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In-person Keynote: The Next Big Arenas of Industrial Competition in 2026: Shaping the Future of Chinese and Global Growth – Thursday, 8 October, 16h30 - Ghent

法兰德斯中国商会 FCCC VCKK
FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

**The Next Big Arenas of Industrial Competition
in 2026: Shaping the Future of Chinese and
Global Growth**

Thursday, 8 October

16h30

**Cercle Royal La Concorde,
Kouter 150, 9000 Ghent**

Dr. Karel Eloot

- Senior Partner
- McKinsey & Company, Greater China

The **Flanders-China Chamber of Commerce** is organizing an Expert Keynote: **"The Next Big Arenas of Industrial Competition in 2026: Shaping the Future of Chinese and Global Growth"** on **8 October at 16:30** at Cercle Royal La Concorde, Kouter 150 in Ghent.

Keynote speaker:

Dr. Karel Eloot is a **Senior Partner at McKinsey & Company**, Greater China. He leads the China People and Performance Practice and co-leads the Global Metals & Mining Practice, authoring McKinsey's annual Global Materials Perspective. Since joining the firm in 1997, Karel has worked across multiple industries including advanced industries and electronics, energy and materials, technology, as well as private equity. He is the founder of McKinsey's Industrial IoT Hub, the Digital Capability Center of Tsinghua University and McKinsey in Beijing, and McKinsey Transformation in China. Living in China for almost 30 years, Dr. Eloot brings deep expertise on China's economic and industrial transformation.

The **McKinsey Global Institute** identified 18 future arenas of competition, from AI services to space, that are increasingly writing the global growth story. Since 2022, an "AI foundation" set of industries involved in semiconductors, cloud services, and AI software has added \$500 billion in revenues and \$11 trillion in market cap. Nine "omniscalers" are spending heavily and spanning multiple arenas, generating over \$700 billion in operating cash flow and investing more than \$800 billion in R&D and capital expenditures in 2025. Companies headquartered in the United States and the Greater China region account for 90 percent of arenas' market value today. US companies lead in 14 of the 18 arenas in market cap and ten in revenues, but China is now gaining ground. The findings provide a lens for CEOs, boards, and policymakers on the

growth industries of the future and highlight what they can learn from the different leadership profiles of the US and China to (re)position themselves as competitive advantage is being reshaped.

Programme

16h30-17h00 Registration and networking

17h00-17h05 Welcome by **Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce**

17h05-17h50 Presentation: "The Next Big Arenas of Industrial Competition in 2026: Shaping the Future of Chinese and Global Growth" by **Dr Karel Eloot Senior Partner at McKinsey & Company, Greater China**

17h50-18h15 Q&A session

18h15-19h00 Networking drink

If you wish to attend, please confirm your participation via the registration button below by **1 October 2026**.

Practical information:

Date: October 8, 2026

Time: 16h30

Location: Cercle Royal La Concorde, Kouter 150, 9000 Ghent, Parking: Kouter

Deadline for subscription: 1 October 2026

Participation Fee

Members: € 75 (excl. 21% VAT)

Non-Members: € 115 (excl. 21% VAT)

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FOREIGN TRADE

“New new three” give impetus to China’s foreign trade



Driven by a systemic leap in independent innovation, China’s foreign trade reached a historic high of over CNY25 trillion in the first half, propelled by orders for robots, artificial intelligence (AI) and innovative drugs, collectively known as the “new new three”. The evolution of China’s export portfolio tells a compelling story of continuous industrial upgrading. Decades ago, the “old three” – clothing, furniture and home appliances – dominated shipments, later replaced by the “new three” of new energy vehicles (NEVs), lithium-ion batteries and solar cells. Today, the “new new three” are emerging as the latest champions of Chinese foreign trade.

Chen Yutao, Deputy Director of the Standard Committee at the China Enterprise Confederation under the State-owned Assets Supervision and Administration Commission (SASAC), said this evolution represents a concentrated demonstration of **China’s shift from advanced manufacturing to an even more comprehensive innovation ecosystem**. This year, the accelerated development of the AI sector has seen China exporting algorithms, computing power and digital solutions, alongside rapid growth in AI hardware exports.

