China Business Weekly

3 November 2026

FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

FCCC/EUCBA ACTIVITIES

Webinar: Position Paper 2026-2027 European Business in China
25 November 2026, 10:00 CET



The **Flanders-China Chamber of Commerce (FCCC)** and the **EU–China Business Association (EUCBA)** are organizing a webinar entitled "**European Business in China: Position Paper 2026/2027"**, taking place on **Wednesday, 25 November 2026, at 10:00 a.m. CET.**

The **European Business in China Position Paper 2026/2027**, published by the European Union Chamber of Commerce in China, highlights the main challenges facing European companies operating in China and presents recommendations to the Chinese Government aimed at improving the country's business environment.

As China enters its 15th Five-Year Plan period (2026–2030), the country is focusing on achieving sustainable, high-quality economic growth and strengthening its position in the global economy.

At the same time, China's role is evolving for many multinational companies. Its appeal increasingly lies not only in the size of its market, but also in its world-leading supply chains and industrial clusters. As Chinese operations become more integrated into global production, companies are shifting from **'in China for China' to 'in China for the world'**.

Join us to hear about the key challenges faced both by businesses and China's economy more broadly, and the Chamber's recommendations on the steps that could be taken to overcome them.

The programme is as follows:

10h00 – 10h05: Welcome remarks by **Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce (FCCC) and EU-China Business Association (EUCBA)**

10h05 – 10h40: Presentation on the **"EU Business in China: Position Paper 2026/2027"** by **Mr. Adam Dunnett**, Secretary General, **European Union Chamber of Commerce in China**

10h40 – 11h00: Q&A Session

10h55 – 11h00: Closing remarks by **Mr. Jochum Haakma, Chairman, EU-China Business Association (EUCBA)**

Practical Information

Date: 25 November 2026

Time: 10h00 CET

Location: Online

Participation fee: Free

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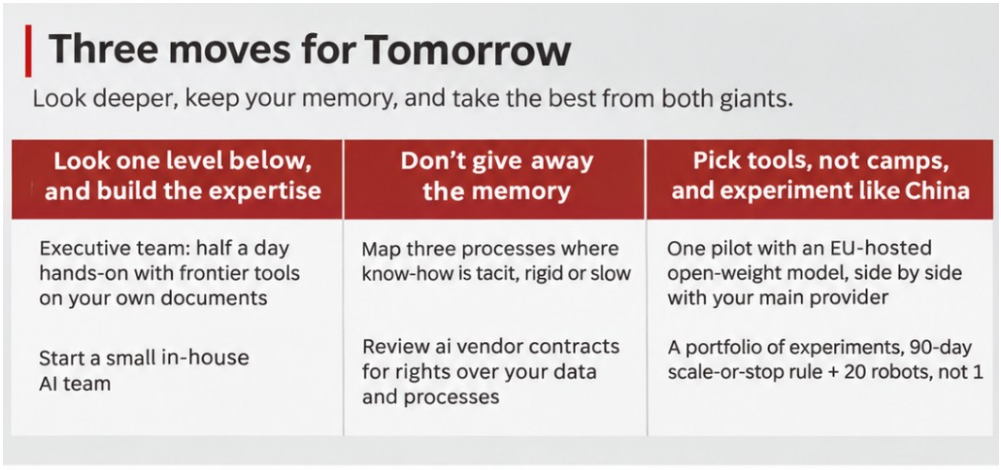
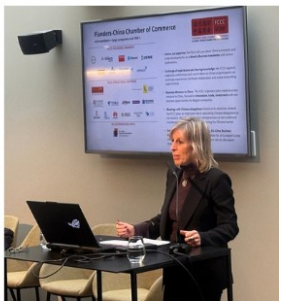
PAST EVENTS

China AI in Focus: What European Businesses Need to Know Now – 19 October, 2026 – Ghent









What can European businesses learn from China's approach to AI? While a European company tests one robot, its Chinese counterpart tests 20. What does this tell us about the pace of AI innovation?

On 19 October, the **Flanders-China Chamber of Commerce (FCCC)** welcomed **Mr Etienne Charlier, AI and Business Strategy Expert**, in Ghent for the keynote **"China AI in Focus: What European Businesses Need to Know Now."**

The session was introduced by **Ms Gwenn Sonck, Executive Director of the FCCC**, who highlighted China's growing innovation capacity and emphasised that **the only way to truly understand China's innovation is to experience it first-hand, on the ground in China.**

Mr Charlier explained how China's approach to AI combines rapid experimentation, practical applications and increasingly accessible open-source technologies.

His central message? European companies still have time to act, but waiting is not a strategy.

