

China Business Weekly

13 January 2026

法蘭德斯
中國商會

FCCC
VCKK

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

FCCC/EUCBA ACTIVITIES

Chinese New Year Reception – 5 February 2026 – Brussels

法蘭德斯 中國商會 FCCC VCKK
FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

The Chairman and the Board of Directors of the Flanders-China Chamber of Commerce
are delighted to invite you to its
法蘭德斯-中國商會主席和董事會誠邀您參加

Chinese New Year Reception 法蘭德斯-中國商會 春節晚會

DISTINGUISHED GUESTS
演講嘉賓

MR JOHAN VAN OVERTVELDT
Chair of the Committee on Budgets,
European Parliament
歐洲議會預算委員會主席

HIS EXCELLENCY MR FEI SHENGCHAO
Ambassador of the People's Republic
of China to Belgium
中華人民共和國駐比利時大使
費莊潮

5 FEBRUARY 2026 – 18h00
2026年2月5日 18:00

KBC Bank
法蘭德斯大區議會
Havenlaan 2, 1080 Brussels 布魯塞爾

We look forward to seeing you
at our Chinese New Year Reception
我們期待與您在我們的中國春節晚會相見！

GWENN SONCK
Executive Director
法蘭德斯-中國商會執行總裁
宋惠安

PHILIPPE LATOUR
Chairman
法蘭德斯-中國商會主席
菲利普·龍鋒

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FCCC STRUCTURAL PARTNERS 重要合作夥伴



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.

- [sponsor-package-2026.pdf](#)

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.

Programme:

10:00 – 10:05 Introduction by **Ms Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

10:05 – 10:45 Presentation by **Mr Jan Borgonjon**, Founder, InterChina

10:45 – 11:00 Q&A Session

Date: 20 January 2026 – **Time:** 10:00 AM CET – **Location:** Online

Participation fee: Members: Free Non-members: Free

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FOREIGN TRADE

Imports growing, from cherries to cloud computing



A decade ago, Chilean cherries were very rare in the refrigerators of Chinese households. Today, these cherries, alongside avocados from Mexico, beef from Argentina and durians from Thailand, have become common on Chinese dining tables. Around 90% of Chile's cherry exports now flow to China, supporting some 200,000 local jobs.

This transformation is no accident. It stems from China's proactive policies to expand imports, such as lowering tariffs, simplifying trade procedures and extending zero-tariff treatment to the least-developed countries having diplomatic relations with China. These measures are not isolated steps, but rather part of a broader push to address the nation's trade balance, drive high-quality development and deepen global partnerships.

The recommendations for formulating the 15th Five Year Plan (2026-30) have put forward **balancing imports and exports as a key objective**. The value of balanced import-export development extends far beyond household dining tables, exerting a profound ripple effect on China's industrial upgrading and high-quality growth. In advanced manufacturing, for example, importing advanced equipment and key components enables upward movement along the value chain. At the same time, the influx of foreign goods introduces new ideas and standards, heightening competitive impetus. This creates more discerning consumers and forces local firms to improve their products – ultimately elevating the overall quality of the "Made in China" brand.

Beyond bolstering industrial competitiveness, balanced import and export also serves as a cornerstone of China's job market. **Imports and exports support employment**

for 190 million people, accounting for one-fourth of the country's total employment. Nearly 700,000 entities are engaged in foreign trade, with private enterprises making up about 90% of the total. This solid employment foundation, in turn, fuels the purchasing power of Chinese households, driving the continuous expansion of the domestic consumption market. In the first 11 months of 2025, China's total goods imports reached approximately CNY16.75 trillion, with consumer goods imports maintaining steady growth, underscoring the robust scale and resilience of domestic demand.