Amid the global AI boom, massive amounts of data are transmitted between data centers, with facilities increasingly reliant on **advanced optical communication networks**. In a production facility of Yangtze Optical Fibre and Cable (YOFC) in Wuhan’s Optics Valley in Hubei province, production lines are operating at full capacity. “Special optical fibers used for AI intelligent computing centers are currently in short supply due to the explosive growth of data centers,” said Wen Xiaojiang, General Manager of YOFC’s International Company. Securing these orders is the result of years of technological accumulation. Since China’s first optical fiber was produced in Wuhan in the 1970s, Optics Valley has built an industrial cluster encompassing materials, devices and equipment. Today, more than 800 AI enterprises are based in the area, with the opto-electronic information industry’s annual output exceeding CNY660 billion.

Anticipating AI computing scenarios, YOFC has proactively developed a series of optical fibers for AI computing, propelling China to the forefront of next-generation optical fiber technology. Zheng Xin, Vice President of YOFC,

explained they developed this fiber recognizing its advanced concept, believing it would be widely used. “When the AI wave arrived, this fiber was ready for those who were prepared,” Zheng said.

The rise of the “new new three” is heavily supported by China’s robust high-end manufacturing and industrial clusters. Backed by a complete industrial ecology, **Chinese robotics has become a frontrunner in the global wave of intelligence**. Inside a robotics company in Beijing’s Zhongguancun tech hub, the head of overseas business conducts a video call with a Thai agent, promptly adjusting technical solutions to customize the most suitable products. Founded in 2014, this enterprise has leveraged years of technological reserves to expand globally. Its robots are now deployed in over 40,000 hotels, more than 200 medical institutions and numerous factories in over 20 countries. Utilizing a modular architecture, the company flexibly combines a universal robot chassis with various functional components. Users can dispatch robots to complete multiple tasks by issuing voice or text commands through an AI smartphone assistant. In the first half, China’s cumulative exports of various robots reached 12.947 million units, with a total export value of CNY24.85 billion, reaching more than 160 countries and regions. Relying on abundant application scenarios and comprehensive supply chains, Chinese firms are providing smarter, cost-effective robots worldwide.

While AI and robotics exports primarily involve products and system-based services, **the innovative pharmaceutical sector is increasingly characterized by the export of patents and foundational research capabilities**. In the first half, 31 domestically produced innovative drugs were approved for market launch nationwide. Two originated from the medicine port in Hangzhou’s Qiantang New Area, a compact hub that has gathered over 300 innovative pharmaceutical companies over the past 10 years. Notably, even before achieving commercial sales, some pharmaceutical companies have already generated overseas revenue through drug patent licensing.

Qian Lili, Chairwoman of I-Mab Biopharma, recalled that 10 years ago, Chinese firms had to wait for products to be launched abroad before introducing them domestically. “Currently, we are out-licensing the rights of our self-developed products to overseas companies,” Qian said. This year, the company completed a business development transaction with U.S. company Biogen for a self-developed anti-CD38 monoclonal antibody, with a total deal value of USD850 million and an upfront payment of USD100 million. Such deals allow domestic pharmaceutical companies to jointly advance research and development (R&D) and sales with global partners, becoming a crucial pathway to enter the international market. In the first half, the total value of China’s out-licensing transactions for innovative drugs exceeded USD100 billion, setting a historical record and pushing the industry’s scale to the second largest globally, the China Daily reports.

China's trade surplus in goods with EU reaches record high



Trade relations between China and the European Union are feeling the heat following the release of the latest customs data in mid-July. In the first half of 2026, China's trade surplus in goods with the EU climbed to a record high. Yet the broader picture tells a more nuanced story. For example, a considerable share of China-EU trade is generated by European companies operating in China, with 40% of their output exported back to Europe, leaving China with the surplus and the EU with the profits. Nor should it be overlooked that the EU has long maintained a surplus in services trade with China. In 2025, China's services trade deficit with the EU reached USD48.3 billion, accounting for 41.6% of its total services trade deficit, according to Chinese authorities. The EU was, therefore, China's largest source of such a deficit.

