

China Business Weekly

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中国商会

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FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

**The Flanders-China Chamber of Commerce
wishes you a Happy New Year!**

法兰德斯中国商会祝您新年快乐!



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The **Flanders-China Chamber of Commerce** has the pleasure of inviting you to celebrate the Year of the Horse on **Thursday, 5 February 2026, at 18:00, at KBC Bank, Havenlaan 2, 1080 Brussels.**

Honorary Guests and Speakers:

Mr. Johan Van Overtveldt, Chair of the Committee on Budgets of the European Parliament

His Excellency Mr. Fei Shengchao, Ambassador of the People's Republic of China to Belgium

If you are interested in attending this event, please register via the button below.

We look forward to welcoming you to our New Year Reception.

Should you be interested in becoming a sponsor, kindly contact us by email at gwenn.sonck@flanders-china.be.

Practical information:

Date: 05.02.2026

Location: KBC Bank, Havenlaan 2, 1080 Brussels

Price members: €65 (excl. VAT)

Price non members: €85 (excl. VAT)

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Sponsorship Opportunity for the Flanders-China Chamber of Commerce Chinese New Year Reception



On Thursday, 5 February 2026, the Flanders-China Chamber of Commerce (FCCC) will commemorate the Chinese New Year. The FCCC New Year Reception is scheduled to commence at 18:00 at KBC Bank in Brussels. We are privileged to welcome Mr. Johan Van Overtveldt, Chair of the Committee on Budgets of the European Parliament, and His Excellency Mr. Fei Shengchao, Ambassador of the People's Republic of China to Belgium (tbc), as our distinguished guests and speakers.

This event presents a singular opportunity to enhance the visibility of Flemish enterprises engaging in trade with China, as well as for Chinese corporations operating in Belgium. We cordially invite your esteemed company to consider becoming a sponsor, thereby capitalizing on this prominent occasion to elevate your profile.

If you are interested in becoming a sponsor, please consult the information at the bottom of the page or contact us by email at info@flanders-china.be.

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Webinar: China 2026 Business Forecast – 20 January at 10 AM CET



Compete in China – Win Globally

The **Flanders-China Chamber of Commerce** is organizing a webinar on the **China 2026 Business Forecast**, taking place on **20 January 2026 at 10:00 AM CET**.

The **China 2026 Business Forecast**, prepared by **InterChina**, provides a forward-looking perspective on how international companies can successfully compete in China while strengthening their global positioning. The report is based on insights from **more than 400 senior executives of multinational companies active in China**, combined with InterChina's hands-on experience from nearly **50 M&A transactions completed in 2025**, as well as its broader strategy and advisory work throughout the year.

The central theme of the 2026 edition is "**Compete in China – Win Globally**", focusing on:

1. **China as a market:** Traditional China vs. New China
2. **China as a source of innovation:** high-tech at low cost
3. **China as an exporter of capital and globalization**

Most importantly, the report identifies **best practices and benchmarks** to support international companies in navigating the Chinese business environment in the year ahead.

We are pleased to welcome **Jan Borgonjon**, Founder of InterChina, who will present the key findings of the report and share first-hand insights drawn from over four decades of experience in China.

About the Speaker

Jan Borgonjon is Belgian and has been living in China since 1983. He founded InterChina in 1994 and has extensive experience advising industrial projects in China, including strategy development, joint venture negotiations, and acquisitions. He has been instrumental in closing transactions and investments exceeding **USD 1 billion**.

About InterChina

InterChina is a strategy, operations, and corporate finance boutique focusing on China. Headquartered in Shanghai, the firm is partner-owned and employs around **50 professionals**. Over its **32 years of existence**, InterChina has completed more than **500 strategy projects** and over **200 acquisitions and divestments** in China, distinguishing itself through strong partner involvement and deep on-the-ground expertise.

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MACRO-ECONOMY

Resilience of Chinese economy demonstrated in 2025



The world economy faced strong headwinds in 2025, primarily as a result of escalating trade tensions due to the U.S.' "reciprocal tariffs", causing substantial uncertainties in supply chains and the global economy. **China, meanwhile, managed to maintain stable economic growth throughout the year, with a high possibility of achieving annual GDP growth of more than 5%, contributing about 30% to total global economic growth.** Starting in February, the United States imposed high tariffs on China and other trade partners, which went against the principle of free trade and dealt a heavy blow to global supply chains. Although China initiated counter measures to force Washington back to the negotiating table and ultimately lower the tariffs, the damage had already been done, experts said. "2025 was a challenging year for the world economy," said Gerard Lyons, a British economist who holds senior positions in several financial institutions in London. "The unpredictability of U.S. policy and the impact of tariffs were the major events."

