

China Business Weekly

9 June 2026



FCCC/EUCBA ACTIVITIES

Webinar: European Business in China: Business Confidence Survey 2026
18 June 2026, 10:00 AM



The EU-China Business Association and the Flanders-China Chamber of Commerce are organizing an exclusive webinar on the **key findings of the European Business in China – Business Confidence Survey 2026**. The webinar will take place on **18 June at 10 AM**.

During this webinar, participants will gain valuable insights into how **European businesses** are adapting to **China's rapidly changing business environment**.

The programme is as follows:

10h00 – 10h05 Introduction by **Gwenn Sonck, Executive Director, EU-China Business Association**

10h05 – 10h35 Key Insights from the Business Confidence Survey 2026 by **Adam Dunnet, Secretary General, European Union Chamber of Commerce in China**

10h35 – 10h55 Q&A Session

10h55 – 11h00 Closing by **Jochum Haakma, Chairman, EU-China Business Association**

Practical Information:

Date: 18 June 2026

Time: 10 AM CEST

Location: Online

Participation fee: Members: Free; Non-Members: Free

The EU-China Business Association is the EU-wide federation of business organisations in the EU promoting business relations with China. The Flanders-China Chamber of Commerce (FCCC) is in charge of the management and vice-presidency of the EUCBA.

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Invitation: The 12th Europe Forum 2026: Competition or Complementarity? Strategic Opportunities in EU-China AI Development – June 24, 2026 – Brussels & Shanghai



The EU-China Business Association is pleased to announce that “The 12th Europe Forum 2026 · Brussels” will take place on **Wednesday, 24 June 2026**, with offline sessions in **Brussels** and a simultaneous branch venue in **Shanghai**.

The Forum is co-organised by the **China Europe International Business School (CEIBS)**, the **EU-China Business Association**, the **China Chamber of Commerce to the EU**, the **CEIBS AI and Management Innovation Research Center**, the **Shanghai Artificial Intelligence Research Institute**, and **ChinaEU**.

Under the theme “**Competition or Complementarity? Strategic Opportunities in EU–China AI Development**”, the Forum will explore how Europe and China can work together in the rapidly evolving field of artificial intelligence.

As AI continues to reshape industries, economies and global governance, Europe and China each bring distinct strengths. China offers large-scale application scenarios, engineering capabilities and industrial scale, while Europe contributes strong governance frameworks, regulatory expertise and a focus on trustworthy AI.

The Forum will bring together political leaders, business representatives, technology experts, academics and thought leaders from Europe and China for a high-level dialogue on AI trends, industrial transformation and future cooperation.

The program is as follows:

Host: Prof. Frank Bournois, Co-President (European), Professor of Governance and Leadership, Michelin Chair in Governance and Leadership, CEIBS

08:30 – 09:00 Check-in & Networking

09:00 – 09:10 Welcome Addresses by **Prof. Wang Hong**, President Professor of Management, CEIBS and **Gwenn Sonck**, Executive Director, EU-China Business Association

09:10 – 09:20 Opening Address by H.E. **Cai Run**, Ambassador of the People’s Republic of China, Head of the Chinese Mission to the EU

09:20 – 09:40 Keynote Speech 1: The Global Order in the Age of Artificial Intelligence: Cooperation, Trust, and Shared Responsibility by **Prof. Charles Michel**, Former President of the European Council; Former Prime Minister of Belgium; Distinguished Professor CEIBS

09:40 – 10:00 Keynote Speech 2: Balancing Regulation and Innovation: Pathways for AI Enterprises by **Andrea Renda**, Head of the CEPS Unit on GRID; Visiting Professor of Competition Policy and the Digital Economy, College of Europe in Bruges

10:00 – 10:30 High-Level Dialogue: AI Pathways and Opportunities for China-Europe Cooperation

Moderator: Ivan Hodac, Founder and Chairman, Aspen Institute

Panelists:

Dita Charanzová, Former Vice-President, European Parliament; Senior Advisor in AI Policy & Digital Governance, DGA Group

Song Haitao, President of Shanghai Artificial Intelligence Research Institute, Secretary General of Global Alliance of Industrial AI Centers of Excellence

10:30 – 11:30 Panel Discussion AI & the Reshaping of Industries

Moderator: Xu Bo, International Affairs Advisor, CEIBS

Panelists:

Prof. Fang Yue, EVE Energy Chair in Economics and Decision Sciences, CEIBS; Director, CEIBS Research Centre for AI and Management Innovation

Luigi Gambardella, President of ChinaEU, Former Chairman of the European Telecommunications Network Operators' Association (ETNO)

Alexander Tschentscher, Head of Supply Chain Excellence & Head of Strategy – Supply Chain & Logistics, Siemens AG

Li Binjie, SVP, Unitree Robotics

Jef Vandenbergen, SCALAR Head of Operations & Cloud Platform Engineering, ZF

11:30 – 12:00 Future Leaders Dialogue: AI Natives' Outlook on the Future

Moderator: Prof. Dominique Turpin, President Emeritus, Professor of Marketing, CEIBS

Panelists:

Prof. Eric Cornuel, President of EFMD Global; Vice-Chairman of the CEIBS Board of Directors

Fang Dongkui, Secretary General of the China Chamber of Commerce to the EU (CCCEU)

12:10 – 13:10 Networking Reception

* Speakers are subject to change

Practical information:

Date & Time: Wednesday, 24 June 2026, 09:00-13:10 (CEST); 15:00-18:10 (Beijing time)

Language: English and Chinese (with simultaneous interpretation)

Venue:

Shanghai: 699 Hongfeng Road, Pudong, Shanghai, P.R.C.

