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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



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

Lamy: EU's choice on China trade is to rebalance or go protectionist



Pascal Lamy, former Director General of the World Trade Organization (WTO) from 2005 to 2013 said in a wide-ranging interview with the South China Morning

Post that the EU had two choices in its China trade policy: **either rebalance or go protectionist**. He said that the Chinese authorities' lack of interest in addressing structural macro-economic imbalance was a 'huge problem' for the European Union. He added that free trade was not dead, but that he never used the expression because it was misleading. **"Trade is never free. It is either more or less open. Free trade is not dead, it was never born."**

"The question is whether the move to open trade and an increasing volume of international trade is still continuing. If you look at the numbers, trade is still growing in volume. This means that **trade is more open than it used to be**. But there is a catch: **the growth of international trade**, at least **benchmarked against the growth of the economy**, **has slowed**, Pascal Lamy said."

"The slowdown can be attributed to many reasons. Starting with **the main factor**, which is **the fragmentation of production systems** that has led to the global supply

chains that now span the world. The expansion of the supply chain and the fragmentation of production has limits. It is efficient and productive at some stage, for some products in some conditions. But we've probably reached a stage where the efficiency gains stemming from the multi-localization of production systems are slowing, with decreasing yields, like any productivity curve. At some stage you reach a level where economies of scale are less important than at the beginning of the process.

Reason No 2 is that trade openness trends are now counterbalanced by trade-restricting attitudes among a number of international trade players, given the United States' position and the huge growth of China's exports and surplus. There are also growing reactions in some places to the expansion of international trade for social or environmental reasons."

As Europeans, we have three problems in global trade today, Pascal Lamy continued. "A small one, a medium-sized one and a big one. **The small one is the U.S.** The U.S. has embarked on a protectionist crusade, which stems from the deep belief by U.S. President Donald Trump that tariffs are the Swiss army knife of the 21st century economy, which is not so. The ones who pay the price for that at the end of the day are U.S. consumers. But even if he makes a lot of noise about his attempt to de-globalize the planet, this will not happen."

"Then we have **the medium-sized problem**, which is **that the World Trade Organization**, the international institutional engine for opening trade, **is not working in the way it used to work**. This is mainly a problem of organization. The fact that the U.S. de facto left the WTO. The fact that although a new dispute-settlement system has replaced the previous one, it does not work with the U.S.. The fact that all decisions, including on minor issues, are still taken by consensus, and that the secretariat is not allowed to exercise its potential authority based on its first-class expertise. And the third one, in my view, is the main reason. The WTO has not been able to develop new trade-opening agreements in areas where international trade has moved a lot – digital trade for instance, which matters a lot for services – and we should always remember that international trade is goods plus services, plus the invisible part of international exchange trade today, which is about trillions of pieces of data."

"Then we have a big problem, which is China, which is a problem for every country. It's a huge problem for us Europeans because **we have a mega trade deficit, growing in an unsustainable way**. And for the European Union, addressing this problem is a very tough task. The main reason behind it is the macroeconomic imbalance of China, which is structural, which Chinese authorities have not addressed, do not want to address, although they've been saying for many years that Chinese growth should be rebalanced – with more domestic consumption. It is not happening, and we are in a situation where industry in

China produces twice as much as it consumes in industrial goods, hence the debate about overcapacity. China now has comparative advantages in most of the supply chains in manufacturing. Not yet in agriculture, and not yet in services. But I believe China wants to get there, following a policy developed by the Chinese government, mostly since 2010. China already has plans to make itself self-sufficient in food – why not in services too later? Because of the strategic concept that China has to become more self-reliant. In energy, in manufacturing, in technology, **China has, so far, been formidably efficient in constructing self-sufficiency**; other sectors will come."

