

# China Business Weekly

6 October 2026



## 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.

During this expert keynote, **Dr Karel Eloot, Senior Partner at McKinsey & Company, Greater China**, will provide insights into the industries that are expected to shape the next phase of global growth and industrial competition, with a particular focus on the evolving competitive positions of China and the United States.

The **McKinsey Global Institute** has identified 18 future arenas of competition, ranging from AI services and semiconductors to cloud technologies, advanced industries and space. Since 2022, an “AI foundation” group of industries spanning semiconductors, cloud services and AI software has added approximately \$500 billion in revenues and \$11 trillion in market capitalisation.

At the same time, a group of nine major “omniscalers” is investing heavily across multiple arenas, generating more than \$700 billion in operating cash flow and investing over \$800 billion in R&D and capital expenditure in 2025.

Companies headquartered in the **United States and Greater China currently account for around 90% of the market value of these arenas**. While US companies continue to lead in 14 of the 18 arenas by market capitalisation and in ten by revenues, Chinese companies are rapidly gaining ground.

The keynote will provide CEOs, business leaders and policymakers with a valuable perspective on the growth industries of the future and on how shifting competitive dynamics between the United States and China are reshaping global industrial leadership and competitive advantage.

## 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

The programme will conclude with networking drinks, offering participants the opportunity to exchange views with the speaker and fellow business leaders on the implications of these emerging arenas for companies operating in an increasingly competitive global environment.

## Practical information:

**Date:** October 8, 2026

**Time:** 16:30 – 19:00 CEST

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

## About the speaker

**Dr Karel Eloot** is a **Senior Partner at McKinsey & Company, Greater China**. He leads the China People and Performance Practice and co-leads McKinsey's Global Metals & Mining Practice, and is an author of McKinsey's annual **Global Materials Perspective**. Since joining McKinsey in 1997, Dr Eloot has advised organisations across a broad range of sectors, including advanced industries and electronics, energy and materials, technology, and private equity. He is the founder of McKinsey's Industrial IoT Hub, the Digital Capability Center jointly established by Tsinghua University and McKinsey in Beijing, and McKinsey Transformation in China. Having lived in China for almost 30 years, Dr Eloot brings extensive first-hand expertise on China's economic, industrial and technological transformation and its implications for global companies.

## Participation Fee

**Members:** 75€ + 21%VAT

**Non-Members:** 115€ + 21%VAT

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## China AI in Focus: What European Businesses Need to Know Now Monday, 19 October, 16h30 – Ghent



**China AI in Focus:  
What European  
Businesses Need to  
Know Now**

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

 **Monday, 19 October**

 **16h30**

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

**Etienne Charlier**  
AI Consulting,  
Coaching, Training



**The Flanders-China Chamber of Commerce is organizing an Expert Keynote: “China AI in focus: What European businesses need to know now” on 19 October at 16:30 at Cercle Royal La Concorde, Kouter 150 in Ghent.**

China's AI landscape is evolving at remarkable speed, from computer vision and large language models to robotics operating in the real world. Chinese companies are increasingly moving beyond experimentation and integrating AI into products, processes and business models across a wide range of industries.

During this keynote, **Mr Etienne Charlier** will explore how Chinese companies are operationalising AI, and look beyond the familiar US platforms to the growing range of **open models and tools** that European teams can test, adapt and improve. He will also address the main **risks and trade-offs** related to data, models, security, compliance and critical technological dependencies, and discuss why the current competitive window is open and why and how European companies should move now.

**Keynote speaker:**

**Mr Etienne Charlier** is an **AI and Business Strategy Expert** with nearly three decades of experience in China's technology sector. He has held senior management positions in China, including China General Manager and Vice President at a major telecom equipment manufacturer, and later founded a consulting firm in Shanghai. He holds an MBA from **MIT Sloan School of Management** and degrees in Engineering and Philosophy from **UCL**. Today, he helps companies understand and apply AI in practical business settings and has worked with organisations including **Barco**, **MEGVII**, **L'Oréal** and **Institut Pasteur**.

**Programme**

**16h30-17h00** Registration and networking

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

**17h05-17h50** Presentation: “China AI in focus: What European businesses need to know now” by **Mr Etienne Charlier**

**17h50-18h15** Q&A session

**18h15-19h00** Networking drink

If you wish to attend, please confirm your participation via the registration button below by **11 October**.

**Practical information:**

**Date:** October 19, 2026

**Time:** 16h30 - 19h00

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

**Price for members:** €75 + 21% VAT

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## ACTIVITIES SUPPORTED BY FCCC

**Discover opportunities for the circular economy, innovation and collaboration with Zhejiang – 15 October 2026 – Sint-Andries**

**Thursday, 15 October 2026, 13:30 – 16:00 – Council Chamber**, Provincial House Boeverbos, Koning Leopold III-laan 41, 8200 Sint-Andries.