With China's 15th Five Year Plan (2026–30) explicitly calling for a better balance between imports and exports, as well as an expansion of trade in services, experts said there remains immense potential for win-win cooperation in the sector, which could help grease the wheels of bilateral ties. Alex Zhou, Consultant at China Macro Group, a macro-economic consulting and research company with offices in Zurich, Munich, and Beijing, said the precise wording in the document is key to understanding the depth of China's commitment. "It is a pragmatic response to current geopolitical headwinds, while also reflecting China's own needs at its next stage of development. China is seeking to transition toward a growth model driven more by domestic demand, rather than relying heavily on external markets amid growing geopolitical uncertainty," he said. "Imports then become increasingly important, because in many areas, including services, the domestic supply of high-quality offerings remains insufficient, which leaves room for European providers to play a greater role."

Betty Wang, head of Northeast Asia Research at United Kingdom think tank Oxford Economics, noted that services accounted for nearly 58% of China's GDP and close to half of total employment in 2025. These figures demonstrate the sector's already substantial role in driving growth and stabilizing the job market. Yet its share of economic output remains below the 70% to 80% typically seen in developed economies, suggesting that the shift still move further. Media headlines tend to focus heavily on goods trade,

partly because tangible products, particularly those linked to national security, make for more eye-catching figures, Wang said. Services, along with the sheer size of China's untapped market, tend to fade into the background.

Experts see ample scope for the EU to export more services to China. While both are manufacturing powerhouses, European manufacturing is more service-oriented. The more sophisticated manufacturing becomes, the more it relies on services. Wang pointed to the automotive industry as an example. When a German carmaker invests in China, it sells more than vehicles alone. Engineering services design how each stage of assembly fits together. Industrial software coordinates the machinery and workers. Supply-chain and logistics optimization ensure that thousands of components arrive where and when they are needed. After a car goes on sale, services continue throughout its lifecycle, including maintenance, infotainment system updates, and more. "Knowledge-intensive producer services tend to have higher labor productivity than traditional services. They can therefore contribute not only to economic growth, but also to improving the overall quality of that growth," Wang said.

Zhou added that a big share of the revenue in European manufacturing often comes from value-added services, as well as the proprietary know-how embedded in them. Even when service providers do not make the products themselves, they retain a sizable economic return through IP licensing. In China, services accounted for only 26% of the value-added inputs compared with more than 41% in Germany. The figure suggests a "weak linkage" between services and manufacturing in China. "You cannot simply sell a product and think that is the end of it," Zhou said.

As successive waves of Chinese companies go global, professional services could offer another avenue for cooperation, experts said. Regulatory environments in Europe can be far more multilayered and complex, spanning taxation, employment, data protection, environmental standards, competition law, and corporate responsibility, before companies even turn to marketing and branding. Miguel Otero-Iglesias, Professor of Practice in International Political Economy at Spain's IE University said: "It is a whole different political, social, legal, and media environment. You seek out local partners because you are out of your depth. This is a revolution that a lot of multinational corporations have experienced before. The Americans did it before, the Japanese did it before." Businesses may naturally want domestic professional-services companies to follow them, and China is seeking to build its own "China Services" brands. What also sets Europe's professional-services sector apart is a track record built over decades of helping its companies at home build an international presence, Zhou said. "They have learned which pitfalls to avoid, with those lessons embedded in their institutional knowledge. That accumulated expertise is extremely valuable to Chinese companies," Zhou added, as reported by the China Daily.

Reducing reliance on China will be costly for EU



In a commentary, the *Global Times* argues that trying to reduce its reliance on China will prove costly to the EU. Wopke Hoekstra, EU Commissioner for Climate, Net Zero and Clean Growth, claimed that Europe must accept higher short-term costs to reduce its dependence on China for clean-energy technologies, warning that delaying action will make the strategic vulnerability harder and more expensive to unwind, according to an interview in Euronews. “These remarks by a senior EU official responsible for policies on climate change lay bare a troubling policy inclination, with geopolitical considerations gradually overshadowing the economic logic of the energy transition in Europe. According to Hoekstra, his preferred formula combines climate action, competitiveness and European independence, by which he means continuing the green transition while reducing Europe's dependence on China for clean technologies.