"This is a major systemic problem, because trade opening has always been based on the theory of comparative advantage. I do something better than you do. You do something better than I do. We have a rational interest to trade, which is, by the way, the philosophical basement of the WTO. The WTO is built with the mission of promoting open trade because opening trade is a good way to create growth and welfare, because it is based on the efficiencies stemming from the exchange of comparative advantage, the international division of labor. This game seems to be over with China today. **China has gained comparative advantages all along the industrial production chain** for various reasons. Some of which are legitimate. They have a huge market. They have a formidable education capacity, and this is something where they have built their own comparative advantage, and they have a political regime that allows a level of strategization, coordination, multilayered intervention, which is incredibly efficient. This has a lot to do with the political regime, and this is something, of course, that we Europeans would hesitate to emulate for a variety of reasons. China also uses its state-owned sector, its state-owned banks, its budget to heavily subsidize sectors – which is not in the spirit of a fair international division of labor – benefiting from the fact that WTO disciplines on subsidies, state support and state ownership, have remained very weak."

"This is the situation we Europeans now have to face. It's not just a bit different from what it was before, where maybe we could adjust the recipes here and there with a bit more or a bit less of anti-dumping or countervailing duties. **The size of the deficit is now out of reach of the normal instruments which the WTO provides** to regulate trade and absorb import shocks. With China trade dynamics, we are entering a new world, a new paradigm, which opens a lot of questions about WTO disciplines."

"We Europeans are reaching a moment of truth with trade and China. **Either we can convince China to rebalance the system and decrease its exports or we will have to go protectionist**. Let's test the willingness of China to seriously address the problem. This is the first option and in my view, the good option, provided China shows signals that it is ready to address the problem. This is Plan A. We need a Plan A, but we also need a Plan B," Pascal Lamy told the South China Morning Post.

AEROSPACE

Comprehensive aerospace ecosystem taking shape in Hainan



Hainan is betting on its growing aerospace cluster to expand its economy beyond tourism. On Hainan's northeastern coast, launch towers rise abruptly from a flat landscape of coconut palms and open sky. At Pad 1 of the commercial spaceport in Wenchang, an 83-meter service tower stands surrounded by four slender, steel lattice towers, designed to protect the launch site from lightning during the island's frequent tropical storms. No mission is scheduled, but an orange flame flickers from a gas vent at one facility. Long known for its coconuts, its namesake chicken and generations of emigrants who left for Southeast Asia in search of a living, **Wenchang has been thrust onto the frontier of national development.** Beijing's space ambitions have turned the city into a showcase for rocket launches – and given Hainan an unexpected catalyst to reshape an economy long reliant on tourism and consumer services.

Today, the island province is working to build a more diversified and sustainable growth model and, together with its ambition to host a premier free-trade port, is embracing a hi-tech future increasingly centered on the space economy. "Commercial space flight could give Hainan a clearer manufacturing focus while complementing its traditional strengths in tourism and consumer services," said Peng Peng, Executive Chairman of the Guangdong Society of Reform.

Home to more than 10 million people and comparable in size to Belgium, Hainan now boasts a growing industrial cluster known as **Wenchang International Aerospace City.** At its center are two state-owned rocket launch facilities: one serving national programs and another handling commercial missions. The Wenchang Space Launch Site staged its first launch in 2016 and focuses mainly on lunar exploration and human space flight. Just a few miles away sits the Hainan Commercial Space Launch Site, China's first dedicated commercial launch site. Since its inaugural mission in November 2024, the commercial site has completed 21 launches and has sent 221 satellites into orbit, according to Xu Xikai, Deputy Director of the Development Department at Hainan

International Commercial Aerospace Launch, the site's operator.

Two more general-purpose liquid-fuel launch pads are also under construction and could host their maiden missions by the end of this year, Xu noted. Longer-term plans envision as many as eight large coastal launch pads, together with tracking facilities and systems for recovering rockets at sea. Massive rockets can be delivered directly by sea, bypassing the road, tunnel and bridge constraints faced by inland facilities. At about 19 degrees north latitude, rockets gain an extra boost from the Earth's rotation, reducing fuel or allowing heavier payloads, Xu explained. Geography, however, also points to one of Hainan's economic weaknesses. The island has historically lacked a heavy industrial base, meaning much of the specialized hardware and construction materials required for space manufacturing must be shipped in from the Chinese mainland.