According to the International Monetary Fund (IMF), the global economy is adjusting to a landscape reshaped by new policy measures. Although some extremes of higher tariffs were tempered, the overall environment remains volatile, and temporary factors that supported activity in the first half of 2025, such as front-loading, are fading. In its October World Economic Outlook report, the IMF forecast the global economy growth would slow from 3.3% in 2024 to 3.2% in 2025. "The pattern in the global economy is clear and striking; the traditional economy is ex-growth or in recession while the innovation-driven economy is full steam ahead, and this great divergence explains economic growth across the globe," said Joyce Zhou, CEO of Oakcean Capital, a London-based wealth management company.

The European Union economy expanded by 1.6% year-on-year in the third quarter of 2025, down from 1.7% in the previous period, according to Eurostat statistics. **"European growth has been lackluster overall this year, primarily driven by the lack of a vibrant technology sector, and the de-industrialization risk in a few key sectors like auto and machinery,"** said Zhou of Oakcean

Capital. "The reality and bad news is it is unlikely that Europe is able to catch up with growth of the U.S., because slower growth in the EU is deeply rooted in two somewhat related reasons: over regulation and lack of major innovation and tech companies and sectors," Zhou added.

China's economy remained on track despite the U.S. tariff hikes since the start of 2025. GDP growth in the first three quarters was 5.2% year-on-year, 0.4 percentage points higher than in the same period of the previous year. Its trade surplus reached USD1.08 trillion in the first 11 months of the year, the first time it has crossed the USD1 trillion threshold. "China's export sector has remained resilient despite the strong tariff headwinds from the U.S.," KPMG China said in a report. Another major contributor is the country's industrial upgrading following breakthroughs in AI and the government's support for the private sector and technological innovation, which have led to increased high-tech investments, it said. From 2015 to 2025, the global economy grew by 35%. China's contribution to global GDP growth was 31.2%, according to research by London-based World Economics.

"Looking to 2026, we think AI and innovation will stay robust, but export growth is subject to geopolitical risks, and the secular deflation trend is tough to end and will likely remain a drag," said Zhou of Oakcean Capital. AI will continue to be the key growth driver. At the same time, slower inflation and weak jobs data are expected to kick-start an easing monetary cycle, providing a boost to the non-AI economy and consumers, she added. The U.S. economy will benefit from the AI innovation and investment boom in 2026. The European economy will benefit from any peace deal in Ukraine, which would start a reconstruction boom in parts of Europe, said Zhou.

After China registered 5.2% year-on-year GDP growth in the first three quarters of 2025, market watchers became more confident about its growth prospects in 2026, although they said challenges remained. In October, President Xi Jinping met his U.S. counterpart Donald Trump in Busan, South Korea, while they also had three phone calls throughout the year. The engagement of the top leadership led to de-escalation of trade tensions and created room for further improvement in bilateral economic relations in 2026, analysts said. China could also reduce the impact of Sino-U.S. trade conflicts through trade diversification. The annual Central Economic Work Conference (CEWC) was recently held to map priorities for economic policymaking in 2026, including measures to boost consumption, formulating and executing plans to raise incomes for urban and rural residents, and expanding the supply of high-quality goods and services. The meeting also vowed to promote innovation and further reform and opening-up, the China Daily reports.

In his annual televised New Year's speech, **President Xi Jinping issued a rallying cry for the country to double down on efforts to boost economic growth and technological advancement, and "write the next chapter of the Chinese miracle".**

ARTIFICIAL INTELLIGENCE

AI to play pivotal role in industrial upgrading



Fast-evolving artificial intelligence (AI) is poised to play a pivotal role in industrial upgrades, helping China build new growth drivers and injecting strong momentum into high-quality economic growth, experts and company executives said. The technology's application across various fields will accelerate in 2026, the first year of the country's 15th Five Year Plan (2026-30) period, they predicted. AI serves as an essential tool in nurturing new quality productive forces and is spearheading a new round of scientific and technological revolution, they said. The country's vast market, technological prowess and thriving innovation ecosystem underpin its capacity to move cutting-edge technology from research labs into the industrial arena. **China is at the forefront of the development and application of AI technology,** while the multimodal large language models (LLMs) – which possess the ability to process and generate content across multiple modalities, including text, images, audio and video – will lead the further development of the AI industry, they added.

AI is forecast to contribute USD19.9 trillion to the global economy through 2030, and drive 3.5% of global GDP in 2030, according to a report by market research company International Data Corp (IDC). By automating routine tasks and unlocking new efficiencies, AI will have profound economic consequences reshaping industries, creating new markets and altering the competitive landscape, the report noted.

In January, Chinese AI startup DeepSeek sent shock waves through the tech industry with its cost-effective and open-source LLM. Its performance is on par with leading models from U.S. tech company OpenAI, but at only a fraction of the cost and computing power of its rival. This has been achieved amid tightened export controls on AI chips from the United States. Data from the China Academy of Information and Communications Technology showed that the nation has maintained its position as a global leader in AI innovation and released 1,509 AI models to date, ranking first among the 3,755 models launched globally. **China holds the largest number of AI-related patents, accounting for 60% of the total,** according to a Chinese Academy of Cyberspace Studies.

