

China Business Weekly

31 March 2026



FCCC/EUCBA ACTIVITIES

Webinar: Assessing the Chinese Market for European Business through the Lens of the 15th Five-Year Plan – 1 April 2026 – 10h00 CET



Against a backdrop of evolving domestic and international developments, this webinar will analyse **China's 15th Five-Year Plan (2026-2030)**, as endorsed by the National People's Congress, with particular attention to:

- Key domestic development and reform priorities, as well as China's outward-facing logic and policy priorities
- Macroeconomic management and the **2026 GDP growth target**
- Overall KPIs and factors shaping the **2035 development roadmap**

This analysis is designed to support the strategic assessment and decision-making of **European businesses** regarding the **Chinese market**. It also offers insights into broader collaboration with Chinese corporations and China's growing economic and strategic role in the global economy.

The programme is as follows:

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

10:05 – 10:40 Presentation on **Assessing the Chinese Market for European Business through the Lens of the 15th Five-Year Plan** by Markus Herrmann Chen, Co-Founder and Managing Director, China Macro Group

10:40 – 11:00 Q&A Session

Practical information:

Date: 01.04.2026

Location: Online

Price members & non-members: Free

[**SUBSCRIBE HERE**](#)

Exclusive Luncheon with HE Mr. Cai Run, Ambassador of the People's Republic of China to the EU – 13 April – 12h00 – De Warande, Brussels



The EU-China Business Association is organizing an exclusive luncheon with **His Excellency Mr. Cai Run, Ambassador of the People's Republic of China and Head of the Chinese Mission to the European Union**. On this occasion, **Ambassador Cai Run** will deliver an address entitled "China's 15th Five-Year Plan: What It Means for EU-China Trade and Investment". This exclusive event will offer a valuable opportunity to meet the Chinese Ambassador to the EU and exchange views on topics of mutual interest. This luncheon will take place on **13 April at 12h00 CEST at 'De Warande', Zinnerstraat 1, 1000 Brussels**.

The programme is as follows:

12h00 – 12h30 Registration Networking Cocktail

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

12h35 – 12h50 Speech by **H.E Mr. Cai Run, Ambassador of the People's Republic of China and Head of the Chinese Mission to the EU**

12h50 – 13h10 Q&A Session

14h00 End of luncheon

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

Practical information:

Date: 13 April, 2026

Time: 12h00 - 14h00 CEST

Location: De Warande, Zinnerstraat 1, 1000 Brussels

Price: €185 excl. 21% VAT

Deadline for subscription: 8 April, 2026

[SUBSCRIBE HERE](#)

Follow the Flanders-China Chamber of Commerce on
[LinkedIn](#) – [Facebook](#) – [X](#) – [Instagram](#)

INNOVATION

Foreign firms tapping into China's innovation boom



Innovation by foreign companies in China is shifting from “In China, For China” to “In China, For the World” and from “Made in China” to “Created in China,” supporting global markets through local R&D and industrial chain collaboration. Ola Källenius, Chairman of the Board of Management of Mercedes-Benz Group, still remembers the first time he met Cao Xudong, Founder of Chinese technology company Momenta, back in 2017 when the startup was still in its infancy. “After our conversation, I thought, ‘This looks like a really good team. Let’s invest,’” Källenius told the Global Times in a recent interview. That investment marked Mercedes-Benz’s first in a Chinese autonomous driving startup. Less than a decade later, the company has rolled out urban and highway navigation-assisted driving, along with advanced parking assists. On February 26, 2026, German Chancellor Friedrich Merz took the new Mercedes-Benz S-Class for a test ride in Beijing, and experienced the intelligent assisted driving system during his official visit to China. “This is amazing. I think it’s one of the future technologies for mobility,” Merz said after the experience, commending the close cooperation between German manufacturers and Chinese technology. The system was jointly developed by Mercedes-Benz and Momenta.