The challenge for Hainan is transforming launch sites into the nucleus of a wider industrial ecosystem – and early signs are encouraging. Wenchang International Aerospace City recorded a surge in revenue amid an unprecedented pace of rocket launches. The aerospace park's revenue jumped 85% in 2025 to CNY23.53 billion, while manufacturing output from its rocket supply chain more than doubled to over CNY8 billion. Under a provincial action plan from 2025 to 2027, Hainan also aims to raise annual operating revenue at Wenchang's aerospace cluster to CNY10 billion by 2027, while building an integrated supply chain spanning rockets, satellites and data services.

The expansion comes as Beijing presses ahead with reforms to open the island further and develop new sources of growth – though competition is intensifying. Two other commercial launch sites have already begun operating in Gansu and Shandong provinces while at least four more are under development nationwide. To stay ahead, Hainan's strategy is to push further up the industrial chain. Its action plan prioritizes a **"super factory" next to the launch pads, designed to produce up to 1,000 satellites annually.** The location would allow freshly assembled satellites to move straight from production line to launch pad with very little transit time.

Described by local authorities as Asia's largest satellite-manufacturing facility, the industrial complex is also expected to support China's Qianfan low-Earth-orbit constellation. A planned special bonded zone for satellite data would further leverage Hainan's free-trade policies to attract data from overseas. The Hainan Commercial Space Launch Site handled more than 30% of China's commercial satellite launches in 2025 and successfully carried out the country's first offshore rocket booster recovery. Putting a rocket into orbit, however, is only one part of the emerging space economy. Hainan must capture a larger share of the value generated after a rocket launches, the South China Morning Post reports.

ARTIFICIAL INTELLIGENCE

DeepSeek opposes calls for “AI pacing” by CEOs of Anthropic and OpenAI



Liu Shengyu, a DeepSeek engineer behind the company's V4.1 models, said he did not support calls by U.S. industry leaders Anthropic or OpenAI to “pace” AI development amid safety concerns and called for making cutting-edge AI “open and affordable” by developing open-source models. “I especially don't want Anthropic to master the most advanced artificial intelligence or AGI,” he wrote in a social media post. AGI refers to AI systems that match or surpass human-level intelligence. Liu compared the prospect of Anthropic controlling the most advanced AI to Adolf Hitler and Nazi Germany acquiring nuclear weapons before the Allies, noting that a belief in the fostering of inclusive and open-source AI was among the reasons Liu had chosen to remain at DeepSeek.

Anthropic CEO Dario Amodei called on frontier AI companies to “pace” development, warning that capabilities were advancing faster than safeguards. OpenAI CEO Sam Altman and xAI founder Elon Musk have since backed his calls to slow the race. But other Chinese observers have similarly questioned the motives behind calls to slow AI development. The Dongbuyaqiao Research Institute, an independent Chinese research platform, said Amodei's comments could have been “an attempt to gain greater control over industry rules before they are fully established”. Amodei also singled out China, arguing that a Chinese lead in AI would pose a “grave danger” to the United States and the world. He called on the U.S. to maintain restrictions on exports of advanced chips and chipmaking equipment to China. Despite the safety warnings, Anthropic was still expected to go public later this year, with a targeted valuation of around USD2 trillion.

The remarks drew a sharp response from Beijing. China's Foreign Ministry Spokesman Guo Jiakun, said at a regular news briefing that “fear mongering, confrontation and vicious competition will only hamper efforts towards sound global AI governance”. Du Hengfeng, Commentator for National Business Daily, a major Chinese financial newspaper, wrote that “direct commercial returns are the deeper motivation” behind the U.S. tech companies' calls for safety and alignment.

The heated rhetoric underscores an intensifying dispute over how the world's most powerful AI systems should be

developed and who gets to set the rules governing them. A commentary in the Global Times described Amodei's proposals as a “quiet AI cold war”, arguing that they were aimed at preserving America's technological lead while excluding China from global AI governance. U.S. President Donald Trump also dismissed calls for an industry-wide slowdown, arguing that restraining American AI development could hand an advantage to China. “AI taking over the World, destroying Humanity, and all other things bad, is a HOAX,” Trump said in social media posts, as reported by the South China Morning Post.

