

China Business Weekly

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FCCC/EUCBA ACTIVITIES

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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PAST EVENTS

Learn from Barco in China: Exclusive Visit to the Innovation & Experience Center 3 September 2026 – Kortrijk



How can companies stay innovative and internationally competitive in a rapidly changing global environment?

On 3 September, the **Flanders-China Chamber of Commerce (FCCC)** organized an **exclusive visit to Barco's Innovation & Experience Center in Kortrijk**, featuring a keynote by **Ms An Steegen, CEO of Barco**. Ms An Steegen shared engaging and highly relevant insights into Barco's global activities and longstanding presence in China. She

highlighted the company's local R&D, manufacturing and supply-chain footprint, and explained how Barco is adapting to a rapidly changing Chinese market—focusing on automation, AI and local innovation. She illustrated how Barco's technologies visualize the world, from cinema and meetings to control rooms and medical imaging, while the company evolves its business models, embraces software and AI, and continues to differentiate through technology and innovation.

The session was introduced by **Gwenn Sonck, Executive Director of the FCCC**, who highlighted China's growing importance as a global innovation economy and the need for Belgian companies to understand and engage with its rapidly evolving innovation ecosystem to remain internationally competitive. She also underlined Barco's longstanding relationship with China and its role as one of the founding members of the FCCC.

During the Q&A, **Mr Domien De Witte, Vice President Sales & Marketing Immersive Experiences at Barco**, and **Mr Peru Dharanipathy, Senior Vice President Research at Barco**, discussed Barco's growth strategy, partnership approach as well as the importance of flexible and resilient global supply chains in response to tariffs and geopolitical developments. They also addressed local sourcing and strong teams in China, future mobility, and the role of new technologies such as HDR in helping Barco continue to differentiate.

The programme concluded with a **guided visit through the impressive Experience Center**, where participants discovered how Barco's technologies are applied across entertainment, enterprise and healthcare. A sincere thank you to Barco, one of the founding members of the FCCC, our speakers and all participants!

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INNOVATION

CIFTIS fair highlights innovation in services



The 2026 China International Fair for Trade in Services (CIFTIS) was held in Beijing's Shougang Park last week. The event, themed "Embrace Intelligent Technologies, Empower Trade in Services", featured exhibitions, roadshows, product launches and business matchmaking sessions. This year's CIFTIS spotlights the latest advancements in sectors such as information and communications, financial technology, digital healthcare, smart education and environmental protection.

More than 190 forums, matchmaking sessions and promotional activities were held, including the Forum on Development of Trade in Services, the Forum on

Development Trends of Digital Trade, and the World Conference on Tourism Cooperation and Development. **International participation at this year's CIFTIS is higher than last year.** The United Nations Conference on Trade and Development (UNCTAD) and the World Intellectual Property Organization (WIPO) co-hosted the Global Trade in Services Summit with China's Ministry of Commerce (MOFCOM) and the Beijing government. More than 1,800 companies, including 473 Fortune Global 500 companies and industry leaders, showcased their innovations.

Norway, the guest country of honor, presented advances in marine industries, nutrition, agriculture, energy, health, digital services, tourism, culture, home design and more. China's Guangxi Zhuang autonomous region, the guest province of honor, highlighted its achievements in artificial intelligence (AI), cross-border logistics, traditional Chinese medicine (TCM) and cultural exports.

CIFTIS 2026 focussed on four topics: open integration, win-win cooperation, digital innovation and green development. More than 200 new products and achievements were unveiled, with over 100 making their global or China debut. According to the Ministry of Commerce (MOFCOM), China's imports and exports of services reached CNY3.78 trillion in the first half of 2026, marking an 8.3% year-on-year increase. Service exports

grew by 17.6%, becoming a crucial driver of foreign trade growth.