Leading Chinese tech heavyweights – including Alibaba, Baidu and ByteDance – have stepped up efforts to roll out their own AI-powered LLMs to bolster technological advancements and commercial application of AI technology in a wide range of sectors such as manufacturing, healthcare, and finance. In September, Alibaba Cloud, the cloud computing unit of Alibaba, unveiled its most powerful AI model, Qwen3-Max, which boasts over 1 trillion parameters, and demonstrates strength in code generation and autonomous agent capabilities. Autonomous agent functionality means an AI system can make independent decisions and finish tasks independently with minimal human intervention. This reinforces Alibaba's ambition to compete directly with leading Western counterparts, while accelerating innovation in China's sprawling AI ecosystem, market observers said. Wu Yongming, Alibaba Group CEO, said the company will further increase its CNY380 billion investment in AI and cloud infrastructure over the next three years. Wu said the speed of the AI industry's development and the demand for infrastructure had far outpaced expectations. "In the future, large AI models will be deeply integrated into a wide range of devices, functioning like operating systems – equipped with persistent memory, seamless cloud-edge coordination and the ability to continuously evolve," Wu said. "We remain committed to open-sourcing Qwen and shaping it into the 'operating system of the AI era', empowering developers around the world to build transformative AI applications."

Since the launch of the first generation of Qwen in 2023, Alibaba has open-sourced over 300 AI models built on its two foundation models. With over 600 million downloads and 170,000 derivative models, Alibaba's AI models are among the most widely adopted open-source AI series globally. In November, Baidu released its latest LLM Ernie 5.0 model, which is capable of multimodal understanding and generation capacities, and can support input and output of text, images, audio and video. Robin Li, Chairman and CEO of Baidu, said LLM technology is evolving rapidly with the ability to self-learn, iterate and innovate. He is bullish on the prospects of AI-powered digital humans, which can be used in fields such as e-commerce, education, healthcare, customer service and sales.

In August the Chinese government issued a guideline on the deep implementation of **the "AI Plus" initiative**. The country will promote the use of AI in science and technology, industrial development, consumption, people's well-being, governance capability and global cooperation, the guideline said. By 2027, China will make achievements in the extensive and deeper integration of AI in six key sectors, with the penetration rate of new-generation intelligent terminals and AI agents surpassing 70%. This figure will exceed 90% by 2030. Weng Xi, Professor at the Guanghua School of Management, said **the "AI Plus" initiative is vital for shifting growth drivers from old to new ones**, as AI has become a new engine bolstering China's industrial upgrading, the China Daily reports.

FOREIGN TRADE

Hainan Free Trade Port takes another step forward with special customs operations



The Hainan Free Trade Port began much-anticipated island-wide special customs operations on December 18, marking a landmark move by China in expanding high-standard opening-up and promoting the development of a more open global economy. The special customs operations, marked by significant tariff incentives and measures promoting free trade, will play a vital role in reinforcing economic globalization and strengthening China's ties with the major markets of the Regional Comprehensive Economic Partnership (RCEP). Feng Fei, Party Secretary of Hainan, said the province is working to build the Hainan FTP into a key gateway driving China's opening-up in the new era. **"Choosing Hainan means choosing opportunities. Investing in Hainan means investing in the future,"** Feng said. Mohammed Al Zarooni, Chairman of the World Free Zones Organization, said that "Hainan province's remarkable journey as China's flagship free trade port offers a real-time case study in innovation, institutional reform and global connectivity." Hainan's pioneering role as a high-level free trade port and a dynamic hub for trade, sustainability and innovation, highlights China's growing leadership in global trade reform, sustainability and digital transformation, Zarooni added.

Starting on December 18, all of Hainan Island operates as a special customs supervision zone. Enterprises eligible for special preferential policies of the Hainan FTP will enjoy zero tariffs on certain goods imported from overseas into Hainan. **The scope of zero-tariff goods expands to some 6,600 tariff lines, covering about 74% of all tariff lines** – an increase of nearly 53 percentage points compared with the level before the policy's implementation, according to the Ministry of Finance. These goods can circulate freely among eligible entities within Hainan. **If a minimum of 30% value-added processing takes place in Hainan, they will be exempt from tariffs when entering China's mainland.** Li Daokui, Dean of the Institute for Chinese Economic Practice and Thinking at Tsinghua University, said, "The import tariff exemption policy for products processed in Hainan is crucial, as it significantly boosts Hainan's appeal to companies as a key manufacturing or processing hub for foreign goods to enter China's mainland."

"Hainan can serve as a strategic conduit connecting China's vast domestic market with the large markets of the RCEP, with a particular focus on ASEAN," Chi Fulin, President of the China Institute for Reform and Development, said. Jochen Knecht, CEO of the International Free Zone Authority in Dubai said the Hainan FTP is a gateway to Southeast Asian markets in two aspects. **"It is an opportunity for Chinese companies to find other places to extend their reach, to explore new markets, but also for companies from all over the world to come to Hainan, using Hainan as a gateway into China,"** Knecht said.