Active in the circular economy, construction, water technology, R&D, or industrial innovation? Discover how Zhejiang and West Flanders collaborate on circular innovation through inspiring research projects and concrete practical examples. Also, find out what opportunities this collaboration offers for you, your research institution, or your company!

**Program**

**13:30 Welcome & introduction:** Learn about the bilateral collaboration between Zhejiang and West-Flanders and discover the bilateral industrial R&D projects.

**Speakers:**

- Ann Tavernier, Province of West Flanders

- YUAN Lingling, Department of Science and Technology of Zhejiang Province

**13:45 Circular research projects in practice:** Get inspired by concrete projects and best practices from Zhejiang and West Flanders. With a special focus on circular solutions in building & construction, water technology, and industrial innovation.

Speakers:

- Stijn Van Hulle, Ghent University
- GUO Yaping, Zhejiang University of Science and Technology
- Wouter Igodt, HelloWater
- LI Jiabin, KU Leuven
- SHEN Linchang, Chairman, Tongxiang Tongde Wall Building Materials Co., Ltd.
- West Flemish companies involved in research projects regarding water technology and building & construction (names TBC)

**14:50 New materials and circularity: cross-border opportunities:** Discover opportunities for knowledge exchange, research, and collaborative innovation regarding new circular materials and technologies between West-Flanders and Zhejiang.

- Speaker: Frederik Desplentere, KU Leuven

**15:00 Matchmaking with Zhejiang:** Engage directly with the Zhejiang delegation and explore possibilities for joint research projects, technological collaboration, knowledge exchange, and B2B partnerships. Discover the participating companies via the registration button.

**16:00 Closing and networking drinks**

**Language:** English-Chinese (simultaneous translation)

**Participation and registration:** Participation is free of charge, but please register in advance.

**Organizers:** The provinces of West-Flanders and Zhejiang.

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## EU SME CENTRE DOCUMENTATION

### Video: CIFER Guidance for Agrifood Exporters to China

The EU SME Center has published a video on its website on CIFER guidance for agrifood exporters to China. This video focuses on the **China Import Food Enterprise Registration (CIFER)** process managed by the General Administration of Customs of China (GACC). It reviews recent regulatory changes with Decree 280 and shares practical advice for European SME agri-food producers and exporters.

In this recording of our June 2026 webinar, expert Pablo Recio, Managing Director at EIBENS, explains how to manage the registration on [China's Customs official CIPHER platform](#), the main documentation and steps for "high-risk" and "low-risk" categories, and how to overcome common challenges that may arise during the registration process.

Do you have a question about CIPHER? Contact us or book a consultation with our Ask-the-Expert service.

Keynote speaker: Pablo Recio, Managing Director of EIBENS and based in China for over 20 years, is highly experienced and devoted to supporting EU agri-food players to access and thrive in the Chinese market.

Knowledgeable of SMEs realities and with a very practical approach, he provides an executive approach to the challenges that companies face.

Please [sign in or create an account](#) to download the video.

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### HIGH-TECH

#### China's electricity system switching from meeting demand to an intelligent ecosystem



China is accelerating a historic transformation of its massive electricity network, shifting away from a traditional model where power generation passively adjusts to meet demand, and toward a highly intelligent, interactive ecosystem that synchronizes generation, power grids, user loads and energy storage. As the country's renewable energy installations break records at a breathtaking pace, industry experts and policymakers increasingly view the demand side as the next great frontier for ensuring grid stability and achieving the nation's ambitious decarbonization goals. The recently released 15<sup>th</sup> Five Year Plan for New Power System Construction (2026-30) targets a maximum regulation capacity of over 50 gigawatts for **virtual power plants (VPPs)** by 2030, establishing them as a crucial vehicle for demand-side grid interaction.

Furthermore, the plan mandates **the high-level absorption of over 2.8 billion kilowatts of renewable energy by the end of the decade**. Unlike conventional facilities defined by physical generators and smokestacks, a VPP is an advanced, cloud-based digital aggregator. Powered by the internet of things (IoT), big data and artificial intelligence (AI), **a VPP links and orchestrates thousands of decentralized energy assets**, including rooftop solar arrays, battery storage units and electric vehicle charging networks. During periods of peak demand or fluctuating renewable output, the platform can remotely discharge stored power or throttle back consumption in real time, delivering the same grid-balancing capabilities as a traditional peaking power station, but at a fraction of the capital cost and with zero additional carbon emissions.