He encouraged businesses to:

- **Experiment faster:** Test AI on real business challenges rather than remaining in the demonstration phase.
- **Protect their knowledge:** Retain control over company data, processes and organisational know-how.
- **Explore different technologies:** Consider open-source AI models, including those developed in China, to reduce dependence on individual providers.

The keynote concluded with an engaging Q&A on AI adoption, data security and technological independence.

MEMBERS' NEWS

Juneyao Air Winter/Spring Schedule 2026/2027



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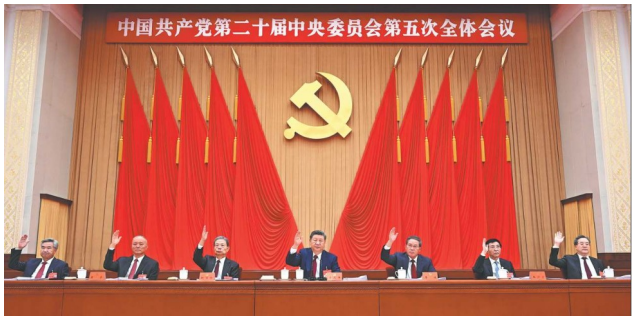
CHINESE COMMUNIST PARTY

Yearly Party Plenum focusses on fight against corruption



The 20th Central Committee of the Communist Party of China (CPC) held its fifth plenary session last week, focused on the Communist Party's self-governance, which basically means strengthening discipline and fighting corruption. It is not only important to punish corrupt officials, but also to improve governance to eradicate the root causes of corruption, according to the communique issued after the plenum. The challenges facing the ongoing anti-corruption campaign remain grave and complex. **Existing corruption has not yet been fully eradicated, while new cases continue to emerge.** While intensifying investigations and prosecutions is important, it is even more important to identify and address institutional weaknesses revealed by individual cases, thereby reducing opportunities for corruption and effectively preventing its spread. Focusing narrowly on individual cases and treating them in isolation will not address corruption at its root. Besides following necessary procedures and examining specific violations of Party discipline and State laws, it is vital to delve deeper into the underlying causes of corruption, according to the communique.

Addressing both symptoms and root causes is essential to eradicating the conditions that breed corruption. Investigations and prosecutions not only deter and punish those involved in corrupt practices but also serve as warnings to potential offenders, prompting officials to stop misconduct before it escalates. Only by tackling the root causes of corruption can this menace be effectively curbed, ensuring that the CPC maintains its essential character, political integrity and fundamental purpose. Investigating cases is not an end in itself. The ultimate goal of the anti-corruption campaign is to improve governance. The fight against corruption depends on investigating individual cases, but it doesn't stop there. The key is to integrate case investigations with post-investigation rectification and governance, linking problem identification, institutional improvement and tangible results, the China Daily reports.

The South China Morning Post adds that **General Zhang Shengmin, the key player in the anti-corruption campaign** that has cut deep into the military's top leadership, **has been appointed to the Party's Politburo**. Zhang is also Vice Chairman of the Central Military Commission (CMC), the People's Liberation Army supreme command. Currently the only other member is CMC Chairman Xi Jinping. It is rare for promotions to the Politburo the happen between Party Congresses. The last time it occurred was in 1994. additionally, Liu Jianchao, a former Director of the CPC's International Department and Vice Minister of Foreign Affairs was dismissed from the Central Committee and has been placed under investigation.

The Plenum endorsed disciplinary measures against 18 senior civilian and 16 military figures, all full or alternate members of the Central Committee. Only 162 of the 205 full Central Committee members attended the Plenum, representing a turnout of just 79%. A total of 117 alternate members were present at the session, compared with 147 last year. Ten alternate members of the Central Committee have been elevated to full membership, including Shanxi Governor Lu Dongliang, Zhejiang Governor Liu Jie, Inner Mongolia's government Chairman Bao Gang and Liu Qiang, Party Secretary of Shandong's capital Jinan. They are seen as rising stars in China's political system because of their relative youth. The Plenum promoted the 10 officials to full membership of the Central Committee after 24 full members and 11 alternate members had been expelled. It has not been explained why only 10 full seats on the committee were filled when the latest round of expulsions created 24 vacancies.

The Communique singled out "unwritten rules" as a prominent problem to tackle. Unwritten rules refer to the implicit understanding that those with power must be compensated in exchange for jobs, services, promotions, contracts, land leases or even to access social welfare or admission to schools. This can take the form of money, sex or the exchange of favors. These rules have long permeated Chinese society and persist despite the party's 14-year-long anti-corruption campaign. Measures to stamp out wrongdoing include regulations banning what were formerly commonplace practices, like extravagant business entertainment and gift-giving. "For a period of time, some unwritten rules have existed to varying degrees both inside and outside the party, undermining the authority and enforcement power of party rules and discipline, which has drawn strong reactions from cadres and the public," said Xie Chuntao, Executive Vice President of the Central Party School. "The decision emphasizes starting by establishing clear rules and puts forward corresponding measures in advancing openness in party and government affairs, strengthening education and guidance, correcting related disorderly phenomena and establishing and improving institutional mechanisms," Xie said, as reported by the South China Morning Post.

