants are aged between 24 and 30, and over 70% are women. More than 60% buy equipment each season, typically budgeting CNY1,000 to CNY2,000, which has fueled growth in domestic supply chains for snow suits and goggles, along with ice- and snow-making machines demanded by the expanding winter sports industry.

The growing consumption chain also provides many young people with a seasonal source of income, launching ski clubs, and acting as instructors or "ski companions". According to the Tuniu online travel agency, tourists from southern China will account for over 70% of winter sports-related travel bookings this year, with trips combining skiing or snowboarding with visits to hot springs or gourmet dining becoming increasingly popular, recommended by online influencers. Snow-covered slopes are now easily reachable year-round for urban residents, thanks to a boom in the building of indoor ski resorts. China had just five indoor ski resorts in 2013, but the number surged to 59 by 2023 and reached 79 this April – with 16 more currently under construction. Local governments are investing in and developing integrated products offering combinations such as snow sports and folk culture, or snow sports and wellness treatments. Xinjiang's powder snow attracts professional skiers, while Inner Mongolia and Gansu are scaling up their folk snow festivals.

Online travel platforms predict that the opening of Harbin

Ice and Snow World late next month will herald another winter tourism surge in northeastern China. The park, in Heilongjiang's provincial capital, has been expanded to a record 120 hectares this year, with around 400,000 cubic meters of ice and snow being used to make its landmark buildings and sculptures. Last winter, it welcomed more than 3.56 million tourists, the South China Morning Post reports.

New milestone in medical services for international patients in Shanghai

Shanghai's efforts to build a diversified healthcare ecosystem by introducing high-quality international medical resources took another significant step with the recent opening of Parkway Medical Center Xintiandi, part of IHH Healthcare, one of Asia's leading multinational healthcare services networks. The new center, with an investment of nearly CNY100 million and a floor area of 7,000 square meters, marks a new milestone in Shanghai's efforts to boost medical services for international patients. Shanghai has China's largest expatriate community and attracts one of the highest numbers of inbound travelers. "Given that Shanghai is a dynamic metropolis teeming with tourists, it presents an excellent opportunity for us to boost medical tourism," said Prem Kumar Nair, Group CEO of IHH Healthcare, whose operating entity on the Chinese mainland is Parkway Shanghai. Nair said the ambulatory care center is designed to fill the gap between Parkway Shanghai's two clinics and a full-service hospital in the municipality.

"This facility is a key part of IHH Healthcare's global strategy, demonstrating our commitment to advancing an 'out-of-hospital' care model by bringing advanced day treatments and personalized outpatient services closer to where patients work and live, making high-quality professional care and advanced facilities more accessible," he said during the center's opening ceremony in Shanghai. Bringing together an international, multilingual medical team from 14 countries, the facility supports direct billing with over 60 international insurance providers. "We entered the Chinese market over two decades ago, drawn by the country's opening-up drive. The number of people being able to afford private healthcare has kept rising, and the influx of foreign enterprises into China brought a large number of expats. This prompted us to further optimize our services," Nair said. He added that one clinic located in Changning district's Gubei area is scheduled for an upgrade next year, which will result in the expansion of services and the introduction of a multinational team of physicians.

In January, Shanghai announced it would encourage wholly foreign-invested hospitals to be established in the municipality's key economic zones, regions where the biopharmaceutical industry gathers, and downtown districts with a high concentration of expat residents. "The pilot program was initiated to deepen opening-up in the field of foreign-owned hospitals, enhance the diversity of healthcare services, and improve the city's business environment," said a city government document. In March, DeltaHealth Hospital Shanghai received approval from the Shanghai Municipal Health Commission to operate as a wholly foreign-owned hospital, making it the first of its kind

in the country to specialize in cardiovascular diseases, and filling a gap in specialized medical services provided by foreign investment in Shanghai. In March, Shanghai Renji Hospital and Singapore's Raffles Medical Group announced a collaboration to establish a two-way channel for medical resources, injecting momentum into Shanghai's ambition to become a hub for international medical tourism, the China Daily reports.

China remains the world's largest express delivery market

China remained the world's largest express delivery market in 2024, accounting for 65% of global parcel volume, according to the Global Express Development Report (2025) unveiled at the 6th Express Delivery Industry Conference in Tonglu, Zhejiang province. China claimed the top spot for the 11th consecutive year, reinforcing its role as the primary engine of global parcel market expansion. The report found that global express and parcel services handled 267.9 billion items in 2024, up 17.49% year-on-year, while industry revenue grew 14.05% to CNY4.61 trillion. China alone processed 175.08 billion parcels, an increase of 21.5%, with sector revenue rising 13.8% to CNY1.4 trillion. China handles more than 10 billion parcels per month, a level unmatched worldwide.