Brussels: Rue de la Loi 155 Résidence Palace, International Press Center, 1040 Brussels, Belgium

If you wish to attend, please confirm your participation via the registration button below.

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Webinar: “China: Charting a Course through Turbulent Times” 25 June 2026, 10:00 AM



The **Flanders-China Chamber of Commerce** is organizing an exclusive webinar on “**China: Charting a Course through Turbulent Times**”. The webinar will take place on **25 June** at **10 AM CEST**.

The turbulence of the current geopolitical and geo-economic landscape presents both risks and opportunities for China's economic outlook. In recent years, resilient exports have helped smooth China's economic growth amid a persistent real estate correction and sluggish demand at home.

Going forward, China's exports could benefit from a surge in demand for energy security. However, China also faces increasingly tense trade relationships, mounting risks of supply chain disruptions, rising producer prices, and still weak internal demand. This webinar will discuss these economic challenges and how China is expected to navigate them going forward.

The programme is as follows:

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

10:05 – 10:50 Presentation on **China's economic outlook and current challenges** by **Ms Allison Mandra**, Senior Economist, KBC Bank

10:50 – 11:00 Q&A Session

Practical Information

Date: 25 June 2026

Time: 10:00 – 11:00 AM

Location: Online

Participation fee:

Members: Free

Non-Members: Free

About the Speaker:

Allison Mandra is a **Senior Economist at KBC Group** with expertise in macroeconomic policy, financial market analysis and global economic developments. Her research focuses on the Chinese, U.S. and euro area economies, as well as sustainability and emerging market risks.

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**Exclusive Luncheon with Mr Bernd Biervert-Luth, Chief of Cabinet of EU Trade Commissioner Maroš Šefčovič. Speech topic: “EU-China Trade Relations”
7 July 2026, 12h00-14h00 – De Warande, Brussels**



The **EU-China Business Association (EUCBA)** is organizing an exclusive luncheon with **Mr Bernd Biervert-Luth, Chief of Cabinet of EU Trade Commissioner Maroš Šefčovič**. The luncheon will take place on **7 July from 12h00 to 14h00 CEST** at **De Warande, Zinnerstraat 1, 1000 Brussels**. Mr Biervert-Luth will deliver a speech on EU-China trade relations.

At a time when global trade dynamics are evolving rapidly, this exclusive luncheon will provide a timely opportunity to gain insights into the **EU's trade agenda with China** and to exchange views on key topics related to **trade and investment between the EU and China**.

The programme is as follows:

12h00 – 12h30 Registration and networking cocktail

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

12h35 – 12h50 Speech by **Mr Bernd Biervert-Luth, Chief of Cabinet of EU Trade Commissioner Maroš Šefčovič**

12h50 – 13h10 Q&A Session

13h10 – 13h45 Networking luncheon and exchange with participants

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: 7 July, 2026

Time: 12h00 - 14h00 CEST

Location: De Warande, Zinnerstraat 1, 1000 Brussels

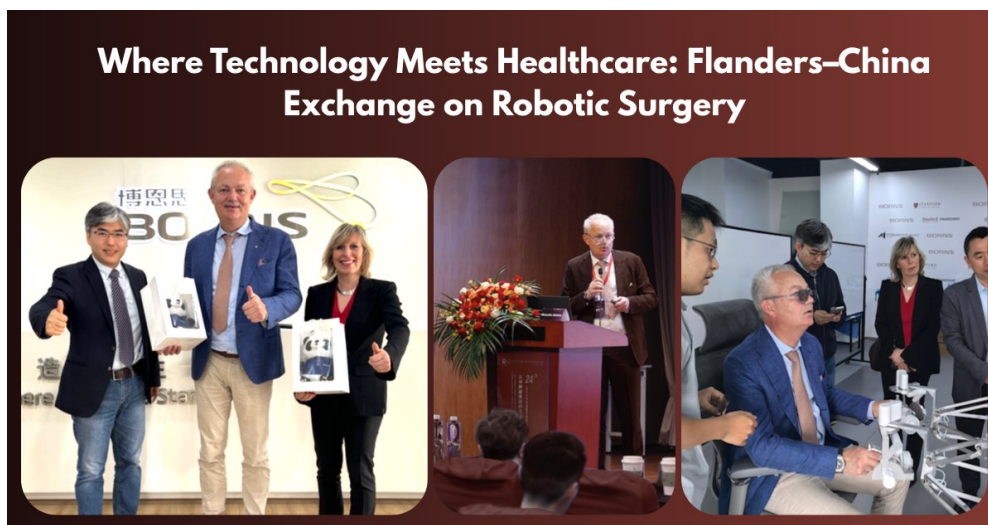
Price: €185 excl. 21% VAT

Deadline for subscription: 23 June, 2026

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FCCC NEWS

Where Technology Meets Healthcare: Flanders-China Exchange on Robotic Surgery



Strengthening robotic surgery cooperation between China and Flanders: Learning from each other to accelerate innovation and improve patient outcomes.