"Balanced imports and exports help China better utilize both domestic and international markets and resources, strengthening the stability and competitiveness of its industrial and supply chains while raising consumer satisfaction and well-being," said Bai Ming, Researcher at the Chinese Academy of International Trade and Economic Cooperation, a think tank under the Ministry of Commerce (MOFCOM). Notably, this balanced approach goes far beyond goods trade to encompass vigorous expansion in services imports, a key pillar of China's high-standard opening-up drive. The Ministry said that in the first 10 months of 2025, China's services imports reached nearly CNY3.68 trillion, growing 2.6% year-on-year. Services imports span telecommunications, computer and information services, and financial services, providing critical support for domestic industrial upgrading and consumption upgrading. For example, **imported cloud computing solutions have accelerated the digital transformation of China's small and medium-sized enterprises (SMEs)**. At the same time, cross-border financial consulting services have helped domestic firms navigate overseas market regulations. "The import of professional services such as international legal counsel, engineering design, and inspection and testing, has helped domestic companies align with global standards and enhance their international competitiveness," said Song Siyuan, Researcher with the Commerce Ministry's think tank.

China's growing demand for global services is creating new opportunities for service providers worldwide, from digital tech firms to international consulting agencies. Global logistics firms, for instance, have expanded their footprint in China to cater to the surging cross-border trade of goods and services, the China Daily reports.

LOW-ALTITUDE ECONOMY

Thousands of passengers and cargo drones expected to criss-cross the sky in Hong Kong



Thousands of passenger and cargo air taxis could be flying across Hong Kong within a decade as the low-altitude economy takes off, according to AutoFlight, one of China's largest drone makers, which hopes to launch operations in the city. AutoFlight Senior Vice President Kellen Tse told the South China Morning Post the electric vertical take-off and landing (eVTOL) aircraft manufacturer plans to significantly expand in Hong Kong, potentially paving the way to establish its international headquarters in the city. Backed by CATL, the world's largest electric vehicle battery maker, the Shanghai-based firm aims to extend its presence across the city to support emerging opportunities in Hong Kong's nascent flying taxi market. Tse called Hong Kong a "very, very important key" to AutoFlight's international growth. "We are planning to have at least more than a dozen to 20 people, maybe by this year," Tse said. The team would include sales and marketing, business development and government relations, and would continue to grow in the future, he added.

The expansion plan arose from Tse's vision that **thousands of passenger and cargo eVTOL aircraft could be flying across Hong Kong airspace within a decade.** The Hong Kong government is aggressively promoting the low-altitude economy as part of efforts to boost growth and attract foreign investment. Applications to join a sandbox – a controlled pilot environment for testing new software or technology – for unconventional aircraft and cross-boundary routes opened on December 1. The "Regulatory Sandbox X" pilot will enable stakeholders to test unconventional aircraft weighing more than 150 kg, including eVTOLs, with the aim of validating safety standards for future flights between Hong Kong and the mainland. Tse envisions a future in which thousands of eVTOL aircraft operate across the Greater Bay Area.

An eVTOL aircraft is powered entirely by electricity, and can hover, take off and land vertically like a helicopter before transitioning to more efficient flight like an airplane. Unlike a traditional drone, it is designed to carry heavy cargo or passengers. Compared with helicopters, it offers a quieter, greener and more cost-effective operation. **AutoFlight's fleet includes the Prosperity passenger aircraft and the CarryAll cargo model, both powered by**

electricity.

Prosperity, designed to carry a pilot and five passengers, has a maximum take-off weight of 2,400kg and a commercial range of 200 km. CarryAll is a fully electric, autonomous cargo eVTOL with a maximum take-off weight of 2,000 kg and a payload capacity of 400 kg, capable of flying up to 200 km on a single charge, making it suitable for logistics and emergency transport. Tse said AutoFlight had been working closely with the Hong Kong Civil Aviation Department and Transport and Logistics Bureau. "The Hong Kong government is very friendly and efficient – they've helped us quite a lot," Tse said. "That is exactly the purpose of the sandbox project, to run these sort of trials or experimental flights in a very controlled and safe way," he said. Tse's view aligns with Hong Kong's plan to deploy passenger eVTOL aircraft within the next two to three years as part of its drive to become a regional hub for the low-altitude economy.