The China Daily added that **China's Minister of State Security Chen Yixin, recently called for the swift establishment of a comprehensive system to prevent and control risks** related to artificial intelligence to ensure the technology's healthy and orderly development, as AI becomes a key area of global technological competition. Chen said AI has become a new strategic battleground among major powers and stressed the need to promote its development while strengthening security measures and governance. In an article in a magazine published by the Cyberspace Administration of China, Minister Chen described AI as a driving force behind a new wave of technological revolution and industrial transformation, saying it is rapidly being integrated into all aspects of society and reshaping global economies, technological innovation and social governance. At the same time, he called for a clear understanding of the risks and challenges brought on by the rapid development of AI and said efforts must continue to ensure security is maintained.

Chen said AI is having an impact not only on political and national security, but also on cybersecurity, espionage, data protection, technological development, social governance and military affairs. As of June, more than 500 million people in China had used AI products, which are being adopted rapidly. He said hostile forces and malicious actors are taking advantage of generative AI to spread political rumors, harmful information and stir up conflicts. “This poses a direct threat to China's political, institutional and ideological security,” he said. It is also becoming easier and cheaper to launch cyberattacks that pose serious risks to China's critical information infrastructure, he added.

But he also pointed out that restrictions imposed by some countries on access to advanced technologies and equipment in the name of national security have hindered technological innovation and created additional challenges for the global AI industry and supply chains. Meanwhile, the rapid development of AI is outpacing existing laws, ethical standards and governance mechanisms, making effective regulation more difficult. AI is also changing the nature of warfare, Minister Chen added, with algorithms increasingly helping determine the accuracy and effectiveness of strikes and potentially influencing the outcome of battles.

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CHINA NEWS ROUND-UP

EU Commission President warns “second China shock” is affecting Europe

European Commission President Ursula von der Leyen's state-of-the-union speech on September 17 offered few details on new trade measures targeting China, but its sharp tone was designed to send a message to Beijing, analysts said. Von der Leyen warned that a “second China shock” was already affecting Europe and vowed that the EU would use all available tools to rebalance its trade relationship with the country. Her remarks came as the European Union's October deadline for securing tangible results in rebalancing trade with China approaches. EU Trade Commissioner Maros Sefcovic held a video conference with his Chinese counterpart Wang Wentao as planned on September 18. Though Von der Leyen's speech was light on specifics, the fact that China was the third topic addressed and explicitly mentioned as a threat to Europe was significant, according to Peter Chase, Senior Fellow at the German Marshall Fund and a former U.S. diplomat in Brussels. “Where it was placed and how explicitly she spoke were the more important messages than the actual words that she used,” he said.

Others saw the speech as a sign that **von der Leyen still wanted Europe to deal with China within the framework of the World Trade Organization (WTO)**. “For me, the important signal is that there was no reference to new instruments,” said Ignacio Garcia Bercero, Senior Fellow at the Bruegel think tank and former Director at the European Commission's Trade Department. The fact that she refrained from mentioning any specific measures also indicated that the priority was still for both sides to see what could be achieved during a coming round of trade talks in October, he said.

Analysts agreed that the ongoing trade talks could be a reason von der Leyen did not announce any new measures. “It would be inappropriate to say, ‘we already committed to this deadline for these negotiations, but we're going to go ahead and start doing all this stuff anyway’, that would be very unusual by European diplomatic standards,” said Jacob Gunter, Head of the Program for Economy and Industry at the Mercator Institute for China Studies.

It would also be politically risky for von der Leyen to go too far in her speech, given the delicate power balance between the EU Commission and member states, which could hurt the EU's ability to build a political consensus

next month and take concrete actions, according to Gunter, as reported by the South China Morning Post.

China expresses grave concern over EU's Public Procurement Act

China's Ministry of Commerce (MOFCOM) has expressed grave concern over the European Commission's proposed Public Procurement Act, which includes “European preference” provisions that could exclude or restrict third-country companies. Implementing the protectionist measures would inevitably strain trade ties between China and the European Union, officials and experts said, calling for deeper industrial cooperation and fewer barriers to trade. The European Commission unveiled the proposal on September 9, allowing public buyers to favor EU suppliers and restrict access for foreign bidders not covered by the EU's international procurement commitments. Security and supply chain resilience could also be weighed in bid evaluations, according to the draft.