This structural pivot is born of necessity. As of the end of June, China's cumulative installed capacity of wind and

solar power reached 1.95 billion kW, accounting for roughly 48.3% of the country's total power generation capacity, according to the National Energy Administration (NEA). However, relying heavily on wind and solar means the power supply is increasingly at the mercy of the weather. "While our green power capacity continues to set new global benchmarks, its inherent weather-dependent traits are becoming glaringly obvious," said Peng Yuehui, Deputy Director of the Scientific and Technological Research Institute at North China Electric Power University. "Power generation fluctuates significantly, and extreme weather can trigger 'roller-coaster' style volatility in daily power supply and demand," said Peng.

Peng cited a major new energy base in Northwest China as an example. During peak sunlight hours at noon, the facility frequently has to curtail its output by 30% due to a lack of immediate demand or transmission capacity. Conversely, during the evening load peak when the sun sets, the grid faces a 40% power deficit. **"The traditional power system operating model is simply no longer sustainable. The intermittency, randomness and volatility of renewable energy pose immense challenges to grid stability,** demanding far higher levels of systemic flexibility," Peng added.

Zhang Jieqing, Chief Representative of the Natural Resources Defense Council Beijing Office, echoed this sentiment, noting that the speed of building system regulation capacity has severely lagged behind the explosive growth of wind and solar installations. "The spatial and temporal mismatch between supply and demand has always existed," Zhang said. "When renewable penetration was low, the grid could balance itself internally. But as green power becomes the dominant source, relying solely on traditional supply-side adjustments cannot solve the root problem."

A report released earlier by the NRDC revealed that China's green commitment and rapidly developing new energy industry are fast-tracking the development of VPPs. As renewable energy makes up an ever-larger share of the power grid, mounting pressure on system flexibility and grid reliability is spurring demand for clean, agile and economically viable new market participants, it said. Compounding this is the steady growth of new electricity demand, the China Daily reports.

# XIONG'AN NEW AREA

## Community in Xiong'an promotes 15-minute living circle



**People tired of long commutes to and from work and long trips to hospitals should have a look at the Yi'an community in the Xiong'an New Area in Hebei province, which is promoting a 15-minute living circle.** Xiong'an is a new city for relocated Beijing residents whose government agency or company has moved there from Beijing.

"Residents can go downstairs, walk their children to school, and then walk a few hundred meters to work," said Dai Yue, a social worker at the community. As **one of the first communities in the area to accommodate people relocated from Beijing** under the national initiative to ease the capital's non-capital functions, Yi'an offers easy access to everyday necessities. At the Yi'an neighborhood center, a commercial and civil affairs complex within the community, a canteen has more than a dozen food stalls. Residents can also find laundry, hairdressing, repair, and housekeeping services. A supermarket stocks thousands of daily goods, including fresh produce. There is also a children's play area and a public library. The center houses government service counters handling 52 civil affairs matters, including medical insurance transfers, public transport card issuance, and business license applications. Residents can consult government workers in Beijing through real-time video links.

A 24-hour self-service area provides services including property ownership certificate printing and medical insurance inquiries. People can print their Beijing employee social security benefit statement at the self-service area in two minutes. It is relatively uncommon in China for a community to have both commercial facilities and government service offices at the same place, making Yi'an a pioneer in community assistance in the fast-growing area. Online services are also diverse. **Residents can book everyday support through a mini-program on their mobile phones**, including parcel and food delivery collection, medicine and fresh grocery purchases, pet feeding and walking, house cleaning, furniture repairs, and child care. Since the first group of residents moved in 2024, **the community has grown to about 5,000 residents across 17 residential compounds**, most of them employees of companies relocated from Beijing and their family members. These include China Satellite Network Group, Sinochem Holdings Corp, and China Huaneng Group.

The 15-minute living circle also includes three Beijing-affiliated schools: Beijing No. 4 High School Xiong'an Campus, the Xiong'an branch of Shijia Hutong Primary School, and the Xiong'an branch of Beihai Kindergarten. Located close to the community, they provide convenient schooling for the children of relocated employees. "The goal is to provide them with a living experience as convenient and comfortable as that in Beijing," said Liu Xingyi, Deputy Party Secretary of the community. Ultimately, it is meant to help advance the integration of Beijing and Xiong'an in community services. Yi'an also operates in an intelligent and digital manner, drawing on the smart city operation system of Qidong district, where the community is located.

Its AI-powered community governance platform detects issues such as improperly parked non-motor vehicles, overflowing garbage, electric bikes entering buildings, elderly residents falling, people trapped in elevators, and objects being thrown from high-rise buildings. Alerts are sent to designated social workers for timely action. The system once detected an unusual spike in water consumption at a household. Community workers contacted the resident and discovered a leaking water pipe. Their timely intervention prevented further damage. Residents can also log into the Xiong'an smart community mini-program to submit appeals or take photos to report problems. Some residents have suggested building a cinema or charging shelters for electric bikes, while others have reported loose screws on fitness equipment and noise from upstairs neighbors. Every piece of public feedback is recorded and processed by category, she said. Residents can also make their voices heard through face-to-face communication, WeChat groups, and a community service hotline. With about 70% of residents being young people, the community also runs a youth night school offering courses in yoga, jazz dance, makeup, photography, calligraphy, and more.