Dominic Chow, Deputy Director General of Civil Aviation, in December said eVTOLs had lower operating costs compared with helicopters of similar safety levels thanks to more efficient energy use and simpler maintenance requirements. Chow noted that the current range of such aircraft was around 250 km, but the next generation could reach up to 1,000 km, enabling flights "beyond the Greater Bay Area". Tse envisioned offering rides at highly competitive rates once the market matures. He said that in the long run, when "perhaps a few thousand units are flying above our heads", operators on the mainland could be charging "around one dollar per seat per kilometer". He also highlighted the potential for daily commutes across the Greater Bay Area using such aerial vehicles. "The Greater Bay cities need to be connected by eVTOLs – that is the most ideal way," he said, as reported by the South China Morning Post.

The China Daily adds that **drone operation training is booming in China**, offering organizations and individuals new business and job opportunities. Shortly after a new public order ordinance took effect nationwide on January 1, intensifying the crackdown on unlicensed drone flights, China's largest drone operation training center, Global Hawk UAV, based in Shenzhen, Guangdong province, hosted its first license examination for civil drone pilots, drawing record participation. The monthly test attracted more than 1,600 candidates from over 130 drone training schools in the Guangdong-Hong Kong-Macao Greater Bay Area. The candidates ranged from young people looking to explore emerging drone applications in logistics, surveying, and film, to farmers hoping to use drones to modernize agriculture, and hobbyists seeking to fly drones safely under new regulations. **China faces a shortage of drone operators, estimated at up to one million.** Yu Jingbing, Founder of Global Hawk UAV, said that between 2014 and 2024, 273,300 drone operator licenses were issued nationwide. In 2025 alone, he estimates 350,000 to 400,000 new licenses were issued.

INNOVATION

Chinese companies show innovations at CES 2026 in Las Vegas



Chinese companies have received prestigious Innovation Awards at CES 2026 in Las Vegas last week, including Best of Innovation designations, as the world's largest technology show witnessed record-breaking submissions with over 3,600 entries across 36 product categories. The Consumer Technology Association announced the CES Innovation Awards 2026 honorees ahead of the show being held in Las Vegas, Nevada, where Chinese companies maintained a strong presence and impressed global audiences with innovative products and solutions. Among the Chinese winners, Shenzhen-based Yingling Co earned the Best of Innovation award for its 8K 360 drone. Netvue Technologies, another Shenzhen-founded company specializing in smart bird feeders, claimed the same honor for its smart birdbath. Zettlab, also based in Shenzhen, received the award for its AI-powered storage solutions. The awards program saw unprecedented growth this year, with the robotics category witnessing a 32% increase in submissions compared with 2025, while submissions in the AI and drones categories grew by 29% and 32% respectively, according to the Consumer Technology Association (CTA).

Chris Pereira, a CES Innovation Awards judge for 2026 and President and CEO of iMpact, told China Daily that Chinese participation reflects a significant evolution in the country's technology sector. "What distinguishes many of the China-based entries today is less 'low-cost manufacturing' and more end-to-end execution: tight integration of hardware and software, mature industrial design, and faster iteration cycles that turn emerging components into polished consumer-ready products," Pereira said. The strong showing by Chinese companies at CES 2026 is a continuation of a trend of growing influence at the global technology event. **At CES 2025, China was the largest foreign participant with more than 1,300 companies attending.** "Chinese participation has been consistently strong in recent years, and this year's honoree mix reflects that momentum," Pereira said. "The public 2026 honoree list includes many China-based brands across categories, including multiple Shenzhen-based firms, which reflects both scale and breadth of innovation."

Beyond the Best of Innovation winners, Chinese

companies garnered a substantial share of the CES Innovation Awards this year. An analysis of the honorees directory, based on company locations and recognized Chinese brands, reveals that more than 100 of the 247 total entries are from China. These include EcoFlow for its DELTA Pro Ultra X Whole-Home Power Solution in the sustainability and energy transition category, and Anker Innovations for its Anker Prime Charger in computer hardware and components. "These are good illustrations of where Chinese brands are combining engineering, manufacturability and user-centric design into globally competitive products," Pereira said.