“The EU is pursuing protectionism in the name of cybersecurity and industrial development,” MOFCOM Spokesman He Yadong said at a news conference in Beijing. He pointed to two other legislative proposals put forward by the EU this year – proposed revisions to the Cybersecurity Act, as well as the Industrial Accelerator Act – saying that the EU has repeatedly introduced discriminatory provisions and tightened market access conditions. The Ministry called on the EU to amend the discriminatory provisions of the proposed legislation, abide by World Trade Organization rules and keep its market open. “The EU should provide a fair, transparent and non-discriminatory business environment for companies investing and operating in Europe,” He said.

Cui Fan, Professor of International Trade at the University of International Business and Economics in Beijing, said that implementing these discriminatory restrictions would set back China-EU trade and cooperation across industrial supply chains, the China Daily reports.

Separately commenting on media reports that the EU asked China to voluntarily restrict exports of hybrid vehicles to Europe, a Spokesperson for the Ministry of Commerce said that **so-called “voluntary export restraints” seriously violate WTO rules and run counter to the principles of the market economy and fair competition**. China firmly opposes this. China's position is consistent: any solution between China and the EU must ensure a balance of interests, comply with WTO

rules and the respective domestic laws of both sides, and fully take into account the interests of both industries, according to MOFCOM.

World's first embodied AI theme park opens in Zhuhai

The world's first large-scale embodied artificial (AI) theme park, jointly developed by Chinese AgiBot and Chimelong Group opened at the Chimelong Spaceship Park in Hengqin, Zhuhai, Guangdong province. A number of industry-first achievements were unveiled, including the world's first large-scale innovative application of 5G-A-enabled embodied AI in a cultural and tourism scenario. As the world's first and largest-scale embodied AI theme park, featuring the richest application scenarios and most advanced technologies, the park is expected to have more than 300 robots from AgiBot's full product lineup, which were deployed at the Chimelong Spaceship Park in Hengqin on its opening day. The world's largest human-robot joint opening dance performance and the world's first robot aerial acrobatics performance made their debuts, offering visitors an innovative experience integrating technology with culture and tourism. The park features more than 100 robot interaction points covering seven core scenarios – entertainment and commercial performances, science education and study tours, tour guidance and shopping assistance, service and retail stations, intelligent tour companions, hotel services, and sports competitions.

AgiBot has become the world's largest embodied AI company in terms of shipments and revenue, and ranks among industry leaders in robot hardware and large-scale delivery. Telecom and tech observer Xiang Ligang told the Global Times that the theme park's significance goes beyond simply "bringing robots into theme parks." More importantly, it provides embodied AI with large-scale, complex and high-frequency human-robot interaction scenarios. Xiang further noted that the development of embodied AI cannot rely solely on models and hardware developed in laboratories, as it also requires continuous data accumulation and technological validation through real-world applications.

The Chimelong Spaceship Park in Hengqin focuses on immersive space exploration and marine ecology education. Since its opening, the park has received more than 10 million visitors, making it a popular destination for family travel in China. Globally, there has yet to be an embodied AI theme park centered on large-scale deployment, diverse scenarios and immersive story-telling. Robots at overseas theme parks have been limited to localized pilot programs, making regular commercial operations difficult, according to Chimelong. With a complete industrial system, a vast cultural and tourism market and mature new infrastructure, China has notable first-mover advantages in developing embodied AI applications in the cultural and tourism sector, said Chimelong.

The China Embodied Intelligence Industry Development Report (2026) revealed that China's embodied intelligence market has grown from approximately CNY213.3 billion in 2018 to an estimated CNY1.09 trillion in 2026, with a compound annual growth

rate of 22% to 23%, the Global Times reports.

Chinese transportation companies exhibit at 2026 Transportation Fair in Hannover

More than 300 Chinese companies exhibited their products at the 2026 IAA Transportation fair in Hannover, Germany, showcasing not only their latest new energy commercial vehicles but also intelligent driving technologies, charging solutions and an industrial ecosystem. From 70 Chinese exhibitors in 2022, many confined to peripheral booths, to over 300 this year occupying core space, **Chinese manufacturers are now competing head-to-head with global leaders such as Daimler Truck, MAN and Volvo Trucks**. The growing presence at the event reflects a broader surge in exports. China's commercial vehicle exports reached 1.06 million units in 2025, topping 1 million for the first time. Exports of new energy commercial vehicles jumped 86.8% to 83,000 units. That momentum has continued into 2026: in the first eight months, commercial vehicle exports totaled 905,000 units, up 38.1% year-on-year.