On March 13, the first vehicle model co-developed by Volkswagen Group and Chinese EV maker XPeng rolled off the production line in China, underscoring the deepening partnership between the German auto firm and its Chinese counterpart. French pharmaceutical company Sanofi has officially launched its first China Innovation and Operation Center in Chengdu, Sichuan province. The center oversees operations spanning R&D, clinical trials and supply chain services, with plans to fill more than 600 professional posts by the end of 2026. Swiss pharmaceutical firm Novartis has announced plans to invest more than CNY3.3 billion to expand its R&D, manufacturing capacity and operations in China. Last week, a total of 55 Tesla electric vehicle supercharging stations commenced operation in Chongqing. This project represents Tesla’s largest single initiative in China in terms of supercharging stations constructed.

Amid rising uncertainties in the international environment, China is providing multinational companies with a stable operating environment through institutional opening-up. A growing number of multinational companies no longer view China merely as a production base or sales market, but are upgrading it into a hub for R&D and industrial chain collaboration within their global strategies, Liu Minghua, CEO of Deloitte China, said. **Multinational companies are undergoing a profound transformation in their China strategy, shifting from “In China, For China” to “In China, For the world,”** he said.

In Källenius’s view, collaboration with Chinese tech companies goes beyond a win-win arrangement, as it also involves **leveraging the company’s China-based R&D team to bring local innovations to global markets.** He noted that the new S-Class’s high-end rear-seat entertainment system was developed by the company’s China R&D team. “They did an outstanding job. We decided: ‘Let’s roll this out to the world,’” he said. The same applies to its parking assist algorithms. “Any parking scenario you can think of can probably be found in China. If you can solve parking assist here, it’s ready for the global market,” he added. In the auto sector, China is home to a wealth of innovation that can be leveraged to support global markets, he said.

In fields such as energy transition, biotechnology, the digital economy, and advanced manufacturing, China is giving rise to a new wave of innovation. China is not only a key market for Siemens Energy but also an important part of its global supply chain, innovation, and manufacturing network. The company has continued to invest in and expand capacity in China to meet growing demand for power equipment in both the domestic and overseas markets. It is also strengthening collaboration with Chinese partners in innovation, digitalization, and green manufacturing, while exploring opportunities together in third-party markets to support global energy infrastructure.

The deepening of foreign companies’ innovation in China would not be possible without the sustained growth of China’s indigenous innovation capabilities, supported by both favorable policies and market conditions. **In 2025, China became one of the top three countries of origin for patent applications at the European Patent Office (EPO)** for the first time, surpassing Japan. Applications from China accounted for 10.9% of the EPO’s total, a year-on-year increase of 9.7%, the highest growth rate among the top 10 filing countries. EPO wrote in an email that China’s growth reflects both the country’s overall increased innovation output and changing innovation trends, from computer technologies (including AI) to digital communication (6G) to energy transition (battery technologies). “Some have asked, ‘Will you continue to serve China?’ The answer is unequivocal. We have a long-term commitment here. We want to leverage this dynamic innovation market to drive our business in China and globally,” Mercedes-Benz CEO Källenius said, as reported by the Global Times.

HIGH-TECH

Chengdu high-tech zone emerges as western China's innovation hub



Once a 2.5-square-kilometer stretch of farmland on the city's southern outskirts, the Chengdu Hi-Tech Industrial Development Zone in Sichuan province has, over nearly four decades, transformed itself into a hub for emerging and future industries driven by technological innovation, advanced manufacturing and the digital economy. Founded in 1988, the Chengdu Hi-Tech Industrial Development Zone is among China's first batch of state-level high-tech zones and the first national independent innovation demonstration zone in western China. During the 14th Five Year Plan (2021-25) period, the zone sustained solid economic growth, with annual GDP increasing by an average of about CNY22 billion. Data released at the zone's recent work conference show that its GDP rose to CNY366.15 billion last year, marking a year-on-year increase of 6.1%. That expansion has gone hand in hand with faster industrial upgrading and the rise of new growth drivers.