According to Pereira, **Chinese companies are excelling in three areas at CES 2026.** "In **robotics and smart home automation**, China-based companies are pushing practical robotics forward. This includes better perception, better navigation and better 'whole-system' reliability in real homes," he said. He also highlighted Chinese advances in **energy and power solutions**. "There's clear progress in battery ecosystems, energy management and resilience. These include smarter systems that integrate with apps and the home," he said. The third standout area is **user experience and industrial design**, where "products are increasingly designed for global users, with a cleaner user interface, better onboarding and more consistent cross-device experiences", Pereira said.

The evolution of AI technology marked a significant shift in this year's submissions across all participating countries. "The biggest shift I'm seeing is AI moving from a 'feature' to the product's foundation. AI itself is no longer the primary selling point for leading brands," Pereira said.

China's leading display manufacturers showcased cutting-edge screen technologies at CES 2026, introducing innovations ranging from rollable OLED panels to advanced Mini LED systems designed to deliver more natural colors, enhanced viewing comfort and human-centric experiences. BOE Technology Group, China's largest display panel maker, presented more than 60 products, including the global debut of its HERO 2.0 intelligent cockpit that combines high-end display technologies with artificial intelligence (AI) for automotive applications. "AI can be seen integrated across our products," said Su Ning, Senior Vice President of BOE Group and Chairman and CEO of BOE Varitronix. BOE also unveiled the first 17-inch electrically rollable portable display panel. The device can be carried as a light-weight tablet and expanded into a larger screen, supporting both mobile work and audio-visual entertainment. For automotive applications, BOE applied Mini LED technology in vehicle displays. Chinese home appliance maker Hisense showcased its 116UXS RGB MiniLED TV at CES, powered by the company's self-developed "RGB MiniLED Evo" technology. China has established a commanding position in the global display industry, with approximately 70% of LCD production capacity now located on the Chinese mainland, the China Daily reports.

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CHINA NEWS ROUND-UP

China races ahead in self-sufficiency of chip making equipment

China's drive for self-sufficiency in chip manufacturing equipment advanced so rapidly in 2025 that even the country's planners were caught by surprise, as the ratio of domestically developed semiconductor equipment surged to 35% by the year's end, up from 25% in 2024. The ratio was higher than the target of 30%, set in early 2025 to encourage China's semiconductor industry to favor local suppliers over U.S. rivals such as Applied Materials, Lam Research and KLA. Progress had been particularly evident in critical segments such as etching and thin-film deposition, where adoption of local equipment had surpassed 40%, thanks to the progress of local manufacturers such as Naura Technology Group and Advanced Micro-Fabrication Equipment.

The 5-nanometer-grade etching machine made by Advanced Micro-Fabrication had entered validation for Taiwan Semiconductor Manufacturing Co's advanced process lines. Oxidation and diffusion furnaces from Naura accounted for more than 60% of the 28 nm production lines at Semiconductor Manufacturing International Corp (SMIC), China's top foundry. Naura's order backlog now extended into the first quarter of 2027. Piotech doubled its share of plasma-enhanced chemical vapor deposition equipment at Yangtze Memory Technology's 3D NAND production lines, bringing the company's equipment share to 30% from 15%.

China has been working hard to reduce its reliance on imported chip equipment, particularly from the U.S., since Washington imposed export restrictions in 2022. Chinese developers of new semiconductor lines are explicitly required to source at least 50% of tooling domestically. China was projected to maintain its position as the world's largest market for semiconductor equipment through 2027, boosted by continuous capital investment in both legacy and advanced manufacturing nodes, according to industry association SEMI.