In the ICT-themed exhibition hall artificial intelligence (AI) models catch the eye. A trillion-parameter open-source AI large model – the first of its kind fully trained and run on a domestic 10,000-GPU cards computing cluster – made its public debut, next to a “logistics super brain” AI model paired with robots for global supply-chain solutions. **China's three major telecom operators showcased their “token going global” capabilities**, exporting AI computing power and intelligent applications, moving from “laying cables” to “exporting tokens.” Their AI agents – China Telecom's TeleAgent, China Mobile's MobileClaw and China Unicom's UniClaw – made their debuts, alongside 10 service packages covering multimodal token services, computing-power empowerment for manufacturing, AI quality inspection, and secure cross-border data circulation. According to a recent PwC study report released in June, **China ranks among the global leaders in applying AI effectively across the real economy**. Liu Yaxiao, PwC China's head of its new AI Innovation Center in Shanghai, noted that more overseas clients are now adopting China's open-source AI ecosystem.

For the first time, the main exhibition featured a dedicated “China Services” zone, bringing together over 140 innovative cases across all 12 services trade categories. Nearly 40% centered on AI, large models and intelligent agents. Beyond telecoms, the zone featured

BeiDou satellite navigation services, quantum computing cloud platforms, and even reusable rocket launch services. The very establishment of this zone signals that Chinese companies are also increasingly exporting algorithms, digital intelligence and productivity solutions that are already reshaping industries worldwide.

Knowledge-intensive services have been increasingly driving China's service exports. **In the first half of 2026**, the country's total services imports and exports reached CNY3.8 trillion, up 8.3% year-on-year, according to the Ministry of Commerce (MOFCOM). Notably, **service exports grew by 17.6%**, becoming a key driver of foreign trade growth.

Daren Tang, Director General of the Geneva-based World Intellectual Property Organization (WIPO), said China has posted rapid growth in trade in services, with strong exports of knowledge-intensive services supported by the country's IP and innovation ecosystem. From a business perspective, Wu Xuchu, Vice Chairman of KPMG China, said China has become one of the world's most important growth markets for businesses worldwide, and a key testing ground for innovation. The country has developed comprehensive industrial capabilities in areas such as artificial intelligence, digital payments, optical communications, computing infrastructure and electrical equipment, Wu said.

This overview is based on reports by the China Daily, Global Times and South China Morning Post.

LEGAL

China's new anti-corruption law sets legal boundaries against foreign jurisdiction



China's new draft law on combating cross-border corruption is as much a weapon against foreign interference as it is a tool against illicit financial flows, analysts say. The draft sets out ways to block extraterritorial investigations and to retaliate against foreign anti-corruption enforcement, drawing a firm legal boundary against foreign jurisdictions while establishing its own mechanism to police overseas assets. In doing so, legal specialists warn, Beijing is also creating a

double-edged regulatory framework that will force multinationals and Chinese businesses operating in regional hubs such as Singapore to navigate data compliance dilemmas. The draft **Anti-Cross-Border Corruption Law** was submitted to the country's top legislature in late August for its first reading, and the public has until September 26 to give feedback.

Wang Ke, Member of the National People's Congress' Standing Committee, said that in the past, provisions covering the corruption had been scattered across the Supervision and Criminal Procedure Laws, complicating asset recovery and procedures for trials in absentia. However, the new draft was a “fundamental law” that integrated prevention, punishment and international cooperation “into a single chain”. The legislation will add another layer to the legal firewall that China has steadily erected over the past five years against perceived Western legal overreach. Ryan Mitchell, Associate Professor of Law at the Chinese University of Hong Kong, said “foreign-related factors in the fight against corruption are on the rise” and **“the intertwining of domestic and overseas corruption is intensifying”**. “The rising globalization of major Chinese firms makes cross-border corruption an ever more significant issue for Beijing. International

perceptions regarding the fairness of Chinese competition, or the benefits of Belt and Road Initiative projects, are also tied to such genuine concerns,” Mitchell said.