FOREIGN TRADE

European firms reluctant to diversify supply chains away from China



European industry has bristled at EU plans to force businesses to diversify their supply chains away from China, as the bloc gears up for a new package of de-risking measures later this year. In December, the European Commission will present three new instruments. While none will name China, the overall aim is to wind down dependencies on China and allow the European Union to punch back in a trade war. The tool called **DiversifyEU could compel businesses in key sectors to expand their supplier base**, potentially through the use of tariffs or incentives tied to public contracts and subsidies. A second instrument will provide **compensation for businesses subject to retaliation** in a trade dispute. The third will be a **rapid response trigger to close the EU market** to countries engaged in active distortion or coercion.

However, many business groups and big-name companies have pushed back against the plans, accusing the EU Commission of regulatory overreach, potentially driving up costs and forcing them into impossible decisions. “For rare earths, magnets, battery materials, displays and some semiconductors, there is little or no alternative supply base, and Europe lacks the ecosystem to provide one,” said the European Automobile Manufacturers’ Association (ACEA) in a submission to the Commission’s request for evidence for DiversifyEU. “The objective should be realistic: Europe will not match Chinese costs or become fully independent of China, nor does it need to. Diversification succeeds where alternatives are commercially viable and qualified; it does not where it is mandated against a supply base that does not yet exist,” the ACEA wrote.

The Federation of German Industries – which has generally supported the EU’s tougher approach to China policy – **said it viewed the plan “with skepticism”**. “While we support the goal of strengthening diversification and resilience, we oppose new reporting requirements or binding mandates. We also consider tariffs, which are currently being discussed in this context, to be an inadequate tool for promoting diversification,” the German lobby group wrote. European Commission President Ursula von der Leyen confirmed this month that DiversifyEU “will be country-agnostic, and help European companies diversify their supply chains. The principle is simple: no critical dependence on a single supplier.” Sources say these plans will be presented on December 9.

Behind the scenes, officials admit that their main concern is China. European companies are seen to have been too slow to voluntarily broaden their supplier base, leading to deep reliance in sectors that officials worry could be easily weaponized. Now, regulators want to step in to force their hands. However, the feedback showed the challenges they will face in protecting industry from the market distortions coming from China without penalizing European companies in the process. Many of the organizations that responded have come around to the idea of a more robust approach to China.

German car companies, for example, have recently lent qualified support to the use of tariffs and quotas against Chinese rivals, but a submission from the official industry association warned that “diversification must not become synonymous with autonomy, protectionism or economic isolation”. Dozens of submissions offered support to the overall goal of broadening supplier bases, but there was widespread doubt as to the feasibility.

“As Europe cannot regulate alternative supply into existence, DiversifyEU should focus first on creating qualified, scalable and competitive alternatives, and sequence any restrictive or mandatory measures accordingly,” said Traton Group, a subsidiary of Volkswagen. Finnish telecoms company Nokia warned that “imposing trade restrictions, component bans, or tariff-driven cost increases before alternative sources exist merely penalizes trusted vendors and inflates costs for critical digital infrastructure”. Orgalim, a Brussels-based group representing the European technology industry, said that “sourcing obligations introduced without a prior assessment of viable alternatives and/or adequate transition periods will most likely backfire”.

The group noted that “identifying suitable alternative suppliers does not always reduce underlying dependencies” since the alternatives may also be reliant on supplies from the original supplier country. Referring to the plans to create a solidarity fund for companies caught in the crossfire of future Chinese retaliation, the German Chamber of Commerce warned that “a blanket compensation fund can create false incentives and should not replace companies’ own risk provisioning”. Across hundreds of submissions, dozens said **the legislation could increase costs for European industry** at a time when it is already struggling to compete with cheaper Chinese imports. Ikea warned that “higher costs and less reliable supply make it harder to keep our range affordable and available for many people”, the Swedish firm wrote, as reported by the South China Morning Post.

ZHUHAI AIR SHOW

From importing Russian fighter jets to competing with the U.S.