Chinese investors are putting money into key suppliers of chip equipment. Piotech's share price in Shanghai has jumped 150% over the past year, while Naura gained 75% and Advanced Micro-Fabrication surged 85%. China is encouraging the development of domestic chip equipment through financing support from the China Integrated Circuit Industry Investment Fund, known as the "Big Fund". Its third phase recently announced a CNY2 billion investment into the sector, specifically targeting research and

development (R&D) of core components for etchers and lithography systems, the South China Morning Post reports.

China firms deliver more robots than U.S. rivals

Shanghai-based AgiBot topped global humanoid robot shipments in 2025, with nearly a 38% share, as China's robotics firms dominated the market, leaving in the dust major U.S. players like Elon Musk's Tesla. According to Omdia, AgiBot shipped 5,168 humanoid robots last year to lead five other Chinese companies in the research firm's top 10 list. Unitree Robotics, headquartered in Hangzhou, ranked second with 4,200 humanoids shipped last year, which accounted for 32% of the market. Hong Kong-listed UBTECH Robotics, based in Shenzhen, was ranked third with 1,000 units shipped. Leju Robotics, Engine AI and Fourier Intelligence ranked fourth, fifth and sixth in 2025 shipments, according to Omdia.

Shipments worldwide jumped nearly 480% in 2025 to 13,318 units. Omdia projected the volume to reach 2.6 million units in 2035. "Chinese vendors are setting benchmarks in large-scale production, as they have reached thousand-unit shipments in a short period, enabling the deployment of tens of thousands of robots annually," Omdia Analyst Lian Jye Su said in a report. The 2025 shipment figures reflected how far Chinese manufacturers have pulled ahead in this fast-developing sector. These firms had issued five times as many related patents as the U.S. over the past five years, Morgan Stanley said in its latest Robot Almanac.

By comparison, U.S. robot maker Tesla shipped only 150 units in 2025, which accounted for 1% of the global market, according to Omdia. American firms Figure AI and Agility Robotics also shipped 150 units each last year. The scaled-up production by Chinese manufacturers was driven by a combination of favorable policies, infrastructure support and investments in the public and private sectors, Omdia's Su said. Embodied intelligence – a branch of AI that operates through a physical body – was identified by the Chinese government as a key future industry for the first time in a work report delivered at the annual meeting of the National People's Congress (NPC) last March. With strong government support, China has witnessed a boom in the humanoid robot sector in recent years, the South China Morning Post reports.

Xpeng tries to catch up to Tesla and BYD with new hybrid SUV

Chinese electric vehicle (EV) firm Xpeng Motors has launched a new hybrid version of its G7 that it says offers the world's longest range among SUVs, capable of covering the distance from Seattle to Los Angeles without charging. The updated G7 could travel 1,704 km – longer than the distance between Beijing and Shanghai – with a 60-liter fuel tank and a 55.8 kWh power pack, the company said at a launch event in Guangzhou. The model combines batteries with a small petrol engine that functions as a generator to recharge the battery, allowing for much longer trips than a standard EV and easing “range anxiety” – the constant worry of running out of power. Xpeng also introduced the P7+ sedan, which features “super extended range”, capable of up to 1,550 km. The battery alone supported 430 km, the longest of its kind, Chairman and CEO He Xiaopeng said at the launch event.

The G7 starts at CNY195,800, with both the extended range EV and pure electric editions priced the same. The P7+ follows a similar strategy, with both versions starting at CNY186,800. This marks the second batch of extended range cars from Xpeng, following the updated X9 minivan unveiled in November 2025, which offered a range of up to 1,602 km. In December, shipments of the X9, including its pure electric edition, reached a record 5,424 units, nearly tripling the number from a year earlier, the company said.