To some extent, the draft law resembles some anti-corruption laws in the West, such as the U.S. Foreign Corrupt Practices Act and Britain’s Bribery Act. **All three extend anti-corruption jurisdiction beyond domestic borders to target overseas bribery** and cross-border commercial misconduct, and put corporate compliance programs, internal accounting integrity, and third-party due diligence at the center of enterprise liability and risk management. However, the U.S. act focuses on bribery of foreign public officials and accounting controls, while the British model establishes broadly framed bribery offenses and a corporate failure-to-prevent offense, according to Wang Jiangyu, Law Professor at City University of Hong Kong.

“The Chinese draft is much more institutionally and politically integrated,” he said. The Chinese bill covers not only outbound bribery but also corruption involving Chinese public officials, state organs and state-owned enterprises (SOEs), overseas misconduct by Chinese public-sector actors, flight by suspected persons, cross-border transfers of corrupt assets, and certain foreign conduct producing effects in China. “Beijing is borrowing some internationally recognizable elements of modern anti-bribery law, but embedding them in a distinctly Chinese model combining punishment, prevention, asset protection, supervisory governance, international cooperation and resistance to what China considers abusive foreign extraterritorial enforcement,” he said.

The Chinese model includes establishing a centralized mechanism led by the National Supervisory Commission (NSC), which comes under the Communist Party’s top anti-corruption body. The Commission will coordinate with a dozen or so state bodies, ranging from public security and

finance to the cyberspace administration. “This is important because cross-border corruption cases rarely involve bribery alone. They commonly require the tracing of payments, corporate records, beneficial interests, electronic data and overseas assets,” Wang said.

China’s decision to adopt a framework like the U.S. act carries a touch of historical “irony”, according to Matthew Erie, Associate Professor of Law at the American University Washington College of Law. Erie said that in 2011, then U.S. Department of Commerce General Counsel Cameron Kerry advocated for China to adopt a law equivalent to the American legislation. Beijing responded by amending its Criminal Law that year to criminalize bribes paid to foreign officials, fulfilling its obligations under the United Nations Convention Against Corruption, he said. But those statutory provisions remained dormant for over a decade until October 2023, when a court in Guangzhou enforced them in a landmark case, convicting two former executives of state-owned China Railway Tunnel Group of bribing a government official in Singapore, Erie said. It was a signal that China’s foreign bribery laws were being enforced. What started out as a U.S. effort to encourage trade has become a state-led push to resist Western legal dominance and American long-arm jurisdiction.

Behind Beijing’s legislative shift lies **a decade of deep frustration with international legal cooperation**. Before turning to a statutory extraterritorial framework, Beijing tried for years to combat cross-border corruption and repatriate fugitives through traditional bilateral diplomacy. At its height, China negotiated 59 bilateral extradition treaties, believing that formal international agreements could serve as the legal backbone for anti-graft campaigns. However, Western skepticism blocked this bilateral framework from expanding where Beijing needed it most. Key Western destinations for fugitives either refused to negotiate bilateral extradition treaties or left signed treaties unratified, the South China Morning Post reports.

FOREIGN TRADE & INVESTMENT

Business confidence among U.S. companies in China highest since 2021



Improved financial performance and easing China-U.S. tensions have lifted **confidence among United States**

businesses in China to its highest level after 2021, according to the **2026 China Business Report by the American Chamber of Commerce in Shanghai**. The share of respondents who are optimistic about their five-year business outlook in China rose by 17 percentage points to 58%, reversing a four-year decline that had pushed the reading to successive record lows. In contrast, 16% of respondents are pessimistic about their five-year business outlook in China, the lowest level since 2021. The report suggested that the improvement in business confidence has coincided with the easing of China-U.S. trade tensions. However, U.S. companies keep a close eye on the market environment and bilateral relations.

This year’s survey followed several months of positive developments in China-U.S. relations. According to the

report, these developments signal a move toward a more predictable and constructive bilateral relationship anchored in strategic stability. “Business confidence has made a critical comeback, supported by stronger financial performance and an improved geopolitical landscape,” Jeffrey Lehman, Chair, and Eric Zheng, President, of AmCham Shanghai, said in a joint message.