Last May, the **Flanders-China Chamber of Commerce (FCCC)**, represented by Executive Director **Gwenn Sonck**, visited Shanghai and Chengdu. Through the Chamber's introduction, **Dr Alex Motttrie, CEO of Orsi Academy**, a structural partner of the Flanders-China Chamber of Commerce (FCCC), travelled to both cities to explore cooperation with **Borns Medical**, a Chengdu-based company active in the field of robotic surgery. In Shanghai, Dr Motttrie delivered a lecture at the International Conference at the ENT Hospital, where he presented Orsi Academy's mission: helping surgeons perform better through advanced robotic surgery training.

In Chengdu, a city of 16 million inhabitants, Dr Alex Motttrie shared a key insight: "A fool with a tool is still a fool." Technology alone is not enough. The real value lies in high-quality training, expertise, standardization and international cooperation.

Both sides share the ambition to bring robotic surgery training to the next level, with a strong focus on standardization, validated learning pathways and training outside the operating room, not directly on patients.

Orsi Academy's Proficiency-Based Progression methodology offers an objective and quality-assured approach to surgical education, helping surgeons reach clearly defined performance benchmarks before applying their skills in clinical practice. Discussions are also ongoing on the possible development of a joint AI Training Academy / AI Innovation Hub for Medicine in Chengdu, further combining Flemish expertise in surgical training with China's fast-moving innovation ecosystem.

Dr Alex Motttrie also introduced the concept of micro-credentialing in robotic surgery, in line with European developments in skills recognition and lifelong learning. Standardization is key. Through this collaboration, we can learn from each other, accelerate innovation and improve outcomes for patients.

As Dr Motttrie highlighted, China places innovation at the forefront, helping to make innovation faster and more affordable.

The existing direct flights between Chengdu and Brussels make cooperation even more accessible and further strengthen the bridge between China and Flanders.

Exciting times ahead for robotic surgery collaboration between Flanders and China.

Are you interested in learning more about China's innovation ecosystem? Join us on an innovation trip to China and contact: Gwenn.sonck@flanders-china.be

ACTIVITIES SUPPORTED BY FCCC

6th Innovation Fair Sino-Euro Business Development Conference – October 26-30 – Jiangsu province



Welcome to Innovation Fair – Supporting Innovators in China since 2018

Building on the success of previous editions, the 6th Innovation Fair is scheduled to take place from 26–30 October 2026. The fair promotes international business development, uncovers sourcing opportunities, and provides direct access to the Chinese market, while also offering opportunities to represent and distribute products and services of Chinese businesses in Europe. Showcase your products, pitch your ideas, and connect with the right partners through curated, industry-focused matchmaking. Join us to connect, collaborate, and create new possibilities for your business.

Target participants/industry: Advanced manufacturing; artificial intelligence; environment & new energy; life science & medtech; digital service & software; education & training; mobility; and import & export.

Benefits & cost of participation:

Benefits

- Travel 1x Eco Class Ticket (roundtrip)
- Airport Pickup and Drop-off
- Transportation, Hotel, and Meals Throughout the Event
- Exhibitor Booth 9 m2 (incl. backdrop & basic facilities)
- Networking Opportunity
- Local Company Discovery Tour

Registration Fees

- Standard Rate: €1,480 (valid by 30 June)
- Late Registration: €1,680 (valid by 31 August)
- Group Rate: €3,600 (for 3 people)

Optional Add-Ons

- Pre-event Matchmaking Services: starting from €1,000
- Post-event Follow-Up Support: starting from €1,000
- Larger / Joint Booths: upon request
- Tailored Proposals: upon request

How to participate:

1. Registering following the QR code.
2. Complete your company descriptions and your target Chinese counterparts.
3. Payment instructions will be sent via email after we confirm your registration.

Website: <http://innovationfair.mikecrm.com/aMNRQ1J>



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FOREIGN TRADE

“China is the world’s toughest gym. If you survive in China, you win in the rest of the world” – McKinsey



Innovation, speed, and entrepreneurial agility are needed in China; foreign firms must adapt or lose ground, McKinsey & Company Greater China Chairman Joe Ngai told the South China Morning Post. Foreign executives used to come to China to study shoppers. Today, many come to study their future competitors. That shift says almost everything about how China’s role in the global economy has changed. For much of the past two decades, China was the market multinationals could not afford to miss. The formula was often straightforward: enter the market, ride the growth of a rapidly expanding middle class, and capture a share of the world’s largest consumer base. However, that playbook is now becoming harder to execute. Economic growth has slowed while consumers have become more selective about how they spend. Many foreign companies that once enjoyed comfortable positions are seeing their market share shrink and profits come under pressure.

