

# China Business Weekly

9 November 2021



## FCCC/EUCBA ACTIVITIES

**Webinar: China's Economy: Old Challenges Make New Headwinds**  
16 November 2021, 10h00-11h00



The Flanders-China Chamber of Commerce is organizing a webinar focused on **China: Old Challenges Make New Headwinds**. Hans Dewachter, Chief Economist, KBC Group, will shine his light on the matter.

China's structural economic slowdown has been ongoing for a decade, and the same challenges have been brewing under the surface since the post-GFC period. These challenges include demographic changes, a very high savings rate, an over-reliance on credit-intensive growth, and a corresponding buildup of leverage in the economy, particularly related to the real estate sector. Deleveraging has been on the agenda for several years given growing concerns that China's economic model is unsustainable and could end in a so-called "hard landing" of the economy if not a crisis. Progress in deleveraging has been slow, however, and in the post-pandemic recovery period, the above-mentioned headwinds appear to be gaining force and are accompanied by other challenges related to the climate transition. What do these developments mean for China's macroeconomic outlook? Is the current slowdown a cyclical blip, or something more sustained and potentially more worrisome?

This webinar will take place on **November 16, 2021 at 10h00**.

### Program:

**10h00-10h05:** Introduction by Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce;

**10h05-10h50:** Speech on the macro-economic prospects in China by Mr. Hans Dewachter, Chief Economist, KBC Group;

**10h50-11h00:** Q&A Session.

### Practical information:

**Date and time:** November 16, 2021, 10h00-11h00

**Location:** Online

**Price for members:** Free

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**Celebration of the 15<sup>th</sup> Anniversary of the China Platform: Panel discussion  
“Innovation and R&D: Future Prospects with China”  
22 November 2021 – Het Pand, Ghent**



**The year 2021 marks the 15<sup>th</sup> Anniversary of the China Platform in Ghent University. So this calls for a big festivity!**

On 22 November, the China Platform will host a festive 1-day event in the Convention Center Het Pand. During this event, the China Platform will also present its third book about the Ghent University–China cooperation of the past 15 years, since the establishment of the China Platform.

The programme of this “Celebration of the 15<sup>th</sup> Anniversary of the China Platform” consists of a morning part with two panel sessions, focusing respectively on education and research; and an afternoon part, that will start with a panel session about Innovation and R&D, followed by the plenary session with keynote speeches by some of the distinguished guests. The programme will be officially concluded with a presentation by Prof. Luc Taerwe, Director of the China Platform, of the new book of the China Platform. This 1-day programme will be concluded with a networking reception that will allow the participants to “mix and mingle”.

The programme starts at 9:00 am sharp and will end at 6:00 pm.

As part of the **celebration of the 15<sup>th</sup> Anniversary of the China Platform**, the Flanders-China Chamber of Commerce and Ghent University are organizing a **panel discussion on “Innovation and R&D: future prospects with China”** with the following participants:

**Mr Kurt Vandeputte**, Chairman of the Flanders-China Chamber of Commerce and Senior Vice-President Government Affairs, Umicore

**Mr Luc Semeese**, Vice-President Manufacturing Engineering, Volvo Cars

**Mrs Veerle Van Wassenhove**, Vice-President Research & Innovation, Bekaert

**Mr Wim Van Camp**, General Manager, Ghent University Tech Transfer Office

**Mr Birk Vanderweeën**, General Manager Europe, Legend Biotech

**Moderator: Ms Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

**Full program of the celebration:**

**Morning**

**09:00 – 09:15** Welcome by Prof. Guido Van Huylenbroeck, Director of Internationalization, Ghent University

**09:15 – 10:45** Panel session: “Research: what opportunities for future sustainable collaborations?”

**10:45 – 11:15** Coffee break with poster session

**11:15 – 12:30** Panel session: “Vision on the developments in education: an internationalization for all strategy”

**12:30 – 13:30** Walking lunch with poster session

## Afternoon

**13:30 – 15:00** Panel session: “Innovation and R&D: future prospects with China”

**15:00 – 15:25** Coffee break with poster session

**15:30 – 16:25** Plenary session in the presence of:

**Prof. Rik Van de Walle**, Rector of Ghent University

**Mrs Carina Van Cauter**, Governor of the Province of East-Flanders

**Mr Mathias De Clercq**, Mayor of the City of Ghent

**Mr Daan Schalk**, CEO of the North Sea Port

**16:25 – 16:55** Presentation of the third publication of the China Platform by Prof. Luc Taerwe, Director China Platform, Ghent University

**17:00 – 18:00** Reception

Website: [www.ugent.be/chinaplatform](http://www.ugent.be/chinaplatform)