Yet, such an all-encompassing ambition risks achieving little on any front. **Forcing European companies and consumers to pay more for green products would only slow the energy transition and erode the bloc's industrial competitiveness.** The core purpose of the global clean-energy transition is to achieve cost-effective emissions reduction through mature industrial systems and economies of scale to address the climate crisis. This is also the climate governance goal that the EU itself has vigorously advocated for decades. However, geopolitical games are increasingly distorting the mission of Europe's green transition. In a push to reduce so-called dependence on China's green products, some within the EU even appear willing to drive up the cost of building and deploying clean energy, a plainly shortsighted approach.

Energy supply has already become a critical bottleneck for Europe's industrial development. Soaring energy prices and fragile supply chains are plaguing European manufacturing industries. In this context, an efficient energy transition is no longer an optional policy choice but

a vital imperative for Europe's economic recovery. Slowing down the green shift and erecting industrial barriers could yield higher prices that Europe may have to pay. According to a recent policy brief from the Brussels-based economic think tank Bruegel, the European Commission's own impact assessment estimates that excluding Chinese solar cell imports would more than double the price European governments pay for solar panels, while supply chains would still depend on poly-silicon imports from China.

More expensive solar panels will increase wholesale electricity prices, rippling through downstream industries and harming broader industrial competitiveness. It is also questionable whether the so-called short-term costs highlighted by Hoekstra will truly remain short-term. After more than a decade of continuous investment, technological iteration and large-scale manufacturing, China has built the world's most complete, efficient and cost-optimized industrial chain for photovoltaics, wind power, energy storage and power batteries. Creating equivalent domestic industrial capacity in Europe will require massive public subsidies, extremely long construction cycles, and painful structural adjustments to address entrenched challenges, including high regional energy costs, shortages of skilled technical workers and lengthy approval processes. Should this strategy fail to deliver the promised outcomes, Europe would lose a precious window of opportunity in the global transition race.

China's competitive edge in the global clean-energy market is forged through years of full market competition and continuous technological upgrading. Boasting a complete industrial chain layout, robust large-scale production capacity and optimized technical systems, China provides cost-effective and highly reliable public goods for the global energy transition. It has substantially lowered the green transition threshold for countries worldwide, injecting strong momentum into global decarbonization efforts.

Ultimately, **the real question for the EU is this:** At a time when the climate crisis deepens and industrial recovery pressures mount, **which approach is more costly** – sticking with multilateral cooperation and existing global supply chains to speed up the transition, or sealing off its market and pouring decades of investment into high-cost homegrown alternatives? The global energy transition is a systemic undertaking that hinges on international division of labor, collaboration, and complementary strengths. Reducing it to a geopolitical tool will end up harming not others, but Europe's own climate goals and economic future,” the *Global Times* argues.

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CHINA NEWS ROUND-UP

Mobile payments becoming better accessible to foreign visitors

An American arriving at Shenzhen Bao'an International Airport in Guangdong province can buy a coffee with PayPal. A South Korean shopping for electronics in Huaqiangbei, a sprawling electronics hub, can pay with Hana Pay. A Vietnamese visitor dining in Shekou can settle the bill with ZaloPay. In each case, there is no need to download a new Chinese payment app. Visitors can open the digital wallet they already use at home, scan a WeChat Pay QR code and pay in much the same way they would back home. That seemingly mundane transaction is becoming part of China's effort to make its mobile payment ecosystem more accessible to foreign visitors, as Shenzhen prepares to welcome more travelers and businesspeople during China's APEC host year.

TenPay Global, Tencent's cross-border payment platform, is participating in China's unified cross-border QR payment gateway, **connecting WeChat Pay's vast merchant network with nearly 50 overseas digital wallets**. In August, TenPay Global and Southeast Asian digital wallet ShopeePay announced a partnership that initially allows ShopeePay users from Singapore and Thailand to make QR-code payments in China. Wallets already connected include PayPal in the United States, Hana Pay and Travel Wallet in South Korea and ZaloPay in Vietnam, while more wallets from APEC economies are joining the network.