The performance signals a significant shift in China's EV competition. **Xpeng's annual shipment more than doubled to over 429,000 units in 2025, overtaking rivals Nio and Li Auto.** In 2024, Xpeng had ranked last among the three. The expansion into hybrid vehicles represents Xpeng's response to uneven global infrastructure, offering a solution for users in regions where charging networks are still maturing. It is in line with the company's “go-global 2.0 strategy”, under which it plans to expand in Europe, Southeast Asia, the Middle East and Africa. By the end of 2025, Xpeng was present in 60 markets globally. In December it announced its third production base outside China, in Malaysia, following the ones in Indonesia and Austria. Overseas shipments nearly doubled to more than 45,000 in 2025, He said. Xpeng sales volume ranked eighth globally **among new energy marques in the first 10 months of 2025**, according to market research firm Chinese Automotive Data. BYD led with 3.4 million units, followed by Tesla's nearly 1.3 million. He said **seven Chinese brands were among the global top 10**, inviting applause for “made-in-China going global”. Beyond vehicles, Xpeng has been investing in cutting-edge technologies, including autonomous driving and robots, the South China Morning Post reports.

More than 50,000 companies to undergo industrial upgrading by 2028

China will promote at least 50,000 companies to undergo industrial upgrading by 2028 to seek further synergy between the country's vast industrial sector and the fast-growing artificial intelligence (AI) sector, according to the Ministry of Industry and Information Technology (MIIT). By 2028, the integration and empowerment capabilities of the industrial internet and AI will be significantly enhanced, according to a document titled “Action Plan on Industrial Internet and Artificial Intelligence

Integration and Empowerment,” published on the MIIT's WeChat account. The deployment of new industrial networks that meet the high-throughput, low-latency, high-reliability, and low-jitter communication requirements for industrial AI applications will continue to expand. These networks will be widely deployed and applied in key industrial sectors such as raw materials, equipment manufacturing, consumer goods, and electronics, driving the transformation and upgrading of at least 50,000 enterprises with new industrial networks, according to the MIIT. In addition, the Ministry envisions that the industrial data ecosystem – encompassing data collection, governance, circulation, and sharing – will be continuously improved, with high-quality datasets to be developed across 20 key industries.

These policies will specifically address the intelligent transformation requirements for key industries, critical production processes, and strategic sectors, supplemented by an AI application guide tailored for manufacturing enterprises. “The target of transforming and upgrading 50,000 industrial enterprises represents a relatively large scale, indicating the widespread adoption of new industrial network technologies. With such network infrastructure in place, demand for the industrial internet can be better unleashed, driving enterprises to implement industrial internet applications,” Pan Helin, Member of the Expert Committee of MIIT, told the Global Times. The objective of the new policy is to advance the application of the industrial internet, developing tailored industrial internet solutions for different industries, thereby providing demonstration solutions for the digital transformation of industrial enterprises, Pan noted.

As the first policy of its kind announced by the MIIT this year, **it underscores the importance of promoting the digital transformation of industrial enterprises** and highlights the policy emphasis on the widespread adoption of industrial internet applications, said Pan, adding that this also aligns with the implementation of the high-quality development strategy. China's core AI industry scale exceeded CNY1 trillion in 2025. The country also boasts more than 5,000 AI enterprises, while more than 400 national-level AI “little giant” companies – specialized and innovative small and medium-sized enterprises – were recognized for their technological sophistication. As part of its 2026 agenda, the MIIT emphasized cultivating and expanding emerging and future industries, as well as supporting AI research and development, the Global Times reports.

China's ASML challenger SMEE to focus on tool development

China's state-backed Shanghai Micro Electronics Equipment (SMEE), often dubbed China's best ASML challenger, has reshuffled its business, divesting a manufacturing arm as it sharpens its focus on **research for chip self-sufficiency**. SMEE had transferred 100% of its subsidiary Shanghai Weiyao Industrial to AMIES Technology. The deal was valued at CNY228.5 million. Founded in 2003, Shanghai Weiyao's business scope includes the processing of metal components and materials – a move that effectively shifts part of SMEE's production to AMIES, a spin-off established in early 2025.