According to Lehman and Zheng, optimism about the five-year business outlook in China and the proportion of members reporting profitability last year both reached record levels. Furthermore, a growing percentage of respondents expect their top-line growth to improve this year and outpace their companies’ global performance in the near term. Meanwhile, “investment sentiment has recovered, with nearly one-third of respondents planning to increase investment this year”, the message added. Profitability among the surveyed companies reached its strongest level since 2019, as 78% of respondents were profitable in 2025, up 7 percentage points from the previous year.

Performance continued to vary significantly by sector. Manufacturing remained the strongest-performing sector, with 85% of respondents reporting profits in 2025, a 5 percentage point increase from the previous year. Services recorded the lowest rate among sectors at 69%, but showed a significant year-on-year improvement, rising 14 percentage points.

China is home to 84,000 U.S.-invested companies, with a combined annual revenue of nearly USD700 billion, highlighting the strong complementarity and mutual benefits underpinning bilateral economic ties. “China is a training ground for U.S. companies to maintain their global competitiveness,” Lehman and Zheng from AmCham Shanghai said in their joint message. Chinese competitors raise the bar even higher. In the artificial intelligence sector, 43% of members view their local competitors as more advanced in AI adoption, the message added, as reported by the China Daily.

The report highlights the following bullet points:

- **Profitability rebounded to a post-pandemic peak**, with nearly four in five respondents (78%) profitable in 2025, a seven-percentage-point increase from the previous year and the highest rate since 2019.
- **Business confidence bounced back markedly** after four years of record lows.
- A majority (55%) said that the business environment in China is transparent, up 7 pp.
- Investment confidence in China improved with **28% of respondents increasing investment last year**, the highest level in four years. The share redirecting planned China investments elsewhere fell to 39%, the lowest in several years. Southeast Asia remained the top destination for those rerouting investments, chosen by 48%, though the inclination to relocate investment to the U.S. grew (29%, up 11 pp).
- For the first time since 2022, **domestic competition** (68%, up 5 pp) **was the top challenge** for members’ China operations, surpassing U.S.-China tensions (53%, down 13 pp).
- Three-quarters of members indicated that being in China benefits their U.S. operations in some way, with one-third emphasizing that their China presence enhances the global competitiveness of their U.S. operations.
- **“In China for the world,” including the U.S., was the top business strategy this year** (29%), overtaking “in China for China” (24%). The share serving global markets excluding the U.S. jumped to 22%, double that of two years ago.
- Members are betting on China-based innovation but with boundaries. Half of members with China-based R&D plan to increase spending.

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CHINA NEWS ROUND-UP

Hong Kong-Shenzhen-Guangzhou city cluster remains world's top innovation hub

A cluster comprising Hong Kong, Shenzhen and Guangzhou has been ranked the world's top innovation hub for the second consecutive year by the World Intellectual Property Organization (WIPO) in its 2026 Global Innovation Index. Tokyo-Yokohama, San José-San Francisco, Seoul, Beijing, and Shanghai, followed in the rankings. The government announced it would also deepen collaboration across the bay area to help build a modern industrial system and support national technological self-reliance. The ranking identifies local concentrations of world-class innovation activity using three key metrics: international patent filings via the organization, scientific publications and venture capital deals.

For the 2026 ranking, the Shenzhen-Hong Kong-Guangzhou cluster filed 2,259 patent applications, published 4,060 scientific articles and had 138 venture capital deals per 1 million inhabitants over the last five years. **Huawei Technologies was the top patent applicant in the Shenzhen-Hong Kong-Guangzhou cluster**, while Sun Yat-sen University in Guangzhou was the leading publishing organization, the report showed. Mitsubishi Electric and the University of Tokyo led patent filings and publications in Tokyo-Yokohama, while Google and Stanford University topped those categories in San José-San Francisco. Samsung Electronics stood out as the top patent filer in four economies: Seoul, Bengaluru, Moscow and Warsaw.