“The market has become harder. Twenty years ago, if the tide was rising, everybody got a share of it. Today it’s different. In the past, many companies came to China with a product and a business model that had already worked elsewhere. Today, that’s not enough,” Ngai said. The business environment became tougher amid Covid and rising geopolitical tensions. During the past few years, global supply chain strategies have lurched from “China Plus One” – searching for alternative manufacturing hubs – to something more drastic: Anything But China. Geopolitical tensions, tariffs, and pandemic disruptions accelerated the search for alternatives by many foreign firms. But now, some companies have discovered that **leaving China is easier said than done because finding**

a replacement is challenging. Many of the CEOs who explored alternatives eventually found how difficult China’s industrial ecosystem was to replicate.

Ngai, who leads the global consultancy firm’s Greater China business and recently co-authored “*The Next China Is Still China*” with Senior Partner Nick Leung, has spent much of the past few years fielding a question that once dominated boardrooms from New York to Frankfurt: if companies need an alternative to China, where should they go? “**The next China is still China**” was the answer Ngai eventually arrived at. “**But it’s a different China,**” he added, noting that when many foreign firms returned to the country, they realized they had taken the country for granted. **China’s competitive advantage,** Ngai argues, is no longer cheap labor or even market size. Rather, it is **the density of its industrial ecosystem** – suppliers, engineers, logistics networks, manufacturers and entrepreneurs operating at a speed that remains difficult to replicate elsewhere. However, that speed comes at a cost. China’s business world has become defined by involution, relentless competition that squeezes margins and leaves companies fighting for their survival.

Many executives, as well as the authorities, see it as a warning sign, while Ngai described it as “**the world’s toughest gym**”. “**You are fighting 24 hours a day. Even when you become the best fighter, you can’t rest because there is always somebody lining up to challenge you.**” The casualties are real as companies burn through capital, price wars destroy profits and entire sectors become overcrowded. “There is a lot of blood spilled in that gym,” Ngai said. Yet it is these very same forces that have helped produce some of China’s most formidable and successful companies. Chinese AI and robotics firms are now drawing foreign executives to Shenzhen and Hangzhou as often as Silicon Valley. The result is that many **foreign executives** now visit China for very different reasons than a decade ago. Instead of touring shopping malls, they ask to visit factories, robotics companies and research labs. “**They want to understand why these companies are so competitive,**” Ngai said. For multinationals already operating in China, the challenge is becoming even more urgent. The keyword is innovation,” he said. “If you believe technology will drive the next 10 years, then you can’t ignore China,” he told the South China Morning Post.

AEROSPACE

Chinese commercial aerospace companies increasing deployment of satellites and spacecraft



China's commercial aerospace sector is steadily transitioning from a phase of technical verification to large-scale deployment of satellites and spacecraft. Advancements in satellite mass production, in-orbit services and reusable rocket technologies are fueling this expansion. As satellite services integrate into consumer markets and various industries, China is also moving into in the competitive domain of low-earth orbit (LEO). This progress is reflected in recent industry figures. According to the China National Space Administration (CNSA), **commercial space companies conducted 50 launches in 2025, accounting for 54% of the country's total.** Meanwhile, 311 commercial satellites were placed into orbit, representing 84% of the national total.

The newly-operational Hainan Commercial Space Launch Site facilitated nine of these missions, demonstrating a turnaround capability of "seven days for launch, and seven days for recovery" at its primary pad. China submitted filings to the International Telecommunication Union (ITU) in late December for up to 203,000 additional satellites. However, the practical execution of this strategy relies heavily on a maturing domestic supply chain. Key industry leaders note that the focus has shifted toward mass production and the urgent development of heavy-lift launch capabilities.

Lin Guangrong, System Architect at **GalaxySpace**, said his company has successfully transitioned from a "custom workshop" to a "digital factory". Recognized as **China's first unicorn company in the commercial aerospace and satellite internet sector**, GalaxySpace has established a complete manufacturing chain for satellites weighing 100 to 2,000 kilograms. The company's annual production capacity for medium-sized satellites has stabilized between 100 and 150 units, with the manufacturing cycle shortened by 80% compared with traditional models. This efficiency is driven by a "smart brain", where algorithms continuously optimize industrial processes based on data from front-line engineers. Industrialization extends to launch vehicles, with the aim of

turning aerospace equipment into standard industrial products.

For example, the core stage and two boosters of the Lijian-2 Y1 carrier rocket, which recently had a successful launch, share an almost identical design. Lian Jie, Deputy Chief Designer of the Lijian-2, said this "universal booster core" configuration allows major components to be mass-produced. Making rockets is becoming akin to assembling building blocks; simplifying the manufacturing process and enabling rapid replacement of parts can support high-frequency, airline-style launch schedules, Lian said.