The transaction signaled a strategic pivot for SMEE as it concentrated more heavily on the “front-end” development of lithography tools as part of China’s broader move to catch up with Dutch ASML. AMIES, meanwhile, has accelerated the commercialization of equipment for domestic chipmakers. AMIES drew attention at an industry expo in Shenzhen last October, showcasing products ranging from compound semiconductor lithography machines to laser annealing systems, inspection tools, and packaging and wafer bonding solutions.

Despite the fanfare, AMIES’ most proven production-grade lithography tools are still believed to support legacy manufacturing processes of around the 90-nanometer node and above, underscoring the distance between China’s domestic offerings and the most advanced systems produced by ASML.

China has stepped up support for domestically made chipmaking equipment as U.S. export controls – echoed by allies including the Netherlands and Japan – continue to restrict China’s access to advanced chips and leading-edge manufacturing tools. In December, SMEE won a government procurement contract to supply a lithography system labelled SSC800/10 for about CNY110 million. The system was expected to be deployed on a domestic production line tied to a research or manufacturing unit, with Chinese media reports saying it could bolster the country’s capabilities in chips made with mature process nodes, the South China Morning Post reports.

Shanghai simplifies entry for foreign business visitors

Shanghai rolled out new exit-entry procedures to further enhance the city’s global accessibility. The reforms include a simplified port visa application process for certain foreign professionals, a new visa service center, and enhanced regional cooperation within the Yangtze River Delta, said Huang Yichen, an officer with the Exit-entry Administration of the Shanghai Municipal Public Security Bureau. In line with the new framework, foreign professionals based in Shanghai can facilitate entry for business partners and research colleagues through a streamlined port visa system. The process removes corporate documentation and is handled entirely online. A newly established port visa center at the Shanghai Eastern Hub International Business Cooperation Zone provides 24-hour service through standardized service windows. It offers expedited visa processing for foreign visitors engaged in business negotiations, contract signings and travel. Shanghai has also launched a cross-regional port visa transfer platform serving the Yangtze River Delta, allowing businesses across the region to apply for visas for foreign visitors entering through Shanghai.

The measures come as Shanghai reported record arrival figures for 2025. According to Song Weiqi, Deputy Director of the city’s Exit-entry Administration, temporary accommodation registrations for foreigners reached nearly 7.14 million, up 49.6% from the previous year. Shanghai leads the country in the implementation of the permanent residence ID card program, with more than 10,000 cards issued since December 2023. Issuance of foreign visas and permits exceeded 200,000 for the second consecutive

year, while the number of long-term residence permits rose by 10 percentage points.

“This trend reflects growing international interest in establishing a long-term presence in Shanghai,” Song said. The city has expanded its talent service infrastructure with three new district-level overseas talent platforms in Huangpu, Jing’an and Qingpu districts, adding to two existing city-level centers, the China Daily reports.

Authorities move to curb price war and capacity expansion in battery sector

China has summoned the country’s biggest battery, power and energy storage companies and system integrators to a closed-door meeting with four top regulators, sources told China Daily. The move signals a high-level move to curb price wars and unchecked capacity expansion in an industry that now dominates nearly 70% of the global market. The Ministry of Industry and Information Technology (MIIT) convened the meeting together with the National Development and Reform Commission (NDRC), the State Administration for Market Regulation (SAMR) and the National Energy Administration (NEA), to further regulate competition and restore market order in the power and energy-storage battery sector.

About 16 leading companies participated in the meeting. Almost all leading battery makers, including Contemporary Amperex Technology Co (CATL), BYD, China Aviation Lithium Battery Technology Co, Gotion High-Tech, EVE Energy, Sunwoda and SVOLT, attended. The meeting also involved several battery supply chain suppliers like Zhejiang Jiyao Tongxing Energy Technology Co and Cornex New Energy Co. Three system integrators – CRRZ Zhuzhou Institute Co, HyperStrong New Energy Technology Co and Trina Solar – were also present. Regulators pledged to tighten market supervision, enhance price-related enforcement, step up inspections of production consistency and product quality, and crack down on intellectual property (IPR) violations. They also said they would guard against overcapacity. The meeting underscored official support for stronger industry self-discipline. Authorities urged industry associations to guide companies toward rational capacity planning and help foster a market environment characterized by fair competition and “quality over price”. Coordination between central and local governments will also be bolstered to curb redundant projects, officials said.