Seeing the big opportunities ahead, foreign and Chinese companies are scrambling to invest in Hainan. DFS Group, a part of French multinational LVMH Group, and Shanghai-based Shenya Group, will jointly build a mega luxury retail complex in Sanya, Hainan. Nan Cunhui, Chairman of Chint Group, said: "Hainan is an ideal place for investment. We have established our overseas investment headquarters in the province and invested in clean energy projects, including photovoltaic and wind power stations in Haikou, Sanya and Danzhou. The exponential growth in clean power demand, driven by artificial intelligence and computing technologies, aligns with Hainan's low-carbon development goals," pledging further investments in green hydrogen storage, zero-carbon industrial parks and smart city initiatives.

The duty-free policy will help turn the island into a consumption hub that offers greater opportunities for both domestic and foreign players, experts said. Hainan's offshore duty-free policy allows eligible travelers and residents to buy goods exempt from import duties, value-added tax (VAT) and consumption tax when leaving the island. Under the updated policy, effective from November 1, the range of duty-free goods available offshore has expanded to 47 categories. New additions include pet supplies, portable musical instruments, mini drones and small home appliances. Zhu Keli, Director of the China Institute of New Economy, said the updated policy integrates domestic brands into the duty-free system – a move that aligns with the rise of guochao, or China-chic, which has been gaining traction and influence among both Chinese and overseas consumers," he added. Hainan has recorded nearly 2.55 million inbound and outbound trips last year through December 16, marking a 25.9% increase from the same period last year. **Trips by foreign visitors surpassed 1.38 million, a jump of 44.1% year-on-year,** showing the island's rising appeal as an international destination.

For international brands, Hainan offers a high-traffic, tariff-advantaged gateway into one of the world's most robust consumer markets, said Zhou Mi, Senior Researcher at the Chinese Academy of International Trade and Economic Cooperation. Meanwhile, for Chinese manufacturers, it provides an important platform to test, showcase and promote their products alongside global peers in front of a broader audience, the China Daily reports.

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CHINA NEWS ROUND-UP

Dozens of Chinese EV makers under pressure to trim operations in 2026

Dozens of Chinese electric vehicle (EV) makers face a do-or-die moment in 2026, according to analysts, amid weakening domestic demand that is **expected to see perennial loss-making firms exit the world's largest car market**. About 50 unprofitable Chinese EV makers are under pressure to scale down their business or wind down operations, as the country's automotive sector is projected to report a sales drop next year – the first such contraction since 2020 – owing to the industry's overcapacity woes and softening government support. "Time is against those players whose cars cannot impress young drivers," said Qian Kang, who owns a factory that makes automotive printed circuit boards in Zhejiang province. **"Performance in 2026 will be crucial for most of the unprofitable EV assemblers."** Grappling with expiring cash subsidies and tax incentives, the domestic car market is forecast to see deliveries slump even if assemblers offer steep discounts to lure buyers, according to the consensus forecast among auto analysts.

Beijing announced the continuation of the trade-in subsidy this year, but changed the format from a fixed amount to a percentage of the purchase price, which means that buyers of lower-priced cars would receive a lower subsidy. EV buyers are currently exempt from a 10% purchase tax. These purchases will incur a 5% tax from January until the regular 10% tax rate returns in 2028. **Deutsche Bank predicted that total vehicle deliveries in the country would plunge 5% in 2026.** In October, JPMorgan forecast total China car sales – both petrol-based and EVs – could drop between 3% and 5% in 2026. Those projections underscored how excess capacity had led to several rounds of brutal discount wars over the past three years, which affected local carmakers' profitability. All Chinese EV makers had also invested billions of dollars in research and development (R&D) in a race to gain a technological edge over their rivals in the market, which depressed their earnings outlook. Only a handful of Chinese EV makers – including BYD, the world's largest builder of electric cars, and Huawei Technologies-backed Seres – have turned profitable over the same period. "The fundraising bonanza surrounding China's EV makers and key car component suppliers is history now," said Yin Ran, a Shanghai-based angel investor. "So it will be a game of survival, with profitable carmakers becoming the winners, while unprofitable players face running out of funds soon."

To boost profitability, more Chinese EV makers are expected to double down on overseas sales expansion, including launching specific models targeted at major foreign markets. The average net per-vehicle margin – the gap between the selling price and production costs such as raw materials, labor and logistics – stood at about CNY5,000 among Chinese carmakers. This margin could rise fourfold to CNY20,000 if carmakers were to export more vehicles to overseas markets, where their products could command higher prices. Stephen Dyer, Greater China co-leader and head of Asia automotive practice at AlixPartners, said in July that **only 15 Chinese EV brands, or 10% of the country's total, would turn a profit over the next five years**, as price competition continued to squeeze profit margins. The price war could accelerate the pace of consolidation in China's EV sector, as carmakers that sell fewer than 1,000 units a month are expected to exit the market soon, according to Dyer, as reported by the South China morning Post.