Chinese commercial space enterprises are also pushing the boundaries of in-orbit capabilities. A prime example is the Yuxing-3 06 satellite, recently launched from the Jiuquan Satellite Launch Center. It carried out a series of complex in-orbit operations hundreds of kilometers above the earth, including simulated propellant refueling using a robotic arm. Developed by Suzhou Sanyuan Aerospace Technology Co, a subsidiary of Beijing Aerospace Yuxing Technology, **the satellite is intended to serve as a "space gas station"**. Equipped with a flexible robotic arm, it is China's first commercial experimental satellite designed to perform high-difficulty in-orbit operations. Cao Meng, Vice President of Beijing Aerospace Yuxing Technology, envisions a future where satellites swiftly locate targets, perform precise docking, and refuel them. "We hope to build the future 'Space 4S shop' to provide one-stop maintenance and repair for space assets," Cao said.

Meanwhile, computing power is also heading to the stars. In a low-earth orbit approximately 500 km above the ground, **12 computing satellites are operating to form a space computing network**. Spearheaded by the Zhijiang Lab, it aims to bring artificial intelligence (AI) directly to space. Wang Jian, Academician of the Chinese Academy of Engineering (CAE) and Director of the Zhijiang Lab, said nearly 90% of satellite data is currently discarded before reaching the ground due to limited onboard processing. By deploying AI models in orbit, the constellation can process data locally. The team has already successfully deployed 10 AI models in orbit. Technological innovation is also driving the efficiency of communication payloads.

Lin, from GalaxySpace, highlighted the development of payloads using the Q/V band, which combines the Q and V bands to cover frequencies from 47 to 52 gigahertz, more than doubling the bandwidth of current satellite systems. In September, the company also launched the world's first satellite equipped with large flexible solar wings. These breakthroughs are being tested in the Little Spider Web, China's first low-earth-orbit broadband trial constellation.

Satellite communications are expanding into consumer fields like smartphones and smart vehicles, opening new consumer markets, the China Daily reports.

ARTIFICIAL INTELLIGENCE

Token's becoming China's next goldmine



In April, Shantou in Guangdong province, completed China's first city-level closed-loop verification for token exports, covering offshore data centers, token generation, overseas API requests and compliant cross-border data transmission. China's ambition is straightforward: it wants **to turn domestic electricity, data centers and large-language-models into a high-value export product**. Under this model, electric power and servers stay inside China.

The models run inside Chinese intelligent computing centers. What crosses borders is the AI service itself: inference results delivered through an API. That makes **"token exports" a new form of services trade**. Traditional computing-power globalization often meant heavy investment abroad: building data centers, laying fiber, securing local energy supplies and operating networks in foreign markets. Token exports promise something different: electricity does not leave the grid, computing power does not leave the country, but value flows globally. Liu Xiaoge, Deputy Director of Research at the Development Strategy and Regional Economy Department of the Development Research Center, said: "Token exports have become the deep integration of artificial intelligence and digital trade in China. They have become a completely new form of digital services trade. At a time when China's traditional trade faces geopolitical and tariff challenges, token exports, with their purely digital and zero-logistics delivery model, provide a new way to offset the risks of traditional trade frictions and drive growth in the services trade. They will reshape the position of China's digital services in the global value chain," Liu said.

The experiment also offers a glimpse of how China is trying to rewire its export economy for the AI age. For decades, the country's growth was powered by factories, ports and container ships. The next phase may depend as much on offshore cable landing stations, green electricity, GPUs, compliance zones and APIs. For instance,

Shantou's international submarine cable landing station gives it a direct route into Southeast Asia. Shantou carries a large share of China's international outbound bandwidth and provides a low-latency direct node to Singapore, making it one of the fastest Chinese gateways to the region. The city also sits near large offshore wind resources, giving its token-export story a green-energy narrative that matters to global clients under pressure to meet environmental, social and governance standards.

In the 2026 Government Work Report, Beijing called for new infrastructure projects involving large-scale smart computing clusters and the coordinated development of computing capacity and electricity supply. It also pledged integrated monitoring and distribution of computing capacity across the country and support for public cloud services. The logic is already visible in China's northwestern regions. In Qingyang, Gansu province, white wind turbines turn and photovoltaic panels catch the sun. Instead of being pushed entirely through ultra-high-voltage lines to distant factories and cities, part of that **green electricity can be consumed nearby by data centers**. The current runs into racks of servers. GPUs turn electrons into matrix multiplication. The model produces tokens. A user thousands of miles away sees an edited image, a generated paragraph, a line of code or a customer-service answer.

From outside the China Energy Engineering Corp project area in Qingyang, data center buildings operated by Kingsoft Cloud, China Telecom and Chindata can be seen rising nearby. **Qingyang has already built 11 data centers**, created a domestic 10,000-card computing cluster and surpassed 140,000 petaflops of computing scale. **In the old export economy, a city needed factories. In the token economy, it needs power, fiber, servers, regulation and an ability to guarantee low-latency service.**

Now, Shantou and Qingyang do not need to become the next great AI model laboratories. They can become AI trade infrastructure: the service desk for computing power, the customs broker for tokens, and the bonded zone for cross-border data flows. Wang Peng, Researcher at the Beijing Academy of Social Sciences, said: "Token exports are a concentrated expression of China's combined competitive advantages in energy, data, infrastructure and engineering talent. In the context of a deeply reshaped global trade landscape, supporting token exports will help extend China's trade competitiveness into intelligent computing power and has major, far-reaching significance for shaping new drivers of foreign trade," he said. In early 2026, Chinese model token calls continued to increase with Chinese models overtaking U.S. rivals in token usage for the first time, the China Daily reports.