The Xiong'an New Area is using digital tools to make urban governance smarter and create a better living and business environment for residents. When wind blows or rain falls, when should sanitation vehicles start work? Are vehicles on the roads violating regulations? And how can dozens of tons of waste be sorted accurately? In Qidong district, the answers can be found on a smart city platform. For example, a drone had detected vehicles parked in a fire escape passage. Almost instantly, an alert was sent to government workers, who arrived to verify the situation and persuaded the drivers to move. The entire process took about 10 minutes. The platform incorporates a meteorological model covering temperature, humidity, wind speed, precipitation, visibility, thunderstorms, and gale warnings. The smart system helps keep the air and roads clean. Potential sources of pollution, including overloaded trucks and speeding, are recorded and sent to officers' terminals so they can be dealt with promptly, the China Daily reports.

# ROBOTICS

## Robots moving from labs to shopping malls



**Robots are moving out of laboratories and exhibition halls and into shopping malls and commercial streets across China. As more Chinese robotics companies open brick and mortar stores, ordinary consumers can now not only see and interact with robots up close, but even buy them directly.** The wave of store openings reflects a new shift in China's robotics sector, as the industry moves more quickly from technology demonstrations toward real world applications and commercialization, industry observers said.

On a recent weekday afternoon, the **Shenzhen artificial intelligence 6S store**, in Shenzhen, Guangdong province, was bustling with visitors, including tourists from the Middle East and Southeast Asia. Staff was busy introducing diverse products, while foreign visitors could be heard expressing surprise as they interacted with the robots on display. Shenzhen's first global artificial intelligence 6S store marked its first anniversary on September 28. Over the past year, it has received 300,000 visitors, including 30,000 from overseas, and **brought together more than 450 brands and over 600 AI products.** According to store staff, more than 100 types of robots are available for sale, rental or customization, ranging from humanoid robots and robot dogs to machines designed for coffee making, massage and patrol. The store has also become a popular stop on Shenzhen's technology tourism routes. A display board at the entrance showed that guided group visits were priced from CNY200 to CNY800. The scene offers a glimpse of how robots are moving closer to ordinary consumers in China.

Also on September 28, Chinese consumer robotics brand **PrimeBOT opened its first global experience store in Shanghai.** PrimeBOT focuses on the research, development and innovation of personal robots, while automobile dealership Yongda Auto provides support in distribution, delivery and after sales services. "We hope to turn robots from a science fiction concept into products that consumers can experience, own and integrate into their daily lives," Zhang Peng, President of Global Marketing and Services at PrimeBOT, told the Global Times. The robot company has so far established offline experience stores in multiple major cities across the country including Shanghai, Guangzhou, Shenzhen, Xian and Hangzhou.

More robotics companies are expanding their offline presence. In May, Unitree Robotics opened its first embodied intelligence experience center in Asia in Shanghai. In June, AgiBot launched its first JD.com offline store in the city. In November 2025, EngineAI opened a flagship robot retail store in Shenzhen. "The significance of **offline stores** goes beyond adding another sales channel. More importantly, they **allow robots to interact directly with consumers**, with real world experience and feedback helping drive further product improvements," Wang Peng, Associate Research Fellow at the Beijing Academy of Social Sciences, told the Global Times. The store opening wave comes as China's robotics industry continues its rapid expansion. According to data from China's Ministry of Industry and Information Technology (MIIT), revenue of major companies in the robotics industry exceeded CNY300 billion in 2025, with an average annual growth rate of more than 20% over the past five years. In the first half of this year, the industry's revenue reached CNY165.5 billion, up 24.5% year-on-year.

However, moving from shopping malls into ordinary households will require robots to overcome much higher barriers. The home is one of the most difficult environments for robots to master, Wang said, noting that unlike standardized industrial settings, household environments are highly unstructured, placing much greater demands on safety, reliability and interaction capabilities. "For Chinese robots to enter homes, it is not simply a matter of overcoming one remaining technological hurdle. What is needed is a systematic leap from being usable to being genuinely easy to use," Wang said. The Chinese expert estimated that **robots may need another three to five years to achieve initial household adoption**, and five to eight years to enter a relatively mature stage.

Another key factor is whether robots can meet household needs at affordable prices, an area where China's robotics industry has an edge, industry experts said. "Consumers will not pay simply for novelty. Robots ultimately have to be affordable to ordinary consumers," Xiang Ligang, Director General of the Information Consumption Alliance, told the Global Times. He added that China's manufacturing and supply chain strengths could drive down costs as production scales up, potentially putting robotics on a development path similar to that of smartphones and new-energy vehicles.