In 2025, value-added industrial output of the electronic information sector (companies with a revenue of more than CNY20 million) rose 10%, while the total scale of strategic emerging industries reached CNY247.83 billion and that of future industries stood at CNY8.13 billion. Such industrial momentum is already translating into major project breakthroughs. In the electronic information sector, **Chinese display manufacturer BOE Technology Group** recently saw the first product from its 8.6th generation AMOLED production line project light up in the western area of the Chengdu Hi-Tech Industrial Development Zone. As the first of its kind in China, the new production line will significantly reduce OLED screen power consumption,

extend the lifespan of products, and improve the cutting efficiency of mid-sized OLED panels, better meeting demand for light-weight and portable electronic devices, the company said. Feng Qiang, CEO of BOE, said the 8.6th generation AMOLED production line marks a major move in the company's efforts to deepen its footprint in the city, and will make greater contributions to the development of Chengdu's industrial ecosystem and high-quality economic growth.

Meanwhile, emerging and future industries in the Chengdu Hi-Tech Industrial Development Zone are gaining momentum, as artificial intelligence applications continue to broaden. For instance, at the Zhuge AI Center, an industrial park focused on AI in the Chengdu Hi-Tech Industrial Development Zone, the Sendbot Space system – an embodied intelligence sorting-and-delivery system developed by **Chengdu Yuefan Innovation Technology** – has been commercially deployed at the site. As the world's first commercial system integrating embodied intelligent sorting with delivery, it is opening up new application space for unmanned logistics in office buildings, the company said. Employees can place orders directly from their desks. A sorting robot retrieves goods from shelves and loads them into a delivery robot, which can autonomously take the elevator and complete cross-floor delivery. Under the system, robots are no longer used simply as passive carriers for transport tasks, but have evolved into embodied intelligent agents with human-like perception that link the entire chain from sorting and dispatching to delivery, the company said.

These technological advances align with China's plan to intensify efforts to further develop and expand the "AI Plus" initiative, speed up the application of next-generation intelligent terminals and AI agents, and promote the large-scale commercial use of AI in key sectors and fields, so as to foster new forms and models of AI-native businesses, according to this year's Government Work Report. Bai Wenxi, Vice Chairman of the China Enterprise Capital Union, said the progress made by the Chengdu Hi-Tech Industrial Development Zone in recent years provides a compelling example of innovation-driven, high-quality development in central and western China. "By strengthening its technology-driven industrial base, the zone has helped give Chengdu a more robust growth model powered by both manufacturing and innovation," Bai said, as reported by the China Daily.

FOREIGN TRADE

China selling more cars worldwide than Japan for the first time



Chinese companies sold about 27 million new vehicles worldwide last year, up around 10% year-on-year, according to Japanese market research firm MarkLines. In comparison, Japanese automakers saw a slight decline, with total sales falling to some 25 million units. The development marks the first time since 2000 that Japan's auto industry has lost its position as the world's top seller. At the company level, **Toyota Motor retained its global lead** with sales of 11.32 million units, with Chinese automakers making notable gains overall. **BYD surpassed Ford to rank sixth globally in 2025, while Geely Auto overtook Honda to place eighth. Six Chinese automakers – BYD, Geely, Chery, Changan, SAIC Motor and Great Wall Motor – were among the world's top 20 automakers by sales**, compared with five from Japan. Zhang Hong, a senior new energy vehicle industry expert at the China Automobile Dealers Association (CADA), said the collective rise of Chinese automakers is reshaping the competitive landscape.

"The fact that the number of Chinese automakers among the global top 20 has exceeded that of Japan marks a shift from the long-standing 'U.S.-Japan rivalry' to a more diversified competition involving China, the U.S., Europe and South Korea," Zhang said. In China, the world's largest auto market, total vehicle sales reached 34.4 million units in 2025, data from the China Association of Automobile Manufacturers (CAAM) show. Against this backdrop, major Japanese automakers saw a sharp

decline in China. Combined sales of Toyota, Nissan and Honda totaled about 3.08 million units in China, with their market share falling below 9%, down from more than 20% at their peak. Among the three, Toyota was the only Japanese brand to post growth in the market, with sales reaching 1.78 million units in 2025, up 0.23% year-on-year. The performance appears to be mainly supported by joint venture operations. At FAW Toyota, annual sales reached 805,518 units, with hybrid models accounting for 47%. GAC Toyota sold 772,668 vehicles, with hybrid models exceeding 50% of total sales for the first time, both showing a shift in Toyota's China business toward hybrid vehicles.