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CHINA NEWS ROUND-UP

Chinese consumers prefer to rent rather than buy

China's rental economy surpassed CNY4.2 trillion in transaction value in 2024, up 32% from a year earlier, according to a white paper jointly released by the State Administration for Market Regulation (SAMR) and Ant Group. More than 750 million user transactions were recorded during the year, with **digital platforms accounting for about 65% of total market activity.** The trend is being driven largely by younger consumers. People under the age of 30 now account for more than 60% of users in the rental market, according a rental platform. Li Lu, Director of Social Governance Research at the National Development and Reform Commission's Institute of Social Development, said: "Rental services increasingly represent a rational economic choice for consumers seeking better value and lower waste." Li said that the range of products available for rent has expanded rapidly beyond traditional categories such as housing and automobiles. Today, consumers can rent cameras, luxury handbags, toys, drones, camping equipment, gaming consoles and even humanoid robots, she added.

Notably, as artificial intelligence (AI) applications spread across industries, demand for rented graphics processing units (GPUs) and computing power from individual users and small businesses has steadily increased. Robot rental platform Botshare said it received more than 1,000 orders during the Spring Festival holiday period of this year. Chief Executive Li Yiyao said orders during the holiday period increased nearly 70% year-on-year. There is strong demand for portable digital cameras among Generation Z travelers. **In many cases, users initially rent equipment before eventually purchasing it,** creating what industry participants describe as **"rent before you buy" consumption.** As the market expands, businesses providing logistics, maintenance, refurbishment, valuation and resale services are benefiting from growing demand.

"Rental platforms are helping create integrated ecosystems that combine products, services and data, while enabling more businesses to lease not only physical equipment but also digital tools, software platforms and computing resources," Li said, as reported by the China Daily.

China's Spirit AI leads Nvidia in embodied AI ranking

As artificial intelligence steps out of the digital realm and into the real world, the race to build the embodied "brains"

powering next-generation robots has become the newest battleground in tech competition between China and the United States. Two days after Nvidia launched its Cosmos 3 model – designed to help physical AI "think before it acts" – a Chinese start-up stole the spotlight. Hangzhou, Zhejiang province-based **Spirit AI said its foundation model for embodied intelligence, Spirit v1.6, had become the first from China to top the RoboArena global leaderboard.** It scored 1,924 on the benchmark, edging out Nvidia's Cosmos3-Nano-Policy, which took second place with a score of 1,881. Coming in third was DreamZero with a score of 1,763 – another Nvidia project unveiled in February.

The RoboArena benchmark, which evaluates how effectively generalist robot policies translate to real-world actions, was co-developed by Nvidia alongside elite institutions including Stanford University and the University of California, Berkeley. The fierce competition underscores a broader shift: robotics is AI's next frontier. Nvidia's partnerships with China's Unitree Robotics and Singaporean robotic hand pioneer Sharpa also highlight this trend.

Unlike large language models (LLMs), which are built to process and generate text and code, a physical AI model allows machines – such as humanoids, robotic arms or autonomous vehicles – to perceive, understand and interact with the physical world. Physical AI relies on two core capabilities. Policy capabilities are the model's ability to take actions based on what it observes. This is the main metric measured by the RoboArena leaderboard. The second one is world capabilities, which is the model's ability to simulate and predict what will happen next if a specific action is taken. While these functions are often developed separately, the industry is moving towards consolidation. Last September, Chinese researchers introduced a unified "Policy World Model" that integrates world modeling and trajectory planning into one architecture.

China's dominance is not limited to policy models. **The WorldArena benchmark, which evaluates embodied world models, is currently topped by WorldScape-0.2, developed by Chinese start-up Manifold AI.** It beat out Nvidia's Cosmos-Predict 2.5 in the policy evaluator track. Chinese firms are currently also leading other tracks within the WorldArena and broader evaluation ecosystems. The perception track is led by AgiBot with its GenieEnvisioner-Sim2.0-2B model, a video world simulator for robotic manipulation. The data engine track is led by Chinese start-up DexForce's DSCFuncWorld, which focuses on optimizing the pipeline of training data. Meanwhile,

Manifold AI's WorldScape-0.2 has claimed the top spot on the WorldScore benchmark, designed to evaluate a model's ability to generate worlds from text prompts, outperforming WonderJourney, a joint project by Stanford and Google, the South China Morning Post reports.