China currently has more than 400 humanoid robot products, accounting for more than half of the global total, while domestically produced quadruped robots account for nearly 70% of global sales. At the same time, a wide range of real-world scenarios, from factories and logistics centers to shopping malls, hotels, healthcare and elderly care, are providing robots with continuous opportunities for testing and improvement. One of China's key advantages lies in its complete industrial chain, combined with a large number of diverse, complex and frequently used application scenarios, the Global Times reports.

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## CHINA NEWS ROUND-UP

### China launches anti-dumping probe into p-nitrotoluene imports from the EU

**China's Ministry of Commerce (MOFCOM) launched an anti-dumping investigation into imports of p-nitrotoluene from the European Union** in response to an application by the domestic industry and based on preliminary evidence of dumping and resulting damage to Chinese producers. The investigation followed an application submitted on September 14 by Jiangsu Huaihe Chemicals Co and Hubei Dongfang Chemical Industry Co on behalf of China's p-nitrotoluene industry. Chinese producers alleged that EU exporters had adopted a low-price dumping strategy to maintain or expand their share of the Chinese market.

Preliminary evidence submitted by the applicants showed that the dumping margin on EU-origin p-nitrotoluene exports to China exceeded 100%. Imports of p-nitrotoluene from the EU remained at high levels between 2022 and 2025, while prices fell by nearly 60% cumulatively over the period, a Spokesperson from MOFCOM, citing industry data, noted. "The dumped imports from the EU had caused damage to the production and operations of China's domestic industry," read the MOFCOM statement.

The probe, launched on October 3, will examine alleged dumping from July 1, 2025 to June 30, 2026. It is expected to conclude by October 3, 2027, with a possible six-month extension in special circumstances, according to a MOFCOM announcement. P-nitrotoluene, also known as 4-nitrotoluene, is an organic chemical widely used in industries including dyes, pigments, pesticides and pharmaceuticals.

The EU has launched 28 trade-remedy investigations against China since 2025, around 50% of which involved chemical products. In particular, the EU has recently launched three investigations into Chinese chemical products in succession, including polyvinyl chloride, the Global Times reports.

### China leads the U.S. in drone patents, but quality is about equal

**Chinese and U.S. firms are "neck-and-neck" in the quality battle for the next generation of drone patents, despite China having a lead in volume.** Chinese companies accounted for 44% of the world's drone patent filings in 2024, against 17% for American firms, according to a report published by LexisNexis. Measured by value,

however, U.S. drone patents were on a par with China's, leaving the two countries roughly even in total global patent asset value. DJI, the Shenzhen-based global industry leader, has also been losing its dominance in patent filings, holding only 4% of the industry's total patent assets, barely ahead of U.S. firms such as Boeing and Amazon, according to the report. This compares with roughly 24% of the industry's total patents held by DJI at the end of 2018, which was more than all the other companies in the top 10 combined.

"The company seems to have allowed the bulk of its patents to lapse since that peak," the report said, adding that this could be caused by factors including tighter U.S. restrictions on drone imports, DJI's own patent pruning to focus on its strongest defensive patents, or the company's strategic shift towards protecting selected technologies as trade secrets instead of via patents. "As DJI retreats from the patent field, the space is wide open for the next generation of drone start-ups to drive patent innovation and market leadership," said Marco Richter, Managing Director and Chief Commercial Officer for LexisNexis Intellectual Property Solutions. "While China is clearly winning in the volume of patents filed, it's the quality battle that best predicts future leaders in emerging technologies, and that race is neck-and-neck," Richter said. "The companies – and countries – that win this innovation race will build new industries that control the skies over the coming decades."

The stakes were high as the market for civil unmanned aerial systems was expected to add up to a total of USD150 billion in the period from 2023 to 2032, while the military market could be worth USD187 billion during the same time frame, the report said, citing market data from Teal Group. The contest for technology supremacy between China and the U.S. has shown little sign of slowing down. The U.S. Federal Communications Commission (FCC) Chairman Brendan Carr said earlier last month that the FCC was considering whether to prohibit the continued marketing and import of certain previously authorized drone models, extending a previously announced import ban on new models.

**Among the world's top 10 innovative drone start-ups ranked by LexisNexis, China has two – Shenzhen-based Autel Robotics at No 1 and Beijing-based Zero Zero Robotics in fifth spot** – while the U.S. has four, with Skydio, Valqari, Anduril and Zipline taking the second, third, sixth and ninth spots, respectively. Japan, Israel, Switzerland and Sweden completed the top 10 with one firm each, the South China Morning Post reports.