Sinotruk, China's top heavy-duty truck exporter for 21 consecutive years, unveiled its new Sitrak battery electric tractor unit, targeting zero-carbon long-haul logistics. The vehicle features a 600-kilowatt-hour battery, a range of more than 500 kilometers, and megawatt-level charging that goes from 20% to 80% in 23 minutes. It is also equipped with a Level 2 advanced driver assistance system that can cover 90% of highway scenarios. The automaker's products are sold in more than 150 countries and regions through 37 knock-down assembly plants. It has more than 1,000 global service outlets, USD105 million in new energy spare parts at its overseas central warehouse, more than 40 international training centers, and over 300 NEV technicians supporting overseas markets.

Foton displayed a range of vehicles and self-developed components, with several models making their overseas debuts at the event. The company delivered its 13 millionth vehicle globally to the European market at the event. The vehicle, an Auman Galaxy 9, was tested in Spain and has entered Europe's high-end long-haul logistics market. Its products now cover more than 140 countries and regions. Foton aims for overseas sales to reach 40% of its total sales by 2030. It has established sales and service networks in nearly 20 European markets and plans full coverage of major markets by 2028. It has one regional parts center in Germany and national parts warehouses in 17 countries, with more than 300 service outlets across Europe. Foton announced at the IAA Transportation that it plans to start local assembly in Europe by 2028.

Local production is becoming a consensus among leading Chinese truck makers. BYD also confirmed at the event that it will launch its first heavy truck for the European market in 2027 and later start heavy truck production in Europe. "In the long run, all products we sell in Europe will be locally produced," BYD Executive Vice President Stella Li said. Dongfeng Motor displayed three hydrogen-powered vehicles covering long-haul heavy-load, resource-efficient transport and urban cold-chain delivery.

It also held the global debut of a 400-kilowatt fuel cell. FAW Jiefang unveiled its TLX concept truck and exhibited five vehicles and nine core powertrains, covering fuel, natural gas, hydrogen, pure electric and hybrid routes. Beyond vehicle manufacturers, Chinese exhibitors have expanded their offerings across charging infrastructure, energy storage and intelligent mobility solutions, the China Daily reports.

First aircraft delivered from Airbus' second final assembly line in Tianjin

China's aviation suppliers are becoming increasingly important to Airbus' global production expansion, offering manufacturing expertise and supply-chain resilience. The deepening industrial partnership was highlighted when Airbus delivered an A320neo to China Eastern Airlines, the first aircraft assembled at its second final assembly line in Tianjin. The delivery comes as Airbus ramps up its A320 Family production globally, targeting a rate of 75 aircraft a month by 2027, with the Tianjin facility providing additional capacity and flexibility to support the expansion. "We are very happy about the resilience we see in the Chinese supply chain. We have resilient, very professional, very good suppliers and we very much enjoy working with them," said Erik Buschmann, Airbus Senior Vice President and Airbus China Chief Operating Officer (COO), at the delivery ceremony. "This helps us stay competitive in China."

Buschmann said China's stable market environment and vibrant innovation ecosystem firmly underpin the company's decision to expand. Airbus forecasts that China, its largest single country market, will require 8,830 new passenger aircraft over the next two decades, representing more than a fifth of projected global demand. The second line in Tianjin, inaugurated in October 2025, brings Airbus global final assembly lines to 10, including four in Hamburg, Germany, two in Toulouse, France, two in Mobile, the United States, and two in Tianjin. The first Tianjin line opened in 2008 and has assembled and delivered more than 800 aircraft.