First online departure tax refund store launched in Beijing

China is moving to improve the shopping experience for foreign visitors, with the nation's first online departure tax refund store launched in Beijing to optimize tax refund services and boost inbound consumption. The move is expected to boost consumption and encourage increased spending, as China's inbound travel and shopping market gains momentum on the back of expanded visa-free access and improved departure tax refunds. Departure tax refund counters were also opened in a first batch of hotels, the Beijing Municipal Tax Service said.

Available on JD, a major Chinese e-commerce platform, the online store enables foreign visitors to buy products carrying a dedicated "departure tax refund" label and complete the refund application process at point-of-sale (POS) checkout. A JD executive in charge of the departure tax refund business said the online store currently offers tax-refund-eligible products across six major categories – including digital products and household appliances – to meet the diverse shopping needs of foreign visitors to China.

Dai Mingfeng, Researcher at the Chinese Academy of International Trade and Economic Cooperation, said the online store marks a shift in China's departure tax refund services from an offline, location-based model to a more integrated online-offline network. Beyond the online store, Beijing is also extending departure tax refund services to key travel and consumption venues such as hotels, further improving the citywide refund service network. Empark Prime Hotel Beijing and JW Marriott Hotel Beijing Central are among the first hotels in the city to offer centralized refund services. "For foreign travelers, the new services will make it possible to purchase tax-refund-eligible products online and complete refund procedures at hotels, helping reduce time and improving the overall shopping experience in China," Dai said.

In May, the Ministry of Commerce (MOFCOM) and other authorities issued a notice outlining measures to further optimize departure tax refunds and expand inbound consumption. The policy package includes measures such as expanding the coverage of tax refund stores, introducing spot checks for small-value refund applications, promoting paperless processing and improving refund-upon-purchase services. **Purchases with departure tax refunds rose 66% year-on-year in 2025** and expanded by 50% in the first quarter this year, the China Daily reports.

Chinese investors to take over Häagen-Dazs' Mainland China operations

An investment group that includes one of China's rising tea brands, Ningji Lemon Tea, will take over Häagen-Dazs stores in the Chinese mainland, marking the latest case of an internationally known food and beverage brand selling its Chinese mainland business to a local operator. Industry analysts said that cooperating with local business partners to pursue win-win outcomes has increasingly become the preferred path for global food and beverage brands seeking growth in the Chinese mainland market. General Mills, owner of Häagen-Dazs, announced that it has entered into a definitive agreement to sell its Häagen-Dazs shops in the Chinese mainland to an investor group including Ningji, one of the fastest-growing tea brands in China with a network of more than 3,000 premium quick-service retail tea shops.

As part of the agreement, the buyer will receive an exclusive license from General Mills to use the Häagen-Dazs brand in ice cream shops and gifting business in the Chinese mainland, while General Mills will continue to own and operate the Häagen-Dazs retail and food service operations. The company said that the transaction aligns with General Mills' development strategy and elevates the company's focus on its brands and channels that provide the strongest opportunities for profitable growth.

Häagen-Dazs was founded in the U.S. in 1960. The brand was acquired by Pillsbury in 1983, before becoming part of General Mills following the latter's acquisition of Pillsbury in 2001. **Häagen-Dazs ranked third among China's ice cream restaurant brands by transaction value in 2025,** behind domestic brand Mr. Wildman and U.S. ice cream vendor DQ. The value of emerging domestic brands lies not only in channel resources, but also in their understanding of younger consumers, social media-driven marketing and localized supply chains, said Bian Yongzu, Executive Deputy Editor-in-Chief of Modernization of Management magazine. Rising confidence among Chinese consumers and entrepreneurs, particularly in the consumption and cultural sectors, has accelerated the growth of domestic brands. He noted that international legacy brands bring established brand assets and product expertise, while local players contribute operational efficiency and consumer insights, making such complementary partnerships an increasingly important path for foreign companies seeking new growth opportunities in China.

The case adds to **a broader trend of established international brands reassessing their strategies in the Chinese mainland market,** moving away from operating independently and accelerating localization efforts, said analysts. On February 2, the joint venture transaction between Burger King parent company Restaurant Brands International (RBI) and China's CPE was completed, in which CPE acquired an approximately 83% stake. Starbucks Coffee Co on April 2 announced the completion of its joint venture with China-based Boyu Capital, noting the move marked a significant milestone in the company's long-term strategy to unlock sustainable growth in China. Under the terms of the deal, funds managed by Boyu Capital hold a 60% stake in Starbucks China operations, the Global Times reports.

China's new rules on the protection of trade secrets became effective on June 1

The Provisions on the Protection of Trade Secrets came into effect on June 1, with data, algorithms, and other important items being included in the scope of trade secret protection, according to a statement on the website of the State Administration for Market Regulation (SAMR). The provisions also list specific technical confidentiality measures for remote work and cross-border collaboration, and clearly specify digital means as improper trade secret infringement. The new rules are suited to the digital era, the SAMR said. It noted that "with the deepening development of the digital economy, digital assets including data, algorithms, computer programs, and codes have become key commercial secrets for businesses. At the same time, emerging infringements such as electronic intrusion and remote data scraping are occurring more frequently."