## Kunshan expanding its coffee industry

**Under a three-year action plan covering 2025 through 2027, Kunshan aims to build a CNY100 billion coffee industry and develop a broader coffee culture and consumer ecosystem.** Its main goal is to build Kunshan into an international “capital city” of the coffee industry that buys and sells globally. The **2026 Kunshan International Specialty Coffee Exhibition** featured green coffee beans from major producing countries, coffee equipment and machinery, processing and packaging solutions, as well as ingredients and other innovative products. Beyond the displays and tastings, the exhibition is designed to facilitate business connections across the coffee supply chain, with industry trend presentations, supply chain forums, cupping sessions and professional tasting activities.

For international coffee producers, China’s growing coffee market is opening new possibilities. For exporters seeking to enter the Chinese market, Kunshan offers more than access to consumers, it provides a gateway to a broader coffee supply chain. **Kunshan was named as the capital of the international coffee industry by the International Institute of Coffee Tasters**, an Italian organization specializing in scientific coffee analysis. Located in the heart of the Yangtze River Delta, Kunshan is close to one of China’s most dynamic consumer markets, with a population of about 230 million. Its proximity to Shanghai, together with its logistics and customs advantages, has helped the city develop into a major hub connecting overseas coffee brands with China’s roasters, brands and retailers.

The city has established trade channels with 33 major coffee-producing countries and regions. Its logistics network enables roasted coffee beans to reach destinations across East China within hours, helping supply thousands of coffee shops and other businesses. Major companies including Starbucks, Luckin Coffee and Mitsui & Co have established operations or projects in the city, further strengthening its position across the coffee supply chain. In 2026, Kunshan’s coffee roasting capacity reached 200,000 metric tons, with warehousing capacity reaching 150,000 tons. For international coffee producers and traders, moreover, China’s expanding market offers opportunities to reach a growing base of consumers.

Mamoun Bashir, General Manager of Promising International’s China office, said China’s growing coffee consumption has made it an increasingly important market for the global coffee industry. **Kunshan has more than 1,000 coffee shops**, while coffee-related venues such as a coffee industry creative center, a coffee museum and Penglang Coffee Town are creating new spaces where the industry intersects with tourism, education, competitions and everyday life, the China Daily reports.

## China to respond if EU imposes discriminatory restrictions

China urges the EU to stay on the right track of managing differences through dialogue. China will closely follow the EU’s next moves. **If the EU insists on introducing discriminatory restrictions against Chinese companies or products, China will respond resolutely** to safeguard

the legitimate rights and interests of Chinese industries, a Spokesperson of China’s Ministry of Commerce (MOFCOM) said. Some EU member states are drafting a joint document calling on the European Commission to accelerate the development of a European version of the U.S. “Section 301” tool and take tougher measures against China. The tool mentioned in the reports is a typical protectionist and unilateral measure, which will not help solve problems, but will instead backfire on the EU itself and disrupt China-EU trade as well as the stability of global industrial and supply chains. The EU itself has also been a victim of such tools. One should not impose on others what one does not desire for oneself, the Spokesperson said.

As an important member of the WTO, the EU has consistently portrayed itself as a defender of multilateralism. If it fails to lead by example and instead takes the lead in violating WTO rules, it will seriously undermine the rules-based multilateral trading system, the MOFCOM Spokesperson said. China and the EU are currently maintaining dialogue under their trade and investment consultation mechanism and exploring ways to address each other’s concerns. If the EU engages in dialogue and consultations with China while at the same time stepping up pressure against China, it will seriously undermine mutual trust, disrupt the overall consultation process and affect broader China-EU economic and trade cooperation, the Spokesperson said, as reported by the Global Times.

The South China Morning Post reports that Chinese Commerce Minister Wang Wentao held a video call with German Economy Minister Katherina Reiche amid reports that Germany and France are pushing for a new tool that would enable the EU to swiftly shut China out of the European market. The call came 10 days before Minister Wang was expected to meet with his European counterpart Maros Sefcovic in Beijing on October 8 for the second round of China-EU trade talks. Sources from the Chinese side have described discussions as “difficult”. While the German government was sharpening its tools for the talks, some German businesses have been preparing for the worst-case scenario and “stockpiling” rare earths in case the negotiation broke down and the EU’s push to rebalance trade would trigger retaliation from China.

## China’s R&D spending higher than average of 38 OECD member countries

**China’s research and development (R&D) spending exceeded CNY3.92 trillion in 2025, accounting for 2.8% of its GDP and surpassing the average among the 38 OECD member countries for the first time, Science and Technology Minister Yin Hejun said.** China now ranks ninth globally in comprehensive innovation capacity. The country is accelerating its shift from a global participant and contributor in science and technology to a pioneer and leader, and is among the countries with the fastest-growing innovation capacity, Minister Yin said. Over the past five years, China’s scientific and technological innovation has reached a new level, making solid strides toward becoming a global sci-tech powerhouse and providing strong support for high-quality development and improvements in people’s livelihoods.