When Zhuhai hosted its inaugural air show in November 1996, the event showcased the J-8IIM fighter, a second-generation fighter equipped with Russian radar and weapons, alongside a limited line-up of home-made aircraft. Imported planes were the focus and Chinese audiences curiously studied the much more advanced foreign designs. They crowded around two Russian fourth-generation Su-27 fighters and were wowed as the jets performed their famous cobra maneuver, sharply braking in mid-air. At the time, China had yet to build its own fourth-generation fighter. But over the next three decades, **China went from being heavily reliant on Russian technology to becoming the only country other than the United States to have flight-tested sixth-generation fighters.**

The Zhuhai air show – officially the China International Aviation and Aerospace Exhibition – has charted this journey year by year, becoming a major global event and a showcase for the nation's growing military might. This year's edition has drawn extra attention, not only because it marks the event's 30th anniversary but also because it comes ahead of the People's Liberation Army's centenary on August 1 next year, described as a key milestone for the military's modernization. **International participation has doubled since 1996, with nearly 50 countries taking part this year.** More than 1,100 exhibitors are expected for the December 7 to 13 event, up from around 400 at its debut. The scale of the exhibition has also grown – from 8,000 square meters 30 years ago to 135,000 sq m this year. More than 3,000 pieces of equipment will be on display, including 170 aircraft. There will also be a dedicated naval section for the first time. The event mirrors China's growing aviation confidence, showcasing advanced systems earlier than in the past. For example, the show did not feature China's J-10 until 2008, 10 years after the fourth-generation fighter jet conducted its initial flight. The J-20, China's most advanced stealth fighter in service, was first displayed five years after its 2011 maiden flight. Now, China is not only exhibiting its most advanced operational aircraft but also offering static displays of platforms still in development. In 2024, an airborne drone mother ship called Jiutian debuted at the air show, a year ahead of its maiden flight.

In July 2009, then U.S. Defense Secretary Robert Gates said in a speech that the U.S. should cap its production of fifth-generation stealth fighters because China would not have a fifth-generation jet by 2020. At the time, the Chinese military's most cutting-edge planes were the fourth-generation J-10A and J-11. But less than two years later, in January 2011, while Gates was meeting with then Chinese President Hu Jintao in Beijing, the J-20 fifth-generation stealth fighter performed its maiden flight. On his flight back, Gates admitted that **U.S. intelligence had underestimated how quickly China was developing stealth technology**. Today, the U.S. and China are the only countries flight-testing 6th generation fighters. There is no concrete sign of who is ahead, the U.S. F-47 or China's J-36 and J-50, which have been observed undergoing test flights since December 2024.

Military expert Fu Qianshao said **the competitiveness of China's military aviation had undergone "earth-shaking" changes in the last 30 years**, citing engines as an example. "Compared to the U.S., it's basically a tie. Even though the U.S. is still ahead of China because it started engine installation much earlier, it has been moving quite slowly in the past few decades." He said China held the leading position in terms of radar, avionics and air-to-air missiles. China's fleet of advanced fighter jets has expanded rapidly in recent years. According to a January report by the London-based Royal United Services Institute, the PLA Air Force operated an estimated 320 to 350 J-20 fifth-generation stealth fighters by late 2025, up from around 50 in 2020. Its fleet of J-16 advanced fourth-generation multi-role fighters grew from around 90 to 100 to around 450 over the same period. Xu Anxiang, then Deputy Commander of the PLA Air Force, said at the 2018 Zhuhai air show that China aimed to build a world-class strategic air force by the middle of the century, the South China Morning Post reports.

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CHINA NEWS ROUND-UP

German car brands seek to catch up

The German trio of Audi, BMW and Mercedes-Benz is pursuing different strategies to regain ground in China, as they seek to adapt to a market increasingly shaped by domestic electric vehicle makers. Audi is reorganizing its joint-venture operations and BMW is betting on its Neue Klasse technology. Mercedes-Benz, meanwhile, is still searching for a more effective strategy in the new energy vehicle market.

Audi, Volkswagen's premium subsidiary, has resolved the internal rivalry between its two Chinese partners, FAW and SAIC, and appointed Jeff Zhang, the first Chinese President of Audi China, to head its operations in the country. It announced that FAW will focus on the Four Rings brand, covering both electric and combustion-engine vehicles, while SAIC will concentrate on the promising AUDI electric vehicle brand, co-developed with Audi specifically for the Chinese market.

"With clearer market focus and differentiated brand positioning, we are creating a stronger foundation for long-term, sustainable success in China," said Johannes Roscheck, outgoing President of Audi China. Both FAW and SAIC produce and sell models bearing the Four Rings logo, although sales of SAIC Audi models have been negligible. SAIC will continue selling Four Rings products through the end of 2027. FAW, Audi's partner since the 1990s, had been reluctant to accept Audi's decision to bring in another Chinese partner when the idea was first floated in 2016. That was understandable: it was the era of gasoline-powered cars, especially foreign brands, and a new partner meant FAW would have to share Four Rings products and business opportunities. The move will allow both businesses to sharpen their market positioning in an increasingly competitive market. FAW will explore opportunities by building on its traditional strength in gasoline-powered cars and Audi's e-tron lineup, catering to consumers who appreciate authentic German products. SAIC will focus its resources on the burgeoning AUDI brand, which is more tailored to Chinese consumers and relies primarily on local technologies.