Observers noted that amid the rapidly growing digital economy and token economy, under which data and algorithms such as artificial intelligence (AI) model training data, recommendation algorithms, and risk control models, have emerged as the most important competitive advantages for companies, the inclusion of those items within the scope of trade secrets is a necessary and a timely move. Pan Helin, Member of the Information and Communication Economy Expert Committee of the Ministry of Industry and Information Technology (MIIT), told the Global Times that, at present, incorporating algorithms into trade secret protection is difficult because many algorithms operate as black boxes. Taking AI domains as an example, the majority consist of machine-learning algorithms, whose specific details are often hard to articulate. Pan noted that considering all the factors, what is more likely to receive protection under the new provisions is the underlying basic code that constitutes these algorithms, which belongs to the category of intellectual property. "However, the overall move will enable Chinese large-language AI model companies to actively innovate and develop original algorithms, free from the need to rely on following others or using knowledge distillation to build their models," Pan said.

As a manifestation of enterprises' innovation and competitiveness, trade secrets play a critical role in maintaining the security of industrial and supply chains and fostering new quality productive forces in China. They have become a prominent issue in international economic and trade practices. The rules also introduce new provisions on instigation, inducement, and assistance in infringement, thereby improving third-party liability and achieving full-chain accountability for market violations. In line with the Anti-Unfair Competition Law, the new regulation adds extraterritorial applicability, stipulating that where overseas infringing acts disrupt the domestic market order, Chinese regulators may pursue legal liability in accordance with the law, the SAMR said, as reported by the Global Times.

SAIC plans to build car plant in Spain's Galicia

China's SAIC Motor plans to set up a car factory in Spain's northwestern region of Galicia that would be its first production facility in the European Union (EU). Galicia's Governor Alfonso Rueda said his administration had given strategic priority to the project, with an initial investment of around €200 million. The project, which includes a logistics hub, still requires the central government's approval for foreign direct investment (FDI). SAIC owns the MG brand, which is popular in Europe and prioritizes electrified powertrains. The plant in the port of Ferrol should create about 1,000 direct jobs and more indirect ones, and will use many locally produced components, the government said. Provided all necessary approvals are in place, construction should start next year and the factory would become operational in 2028, according to Rueda. When a second phase is complete, the plant will be able to produce 120,000 cars a year.

Several Chinese car manufacturers are planning to start production in Spain, which has one of Europe's largest car making industries. Chinese carmakers have gained market share in Spain amid an aggressive price war by EV makers worldwide. China's Chery, in a joint venture with Spanish carmaker EBRO, plans to start making cars at a former Nissan plant in Barcelona at the end of this year or the first quarter of 2027. The Chery-Ebro venture said in 2024 it would aim to produce up to 150,000 vehicles a year by 2029, the South China Morning Post reports.

China issues new regulations on outbound investment

China issued new regulations on outbound investment to expand international cooperation and better safeguard the legitimate rights and interests of Chinese companies operating overseas. The new regulations, consisting of 34 articles, will take effect on July 1. China's outbound investment is continuing to grow, with Chinese companies expanding their presence in sectors ranging from manufacturing to green energy and digital technologies. China's non-financial outbound direct investment (ODI) increased 1.3% year-on-year to USD145.66 billion in 2025, while in the first four months of this year, it totaled USD63.5 billion, up 3.9% year-on-year. The regulation is expected to provide a clearer institutional framework for overseas investment against a backdrop of rising protectionism and geopolitical uncertainties.

"By promoting high-quality outbound investment and strengthening regulatory safeguards, China aims to offer greater certainty for long-term business planning, deepen economic ties with overseas markets and help anchor global growth amid a volatile external environment," said Liu Ying, Researcher at Renmin University of China's Chongyang Institute for Financial Studies in Beijing. The regulation stipulates that investors cannot export or use goods, technologies, services and related data that are prohibited from being exported under Chinese law. In addition, export or use of restricted goods, technologies, services and related data requires prior authorization from relevant authorities. The regulation is aimed at helping

companies pursue overseas opportunities while managing potential risks more effectively. Xi Guohua, Chairman of Chinese financial conglomerate CITIC Group Corp, said that clearer compliance requirements will help Chinese companies better identify sensitive sectors, avoid regulatory missteps and protect their long-term interests in overseas markets.

In a report released in late March, the Chinese Academy of International Trade and Economic Cooperation said that

the need for stronger safeguards for outbound investment has increased because some countries have recently intensified their investment reviews and regulatory scrutiny of foreign companies on national security grounds. In response to these challenges, the regulation also authorizes countermeasures against discriminatory restrictions, arbitrary business disruptions and other practices that undermine the interests of Chinese investors abroad, the China Daily reports.

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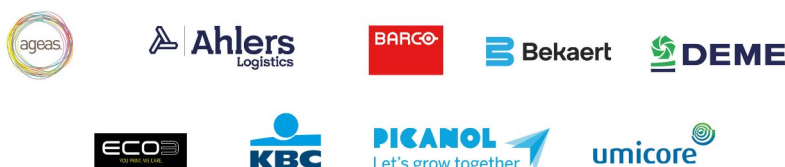
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