The shift is particularly visible in Shenzhen, a technology and manufacturing hub that has spent decades drawing entrepreneurs from across Asia. Foreign business travelers once had to exchange money before arriving, calculate exchange rates themselves and carry cash around the city. "But now, South Korean visitors can pay through digital wallets, with currency conversion handled automatically. It doesn't just make things easier for our restaurant; it can also attract more foreign tourists to China," a South Korean restaurateur said.

The move comes as Shenzhen prepares for an influx of visitors from across the Asia-Pacific during China's APEC host year, putting the city's ability to accommodate foreign travelers under a brighter spotlight. China's mobile-payment revolution made everyday transactions extraordinarily convenient for domestic consumers, but that same ecosystem could be daunting for foreigners accustomed to cash, cards or payment apps that did not connect to Chinese QR networks, industry experts said. Connecting overseas wallets directly to China's merchant network offers a different solution: **rather than asking visitors to adapt to China's payment habits, the infrastructure increasingly allows China's payment system to adapt to theirs**, they added.

The People's Bank of China (PBOC), the central bank, launched the unified cross-border QR payment gateway in July 2025, initially prioritizing the use of overseas wallets inside China. Lu Lei, Deputy Governor of the PBOC, said at a conference in August that interoperability among domestic QR-code payment systems is an important step

toward opening-up and connecting China's domestic market, advancing the development of a unified national market and supporting the industry's sustainable growth, the China Daily reports.

China scraps dividend tax exemption for foreigners

China's Ministry of Finance (MOF) and the State Taxation Administration (STA) jointly issued an announcement, **scrapping the long-standing individual income tax exemption for dividend income that foreign individuals receive from foreign-invested enterprises**, effective immediately. Chinese experts said that the change is intended to deliver equal treatment for all market players and does not represent tightening toward foreign investment. Under the new rule, dividends obtained by foreign individuals from foreign-invested enterprises **will be taxed under the category of "interest, dividends and bonus income" at a rate of 20%**. The tax exemption was introduced in 1994 to attract foreign investment during China's reform and opening-up drive.

By scrapping the exemption for foreign individuals, **the core objective is to treat all market entities equally** and foster an environment of fair market competition, Li Yong, Executive Council Member of the China Society for World Trade Organization Studies, told the Global Times. For foreign individuals whose home countries adopt worldwide income taxation, the 20% tax paid in China can be credited against tax liabilities in their home jurisdictions, so their overall tax burden will not rise materially, he added. According to Li, special tax incentives for foreign investors were products of China's early reform and opening-up period. As China's approach to attracting foreign investment has shifted, **tax preferences are no longer a major tool for drawing foreign capital**. "Foreign investors are now drawn to China by its huge domestic market, complete industrial clusters and robust supply chains," Li said.

China recorded 35,000 newly established foreign-invested enterprises in the first half of 2026, up 7% year-on-year, the State Administration for Market Regulation (SAMR) said. Separate data from the Ministry of Commerce (MOFCOM) showed that almost 4,800 foreign-funded enterprises made additional investments in China in the first half of this year, while FDI in high-tech industries surged 33.2% year-on-year. This policy adjustment targets only dividend income earned by foreign individual shareholders, rather than representing a tightening of policies toward foreign capital, Li noted. Instead, China has been encouraging foreign investment via institutional opening-up, expanded market access and improved business environment, the Global Times reports.

Charles Michel optimistic about China-EU trade talks

Charles Michel, former President of the European Council and former Prime Minister of Belgium, is optimistic about the China-EU trade talks, saying he expects progress in the coming months. He told reporters at a media briefing in Shanghai that both sides were willing to pursue more common ground through talks. “On the EU side there is an expectation that by the end of October or November, or at least by the end of the year, there will be some progress achieved in the fields of those four tracks,” he said, referring to a consultation mechanism between China and the EU established in June, where four topics – trade and investment, export controls, intellectual property rights (IPRs) and World Trade Organization reform – had been discussed.