China’s international patent applications and the number of

high-level international journal papers have ranked first worldwide for many consecutive years. Major original achievements have emerged, with **new breakthroughs in chip research and open-source large models leading globally**, while emerging industries such as new energy vehicles and robots are booming, the Minister said. Innovative drugs and new crop varieties are among the scientific and technological achievements benefiting the public, he added. Looking ahead, China will improve strategic, forward-looking and systematic planning of basic research, pursue “from 0 to 1” original innovation and explore uncharted territory, Yin said. To tackle key core technologies, China will promote breakthroughs across the entire industrial chain in integrated circuits, industrial machine tools and high-end instruments, while strengthening research in AI, quantum technology, biotechnology and brain-computer interfaces. Enterprises will be given a stronger role in technological and industrial innovation, with more innovation resources channeled toward them.

More than 60% of graduate students each year are studying science, engineering, agriculture and medicine. “China has built the world’s largest education system, has the most complete range of talent resources and has the world’s largest R&D personnel team,” Yin said. Long Teng, Vice Minister of Science and Technology, said basic research is the source of the entire scientific system and the key to addressing technological challenges. Qiu Yong, another Vice Minister of Science and Technology, said China maintains a zero-tolerance policy toward academic misconduct, with a special campaign targeting retracted papers involving academic misconduct and a crackdown on paper buying and selling, the China Daily reports.

## China stockpiles ASML lithography tools

**Chinese-owned fabs had acquired an estimated 343 immersion deep ultraviolet (DUV) lithography systems by early 2026, said a report published in late September by the Center for Technology & Statecraft (CTS),** a Washington research group established in August. Co-authored by former U.S. export control official Nicholas Brown and Saif Khan, a former White House and Commerce Department Technology Policy Adviser, the study adds fresh data to the debate in Washington over whether Western allies should impose a total blockade on immersion DUV tools bound for China.

Blocked from buying Dutch toolmaker ASML’s most advanced extreme ultraviolet (EUV) lithography tools, Chinese chipmakers have leaned heavily on immersion DUV systems – some models of which remain exempt from Western export bans – to produce sophisticated semiconductors. The report estimated that about 270 of the machines acquired by Chinese-owned plants were ASML’s Twinscan NXT:1980i immersion DUV systems.

Though technically behind EUV, these tools can be adapted to manufacture 7-nanometer-class logic chips and advanced memory for artificial intelligence processors, including Huawei Technologies’ Ascend series, the authors said. Chinese fabs spent over USD13 billion acquiring about 90 NXT:1980i machines in 2024 and another 89 in 2025, according to the report. The buying spree is reflected in ASML’s financial disclosures. China accounted for 41% of the Dutch firm’s net system sales by shipment

destination in 2024 and 33% in 2025. Sales to China have since moderated, dropping to 19% of ASML’s total in the first quarter of 2026 and 14% in the second. ASML previously said that its high level of 2024 shipments was partly driven by fulfilling backlogged orders delayed by earlier supply chain constraints.

The Netherlands began requiring export licenses for ASML’s NXT:2000i and more advanced immersion DUV systems in September 2023. Those models have since been effectively barred from China. It extended the license requirement to the NXT:1980i a year later, but shipments of that model can still be approved case by case.

The report argued that this approach left a major loophole, warning that even tools sold for mature chipmaking nodes can be repurposed or relocated to advanced production lines. To close the loophole, **the authors recommended a complete China-wide ban on all immersion DUV equipment**, alongside restrictions on replacement parts and servicing at advanced facilities. They suggested Washington coordinate with the Netherlands or unilaterally extend American export rules to foreign-made systems using U.S. tech, the South China Morning Post reports.

## China targets AI and frontier tech in new innovation blueprint

**The Chinese Academy of Science (CAS) has put artificial intelligence (AI) and other frontier technologies at the heart of its new five-year plan, as global competition in science and technology heats up.** The country’s highest academic institution laid out a detailed blueprint for research and technology development aligned with the national 15<sup>th</sup> Five Year Plan covering 2026 to 2030.

The plan focuses on innovation in areas including AI and semiconductors while underscoring efforts to develop the next generation of scientific talent. It identified integrated circuits, AI, quantum technology, life sciences and biotechnology, brain-computer interfaces and controlled nuclear fusion as priority areas, alongside basic and interdisciplinary research. Under the blueprint, AI will also be used to reshape how scientific research is conducted, with the academy planning to apply the technology to basic science, strategic technologies and sustainable development.

“The plan makes AI-driven transformation of scientific research a key focus in accelerating breakthroughs in scientific and technological innovation, with efforts to promote AI-enabled innovation in key fields,” according to the China Science Daily, the Academy’s official newspaper. The plan also outlines measures to strengthen the country’s scientific talent pool, including training strategic scientists, top engineers, young researchers and innovation teams.