China launches state capital fund for investment in high-tech ventures

China has launched a national fund to channel state-backed money into early-stage high-tech initiatives, which could steer trillions of yuan into preferred avenues of investment. The National Venture Capital Guidance Fund was unveiled at a ceremony which also introduced three investment vehicles covering major cross-regional agglomerations: the Beijing-Tianjin-Hebei cluster, the Yangtze River Delta and the Guangdong-Hong Kong-Macau Greater Bay Area. An official from the Ministry of Finance said the new fund differs from earlier programs in three ways: more fiscal backing, a sharper investment mandate, and stronger capital-multiplier effects. The fund will **prioritize "investing early, investing small, investing long-term and investing in hard tech"**, the official said, with an explicit focus on frontier areas such as artificial intelligence (AI), biopharma, quantum computing and 6G telecommunications networks. To match the long research and development (R&D) periods in hard tech, the fund's investment cycles are designed to last roughly 15 to 20 years.

The program will have a three-tier structure, with the national guidance fund at the top, above regional funds and sub-funds. It will raise money at the regional and sub-fund levels from local governments, financial institutions

and enterprises, both state-owned and private. “Hundreds of billions in fiscal funding are expected to leverage trillions in broader social capital,” the Finance Ministry official said. The Ministry will use government guidance funds to “deliver a targeted leveraging effect”, while insisting on market-oriented operations and professional management. Investment decisions will track global technology competition and industrial shifts, seek out high-quality projects and emphasize long-term support, the official said, adding **the fund will “stay with companies through difficult growth phases” rather than chase short-term returns.**

“This is a significant positive policy signal,” said Li Jinxian, Founder of venture capital data provider Xiniudata. She added the measures could help encourage China’s venture capital sector to act as a more unified and normalized national market, a change which would fall in line with broader official priorities. Looking ahead, Li said the new funds could prompt two major shifts in the venture market next year. More venture firms, particularly smaller ones, could find it easier to raise capital, and those start-ups could also see improved access to funding, especially those with technologies in alignment with China’s national strategies.

China’s private equity market has experienced a recovery in the first three quarters of this year, according to Zero2IPO Research. Government-backed capital, insurers and asset investment companies made significant contributions to the rebound, the firm’s researchers said, while yuan-denominated funds tightened their dominance as foreign currency fundraising stayed weak. Only 17 foreign-currency funds were responsible for the roughly CNY24 billion raised during the period, with Zero2IPO’s data indicating drops of more than 55% in fund count and capital compared to the same period in 2024. Investment activity also strengthened over the first three quarters, with 8,295 deals worth CNY540.7 billion signed during that time. Hard-technology sectors were leaders in this area, including information technology, semiconductors, biotech, healthcare and machinery, alongside active sub-sectors such as AI, graphics processing and innovative drugs, the South China Morning Post reports.

PMI rises above 50-point mark for first time since April

China’s manufacturing sector saw a notable rebound in December, with demand recovering and exports stabilizing, as the purchasing managers’ index (PMI) climbed back above the 50-point mark for the first time since April. The National Bureau of Statistics (NBS) announced that China’s official PMI rose to 50.1 in December from 49.2 in November, returning to expansion territory above the 50-point mark. The subindex for production stood at 51.7 in December, up from 50 in November, while the gauge for new orders came in at 50.8, up 1.6 points from the previous month. Experts said the sentiment in China’s manufacturing sector has improved, with both demand and supply picking up, buoyed by optimism following the recently concluded annual Central Economic Work Conference (CEWC), which underscored that China will continue to pursue a more proactive fiscal policy in 2026.

Lou Feipeng, Researcher at the Postal Savings Bank of China, attributed the rebound in manufacturing PMI to the emerging effects of pro-growth policies, including the rolling out of policy-based financial instruments and the accelerated issuance of special-purpose bonds, improved coordination between supply and demand, and significantly strengthened business confidence. Data from the NBS also showed that PMI readings across major industries have all improved from November. High-tech manufacturing, in particular, posted a PMI of 52.5, up 2.4 points from the previous month. “The rapid growth of high-tech manufacturing has also contributed to an overall improvement in manufacturing activity, with the role of industrial upgrading and innovation-driven development becoming increasingly evident,” said Zhu Keli, Director of the China Institute of New Economy.

Wen Tao, Analyst at the China Logistics Information Center, said steadier export performance has also been a key factor underpinning the pickup in demand. “With China-U.S. economic and trade consultations continuing to make progress, manufacturing exports remained stable in December, and the new export orders index rose 1.4 points from the previous month to 49,” Wen added. Wang Qing, Chief Macro-economic Analyst at Golden Credit Rating International, shared this optimism. “Looking ahead, pro-growth policies are expected to continue underpinning manufacturing activity, and **the manufacturing PMI is likely to stay in expansion territory in January 2026,**” Wang said. China’s non-manufacturing PMI, which includes subindexes for activity in the services and construction sectors, stood at 50.2 in December. The services PMI came in at 49.7, edging up 0.2 points month-on-month but remaining below the 50-point threshold for a second consecutive month. Wang said the services PMI remaining in contraction territory might be related to adjustments in the real estate market in the fourth quarter, which also suggests that consumer demand remains relatively weak, the China Daily reports.