China ranked first globally with 25 innovation clusters, followed by the United States with 20. Germany had seven, while the United Kingdom and India each had four. The report also published an **Innovation Intensity Ranking**, in which San José-Francisco topped the list with a total innovation intensity share of 1.836 per capita. **Shenzhen-Hong Kong-Guangzhou ranked 44th** with a score of 0.278, up one spot from 2025, the South China Morning Post reports.

Foreign investors attracted by technology and innovation

Technology and innovation are playing a growing role in bolstering China's appeal among foreign investors, while Chinese enterprises are accelerating their footprint overseas in green and clean-tech industries, experts and business leaders said at a transnational investment conference during the **26th China International Fair for Investment and Trade in Xiamen**, Fujian province. The event featured the release of the **Statistical Bulletin of FDI in China 2026** and the **Chinese edition of the 2026 World Investment Report**. Global FDI rose 6% to USD1.6 trillion in 2025, but growth remained highly concentrated across specific destinations and industries, said Li Nan, Director of the Division on Investment and Enterprise at

UNCTAD. Strategic industries, including artificial intelligence infrastructure, semiconductors, critical minerals, and energy transition technologies and services, accounted for 44% of global greenfield investment project value in 2025, up from 16% in 2020, Li said, adding that China remains a major destination and source of international investment, with foreign investment increasingly directed toward advanced manufacturing, technological innovation and modern services.

The Ministry of Commerce (MOFCOM) said **China's utilized foreign investment fell 6.2% year-on-year to CNY438.33 billion in the first seven months**. However, inflows into high-tech industries rose 32.7% to CNY182.31 billion, accounting for 41.6% of the total. The number of new foreign-invested enterprises increased by 4.4% year-on-year. Pan Yuanyuan, Senior Research Fellow at the Institute of World Economics and Politics, Chinese Academy of Social Sciences (CASS), said the value of foreign investment extends beyond capital injections to research and development (R&D), technology, sales networks and management expertise.

Wu Huimin, Executive Dean of the China International Capital Corp Global Institute, said companies should bring innovation capabilities and management experience gained overseas back to China to help prevent industrial hollowing-out and strengthen the domestic foundations of outward investment, the China Daily reports.

China to become growth market for data center cooling

Danish pump and water solutions provider Grundfos expects China to become a key growth market for **advanced data center cooling** as the rapid expansion of artificial intelligence (AI) raises computing density and puts mounting pressure on electricity and water supplies, a senior executive said. Data center solutions have grown from a niche operation into one of Grundfos' core businesses over the past few years, said Julian Trascasa Cano, the company's Vice President for Industry Solutions and marketing. Cano told China Daily that he expects strong demand growth to continue for at least three years, with data center cooling among the company's fastest-growing markets globally and in China. "Data requirements in the world are growing exponentially, and that trend is only going to accelerate," Cano said. The expansion is particularly significant in China, whose intelligent computing capacity reached 2,185 exaflops by the end of June, up 177% year-on-year, according to the Ministry of Industry and Information Technology (MIIT). The overall utilization rate of the country's computing facilities stood at 71.4%.

That expansion is also changing how the industry defines a green data center. The sector is shifting from standalone energy-efficiency improvements toward coordinated management of computing power, energy and water resources, the China Academy of Information and Communications Technology (CAICT) said. CAICT and

Grundfos jointly released a white paper emphasizing that linking computing equipment with cooling, energy and water systems was becoming increasingly important to data centers' overall efficiency. As AI chips consume more power and racks become denser, **conventional air cooling is increasingly unable to remove heat quickly enough**. Nearly all electricity consumed by a data center ultimately becomes heat, making fluid systems critical to performance and equipment safety, Cano said. **Liquid cooling transfers heat more effectively than air**, but does not automatically reduce overall energy or water consumption. This is especially relevant to China's computing hubs in the western regions, where cooler climates and abundant renewable electricity can reduce cooling requirements, but water scarcity may make even relatively modest consumption a burden on local resources.