BMW is confident in its Neue Klasse strategy, combining German engineering with extensive localization for the Chinese market. The Neue Klasse iX3, introduced in August, is scheduled for delivery in the fourth quarter. The i3 will follow soon. In October, BMW began series production of its sixth-generation high-voltage batteries in Shenyang, Liaoning province, its largest production site. The batteries will power Neue Klasse models. The batteries use BMW's new cylindrical cells, which offer more than 20% higher energy density than the previous generation, while improving charging speed and range by up to 30%. BMW said it plans to bring nearly 20 new and updated models featuring Neue Klasse technology to the Chinese market by 2027.

Mercedes-Benz is still searching for a viable path in the NEV era, following tepid responses to models including the electric CLA and the departure of an experienced Chinese sales executive. Oliver Thoene, a Mercedes-Benz Board Member responsible for the China business, defended the lackluster performance at the company's annual results conference, arguing that the electric CLA was a niche model to test the market. He pinned his hopes on the electric GLC, which sold 1,600 units in its first month after launch in July, the China Daily reports.

BMW sold 107,210 vehicles in China in the third quarter, followed by Mercedes at 99,592 and Audi at 94,597. Each of them was **outsold by Nio**, which delivered 111,638 vehicles during the period. Just years ago, Nio only dreamed of selling as many cars as each of the three German brands.

China-Swiss Free Trade Agreement upgraded

Chinese President Xi Jinping and visiting President of the Swiss Confederation Guy Parmelin witnessed the signing of an upgraded free trade agreement (FTA). Parmelin paid a three-day working visit to China. Xi told the Swiss President that Switzerland is an important partner of China in Europe and has consistently been at the forefront of cooperation between China and European countries. Switzerland was the first country on the continent of Europe to sign an FTA with China in 2013. In August this year, it became the first European country to conclude negotiations on upgrading the agreement. Xi said that bilateral free trade cooperation reflects the two countries' political courage and their sense of responsibility in upholding open cooperation. The two sides should inject valuable confidence and greater certainty into China-Europe economic and trade cooperation and into global economic development, he added. China and Switzerland established diplomatic relations in 1950, and this year marks the 10th anniversary of the China-Switzerland innovative strategic partnership, which is China's first strategic partnership with a foreign country centered on innovation.

Xi called on the two sides to deepen innovation cooperation and foster collaboration in emerging industries, including the digital economy, green energy storage and artificial intelligence (AI). President Xi said he hopes that Switzerland will leverage its unique influence to play a positive role in promoting the sound, balanced and steady development of China-Europe trade.

Parmelin said that Switzerland takes pride in being among the first Western countries to recognize the People's Republic of China. He said the swift conclusion of negotiations on upgrading the FTA reflects the high level of mutual trust between the two countries and meets the expectations of businesses and other stakeholders on both sides. China has remained Switzerland's third-largest trading partner for 12 consecutive years. The value of bilateral trade reached approximately USD65.14 billion in the first half of 2026, registering substantial growth. Qian Minjian, China's Ambassador to Switzerland, said that once the upgraded China-Switzerland FTA takes effect, over 99% of goods exported by one country to the other

will be duty-free, while market access will be further expanded in the areas of trade in services and investment.

Feng Zhongping, Senior Research Fellow at the Chinese Academy of Social Sciences' Institute of European Studies, said the upgrading of the China-Switzerland FTA comes at **a critical time when economic and trade relations between China and the European Union are facing considerable uncertainty**, with trade frictions continuing to weigh on bilateral ties. The upgraded FTA demonstrates the potential for China and European countries to achieve mutual benefit and shared development through cooperation, he added, as reported by the China Daily.

U.S. bans Chinese labs from testing electronics

The United States has banned all Chinese laboratories from testing electronic devices destined for the U.S. market, just weeks before U.S. President Donald Trump is due to meet his Chinese counterpart Xi Jinping on the sidelines of the Asia-Pacific Economic Cooperation (APEC) summit in Shenzhen. The Federal Communications Commission (FCC) voted to bar testing laboratories and certification bodies in China and other economies that lack a "mutual recognition agreement" or reciprocal trade agreement with the U.S. "This is consistent with President Trump's broader effort to restore balance and fairness with respect to America's dealings with foreign nations," said FCC Chairman Brendan Carr. "We are only allowing test labs to be based in the U.S. or in reciprocal economies."