The situation highlights the fact that Chinese automakers' advantages in new energy and intelligent technologies are accelerating changes in global industry dynamics, Zhang said. "While European and U.S. automakers have deep expertise in internal combustion engine technologies, they are facing growing pressure to catch up in electrification and intelligent technologies," he said, adding that the global auto industry is increasingly shifting toward new energy and smart connectivity led by Chinese industry players.

Against this backdrop, traditional Japanese brands are stepping up investment. Wang Qian, General Manager of NEVs at Dongfeng Nissan, said the company plans to invest CNY10 billion by the end of 2026 and expand its research and development (R&D) team to 4,000 people. "This is not a short-term move, but our most determined investment in electrification and intelligent transformation," Wang said. Similarly, Suzuki Motor President Toshihiro Suzuki said last year that the entry of BYD's Seagull model into the Japanese market could help accelerate the adoption of mini electric vehicles, adding that Suzuki will steadily advance its own development and launch plans for such models.

Looking ahead, China's auto market is expected to reinforce its new energy push. According to the CAAM, total vehicle sales in China are expected to reach 34.75 million units in 2026, with NEV sales are expected to exceed 19 million units, up 15.2% year-on-year, the China Daily reports.

ADVERTISEMENT AND SPONSORSHIP

Interested in advertisement in the FCCC Weekly or on the FCCC website? Send an e-mail to info@flanders-china.be

CHINA NEWS ROUND-UP

Zhongguancun Forum held in Beijing

The five-day 2026 Zhongguancun Forum was held from March 26 to 30 in Beijing, bringing together more than 1,000 participants from over 100 countries and regions. With the theme “Full Integration Between Technological and Industrial Innovation”, more than 100 activities, including parallel forums, technology trade fairs and competitions were organized. Lin Xin, Vice Minister of Science and Technology, said the event highlights Beijing’s transition from an international science and technology innovation center to an expanded Beijing-Tianjin-Hebei innovation hub. The national list of 10 major scientific advancements of 2025 was released during the event, along with an international cooperation action plan and the Engineering Fronts 2025 report. More than 100 technology managers from Beijing, Tianjin and Hebei acted as matchmakers at the ZGC International Technology Trade Center, connecting researchers and developers with potential investors.

The 2026 ZGC Forum also held the finals of the ninth Zhongguancun International Advanced Technology Competition. Since 2017, the event has seen more than 30 participants evolve into unicorn enterprises, startups valued at over USD1 billion. The competition provided a high-level international platform for the exchange and competition of advanced technology. This year’s competition has attracted 2,168 projects, about 40% of which are from overseas. Winners are given prizes of up to CNY1 million as well as service packages including free offices, financial and investment support, and intellectual property services. Jin Wei, Vice Mayor of Beijing, said that the Forum offers visitors an impressive experience of how artificial intelligence is empowering different industries. AI-driven robots served as performers, chefs, receptionists and interpreters proficient in eight languages.

As an integral part of the ZGC Forum, this year’s 60 parallel forums focussed on topics such as **global science and technology governance, basic research, technological advancements and innovation ecosystems**. Zhao Zhe, Director of the Beijing New Technology Application Promotion Center, said. Of the 60 forums, 21 are jointly held by Chinese organizers and international organizations and overseas institutions, showcasing the event’s progress in linking global resources and expanding opening-up. To foster the integration of scientific research and industrial development, parallel forums were held on cutting-edge fields such as embodied intelligence, quantum technology, 6G, brain-computer interfaces and fusion energy. For the first time, the event also included a forum on the sci-tech services industry.

Among the highlights in public health was the **Beinao-1 semi-invasive brain-computer interface system**. Implanting micro-electrodes and a coin-sized device on the brain surface can help paralyzed patients control exoskeletons, or help those with speech impairments regain the ability to speak. In another breakthrough, a research team from Changping Laboratory in Beijing has,

for the first time globally, identified the core pathological circuit of Parkinson’s disease, the China Daily reports.