At that time, the EU Commission set a three-month deadline for rebalancing trade ties, amid fears that cheap Chinese imports were helping to deindustrialize parts of European manufacturing. “China needs the access to the European Union’s markets, and China does not have alternatives,” Michel said, who is now Professor at the China-Europe International Business School (CEIBS). He added that EU market access was of important political and economic value, with the EU using it as leverage during negotiations.

This month, European Commission President Ursula von der Leyen is expected to announce new measures aimed at rebalancing ties with China, which national leaders will then debate at a summit in Brussels in October. Chinese exports of low-value goods to the bloc fell by 54% in value terms and 40.8% in volume terms in July, after a new tax of €3 was levied on all packages worth less than €150 coming from outside the EU from July 1. But anti-subsidy tariffs on battery electric cars (EV), ranging from 17.8% to 45.3%, have yet to effectively curb surging sales of Chinese-made vehicles to the bloc.

In July alone, China’s EV exports to France soared 365.5%, while the figure was 530.9% in the Netherlands. The Dutch figures are likely inflated, since Rotterdam is a main port of entry for goods bound for the rest of the bloc. Germany, Europe’s automotive hub, brought in 40.8% more EVs from China in July than a year earlier. In January, the European Commission and Beijing reached a consensus to replace the tariffs with price undertaking agreements with individual Chinese carmakers through negotiations. “This minimum price mechanism is already an attempt to make progress in those negotiations,” said Michel. “On the other hand, from the European perspective, it’s not so easy because implementation of such an agreement would be quite complicated,” Michel added, as reported by the South China Morning Post.

Solar has overtaken coal as China’s largest source of power

Solar power has overtaken coal as China’s largest source of installed power generation capacity for the first time, marking a landmark shift. By the end of July, China’s installed photovoltaic capacity had reached 1,286 gigawatts (GW), accounting for 31.5% of the

total, the National Energy Administration (NEA) reported, calling the milestone a “signature achievement” in China’s green and low-carbon energy transition. “For over a century, since the birth of China’s electric power industry, the historical pattern of coal power serving as the largest power source has been broken,” the NEA posted on its official WeChat account. Coal’s share of generated electricity dropped below 50% for the first time during the first half of 2026. In the first seven months of the year, the country generated 802.4 billion kilowatt-hours of solar power, a 15.5% year-on-year surge. China now produces about 80% of the world’s solar modules and has built what the NEA called the world’s “most complete and most competitive” photovoltaic industrial chain.

As large volumes of solar and wind capacity come online, China is also accelerating upgrades to its power grid, **aiming to build what it describes as a “new-type power system” capable of integrating the growing share of renewable energy.** Investment in China’s new-type power grid was expected to exceed CNY5 trillion during the 15th Five Year Plan period (2026-2030). The rapid rise of artificial intelligence (AI) has also turned reliable energy systems into a critical arena of international competition. **Large-scale AI deployment requires** vast computing power, while surging computing load is driving **sharp increases in electricity consumption.** In Changshu, an affluent city in Jiangsu province, electricity consumed by data centers and other computing infrastructure surpassed residential air conditioning demand this summer, according to state broadcaster CCTV. Citing local utility data, the report noted that the computing industry contributed nearly half of the city’s incremental power demand, becoming the main driver of the growth in electricity demand, the South China Morning Post reports.

China builds the world’s largest battery industry

China has built the world’s largest and most complete power battery industrial system after more than two decades of strenuous efforts, with leading technologies and output and sales ranking first globally for years, Wan Gang, Honorary President of the China Association for Science and Technology, said at the opening of **the 2026 World Power Battery Conference** in Sichuan province. However, Wan also pointed to challenges facing the industry. Globally, supply chains are becoming increasingly regionalized and localized, while domestically, gaps remain in some core technologies, more work is needed in forward-looking and leading-edge research, and technology bottlenecks persist in the recycling and reuse of retired batteries.

On power battery technology, Wan called for stronger research and innovation of new battery materials, including next-generation high-capacity cathode and anode materials, and highly stable electrolytes. He called for deeper research and development (R&D) and industrial application of all-solid-state batteries, faster development and large-scale deployment of hybrid solid-liquid batteries, continued improvements in liquid batteries, and greater support for the R&D and application of emerging technologies such as sodium-ion batteries.