Cano said better coordination between computing loads, cooling equipment and water flows could cut total electricity use by as much as 12% in a well-run data center, without requiring large-scale replacement of existing assets. The surge in data center demand has already helped lift the Danish company's results. Grundfos reported revenue of USD2.78 billion in the first half of 2026, with sales rising 7.7% in local-currency terms. It identified data center solutions as a key growth driver, particularly in the United States, where overall company sales rose by more than 20%. In China, Grundfos operates manufacturing plants in Suzhou and Changshu, Jiangsu province and Shanghai's Minhang district, as well as local R&D operations, the China Daily reports.

Teacher calls to demote English as a core subject in schools

Calls to reduce English as a core subject in China's education system have resurfaced after a famous maths teacher urged the country to end "worshipping foreign things". The controversy has revived a long-running debate over the role of English in Chinese schools. Tang Jiafeng, a maths teacher known for coaching students through the national postgraduate entrance exam, said on social media that children, parents and schools had devoted disproportionate amounts of time and resources to English, a subject he argued had little relevance to the jobs most people eventually did. "I publicly call for English to be stripped of its status as a core subject," Tang wrote. **"No country in the world places English in such a supreme position as we do."** He argued that Chinese children were being pushed to cram in English before they had even mastered their own language. "English is just a tool. It is enough to know how to use it," Tang said. "The history of Chinese people worshipping foreign things and fawning over foreigners should end!"

His remarks came after history was reduced in weight as a subject in local exam reforms, a decision he said left him "heavy-hearted". History lessons helped students remember the hardships of earlier generations and develop sound values, Tang said, adding that if any subject deserved to be assigned less weight, it should be English rather than history. At present, English is a core subject in China's basic education system, alongside Chinese and mathematics. In the traditional 750-point structure of the

national college entrance examination, each of the three subjects is worth 150 points. While the weighting and assessment of other subjects have been reshaped in recent years as part of reforms, the three subjects have stayed central to China's exam-oriented education system.

Not everyone agreed with Tang. Former Global Times Editor-in-Chief Hu Xijin said those who denounced English learning as "worshipping foreign things" and sought to remove it as a core subject were "extreme", "narrow-minded" and using nationalist rhetoric to portray their position as patriotic and morally justified. Hu said English should remain a core subject because it could give students access to international knowledge and opportunities across a range of fields. Weakening English in basic public education could undermine educational equality, he added, saying that wealthier families would still be able to pay for private English education while students from less privileged backgrounds would lose access to the same opportunities. "Basic education should leave everyone room to advance as far as they possibly can," Hu said. "This is not about 'worshipping foreign things', it is about educational equality at the starting point of real life," Hu said, as reported by the South China Morning Post.

Trump administration criticizes Ford's business with Chinese firms

U.S. Transportation Secretary Sean Duffy in a letter to Ford CEO Jim Farley **criticized Ford Motor's business partnerships with Chinese companies**, including with CATL, Geely and BYD, saying they posed national security concerns. He urged Ford to cut ties with major Chinese companies. The U.S. Department of Transportation (DOT) was "deeply alarmed" by Ford's reliance on licensed technology from Chinese battery manufacturer CATL at its plant in Marshall, Michigan, and noted that CATL is on the Pentagon's list of companies accused of ties to China's military. He also criticized the company's decision not to move production of the Lincoln Nautilus from China to the United States until 2030, leaving the company reliant on Chinese manufacturing for several more years. Ford, in a statement, said Duffy's "letter is a wrong-headed attempt to capture headlines". The company added that "while others continue to import Chinese batteries, Ford is investing to build batteries here in America" and added that "Ford owns the plant, controls the operation and employs the workforce".

"When a company intentionally chooses to deepen operational dependencies on strategic competitors, it fails to act as the reliable partner the American public and this DOT require," Duffy said of Ford. Ford's deal with Geely faced criticism in July, with the chair of the U.S. House Select Committee on China, Congressman John Moolenaar of Michigan, saying the "partnership with Geely will further enable China's decimation of auto markets in Europe". It has also faced criticism for its partnership with CATL.