Large reserves of rare earths discovered in Sichuan

An additional 9.67 million metric tons of rare earth oxides were discovered in Mianning county, Sichuan province, raising total reserves to 11.46 million tons, the Ministry of Natural Resources said. The increase makes the county’s Maoniuping deposit the world’s second-largest in-production source of light rare earth elements, behind the Bayan Obo site in Inner Mongolia. In the Maoniuping mining area, 27.14 million tons of fluorite and 37.23 million tons of barite were also discovered, both classified as ultra-large deposits of strategic importance. Light rare earth elements – including seven of the 17 rare earth elements – are relatively abundant in oxide form compared with heavy rare earth elements. Often dubbed the “vitamins” of industry, these are widely used in magnetic and fluorescent materials and are indispensable to modern industry and high-end manufacturing.

Ming Tianxue, Researcher at the Yunnan Geological Survey, said that China is rich in light rare earth resources. The Maoniuping rare earth deposit has been exploited since it was first discovered in the 1980s. This exploration, which targets deep-seated ores, represents breakthroughs in both metallogenic theory and exploration technology, Ming said. “The new discovery is of great significance for securing national strategic reserves, adding that China now has a relatively complete industrial chain spanning the extraction, processing and manufacturing of light rare earth elements. To address challenges, artificial intelligence algorithms are used in mineral exploration.

Zhao Wen, Associate Professor at China University of Geosciences in Wuhan, Hubei province, stressed the strategic importance of the discovery, saying that **the additional 9.67 million tons of rare earth oxides are equivalent to about 36 years of China’s current consumption of light rare earth elements**. “This discovery has the potential to reshape the global rare earth supply landscape. China now has two world-class light rare earth reserves, greatly enhancing the resilience of its supply chain,” Zhao said. He also highlighted the economic and strategic value of the associated minerals, fluorite and barite. Fluorite, a non-renewable resource, is a key source of industrial fluorine essential to the chipmaking and new energy industries. The raw ores are estimated to be worth CNY100 billion. Barite, which is known for its chemical inertness, resistance to acids and alkalis, high density and radiation absorption properties, is widely used in natural gas exploration and extraction, the China Daily reports.

China to commercialize the application of patents

China aims to establish a sustainable mechanism to promote the commercialization and application of patents, leveraging intellectual property (IP) as a “catalyst” for innovation and an “accelerator” for economic growth. Hu Wenhui, Deputy Commissioner of the China National Intellectual Property Administration (CNIPA), said that the Administration will refine policies to enhance the quality of patent commercialization, unlock benefits, and foster the development of an innovation-driven economy. By the end of 2025, the commercialization rates for invention patents from universities and research institutions reached 10.1% and 17.2%, respectively, marking significant improvements, he said. Hu acknowledged that the lengthy process, uncertainty and high risks associated with patent commercialization previously discouraged researchers from commercializing their work.

“To address this issue, the Administration implemented measures such as pre-application patent evaluations, research guidance, and talent development for patent commercialization, gradually improving both efficiency and outcomes,” Hu said. He noted that since November, the Administration – in collaboration with the Ministry of Public Security (MPS) and the State Administration for Market Regulation (SAMR) – has cracked down on illegal patent agents to strengthen protection and promote commercialization of patents. Authorities have handled more than 170 cases, resulting in the suspension or revocation of licenses for 61 patent and trademark agencies and 22 agents. They have also removed over 100,000 pieces of illegal information and advertisements related to patent agency activities online and shut down over 2,200 user accounts.

Zhou Dawang, an official at the Ministry of Education, said that pre-application patent evaluations help ensure quality from the outset, align patents with market demand, and facilitate high-quality commercialization. Wei Wei, an official at the Ministry of Industry and Information Technology (MIIT), said that IP rights not only protect innovation, but also drive development. He said the Ministry, in collaboration with the IP administration, has introduced policies to promote patent commercialization among small and medium-sized enterprises (SMEs) and advance IP development in key industries, including a fast-track review process for patent applications in crucial manufacturing sectors. **“If patents remain confined to laboratories, it is like building castles in the air. These technologies need to enter production lines and become accessible, tangible products,”** Wei said, as reported by the China Daily.