On battery recycling, Wan called for faster

implementation and improvement of a digital identification system for power batteries, using digital technologies to strengthen oversight across production, sales, use and recycling. He said that the system should help connect data across different stages and prevent retired batteries from entering unregulated recycling channels.

On overseas expansion, Wan said that companies should carefully plan the pace and approach of their international development, while improving their overseas compliance systems for green and low-carbon businesses and strengthening after-sales service networks. Also, Chinese companies should deepen joint ventures and cooperation with overseas automakers and battery manufacturers, he said.

China's battery industry holds a dominant global position. The Ministry of Industry and Information Technology (MIIT) said in August that **China accounts for more than 70% of global output of new-energy vehicles, power batteries and key materials**. Earlier ministry data showed the country supplied about 70% of the world's battery materials and 60% of batteries. All-solid-state batteries have also been identified as a priority for the next stage of NEV development. At a ministerial meeting in January, MIIT called for faster breakthroughs in all-solid-state batteries and high-level autonomous driving technologies as part of efforts to strengthen the resilience and competitiveness of industrial and supply chains. China has also issued a technical specification for solid electrolytes used in solid-state batteries for electric vehicles, further advancing the development of related standards, the Global Times reports.

Tickets for factory tours are hard to get

Visits to Chinese high-tech factories are booming business. Five-day programs costing up to USD15,000 have seen strong demand; free slots to tour Xiaomi's electric vehicle (EV) factory are allocated through public lotteries; and tickets have reportedly been resold on secondhand platforms for as much as USD300. Senior investment executives and technology professionals are flying halfway around the world simply to take a close look at the production lines of China's smart factories for themselves. The high price of the tickets reflects the value of China's intelligent manufacturing. The willingness of foreign business leaders to spend a fortune on cross-border study tours shows that the manufacturing methods on display in Chinese factories offer an irreplaceable opportunity for firsthand observation.

At Xiaomi's Beijing EV factory, a complete vehicle rolls off the production line every 76 seconds. Since opening to visitors, the factory has received more than 250,000 visits from people from over 70 countries and regions, receiving more than 10,000 people on one occasion. Humanoid robot demonstrations in Hangzhou have also become a regular feature of the itineraries of many foreign executives visiting China. Data from the International Federation of Robotics are even more telling: China installed 295,000 new industrial robots in 2024, more than the rest of the world combined, compared with approximately 27,000 in Germany and 34,000 in the U.S. during the same period. **The essence of this "study-tour boom" is an opportunity for cooperation.** Immersive experiences of

China's technological capabilities are becoming an important window through which foreign investors can understand China and identify future opportunities.

Organizers of the tours have acknowledged that even companies that do not plan to invest in China will inevitably encounter Chinese companies in global markets, making firsthand visits an essential part of due diligence. One organizer of Chinese factory study tours noted that roughly half of its clients come from Southeast Asia. Since the end of 2025, a number of European business delegations have also visited China to learn from its experience. Shenzhen offers equally striking evidence: the number of inbound foreign visitors increased by 70% last year, and as of August 4 this year, the number of entries and exits made by foreign nationals through Shenzhen ports had exceeded 5 million. Those captivated by tours of Chinese factories are not limited to people in technology and industry. As another way to experience "China Travel," China's advanced manufacturing sector is becoming a new window through which foreign visitors can understand the country, the Global Times reports.

China is investing USD1 trillion in expanding the "six networks"

China's biggest economic buzzword this year could be the "six networks", as Beijing aims to use infrastructure investment to inject fresh momentum into an economy facing persistent headwinds such as weak domestic demand and a prolonged property downturn. The scale is substantial, with investment expected to exceed CNY7 trillion this year alone, according to the National Development and Reform Commission (NDRC). During the five years through 2030, combined investment in just three of the six networks – water, power grids and underground utility pipelines – is projected to exceed CNY16 trillion.