The meeting also said that China’s battery, power and energy-storage industry has expanded rapidly, securing a “phased competitive advantage” on the global stage, but warned that blind capacity expansion, low-price competition and other irrational practices were disrupting market order and weakening the sector’s sustainability. According to South Korean market consultancy SNE Research, six Chinese companies ranked among the world’s top 10 by installed power battery capacity from January to November last year. Together, they accounted for 69.4% of global market share, up more than three percentage points year-on-year, the China Daily reports.

China ready to find alternatives to photoresist imports

If Japan moves to restrict the export of photoresist – a key material in semiconductor manufacturing – to China, Beijing is prepared to cope with the challenge, and can find both domestic and foreign alternatives to fill the gap, corporate executives and experts said. Recent market speculation suggests Japan may consider restricting exports of photoresist, the light-sensitive “ink” essential for etching microscopic circuits onto silicon wafers, to China. **Japan commands over 70% of the global photoresist market.** This potential move is viewed as a possible response to China’s latest ban on exporting dual-use items to Japan. However, a chorus of voices from within China’s semiconductor ecosystem is expressing not panic, but a calibrated confidence, underpinned by strategies of domestic substitution and supply chain diversification. Though challenges exist, the immediate reaction from key industry players is one of operational calm. “From the actual situation on the market end, we have not heard of any customer production being affected so far,” Yi Rongkun, General Manager of Xiamen Hengkun New Material Technology Co, a Chinese company involved in photoresist-related business, told China Daily.

Yi said he acknowledges the industry’s proactive mindset, adding, “Of course, the basic consensus within the industry is still to prepare for rainy days and prevent worst-case scenarios.” This sentiment is echoed by sources from leading Chinese chipmakers like Semiconductor Manufacturing International Corp (SMIC) and Huahong

Group. Sources from the two companies told China Daily that no current ban exists yet and point to “significant progress” in domestic photoresist production. Jiangsu Nata Opto-electronic Material, which has developed one of China’s first batches of self-developed photoresist for argon fluoride deep ultraviolet (ArF DUV) lithography – a type of high-end photoresist – said the company’s revenue from ArF photoresist exceeded CNY10 million in 2024, and it maintained a stable supply of ArF photoresist in 2025. Financial markets have delivered a bullish verdict on the Chinese photoresist sector’s prospects as shares of several companies in the sector surged on the stock exchanges. This investor optimism reflects a growing belief in the viability and commercial future of China’s semiconductor materials industry, betting that geopolitical pressures will fuel, not cripple, its growth, experts said.

Such confidence stems from what appears to be a multilayered strategic preparation. Roger Sheng, Vice President of Research at Gartner, said: “We believe there must be contingency plans for Japanese chip-related products, if Japan retaliates. For photoresist, materials, and equipment, there must already be alternative substitution plans.” Sheng highlighted diversified options from South Korean suppliers. Additionally, the photoresist that China needs isn’t at the extreme ultraviolet (EUV) level, a harder-to-replace segment. Experts argue that any disruptions would primarily accelerate two existing trends: the rapid development of China’s local photoresist sector and a pivot to alternative foreign suppliers, the China Daily reports.

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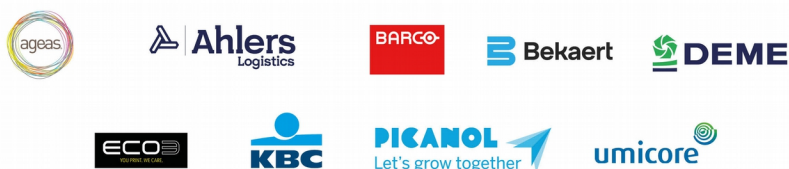
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