This maturing supply chain is central to the investment's longer-term significance, said Zhu Keli, Founding Director of the China Institute of New Economy. Zhu said **Airbus's cooperation with Chinese suppliers had expanded from aircraft assembly to more complex manufacturing work, including wing assembly and fuselage systems installation.** As such complex work takes root locally, Airbus can draw more deeply on China's industrial capabilities, while domestic firms gain experience in demanding international production systems. Chinese suppliers also have opportunities to supply Airbus factories outside China, extending the commercial benefits beyond orders from Tianjin, Zhu said.

The localization of A321 fuselage systems installation in Tianjin offers an example of these operational gains, said Yang Hangjun, Professor at the University of International Business and Economics and President of the China Chapter of the Air Transport Research Society. "Completing system assembly adjacent to the final assembly line cuts inventory turnover by at least two months and reduces capital tied up in transit. It transforms Tianjin from an assembly shop into a full-fledged industrial node, anchoring a 'fence economy' where nacelle and

wing suppliers operate within direct logistics proximity," Yang said. For domestic firms, undertaking systems installation and other complex assembly work offers a route into higher-value manufacturing, the China Daily reports.

Chinese firms' export share expected to reach 31% by 2035

Chinese companies' average market share in export markets is projected to rise to 31% by 2035 from 18% this year, according to a Goldman Sachs report. The global expansion of Chinese firms was not yet fully reflected in their share prices, but their revenue would grow 3.6-fold by 2035, according to the report, which covered 40 global companies in 11 sectors, including 21 Chinese players and 19 of their global peers. The report said the biggest growth opportunities favor the "latecomers", including companies in sectors such as robotaxis, e-commerce, surgical robots, clear dental aligners and power equipment, which have the potential to expand their market positions. Conversely, the outlook is less favorable for "early achievers", including carmakers operating in Europe, who face more mature, contested and potentially price-destructive expansion paths. Consequently, implied revenue could come under greater pressure. The investment bank said sectors such as heating, ventilation and air conditioning, express delivery services, and industrial robots would be the hardest for Chinese competitors to penetrate overseas.

Separately, the biggest share gains by Chinese players have been in emerging markets, followed by the European Union. This year, **Chinese companies' market share is highest in emerging markets at 24%**, where their aggregate revenue growth has been nearly 15 times faster than organic market growth. In contrast, their market share is lowest in the U.S. at 10%, followed by the EU at 16%, the report found. In nearly 70% of cases, the Chinese companies entered the international market by pursuing a strategy of "disruptive innovation", according to Goldman Sachs. This approach meant focusing initially on low-end market segments or emerging markets where demand was price sensitive but usually underserved by the non-Chinese incumbents.

Although the consensus was that Chinese industrial products were more disruptive, Goldman Sachs said consumer products had the highest adoption rate in overseas markets, the South China Morning Post reports.

Five-year plan for the electronic information industry published

The Ministry of Industry and Information Technology (MIIT) and the National Development and Reform Commission (NDRC) have jointly issued the 15th Five Year Plan for the Development of the Electronic Information Manufacturing Industry, setting a clear roadmap for the sector through 2030. The plan envisions that by 2030, China's electronic information manufacturing industry will play a pivotal role in the global industrial landscape, with combined revenue of industrial firms above the designated size (earning annual revenues of

more than CNY20 million) exceeding CNY30 trillion, up from CNY17.4 trillion in 2025. The plan aims to cultivate a batch of key technologies and products in fields such as integrated circuits, advanced computing, consumer electronics, basic electronics and energy-related electronics, while fostering world-class enterprises with strong competitiveness.

Experts said the significance of the plan lies in its **recognition of electronic information manufacturing as the critical material foundation for AI development** and the main battlefield for AI industrialization. As AI accelerates, it is reinforcing innovation across chips, complete machines, terminals and manufacturing processes, driving profound changes in the sector's growth momentum, product system and production methods. Li Hongwei, Chief Engineer of the China Center for Information Industry Development, said AI will upgrade the consumer electronics terminal industry in four areas.