The program covers the national water network, power grid, computing network, next-generation communications network, urban underground pipeline network and logistics network. While some of these involve traditional infrastructure, others are closely tied to China's push into artificial intelligence and other hi-tech industries. Expanding data centers require reliable electricity, while computing hubs need high-speed communications links. Upgrading the power grid is also critical as China adds large amounts of solar and wind capacity. Investment in the water network alone is expected to create more than three million new jobs in the coming years, while funding for power-grid improvements is projected to unlock more than CNY10 trillion in total supply-chain investment.

"Over the longer term, China's 'six networks' should be understood primarily as an effort to upgrade and replace existing infrastructure, rather than simply build more of it," said Xing Zhaopeng, Senior China Strategist at ANZ Research. This would help stabilize investment without adding excessive new capacity, he added. China's overall fixed-asset investment, covering major areas such as infrastructure, manufacturing and property construction, fell by 6.7% year-on-year in the January-July period.

Among major milestones, China's intelligent computing

capacity reached 1.882 million petaflops, 2.5 times the level of a year earlier. The country is also deploying an upgraded version of 5G, known as 5G-Advanced, with enhanced capabilities such as higher speeds, while key 6G technologies have entered testing, the report said. In logistics, the Pinglu Canal is on track to open to navigation later this month, supporting surging trade with Southeast Asia. The 134 km canal links Nanning, capital of Guangxi, to the Gulf of Tonkin, also known as the Beibu Gulf, between China and Vietnam. With climate risks and natural disasters becoming more pronounced, urban underground infrastructure could receive greater attention in the near term, while computing and transport were likely to remain longer-term priorities, Xing said, as reported by the South China Morning Post.

PBOC tells G20 there is no need to devalue the yuan

China has fired back at critics of its trade imbalances at a two-day meeting of Finance Ministers and Central Bank Governors of the Group of 20 nations. People's Bank of China Governor Pan Gongsheng denied that China pursues trade surpluses, while also vowing that it would not weaponize the yuan to boost exports. He said the country remained committed to expanding domestic demand. "Addressing global imbalances requires all countries to promote their own structural reforms," Pan said. Speaking after the G20 meeting, U.S. Treasury Secretary Scott Bessent called China's current account surplus "unsustainable" and blamed Chinese opposition for preventing the G20 from issuing a unanimous statement. The U.S. Treasury pointed to four specific paragraphs that China had objected to, including one on taking steps to

"eliminate non-market policies and practices that exacerbate imbalances". "In particular, countries with excessive and persistent external surpluses should remove distortions that constrain domestic consumption and that result in an overreliance on exports for growth," that paragraph added.

China's Commerce Ministry Spokeswoman Huang Ling refuted Bessent's remarks. "The use of multilateral forums such as the G20 to hype up so-called 'economic imbalances' and 'overcapacity' is essentially promoting protectionism and seeking pretexts to exert pressure and restrictions on China," Huang said. At the G20 meeting, which took place in the U.S. state of North Carolina, Governor Pan added that deficit countries should cut fiscal deficits and raise saving rates, while **surplus countries should promote consumption and investment growth.** "China has neither the need nor the intention to gain a competitive advantage in trade through currency devaluation," Pan said.

China also opposed a section urging the International Monetary Fund (IMF) to strengthen its surveillance of structural drivers of global imbalances, as well as wording that addressed debt challenges and improving debt sustainability. It also objected to a paragraph expressing concerns over disruptions in the Strait of Hormuz, a critical Middle East chokepoint for global oil shipments. The Chinese Foreign Ministry said that China "deeply regrets" that a unanimous statement was not possible at the G20 meeting, adding that members should coordinate on global economic issues in an objective, fair and balanced manner. In his speech at the meeting, Pan attributed the deepening global imbalances to rising trade protectionism, national security issues, and unpredictable policy, the South China Morning Post reports.

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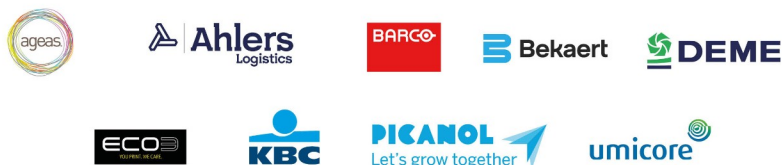
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