Xiong'an New Area emerging as innovation hub

Chinese President Xi Jinping has suggested to build the Xiong'an New Area in Hebei province – dubbed China's “city of the future” – into an innovation hub and a model for promoting high-quality development. He made the remarks while visiting the area, about 100 kilometers southwest of Beijing. As a project with

national significance, the Xiong'an New Area has been designed to relieve Beijing of functions that are non-essential to its role as the nation's capital, and to boost the coordinated development of the Beijing-Tianjin-Hebei region. Since China announced plans to establish the Xiong'an New Area in April 2017, it has evolved from a blueprint into a vibrant city. Xi has attached great importance to the construction and development of the Xiong'an New Area, as this latest trip was his fourth inspection tour of Xiong'an since 2017. He inspected progress in the construction of the zone and visited China Huaneng Group and the Xiong'an campus of Beijing No 4 High School. He also chaired a symposium on further advancing the high-quality construction and development of the new area.

President Xi instructed to steadily advance the construction of relocation projects for centrally administered state-owned enterprises, universities and hospitals which moved from Beijing to Xiong'an. He called for actively exploring future-oriented smart city management models and building Xiong'an into “a beautiful city with a blue sky, green land and clear water”. Xiong'an should integrate technological and industrial innovation, develop new quality productive forces tailored to local conditions, and cultivate a modern industrial system that aligns with the actual situation of the new area.

The high-level construction of the Zhongguancun Science Park in Xiong'an should facilitate the transformation of more scientific and technological research achievements into industrial applications, he said. Xi highlighted the need to promote the development of industrial clusters for emerging and future industries, actively develop the producer service industry, and support the transformation and upgrading of traditional industries. He also urged bold exploration and piloting of innovation policies in fields such as science and technology and finance, and called for striving to create a market-oriented, world-class business environment that is governed by a sound legal framework, the China Daily reports.

To date, eight central SOE headquarters have either fully relocated or are setting up their offices in Xiong'an, and more than 4,000 Beijing-based companies have established a presence in the new area. In addition, four Beijing universities have broken ground for their Xiong'an campuses, and two hospitals are building new branches.

“Summer Davos” meeting in Dalian in June to focus on innovation at scale

Themed “Innovating at Scale”, the 17th Annual Meeting of the New Champions, also known as Summer Davos, will be held in Dalian, Liaoning province, from June 23 to 25. “We will explore how technology and innovation can be harnessed to address real-world problems and challenges, and to generate value across all of the economy and all of society,” said Gim Huay Neo, Managing Director and Member of the Managing Board of the World Economic Forum (WEF). The Annual Meeting of the New Champions is a flagship meeting of the World Economic Forum. It is focused on entrepreneurship, new business models and next-generation companies. She said that 1,500 leaders from different backgrounds, industries

and geographies, representing government, academia, enterprises, international organizations and civil society, will attend the meeting.

Five priority areas will be discussed, including finding prosperity amid shifting trade and industrial realities, and driving energy and nature-positive transitions as a source of wealth and competitiveness, as well as China-specific topics. “There is significant interest in China as the world’s largest trading nation, one of the top investors and also, as a manufacturing and innovation powerhouse,” she said. “The annual meeting will provide a direct pulse on China trends and opportunities, sharing of best practices and also an opportunity for international businesses to explore win-win partnerships and shared prosperity.” The Forum will publish more than 15 research reports covering topics from the global economy, top emerging technologies, energy transition and others.

Dalian has been home to the annual meeting since its first launch in 2007, hosting the annual meeting in alternate years, alongside Tianjin. This year marks the ninth time that Dalian will host the Summer Davos Forum, the China Daily reports.

German Chancellor Merz floats EU-China trade deal

German Chancellor Friedrich Merz has said he can imagine a trade deal with China in the future, signaling a new softening stance towards Beijing in European capitals. “We have set quite a lot in motion when it comes to trade policy. I can also envisage further agreements, for example in the longer term, an agreement with the People’s Republic of China,” Merz said in the German parliament. Merz’s remarks underscore how surging trade and geopolitical tensions with Washington are nudging parts of Europe towards a more accommodating stance on China, even as the EU insists the conditions for any formal deal remain far from being met. Beijing has been putting the feelers out regarding a potential trade pact with the 27-member union for months, as several of EU leaders and ministers have travelled to the Chinese capital. “We now need strategic partnerships around the world in order to strengthen ourselves, especially our exports,” Merz added, in comments sparked by a trade deal agreed between the EU and Australia last week.