In terms of product supply, phones, computers, glasses and toys with AI capabilities will continue to emerge. **On technological innovation**, AI terminals' higher demand for computing power and energy efficiency will drive iterative upgrades in on-device large models, AI chips, high-bandwidth memory, multilayer ceramic capacitors and silicon carbide optical waveguides, Li said. **Regarding standards**, the growing variety of AI terminals will push forward industry standards, guiding both product upgrades and consumer decisions. **In application scenarios**, AI's deep integration with vertical fields will expand consumer electronics into healthcare, home-based eldercare and education, while cross-sector applications will unlock new consumption scenarios and release terminal product value, he added.

The plan details 17 key tasks around four pillars: consolidating industrial foundations, enhancing quality and competitiveness, cultivating new growth drivers and improving governance. The first pillar focuses on full-chain breakthroughs in integrated circuits, high-end development of electronic components and materials, innovation and application of intelligent sensors, supply capacity for electronic special equipment and measuring instruments, and the foundation of the photonics industry.

The second aims to strengthen the competitiveness of electronic complete machines and systems by improving industrial chain resilience, building an advanced computing ecosystem, accelerating consumer electronics innovation and advancing software-hardware coordination.

The third pillar seeks to cultivate new growth points by consolidating advantages in energy electronics, promoting the spatiotemporal information industry, strengthening the AI hardware foundation and accelerating digital-intelligent technology integration in industry-specific electronics.

The fourth focuses on sustainable development by enhancing independent innovation, modernizing industrial governance, optimizing regional coordination, and building a new pattern of opening-up and cooperation, the China Daily reports.

Factory where robots build robots starts production

The world's first intelligent manufacturing facility for humanoid robots designed for a 10,000-unit capacity has begun operating in Liuzhou, Guangxi, UBTECH Robotics, China's humanoid robot developer, announced, noting that the factory can roll out one industrial humanoid robot every 10 minutes. The project relies on intelligent planning through industrial simulation systems and scheduling by a digital "smart brain," truly realizing **the manufacturing model of "robots building robots."** This pulls Chinese humanoid robots from lab prototypes and small-batch trial production into a brand-new stage of large-scale intelligent manufacturing, said the company. According to UBTECH, the plant covers 14,000 square meters and primarily produces the Walker S series and Cruzr series of embodied intelligent industrial humanoid robots.

Foreign enterprises also participated in the construction of the smart plant, as it was jointly built by UBTECH and Siemens Digital Industries Software. Full-process one-item-one-code traceability is enabled through each robot's unique serial number. In this factory, robots serve both as products and as tools, providing the entire industry with a replicable mass-production template. On the production front line, embodied intelligent industrial humanoid robots such as the Cruzr Y1 and Cruzr S2 participate in depalletizing, palletizing, loading, and material handling. Final assembly employs collaborative robots, power-assist manipulators, unmanned logistics vehicles, and 360-degree rotating worktables that enable multi-angle precision assembly in place, supporting flexible mixed-model production of multiple robot types. For quality inspection, each complete robot undergoes more than four hours of whole-machine testing and passes through an automotive-grade lighting inspection tunnel for 360-degree dead-angle-free appearance screening.

In the warehousing and logistics segment, UBTECH has independently developed the industry's first fully automated stereoscopic warehouse for humanoid robots. Occupying only 65 square meters, it can store 112 robots and improves space utilization by more than 50%. Moreover, a full-domain intelligent logistics matrix composed of automatic guided vehicles, unmanned forklifts, and logistics vehicles connects the entire chain of sub-assembly, final assembly, testing, and storage. Pang Jianxin, Vice President of UBTECH, said in an earlier interview with the Global Times that mass production is inseparable from the support of China's supply chain. "Without the Chinese supply chain, mass-producing complex components would be extremely difficult unless cost advantages were completely sacrificed," Pang noted.

In July, China's industrial robot output reached 98,677 units, representing a year-on-year increase of 30.2%. From January to July, production totaled 635,056 units, up 28.5%, the Global Times reports.

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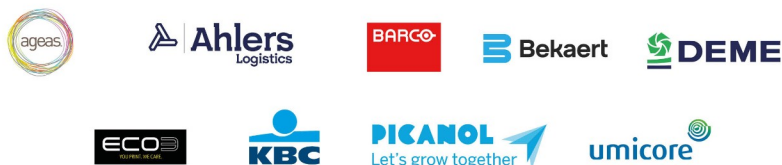
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