Robotics firms presenting humanlike machines for offices, stores and factory floors

China’s robotics industry is turning into a humanoid arms race as start-ups – fresh from big funding rounds – are rolling out new robots in a bid to beat tech giants to real-world deployment. Beijing-based Noetix Robotics unveiled Hobbs W1, a service humanoid with a lifelike female face, a black bob and dexterous hands, as a new wave of venture-backed companies pushes into increasingly humanlike designs. **Noetix billed Hobbs W1 as its most humanlike robot to date.** The humanoid pairs a skin-toned, expressive face with a metallic silver body that appears to feature an ankle-length skirt silhouette, alongside six-degrees-of-freedom (6-DoF) hands designed for fine manipulation. The company positioned Hobbs W1 as an “all-round” service robot capable of handling receptionist-style tasks and visitor guidance.

Noetix said the humanoid could recognize emotions, sustain natural conversations and operate across professional environments such as hospitality, retail and corporate offices. Founded in 2023 by 27-year-old Jiang Zheyuan, a former doctoral student at Tsinghua University,

Noetix has quickly emerged as one of Beijing's most closely watched humanoid start-ups. Its humanoid runner N2 finished second at the Beijing Humanoid Games, which organizers described as the world's first human-humanoid half-marathon. In October, Noetix launched Bumi, a child-sized humanoid priced below CNY10,000 for use in schools and at home to serve as both a tutor and sports coach for children.

Other start-ups include **LimX Dynamics**, a Hangzhou-based robotics firm, which **unveiled its latest bipedal robot, TRON 2** in December. TRON 2 is marketed as a multi-modal embodied robot built around a Vision-Action-Language (VLA) model and whole-body motion control. Its stand-out feature is modularity: the system can be reconfigured into separate components, including an upper-body "dual arms" module and alternative lower-body set-ups dubbed "wheeled legs", allowing users to tailor the robot for different tasks. Sources described the machine as the "Swiss Army knife" of robots, marking a departure from single-purpose humanoids that dominated earlier commercial offerings. Founded in 2022, LimX Dynamics is targeting industrial deployments, with humanoids designed to lift heavy loads and operate in factories and warehouses.

Deep Robotics is known for its rugged quadruped robots capable of operating across difficult terrain and weather. The company is among a growing cohort of Chinese firms betting that rapid iteration, falling costs and increasingly capable embodied AI will give start-ups an edge in bringing robots out of the lab and into daily use, the South China Morning Post reports.

China has issued five times the number of patents related to humanoid robots than the US, over the past five years, Morgan Stanley said in its latest Robot Almanac. Morgan Stanley said China recorded 7,705 humanoid patents over the past five years, compared with 1,561 in the U.S. Japan ranked next with 1,102. Another major finding was that China accounted for 54% of global industrial robot installations, more than the rest of the world combined.

NPC Standing Committee adopts revision of the Foreign Trade Law

The Standing Committee of the National People's Congress (NPC) has adopted a revised version of the Foreign Trade Law to strengthen China's legal framework for high-level opening-up, promote high-quality trade growth, and enhance protection for businesses amid rising protectionism worldwide. The revision also brings the law more in line with international economic rules. The revised law, which has 11-chapters and 83-articles, will take effect on March 1. The Foreign Trade Law was enacted in 1994 and underwent its first major revision in 2004. It was further amended in 2016 and 2022. This marks its second comprehensive revision. Wang Xuekun, Dean of the Chinese Academy of International Trade and Economic Cooperation, said the current update is a key step to ensure that the legal system both keeps pace with China's domestic development needs and aligns with international economic and trade rules. "Our goal is a win-win outcome. A more open, rules-

based Chinese trading system will contribute to a more open world economy, especially amid rising unilateralism and protectionism," Wang said.

The revision also incorporates reform measures into the legal framework such as the negative list management system for cross-border trade in services, encouragement of digital trade, and accelerated development of a green trade system. At the annual Central Economic Work Conference (CEWC) held in mid-December, Chinese policymakers laid out economic priorities for 2026, emphasizing the need to "support service export" and "actively develop digital and green trade". Minister of Commerce Wang Wentao noted that recent years have seen new developments and changes in the field of foreign trade, deepening reform of the foreign trade system, and the vigorous growth of new forms and models of foreign trade, which have now been included in the law. To further optimize the trade environment, the revised law emphasizes strengthening the protection of intellectual property rights (IPRs) in foreign trade and establishing a system to stabilize industrial and supply chains. The revision further equips China with legal instruments to respond to external challenges and supplements and refines corresponding countermeasures, the China Daily reports.