Xie Momei, Deputy Director of the International Business Department at the Development and Research Center of the State Post Bureau, noted that despite complex global conditions, strong e-commerce growth continued to fuel parcel demand worldwide. The report forecasts that global parcel volume is likely to exceed 300 billion pieces this year, with worldwide revenue poised to surpass CNY5 trillion. Industry leaders said China's domestic performance this year further reflects the sector's resilience. According to Gao Hongfeng, President of the China Express Association, China's parcel volume surpassed 150 billion items by October 11, reaching the milestone 37 days earlier than in 2024. **During this year's "Double 11" online shopping festival**, postal and express enterprises handled 13.94 billion parcels from October 21 to November 11, with an average daily volume of 634 million, or 117.8% of normal levels. **The peak single-day volume soared to 777 million items, setting a new national record** for daily parcel handling. Gao called for promoting large-scale unmanned delivery, smart cloud warehouses, and low-altitude logistics as the sector shifts from high-speed growth to high-quality development.

Lai Meisong, Chairman of ZTO Express, said **artificial intelligence (AI) is now applied across the entire logistics chain, enabling the digitalization of "every vehicle, every worker and every parcel"**. Lai noted that ZTO's per-parcel transfer cost dropped from CNY1.26 in 2016 to CNY0.63 in the first half of 2025, while the average express delivery price in China declined from CNY12.7 to CNY7.5 over the same period. "This has freed up more than CNY1 trillion in value that ultimately flows back to businesses and consumers," he said. At ZTO's Tonglu sorting hub, eight Neolix autonomous vehicles have already been put into operation. Tang Rong, Manager of the facility, said the driverless vehicles increased overall site efficiency by about 70% and significantly reduced labor costs. Each Neolix vehicle can handle the workload of

three drivers and operates around the clock. A typical 60-kilometer delivery run costs about CNY15 in electricity, compared with at least CNY50 in fuel for a traditional vehicle covering the same distance, the China Daily reports.

Chinese companies to become leaders in smart glasses sector

Chinese tech companies are doubling down on the burgeoning smart glasses sector, which experts said is expected to become a key gateway for next-generation human-machine interaction and inject new vitality into the global consumer electronics market. Fueled by the widespread adoption of large language models (LLMs), the intelligent and lightweight wearable devices boast strong features such as semantic understanding, voice interaction, image recognition, and search functions, allowing users to access information more conveniently and interact with their surroundings in real time, the experts added. Estimated figures from International Data Corp (IDC) show that global smart glasses shipments will reach 12.8 million units in 2025, up 26% year-on-year. **Shipments in the Chinese market alone are projected to exceed 2.75 million units, surging 107% year-on-year and ranking first worldwide.** In the first half of 2025, shipments from Chinese smart glasses manufacturers surpassed 1 million units, accounting for 26.6% of the global total. The compound annual growth rate of China's smart glasses shipments is estimated to reach 55.6% between 2024 and 2029, taking the top spot globally, according to IDC.

Leading Chinese tech companies are racing to make smart glasses the next mass-market device after smartphones. Baidu recently launched its AI-powered glasses Xiaodu Pro, which weighs just 39 grams and integrates a multimodal large model, supporting an array of AI functions, including translation, object recognition, photography, recording and memo taking. Alibaba's self-developed Quark AI glasses are available for pre-sales on the company's e-commerce platform, with the official release scheduled for this week. The eyewear is powered by the company's Qwen LLM and its Quark AI assistant, featuring hands-free calling, music streaming and real-time language translation to compete with United States-based tech company Meta's smart glasses.

Ye Qingqing, Analyst at IDC China, said the integration of AI models with lightweight hardware devices will give rise to a new human-machine interaction platform, estimating that the AI glasses market is on track to experience rapid growth in 2026. Continuous breakthroughs in multimodal AI perception and semantic understanding technologies, coupled with customized AI services based on massive data from user behaviors, will accelerate the development of the smart glasses industry and the integration of such devices into people's daily lives, she said.

Ye estimated that Chinese smart glasses shipments will exceed 4.9 million units next year, driven by technological advancements, improved user experience and decline in prices. Zhu Keli, Director of the China Institute of New Economy, said that Chinese internet companies have accumulated abundant technological strength in AI

algorithms, natural language processing and visual recognition. "As a next-generation intelligent terminal, AI-powered glasses meet users' growing demands for interaction and real-time information acquisition," he said, as reported by the China Daily.

Basic principles of Foreign Investment Law explained

The two basic principles on which China's Foreign Investment Law is built are pre-entry national treatment and a negative list for foreign investment. Pre-entry national treatment means that foreign investors and their investments enjoy the same treatment given to domestic investors at the stage of market entry, while the negative list identifies specific sectors where foreign investment is restricted or not allowed. Together these two elements represent the relationship between principle and exception. In principle, China treats foreign investments equally with domestic investments. The exceptions apply only for sectors explicitly listed in the negative list. This system of pre-entry national treatment plus a negative list is not only a crucial component of China's new system for an open economy, but also a reflection of the government's emphasis on the rule of law.

The Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five Year Plan for Economic and Social Development, issued after the Fourth Plenary Session of the 20th Central Committee of the CPC, propose to shorten the negative list for foreign investment. The negative list is grounded in the principle that **only sectors explicitly designated as prohibited or restricted are off-limits** while all others are deemed permissible. By legally delineating the boundaries of public authority, the negative list serves to progressively reduce excessive government intervention through its ongoing refinement. In essence, the negative list uses the rule of law to define the limits of government oversight, thereby enabling the market to play a decisive role in resource allocation.

Before the adoption of the negative list, China employed a positive list system for foreign investment access. Under this framework, the Catalogue for the Guidance of Foreign Investment Industries categorized industries as encouraged, restricted or prohibited for foreign investment. Since the catalogue only enumerated a finite set of permitted or encouraged sectors, market participants had to operate within constraints. Moreover, the positive list left numerous sectors – particularly emerging business models arising from social and economic evolution – without clear regulatory guidance. These regulatory gray areas gave significant discretion to government agencies, which often erred on the side of caution and restricted market entry. Such extensive discretionary powers also increased risks of corruption and undermined stable, predictable conditions for investors. Unlike the exhaustive enumeration of permitted activities under the positive list, the negative list specifies only those sectors that are subject to government regulation. This approach significantly broadens market freedom, reduces regulatory ambiguity, and limits administrative discretion at the investment entry stage.

By drawing a clearer and more transparent boundary between the government and the market, the negative list helps eliminate long-standing regional and hidden market barriers. This greatly improves transparency in investment access, boosts market vitality and allows the government to concentrate on strengthening oversight in sensitive sectors. In doing so, it is able to fulfill its role more effectively. Beyond those special administrative measures specified in the negative list, China applies the same rules to both domestic and foreign-invested enterprises. This reflects the country's commitment to creating a level playing field for competitors. In such an environment, all market participants, including foreign-invested enterprises, operate under the same regulatory framework without differentiation. Foreign-invested enterprises are eligible for government policies that support business development, participate equally in standard-setting and compete fairly in government procurement processes. Establishing a competition-neutral regulatory environment marks a strategic shift for China to transform from policy-driven opening to institutional opening, the China Daily reports.

Alibaba launches free-of-charge Qwen assistant

Alibaba Group Holding has officially launched its multipurpose artificial intelligence app, Qwen, promising a “free-for-all” gateway for consumers to access a variety of AI-powered services, from mapping to shopping. Qwen, powered by Alibaba Cloud's open-source model and marketed as “the best personal AI assistant”, serves not only as a chatbot but also as a comprehensive AI tool designed to meet user needs in both professional and personal contexts. Alibaba Cloud is the AI and cloud services unit of Hangzhou-based Alibaba. Available on both Apple's App Store and Google Play, Qwen is Alibaba's latest initiative to make its AI capabilities widely accessible to consumers. By making the app free of charge and integrating multiple services, **Qwen challenges the subscription-based AI business model** favored by international competitors such as OpenAI and

Anthropic. At home, Qwen directly competes with rivals like ByteDance's Doubao, as well as Zhipu AI, which offers basic services for free but charge for premium access.

Alibaba Cloud has been registering trademarks for Qwen across various sectors, including education, entertainment, social services and finance. The new app is likely to attract more users, which could help improve Alibaba Cloud's AI models and services, according to analysts. “More users mean more feedback”, which would allow Alibaba to “further fine-tune its models”, said Su Lian Jye, Chief Analyst at consultancy Omdia. The launch comes at a time when Chinese AI start-ups Moonshot AI and state-backed Zhipu AI, known internationally as Z.ai, have started introducing subscription fees for their Kimi and ChatGLM services, respectively. Su noted that AI start-ups might struggle to compete with the Qwen app's “free-for-all” strategy, which “will only work for cloud service providers that have large capital reserves and are able to monetize user data”. Alibaba Cloud has been pushing the adoption and commercialization of its Qwen series of models over the past two years amid the global AI surge initiated by OpenAI. As one of China's leading AI developers, alongside start-ups like DeepSeek and Moonshot AI, Alibaba Cloud has embraced an open-source approach, making its AI models available for third-party developers to use, modify and distribute.

Some observers in the U.S. have expressed concern over Alibaba's rapid advancements and hefty investments, which position it among the world's top AI developers. Alibaba rejected a recent report from the Financial Times, which alleged that it was supplying the Chinese military with unspecified capabilities that the White House claimed would threaten U.S. national security, the South China Morning Post reports.

Meanwhile, the Global Times adds that **Ant Group**, also part of the Alibaba ecosystem, **launched Lingguang**, the first AI assistant capable of generating multimodal content with full-code implementation, and **capable of generating fully coded mini-apps on mobile devices** in as little as 30 seconds through natural-language prompts, producing outputs that are editable, interactive and shareable.

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