U.S. President Donald Trump is set to meet with Chinese President Xi Jinping later this month. Duffy's comments come as Congress is pushing to tighten a ban on Chinese vehicles in the United States. Major carmakers urged Congress to pass the ban before the end of the year and expressly urged lawmakers to bar BYD and other Chinese carmakers from receiving waivers to sell vehicles in the

United States, the South China Morning Post reports.

China's foreign trade up 17.6% in first eight months

In the first eight months of the year, China's foreign trade increased 17.6% to 34.78 trillion, sustaining double-digit growth and highlighting the country's resilience despite a sluggish global trade recovery and geopolitical conflicts disrupting global industrial and supply chains. **Exports reached CNY20.17 trillion, up 14.6% year-on-year, while imports stood at CNY14.61 trillion, rising 22%.** In August alone, foreign trade grew 19.8%, with import growth outpacing export growth for the sixth consecutive month, according to China's General Administration of Customs (GAC). Lü Daliang, Director of the GAC's Department of Statistics and Analysis, said that China's goods trade maintained steady growth momentum in August. In terms of scale, the country's foreign trade value exceeded CNY4.5 trillion for three consecutive months. In terms of growth rate, both exports and imports have registered double-digit year-on-year growth for four straight months. These figures fully demonstrate the resilience of China's complete industrial system in underpinning foreign trade, as well as the strong impetus of technological innovation in boosting trade performance, Lü said.

Meanwhile, as the year-on-year growth rate of imports has outpaced that of exports for six consecutive months, China's super-large market has provided and will continue to provide vast opportunities for exporters from all over the world, Chinese analysts noted. Due to the rapid development of the global artificial intelligence (AI) industry, **China's integrated circuit (IC) imports and exports both registered year-on-year growth** during the period. High-value-added products have become a key driver of China's foreign trade, underscoring the country's continued progress in manufacturing transformation and upgrading, Chinese experts said. China's IC exports for the January-August period totaled USD256.75 billion, up 103.9% year-on-year, while imports recorded an increase of 61.7%. Exports of automatic data processing equipment and their parts also surged 49.4% year-on-year.

"As advances in large language model technology and the development of AI agents accelerate, global demand for computing power and storage is expanding rapidly. This is driving growth across the overall IC market and, in turn, significantly boosting China's exports and imports of related products," Hu Qimu, Professor at the Maritime Silk Road Institute of Huaqiao University told the Global Times. Technology Analyst Xiang Ligang highlighted two major advantages in the country's IC industry. "The first is strong infrastructure-building capacity: the continued expansion of domestic fabs in recent years has made the IC supply chain increasingly complete, laying a solid foundation for the sector's growth. The second is technological advancement: more advanced process technologies have lowered production costs and sharpened China's international competitiveness," Xiang told the Global Times.

Huawei launches new mobile phone chip using LogicFolding technology

Huawei Technologies unveiled its latest flagship chip, the Kirin 9050 Pro, marking the company's first new high-performance Kirin processor launch since the Mate 40 smartphone's global debut six years ago. The chip, which powers Huawei's newly released Mate XT 2 tri-fold smartphone, is the industry's first high-performance processor to adopt the company's LogicFolding technology. The approach **rearranges logic units within a single chip into layered stacks** – akin to converting a single-floor layout into a duplex – and adds vertical interconnect channels that function like "elevators" to shorten signal paths and reduce latency. The result is a 42% improvement in overall device performance over the previous generation chip, Huawei said.

Yu Chengdong, Huawei's Executive Director and Chairman of the Terminal Business Group, described the chip at the launch event in Guangzhou as "super fast, intelligent and cool", calling it the most powerful Kirin chip to date. The Kirin 9050 Pro delivers substantial improvements in large-file loading, multitasking, rendering performance and on-device artificial intelligence capabilities, Huawei said. According to real-world test data, **the chip packs 55% more transistors per square millimeter than its predecessor**, the Kirin 9030 Pro, jumping from approximately 155 million to 238 million transistors per sq mm in a single generation. The Lingxi CPU delivers a 24% increase in single-core peak performance and a 52% boost in multi-core concurrent performance. The breakthrough comes from LogicFolding, a concept rooted in what Huawei calls the "Tau Scaling Law", a theoretical framework first proposed by He Tingbo, President of Huawei's semiconductor business, in May.