The NPC Standing Committee has also held the first reading of amendments to the Trademark Law to better cope with malicious trademark registration, trademark squatting or hoarding, and infringements. Applicants found to have engaged in malicious registration could be fined up to CNY100,000.

The National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) have also unveiled **the 2025 version of the Catalogue of Encouraged Industries for Foreign Investment**, which will be effective from February 1, 2026. The policy sends a clear signal that foreign companies are encouraged to integrate more deeply into China's unified market and share its growth opportunities amid global uncertainty. The update marks the first revision of the catalogue in three years. The national catalogue adds 100 items, while the regional catalogue covering the central and western regions and other areas adds 105 items. There are also 303 revisions. The changes aim to channel foreign investment into advanced manufacturing, modern services, high technology and green sectors, while encouraging inflows into central, western and northeastern regions.

TikTok's U.S. operations sold to U.S. investor group

In a landmark move that ends years of legal and political uncertainty, TikTok CEO Chew Shou Zi informed employees that the company has signed a binding agreement to sell its U.S. operations to a consortium of American investors. The deal, which has received the backing of U.S. President Donald Trump, effectively averts a looming nationwide ban in the U.S. and secures the platform's future for its 170 million American users. The new entity, a TikTok U.S. joint venture, is set to close on January 22, 2026. The deal restructures TikTok's ownership to comply with U.S. national security rules on

data privacy and foreign influence. Under the new arrangement, a consortium of American and allied investors, including Oracle, Silver Lake, and Abu Dhabi-based MGX, will hold 50% of the U.S. entity, each owning 15%. Affiliates of existing ByteDance investors will hold 30.1%, while ByteDance, the original parent company, will retain 19.9%.

But the South China Morning Post adds that unresolved questions about its algorithm could remain a source of tension in the broader U.S.-China relationship, according to analysts. CEO Chew said that “the U.S. joint venture will be responsible for U.S. data protection, algorithm security, content moderation and software assurance. It will also have the exclusive right and authority to provide assurances that content, software and data for American users is secure.” Chew said the U.S. venture would oversee algorithm security by “retraining the content recommendation algorithm on U.S. user data to ensure the content feed is free from outside manipulation”. Sun Chenghao, Fellow at Tsinghua University’s Centre for International Security and Strategy, said the TikTok plan broadly aligned with market expectations, but its implementation remained uncertain as it would inevitably raise questions over control of TikTok’s core algorithm.

Gary Ng, Senior Economist for Asia-Pacific thematic research said that “there are uncertainties about the algorithm’s control and the relationship with the parent company. This factor may still be a point of ongoing conflict between the U.S. and China, especially before the midterm elections”. Shi Yinong, Professor of International Relations at Renmin University in Beijing, said the deal also still needed the formal approval of the Chinese government.

China slaps anti-dumping duties on EU pork, but lowers final rates

China has announced anti-dumping taxes of up to 19.8% on pork imports from the European Union, following an 18-month investigation. Effective on December 17, the duties – ranging from 4.9% to 19.8%, depending on the company – will be implemented for a period of five years, according to a notice issued by the Ministry of Commerce (MOFCOM). The rates in the final ruling are significantly lower than those included in a preliminary determination in September, when EU pork producers were hit with deposit rates of up to 62.4%. The duties will cover products including fresh, cold and frozen pork, as well as pork offal, pig fat without lean meat, pig intestines, bladders and stomachs, the Ministry said. Beijing launched the anti-dumping probe into European pork products in June last year, after the EU imposed tariffs on Chinese electric vehicles. MOFCOM said in a statement that the final ruling was issued against the backdrop of operational challenges in the domestic pork industry and strong calls for protection. “The ruling report indicates that the relevant pork and pork by-products imported from the EU were being dumped, causing substantive harm to China’s domestic industry,” the statement said.

The Ministry provided a list with its final ruling, showing Spanish producer Litera on the lower end of the range of

duties, at 4.9%. Dutch group Vion was on the higher end, at 19.8%. Pork was on the agenda during various high-level European visits to China this year. Manuel Garcia, President of Spanish pork industry association Interporc, accompanied Spain’s King Felipe VI on his visit to China in November, and told the King that China’s anti-dumping investigation was a top concern for the industry. French industry leaders also went to China with French President Emmanuel Macron in December, when both sides signed a joint declaration pledging to open up the Chinese market to more French agricultural products.

Spain’s Agricultural Minister Luis Planas praised the “favorable outcome” it received from the investigation. Spanish companies received an average rate of 9.8%, putting them on the lower end of the spectrum and giving Spanish producers a “much more advantageous commercial position,” he said in a post on X. European Commission Trade Spokesman Olof Gill said that the investigation was based on “questionable allegations and insufficient evidence” and that Brussels is assessing whether the tariffs violate World Trade Organization (WTO) rules.