It proposes attracting high-level talent – both domestic and overseas – and strengthening international scientific cooperation. The plan comes as Beijing continues to place greater emphasis on basic research. The central government’s science and technology budget has grown steadily since 2020, according to the Ministry of Finance. China’s 15<sup>th</sup> Five Year Plan has also set a target for total

research and development (R&D) spending to grow by more than 7% annually. “To become a global science and technology power, we must strengthen basic research,” President Xi Jinping said at a symposium in Shanghai on April 30.

Several of the technologies underscored by the academy have also become areas of strategic focus in the United States, including biotechnology, quantum information science and semiconductors, according to Washington’s Genesis Mission, an AI and science initiative launched last November. Washington and Beijing continue to compete over advanced technologies, with the U.S. restricting China’s access to advanced semiconductors and related technologies, while China has imposed export controls on rare earths and other critical minerals, the South China Morning Post reports.

**China is also offering the world’s brightest young scientists generous 15-year research grants for free exploration**, as the country accelerates its drive to become a global science powerhouse. Once this group of exceptionally brilliant young people was identified, their sole performance metric over a 15-year period would be “whether they are in the laboratory” and there would be no short-term performance reviews. Of the 44 scientists chosen this year, nine are foreigners.

## China unveils five-year battery plan

**China unveiled a new five-year plan for its battery industry, aiming for the initial large-scale application of all-solid-state batteries by 2030** as the country accelerates the transition of next-generation battery technology from research to commercialization. The Ministry of Industry and Information Technology (MIIT), together with six other government agencies, jointly issued the new development plan. The plan comes as China continues to expand its role in the global battery supply chain and seeks to strengthen its leadership in the global energy transition. The country already has strong battery manufacturing capacity, but industry experts said that it still needs to improve basic research and core technologies to maintain long-term competitiveness.

To promote the high-quality development of the industry, efforts will be made to accelerate technological innovation, industrial transformation and upgrading, improve the industrial system, enhance the capacity of industrial science and technology services, and raise the quality and level of trade and investment cooperation, according to the

document.

Over the next five years, China plans to make major breakthroughs in advanced electrode materials, new electrolytes and high-end auxiliary materials. The plan also called for significant progress in new battery systems, with **all-solid-state batteries moving toward initial large-scale deployment by 2030**. New batteries refer to energy storage and conversion devices built on new mechanisms, materials, structures and manufacturing processes. They include lithium batteries, sodium batteries and flow batteries. All-solid-state batteries are one of the plan’s key technological priorities. Compared with conventional lithium-ion batteries, which typically use flammable liquid electrolytes, solid-state batteries use solid electrolytes and are considered safer and potentially capable of offering higher energy density, Sun Xiaohong, former Secretary General of the Automotive Branch of the China Chamber of Commerce for Import and Export of Machinery and Electronic Products, told the Global Times

The plan calls for faster breakthroughs in commercialization of technologies, with a focus on improving ionic conductivity, cycle stability and cost efficiency. It also stresses the need to advance key materials and processes, including interface contact technology, high ionic conductivity, long life cycles and engineering pressure system design. China’s solid-state battery market is projected to grow from USD42.5 million in 2025 to USD384.8 million by 2030, a compound annual growth rate of 44.4%, significantly outpacing the global average of 37.5%, according to market research platform MarketsandMarkets. **China now supplies about 70% of the world’s battery materials and more than 60% of power batteries**, the Global Times reports.

Meanwhile, Gotion announced that it will invest about €1.6 billion to build three manufacturing facilities in Spain, Slovakia and Morocco, with Volkswagen Group putting in a similar amount. The factories, to be jointly owned by the German brand and China’s fourth-largest EV battery maker, would be capable of delivering 37.5 gigawatt hours (GWh) of lithium-ion battery capacity and 100,000 metric tons of cathode materials a year, Gotion said. One GWh of EV battery power is enough to run about 20,000 pure electric cars with a range of 500 km. Gotion, based in Hefei, Anhui province, is 24.3%-owned by VW. Gotion, along with its three bigger domestic rivals – Contemporary Amperex Technology (CATL), BYD and CALB – commanded a combined 64.4% share of the global EV battery market in the first seven months of the year.

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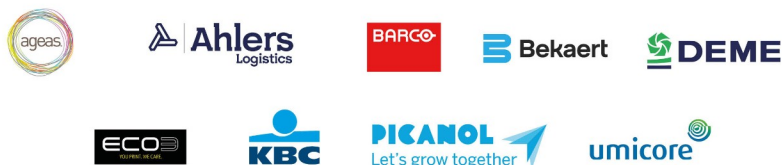
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