“This is quite a stunning statement,” said Noah Barkin, Analyst of EU-China relations at the Rhodium Group, about Merz’s comments. “Beijing has been pushing the idea of a free-trade agreement with the EU because it wants to keep the European market open for its goods.” The Chinese market, meanwhile, is gradually closing down to EU and especially German exports as part of an explicit Chinese policy of import substitution. According to sources in Brussels, there were no immediate plans to launch free-trade talks with China.

The EU asserts that Beijing is ignoring its complaints about the opacity of China’s state subsidies and what it describes as the resulting industrial capacity and surge in cut-price exports to Europe. Beijing’s export controls on rare earths, meanwhile, have become a spoiler in the relationship since their imposition last year. In a speech in Australia, European Commission President Ursula von der Leyen

said the bloc “cannot and will not absorb China’s export-led growth model and its industrial overcapacity. Both the threat to our supply-chain security and the shock to our industrial base need urgent responses,” she added. In the first two months of 2026, China’s trade surplus with the EU expanded by 40%, and 139% in the case of Germany, compared with a year earlier.

Meanwhile, **Chinese Premier Li Qiang and Dutch Prime Minister Rob Jetten had a phone conversation** and Dutch Minister of Foreign Trade Sjoerd Sjoerdsma met Chinese Commerce Minister Wang Wentao at a WTO ministerial meeting in Yaounde, Cameroon, in an effort to solve the Nexperia issue. Sjoerdsma posted on social media: “Had a constructive conversation with Chinese Minister Wang Wentao at #WTOMC14. We discussed our strong trade & investment partnership and WTO reforms. We agreed to hold economic and trade consultations in China soon. I will use this opportunity to lead a trade mission there,” he said, as reported by the South China Morning Post.

Italian economist urges EU leaders to be more diplomatic and less aggressive toward China

At the Boao Forum for Asia, former Italian Undersecretary of State and Adjunct Professor at NYU Shanghai, Michele Geraci, said that in frequent contacts with Italian officials, he urged both Italian and EU leaders to take a “more diplomatic, less aggressive” approach toward China and recognize that “the world is moving to this new multipolar world.” Geraci told the Global Times that “for the last several weeks and months, I’ve actually tried to make Italian Prime Minister Giorgia Meloni and the Italian government understand a few things about China that they may not see from Rome,” he said. “One is that **the trade deficit does not matter.**” He noted that Italian officials are overly focused on the trade imbalance with China. He told them: “Do not worry about it. We need to buy things from China. It’s not that if you have a trade deficit, you lose; if you have a trade surplus, you win.”

Geraci added that we need to improve our foreign policy toward China, to make it more constructive, less aggressive, less anti-China.” Misunderstandings about China in Europe stem partly from political incentives. “Many European and Italian politicians have a short-term interest to create an ‘imaginary monster’ that they can fight against,” he said. “It doesn’t matter if it’s real or not, they need to have a ‘monster’ to get votes.” Geraci said such misunderstandings are also reflected in Europe’s unclear perception of China’s development. He also stressed that Europe continues to underestimate China’s industrial and technological capabilities.

“They don’t know that China is advancing in AI, in semiconductors, in health, medicine, curing cancer, and many other things,” he said, noting that many in Europe still believe China is “more backward” and “copies.” Looking ahead, Geraci highlighted the broader significance of China’s policy direction. He said the main contribution of China’s 15th Five Year Plan lies in “clarity and stability,” emphasizing that “what matters is that China gives a

direction” and that it “pretty much always meets its focus.” He concluded that the role of China’s five-year plans extends beyond domestic development, serving as “clarity and taking away volatility” for the global economy at a time of rising uncertainty, as reported by the Global Times.

BASF inaugurates its largest project in China

Germany’s BASF officially inaugurated its newly built, world-scale Verbund site in Zhanjiang, Guangdong province, on March 26. The site, with a total investment of €8.7 billion, is BASF’s third-largest site worldwide. “Many people have asked us: why Zhanjiang, why now, why at this incredible scale? Our answer has always been clear – because we believe in this market, we believe in the drive of this region, in the talent of its people, and the power of partnership to achieve what no one can achieve alone. That belief has never wavered,” Markus Kamieth, CEO of BASF, said at the ceremony attended by representatives from the government, customers, business partners, and employees.