The ban would take effect in December 2028, giving U.S. labs more than two years to expand their testing capacity. However, the agency kept the option of barring more foreign labs in the meantime. The latest ban follows last year's "bad labs" rules, which prohibited labs owned or controlled by entities deemed national security threats. As a result, 32 test labs lost their FCC recognition. Carr said the transition period doesn't mean that the agency "would look the other way over the next two years". "There's a reason why those 32 were identified and moved out of the system," Carr said. "If there are others like the 32, or similar to 32, then they will similarly be moved out of the system before these new reciprocity rules take place."

According to the FCC, **more than 80% of electronics headed to the U.S. are currently tested in facilities in China.** Carr alleged that these labs could use their privileged position to allow "insecure gear into the U.S. market, disrupt communications networks or even steal intellectual property". "Some of those labs themselves were linked or controlled by or tied to the PLA, so not necessarily the most trustworthy," Carr told TBPN, a technology-focused online network, in August.

"Today, we go a step further and restore reciprocity to the FCC's equipment authorization program," Carr said on October 29. FCC Commissioner Anna Gomez termed the two-year grace period as the "good, responsible, balanced deadline" and added that the agency is seeking to "balance the costs" for the manufacturing industry while moving ahead with its measures. The FCC also banned a dashboard camera and a wireless video transmitter containing chips made by Huawei Technologies' subsidiary HiSilicon, arguing that they were "designed for the surveillance market". In July, the agency announced bans on imports of new Chinese robots and power inverters, citing threats to U.S. national security and supply chain vulnerabilities, the South China Morning Post reports.

Hainan FTP eases work permit and residency rules

China will further expand opening-up in services including healthcare, insurance and the recognition of professional qualifications, facilitate the entry and professional practice of foreign nationals, and promote the innovation-driven development of leading industries including tourism and modern services **in the Hainan Free Trade Port (FTP)**, the world's largest FTP by area, according to a government circular. This is part of the efforts announced by four government agencies including the Ministry of Commerce (MOFCOM) and the National Development and Reform Commission (NDRC) in order to facilitate trade in the Hainan FTP and develop the port into an important gateway leading China's opening-up.

According to the circular, foreign physicians legally licensed to practice medicine overseas may obtain permits to provide clinical diagnosis and treatment services in Hainan for up to three years, with extensions available in accordance with relevant regulations. **More convenient policies regarding work permits and residency will also be introduced for foreign nationals.** The Hainan FTP launched island-wide special customs operations in December 2025, allowing freer entry of overseas goods, expanded zero-tariff coverage and implemented more business-friendly measures as part of China's efforts to promote high-standard opening-up. "The dividends from favorable policies will accrue directly to market players of all kinds at home and abroad, energizing them and opening up broad room for growth. For overseas firms, Hainan offers a bridgehead into the vast Chinese mainland market," Li Changan, Professor at the Academy of China Open Economy Studies at the University of International Business and Economics, told the Global Times.

British entrepreneur David Janke, who has lived in Hainan since 2020, said that the new policy is encouraging. "The Hainan FTP is becoming increasingly convenient for foreigners," he said.

Under the measures, overseas companies will be allowed to use bonded facilities at Hainan's liquefied natural gas (LNG) receiving terminals, while the FTP will be supported in conducting LNG futures delivery warehouse operations after LNG futures contracts are launched. Other measures include promoting offshore trade, expanding the range of products eligible for bonded maintenance, facilitating the entry of eligible bonded remanufactured products into pilot free trade zones on the Chinese mainland, encouraging the use of the yuan in new forms of barter trade, and deepening the FTP's economic and trade cooperation with Hong Kong.

The latest measures come amid robust growth in Hainan's foreign trade. In the first three quarters of 2026, the province's merchandise trade reached CNY285.44 billion, up 49.8% year-on-year, while trade in services rose 11.7% to CNY56.95 billion, the Global Times reports.

Foreign car makers market share slips below 30% in China

Foreign carmakers are searching for a way to survive in China's cutthroat market, as they continue to lose ground to domestic competitors in a market dominated by electric vehicles. International auto brands from Volkswagen to Toyota saw their market share in the Chinese mainland slide once again **in the third quarter** of the year, as consumers turned away from expensive foreign cars. **Foreign marques accounted for less than 30% of deliveries** over the period, down from 34.6% a year earlier, as they delivered just 1.38 million cars to mainland customers, according to the China Passenger Car Association (CPCA). "International brands failed to make a comeback," said Eric Han, Senior Manager at Shanghai-based consultancy Suolei. "In a weak market where consumers are reluctant to spend on high-priced vehicles, their business outlook appears to be awfully bleak."