He published a third update in less than four months, saying that dense 3D stacking would inevitably lead to increased heat, as most of the energy consumption in modern chips comes not from computation itself, but from moving data across long on-chip wires. **LogicFolding replaces long horizontal links with short vertical connections**, cutting typical core wiring length by about 20% and reducing some critical paths by up to 70%. Xiang Ligang, Director General of the Information Consumption Alliance, said that the Kirin 9050 Pro represents more than just a performance upgrade. It is a statement that the Huawei's chip design capabilities continue to advance even as its access to U.S.-related advanced chip manufacturing equipment remains constrained, the China Daily reports.

On September 16, **ZTE's smartphone brand Nubia is set to release its NaviX Ultra**, a device it calls **the world's first mass-produced artificial intelligence-agent smartphone**, marking a major step in the commercial rollout of on-device AI models in China. The NaviX Ultra is powered by ByteDance's Doubao AI Phone Assistant, integrating the AI model at the system level rather than as a stand-alone app. Users interact with the embedded AI via voice or a dedicated orange button.

Supreme Court issues guidelines on AI

China's Supreme People's Court has issued a guideline to address the misuse and abuse of artificial intelligence (AI), and bolster the protection of individuals' rights in the digital age. This is the first set of judicial rules on the handling of AI-related cases to be released by the country's top court. The 24-article document responds to hot-button issues that have stirred public debate over the past few years, including AI face-swapping, voice cloning and doxing, providing criteria for identifying those who use AI to infringe on rights and holding them accountable. According to the guideline, using someone's voice without consent to create synthetic speech that mimics their timbre, tone and speaking style constitutes an infringement of their voice rights. Similarly, using AI to process a person's name or likeness without permission to create and distribute a recognizable digital avatar is considered a violation of their right to name and likeness.

Zhou Jiahai, Director of the SPC's Research Office, noted that **the basic aim of the guideline is to balance development with security.** "It strikes a balance between curbing AI abuses to strengthen judicial protection of people's rights in the digital era, and supporting technological and industrial innovation to safeguard the healthy development of AI," he said. Si Yanli, Deputy

Director of the office, advocated a tolerant yet prudent approach to balancing the protection of these rights with the growth of the AI industry. However, she noted that tolerance should not be mistaken for permissiveness, nor should prudence be interpreted as acquiescence. "In practice, many people express their strong concerns about AI deepfakes. AI face-swapping technology can indiscriminately harvest anyone's likeness, making ordinary people potential targets of deepfakes," she said. "AI voice cloning technology can also 'steal' voices at a very low cost, with results that can be convincingly realistic."

Si noted that these issues are key reasons behind the formulation of the guideline and underscore the need to standardize judicial practices across the country, a move that sends a clear message against the misuse of AI technologies that infringe on personality rights. While calling for an intensified crackdown on those using AI to infringe upon people's name, voice and reputation rights, the guideline also calls for a stronger crackdown on doxing – the practice of obtaining and publicly disclosing others' personal information online. "Doxing has emerged as a prominent form of cyberbullying, gravely violating victims' privacy, disturbing their daily lives and eroding public security in cyberspace," Si said, as reported by the China Daily.

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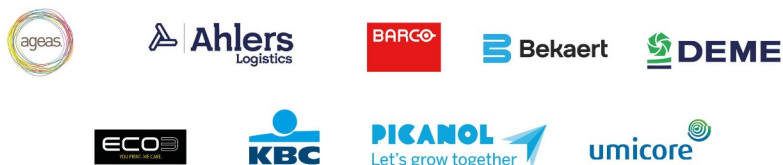
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