In a video message, Chinese Minister of Commerce Wang Wentao said that the BASF Zhanjiang Verbund site, the biggest German-funded project in China, has received strong support from both governments since its 2019 launch. Its full commissioning marks a milestone in China-Germany economic cooperation, and it is set to boost BASF’s growth, drive local industrial development, and serve as a new model for China-Germany and China-EU trade ties, Wang said.

The project was inaugurated amid a week of high-level forums in China that has attracted numerous multinational executives, including the China Development Forum (CDF), a clear signal that the world’s second-largest economy remains committed to opening-up and sharing development opportunities with the world.

Meanwhile, a number of multinational companies have recently announced plans to expand their investment in China. On March 11, U.S. pharmaceutical giant **Eli Lilly** unveiled plans to invest USD3 billion over the next decade to scale up its supply chain and manufacturing capacity in China, including the local large-scale production of an innovative oral drug. **Schneider Electric** is on the verge of completing several major projects in China. The expansion of Schneider Electric’s Beijing Yizhuang Industrial Park will boost both production capacity and the digital research and development capabilities of its China Software Center; its new industrial park in Wuxi is nearing completion; and the newly built Xiamen Industrial Park is scheduled to begin production in 2026. **Federal Express** said that it had launched its first solar panel installation at the Shanghai Pudong International Airport, serving as an example of the company’s ongoing efforts to advance sustainable logistics infrastructure.

“For multinationals, investing in China has shifted from a discretionary choice to a strategic necessity,” He Yongqian, Spokesperson for the Ministry of Commerce (MOFCOM) said. A total of 8,631 new foreign-invested firms were established across China in the first two months of the year, up 14% year-on-year. High-tech industries attracted CNY63.21 billion in foreign direct investment (FDI) during the period, up 20.4% year-on-year and accounting for 39.2% of the nation’s total FDI, the Global Times reports.

Your banner at the FCCC website or newsletter

Companies interested in posting a banner/an advertisement on the FCCC website or FCCC weekly newsletter are kindly invited to contact the FCCC at: info@flanders-china.be

Organisation and founding members of the Flanders- China Chamber of Commerce

Chairman

Mr. Philippe Latour, Senior Advisor to Group CFO, AGEAS

Vice-Chairman

Mr. Philip Eyskens, Chief Legal & Compliance Officer, BEKAERT

Secretary and Treasurer

Jan Barbe, General Manager Banking & Family Capital Solutions, KBC Bank

Executive Director

Ms. Gwenn Sonck

Members of the Board of Directors and Founding Members:

Mr. Philippe Latour, Executive Advisor to Group CFO, AGEAS
Mr. Carl Peeters, Board Member, Chief Financial Officer, AHLERS
Mr. Philip Eyskens, Chief Legal & Compliance Officer, BEKAERT
Mr. Johan Fornier, EVP Surgical & Modality, BARCO

Mr. Dirk Poppe, Area Director Asia-Pacific, DEME
Mr. Jan Barbe, General Manager Banking & Family Capital Solutions, KBC Bank
Mr. Johan Verstraete, Vice President Weaving Machines, PICANOL
Mr. Arnaud Poitel, Global Head of Supply Chain, Procurement & ESG, ECO3
Mr. Wouter Ghyoot, Vice-President Government Affairs, UMICORE

Membership rates for the full year 2026:

- SMEs: €590.00 (VAT excl.)
- Large enterprises: €1,375.00 (VAT excl.)

Contact

Flanders-China Chamber of Commerce
Office: Ajuinlei 1, B-9000 Gent, Belgium
New telephone and fax numbers:
T ++32/9/269.52.46
F ++32/9/269.52.99
E info@flanders-china.be
W www.flanders-china.be

Share your story

To send your input for publication in a future newsletter mail to: info@flanders-china.be
The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com
Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.

FCCC FOUNDING MEMBERS



FCCC STRUCTURAL PARTNERS



IN COOPERATION WITH