The decline comes as China's car market endures a brutal slowdown in sales, with consumers increasingly favoring EVs amid high petrol prices triggered by conflicts in the Middle East. **A total of 15.3 million passenger vehicles were sold in China during the first nine months of 2026, down 21.7% year-on-year.** Meanwhile, the country's EV adoption hit an all-time high of 67% in September, up from 57.9% a year earlier. The trends represent a toxic combination for global carmakers, which mostly trail far behind Chinese brands in the domestic EV market – with Tesla the sole exception.

While global brands outperform their Chinese rivals in the petrol vehicle segment, analysts said they would struggle to mount a revival in China unless they could churn out more intelligent vehicles to woo local consumers. "As they enlist Chinese EV technologies to assemble cars under their brands, companies like Volkswagen and Nissan also need to build new brands to promote their new EVs," said Zhao Zhen, Sales Director at Shanghai-based auto dealer Wan Zhuo Auto. "But consumers may not be convinced by their EVs because the market abounds with value-for-money models under Chinese brands."

Audi, a premium brand under Volkswagen Group, unveiled a new dual-brand strategy for the Chinese market, after seeing its deliveries fall 19% year-on-year in the first half of 2026. Its Jilin joint venture would continue to develop models under the traditional four-ring logo, while the one in Shanghai would start using the four-letter, all-caps AUDI name. The dual-brand strategy would shorten new model development and result in better customer experiences in the coming years, the South China Morning Post reports.

China's two largest carmakers, BYD and Geely Auto, reported a jump in their third-quarter earnings, propelled by surging overseas sales. BYD posted a net profit of CNY10 billion, up 28% from the same period a year earlier. Revenue grew 13.6% to CNY211.5 billion. Geely's net income between July and September climbed 28% to CNY4.8 billion, while revenue increased 10% to CNY99 billion. BYD delivered a total of 1.34 million units to overseas customers from January to September, up 92.7% year-on-year, while its sales in China plunged 30.2% to 1.79 million vehicles. Geely saw its exports soar 169% year-on-year to 797,670 units in the first nine months of 2026, but its domestic deliveries fell 23.3% to 1.44 million vehicles.

Chinese tech executives rise to the top ranks of wealth lists

Artificial intelligence (AI) has propelled several Chinese tech executives, including ByteDance Founder Zhang Yiming and DeepSeek's Liang Wenfeng, **into the top ranks of wealth lists.** The fortunes of leaders in other key technology sectors, including robotics, semiconductors and new energy, have also surged significantly. **According to the Hurun China Rich List 2026, Zhang reclaimed the top spot** with CNY670 billion, **becoming China's richest person for the second time** and setting a new record high. His fortune grew rapidly as progress in AI pushed ByteDance's valuation higher. Notably, leading the newcomers to the list is 41-year-old DeepSeek Founder Liang Wenfeng, who debuts on the list at No. 7 with a fortune of CNY280 billion, as the AI large-model boom drives his rapid wealth accumulation.

Semiconductors and robotics have also become two key sectors driving the wealth growth of many tech executives. Chen Tianshi of chipmaker Cambricon broke into the Top 10 with CNY205 billion. Zhu Yiming, Founder of GigaDevice and Changxin Memory Technologies, ranked 39$^{th=}$ with CNY109 billion, up 808%. Wang Xingxing of Unitree Robotics also made the list with CNY69.5 billion. Five of this year's Top 10 and 60% of the Top 100 make their money from key sectors such as semiconductors, AI, robotics and new energy, according to Hurun. A large number of business leaders have emerged in strategic emerging industries such as AI, semiconductors, robotics, and innovative drugs – a reflection of the vitality in China's entrepreneurial landscape, Hurun noted. The Hurun list can serve as a window into the vitality of China's private economy, in which new quality productive forces are rising rapidly, Bian Yongzu, Executive Deputy Editor-in-Chief of Modernization of Management magazine, told the Global Times.

Bian noted that the main trend of China's technological future is a shift from single-point breakthroughs to system-level capability output. "AI and robotics are moving from model competition toward real-world deployment, while brain-computer interfaces and quantum computing are rapidly hitting milestones in clinical validation and engineering. With policy support continuing to ramp up, Chinese companies are bound to deliver more standout results in these fields," he noted, as reported by the Global Times.