China is the world’s largest pork consumer. The country eats some 700 million hogs each year – equivalent to about half of the global total. **The EU is China’s largest import source for pork and pork products, accounting for about 54% of total imports** between 2020 and 2023, the China Animal Agriculture Association said in its anti-dumping application. Spain exported the most pork and derivative products to China during the first half of 2025, followed by producers from the Netherlands and Denmark, the China Daily and South China Morning Post report.

China has released the determination of its **safeguard investigation into imported beef** and will implement country-specific tariff-rate quotas on beef imports for a period of three years from January 1, 2026, to December 31, 2028. The additional tariffs will be imposed on imported beef exceeding the specified quantity, at a rate of 55% on top of the current applicable tariff rates. China’s beef imports have surged, rising by 73.2% from 2019 to 2024. Import prices are significantly lower than those of domestically produced beef. Import quotas will vary by country and increase marginally annually over the three-year period.

China approves first two L3 autonomous cars

China’s Ministry of Industry and Information Technology (MIIT) has given approval to the first two L3 autonomous cars, both pure EVs, that can only navigate urban streets and highways in designated areas, further advancing self-driving technology in the world’s largest automotive market. **Changan Automobile and BAIC were given the go-ahead** to build electric vehicles (EVs) that would allow drivers to be hands off in some circumstances. “The two companies have passed the tests for the two models and relevant safety reviews,” the Ministry said, adding that it would collaborate with other authorities to monitor the vehicles while promoting the development of the smart driving industry in China. MIIT did not say when the two cars would hit the market.

Technically, carmakers can start assembling the models once they receive the green light from the Ministry.

The Changan vehicle is approved to operate on selected highway and urban expressway sections in Chongqing, while the Arcfox vehicle is approved to drive on designated sections in Beijing. Sun Hang, Chief Engineer of the China Automotive Standardization Research Institute, said “the approval of the first L3 models means that for the first time, China has allowed autonomous vehicles to enter the market as formal products at the policy level.”

At present, most driver-assistance systems used in intelligent cars are classified as either L2 or L2+, which require drivers to keep their hands on the wheel at all times. Beijing has yet to legalize L3 systems, which are considered “hands-off” under criteria set by global standards organization SAE International. But drivers are still required to be fully alert to ensure that they can intervene under any circumstances. L5, or fully autonomous driving, means a vehicle does not need human intervention under any circumstances. “The approvals showed that authorities were willing to deregulate the market,” said Phate Zhang, Founder of Shanghai-based data provider CnEVPost. “Officials are likely to take a step-by-step approach in distributing more manufacturing licenses to other carmakers.”

The model to be built by Chongqing-based Changan would be able to navigate congested urban roads at a maximum speed of 50 km/h when its driver-assistance system was turned on, the MIIT said. BAIC’s model, under its Arcfox EV brand, was allowed to navigate highways or expressways autonomously with a top speed of 80 km/h, it added. Cars fitted with preliminary self-driving systems

saw a surge in sales in China over the past few years, driven by Chinese consumers’ willingness to embrace new technologies. **China’s first license plate for Level-3 autonomous driving – YuAD0001Z – was issued to China Changan Auto Group** by the Chongqing Municipal Public Security Bureau’s Traffic Management Department. This milestone not only places Changan at the forefront of the self-driving car industry, but also signals a pivotal shift toward the mass production and commercial rollout of autonomous vehicles in China.

Two out of every three new cars sold in China last year have L2 autonomous driving capability or higher, according to Zhang Yongwei, General Secretary of China EV100. According to Andrew Fan, Chief Financial Officer (CFO) of Hesai Group, the world’s largest maker of lidar sensors, preparations were well under way in China’s vehicle industry for the next generation of autonomous-driving features, even before Beijing cleared the regulatory road ahead, the South China Morning Post reports. Chinese carmakers could sell about 270,000 semi-autonomous vehicles next year, representing 1% of the total market, Daiwa says.

According to the China Daily, **ride-hailing firm Pony.ai had a fleet of 961 robotaxis in the third quarter of 2025**, with 667 being the seventh-generation models. The average daily revenue of each vehicle reached CNY299, supported by a daily average of 23 orders per vehicle. Revenue of the company in the robotaxi segment exceeded CNY47.7 million in the third quarter, representing a year-on-year surge of 89%. Pony.ai plans to expand its fleet to 3,000 vehicles by the end of 2026 and aims for a 100,000-unit fleet by 2030, at which point the company expects to reach overall breakeven.

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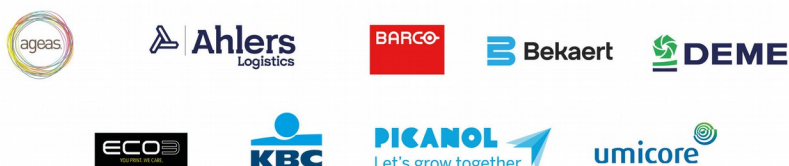
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