China opposed to new EU parcel fee

The EU will impose a handling fee of €2 on packages from outside the bloc, a move that foreign media outlets claim is aimed at curbing an influx from China. **Chinese experts warned that costs will ultimately be passed on to local consumers.** Coming just weeks before the Black Friday, Cyber Monday, and Christmas shopping, **the new fee will be on top of the EU's fee of €3 on small parcels.** Around 93% of small packages arrive in Europe from China, usually via popular Asian platforms such as

AliExpress and Temu. “This handling fee is a distinctly protectionist measure dressed in the technical guise of customs costs. While it does not explicitly single out China, Chinese e-commerce platforms maintain a dominant position in supplying low-value goods to European consumers. Combined with the earlier €3 fee on small parcels, the policy carries a clear and strong implied targeting,” Jian Junbo, Director of the Center for China-Europe Relations at Fudan University's Institute of International Studies, told the Global Times.

The fee is charged by product category, which is extremely unfriendly to mixed, multi-category small parcels, and it is not based on actual handling costs. The fee looks more like revenue generation than so-called cost recovery, Jian said. The EU has claimed that European consumers will not pay the handling fee and online marketplaces including U.S. platforms such as Amazon and Chinese retailers such as AliExpress and Temu, as well as sellers and other intermediaries, must pay the new fee. Jian noted that the claim that the fee “will not be paid by consumers” is hard to sustain. “Fees paid by platforms and sellers will ultimately be passed on through higher product prices, increased shipping charges, or raised free-shipping thresholds. The EU's official narrative merely conceals this cost-shifting. Consumers remain the ultimate bearers of the cost, especially as the year-end shopping seasons approach,” the expert said.

The root cause of the so-called influx of parcels is European consumers' high demand for high value-for-money goods, combined with the high costs of local supply chains. **Using fees to suppress this demand does nothing to address the competitiveness problems of EU industries**; instead, it will only drive up inflation and hurt low-income consumers, Jian warned. In November 2025, the EU agreed to remove a bloc-wide duty exemption on low-value orders. In July this year, it introduced a temporary €3 customs duty for small imported packages and online orders valued under €150. “In addressing China-EU economic and trade frictions, China has consistently maintained that issues should be properly resolved through consultation and communication, rather than by resorting to unilateral measures,” Jian said, as reported by the Global Times.

China to strengthen the protection of trade secrets from infringement by foreign companies

China's Ministry of Commerce (MOFCOM) began to solicit public opinion on **draft special regulations to protect Chinese trade secrets**, which proposed a range of measures, including restrictions on trade, investment and entry by foreign entities whose infringement of Chinese trade secrets harms or poses a real threat to China's national sovereignty, security and development interests. The proposed regulations could further strengthen China's legal framework for protecting trade secrets in cross-border economic activities, providing more targeted tools to safeguard the legitimate rights and interests of Chinese businesses while maintaining normal international trade and investment cooperation, Chinese experts said. **Foreign entities that infringe on Chinese trade secrets** may face restrictive measures if their conduct harms or poses a real threat to China's national sovereignty, security or development interests, according to the draft regulations.

These provisions are formulated in accordance with China's Foreign Trade Law, the Anti-Unfair Competition Law and other relevant laws and regulations, MOFCOM said. Public consultation will remain open until November 24. According to the draft, MOFCOM may restrict or prohibit foreign entities from engaging in goods and technology imports and exports and international services trade involving China, and prohibit exports of items to these entities. Other proposed measures include restricting or prohibiting new investment in China, the entry of personnel and means of transport, restricting or revoking work and residence, and imposing fines in accordance with the law.

Huo Jianguo, former Dean of the Chinese Academy of International Trade and Economic Cooperation under MOFCOM, told the Global Times that unlike existing regulations that mainly address general trade secret infringement, the new draft links trade secret protection to China's national sovereignty, security and development interests. It proposes restrictions on trade, investment and personnel entry by foreign entities whose infringement of Chinese trade secrets harms or poses a real threat to these interests, providing more targeted legal tools to address cross-border trade secret violations, Huo noted. Also, compared with China's existing Trade Secret Protection Provisions, which took effect on June 1 and focus primarily on preventing and addressing trade secret infringement and maintaining fair competition, the proposed rules establish a more specific framework for addressing foreign entities whose infringement also affects China's national interests.

The proposed regulations come against a backdrop of growing international disputes over intellectual property, advanced technologies and the protection of commercial information, with trade secret issues increasingly becoming a source of friction in international economic relations. The proposal comes shortly after the U.S. imposed sanctions on five Chinese companies on October 19 over alleged trade secret theft under the so-called Protecting American Intellectual Property Act, according to MOFCOM, as reported by the Global Times.

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Contact

Flanders-China Chamber of Commerce
Office: Ajuinlei 1, B-9000 Gent, Belgium
New telephone and fax numbers:
T ++32/9/269.52.46
F ++32/9/269.52.99
E info@flanders-china.be
W www.flanders-china.be

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The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com
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