Email: [chinaplatform@ugent.be](mailto:chinaplatform@ugent.be)

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## Webinar: Belgian Customs and its activities in China 24 November 2021, 10h00 – 11h00

**WEBINAR**

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

**Belgian Customs  
and its activities in China**

**24 November, 2021, 10h00-11h00**

**Isabelle Bedoyan**  
Counselor, Customs Attaché,  
Embassy of Belgium in China

**Leslie Lambregts**  
Director International Affairs,  
FAVV-FASFC

**Annabelle Schreiber**  
Agricultural attaché,  
Embassy of Belgium in China

Moderated by **Gwenn Sonck**  
Executive Director,  
Flanders-China Chamber of Commerce

The Flanders-China Chamber of Commerce – with the support of Flanders Investment & Trade – is organizing a webinar focused on **'Belgian Customs and its activities in China'**.

### Program:

**10h00-10h05:** Introduction, Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce

**10h05-10h20:** Procedures and regulations of the Chinese customs and other institutions related to import or export, Ms. Isabelle Bedoyan

**10h20-10h35:** Support given by FASFC to local companies when exporting to China, Mr. Leslie Lambregts

**10h35-10h50:** Sanitary and phytosanitary requirements for export to China, with focus on the new Chinese registration requirements for foodstuffs (Decree 248), Ms. Annabelle Schreiber

**10h50-11h00:** Q&A Session

**Practical information:**

**Date:** 24 November 2021

**Location:** Online

**Price members:** Free

**Price non members:** Free

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**China Dinner: The Picanol Journey in China – 1 December 2021, 18h30, Ghent**



After a long period of virtual events, our chamber is once again pleased to be able to put on some live events at which we can all once again meet one another in person. Our second event is an informal dinner which will take place on **December 1, 18h30** at Cercle Royal La Concorde, Kouter 150 in Ghent.

**Mr. Johan Verstraete, Vice President Weaving Machines, Picanol Group** is our guest speaker, and he will talk about Picanol's experiences in China.

He will have much of interest to say, so you are strongly encouraged to sign up to join us at the dinner, which always prove very popular with our Members. **There are limited seats**, so we can have a small group to enable people to share their experiences and to network.

**Program:**

**18h30-19h00:** Registration and networking.

**19h00-19h05:** Welcome by Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce.

**Speech & Dinner:** Picanol's experiences in China, by Mr. Johan Verstraete, Vice President Weaving Machines, Picanol Group, and Board Member, Flanders-China Chamber of Commerce.

**Panel discussion and closing remarks:** Mr. Kurt Vandeputte, Senior Vice-President Government Affairs, Umicore and Chairman, Flanders-China Chamber of Commerce.

**21h30:** Finish

**Practical information:**

**Date and time:** December 1, 2021, 18h30-21h30

**Location:** Cercle Royal La Concorde, Kouter 150 in Ghent

**Price for Members:** €75, + 21% VAT

**Price for non-Members:** €95, +21% VAT

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### HEALTH

#### Borders with Mongolia, Russia and Myanmar new flashpoints of Covid-19 pandemic in China



The latest Covid-19 outbreak has so far affected 44 cities in 20 provinces, as another 65 domestically transmitted cases were reported on November 8. Nationwide, more than 1,067 cases have been reported since the latest outbreak started on October 17, at least 35 of them in Beijing. Since the outbreak in Wuhan last year, more than 30 local outbreaks were detected in China caused by imported cases.

The two major flashpoints are Ejine Banner in Inner Mongolia and Heihe in Heilongjiang province, both border cities, the first bordering Mongolia and the second bordering Russia. According to Chinese health experts, two different strains from abroad were responsible for the outbreaks. Passenger transport between Heihe in China and Blagoveshchensk in Russia has been suspended for nearly two years, but the river route for freight is still open. As local governments are grappling with these outbreaks, the National Immigration Administration urged border ports to strengthen epidemic prevention and control, such as using contactless methods for dealing with imported goods and intensifying border patrols to crack down on illegal border crossings.

Experts had warned there are two possible transmission chains for the virus from abroad – land border ports with cross-border trade, or places where migrating wild animals can cross the border. The town of Ruili in Yunnan province bordering Myanmar has also become a Covid-19 flashpoint. The small border city of 210,000 people has been placed under lockdown three times this year, and Chinese health experts said strict measures have successfully ensured that Ruili did not spread cases to other provinces. Chinese authorities emphasized they will

not abandon the zero-Covid policy, even for cities like Ruili. Myanmar reported around 1,000 Covid-19 cases per day last week. With a border stretching 170 kilometers, Ruili has 10 border crossings, and villages in China and Myanmar are closely connected.

The recent outbreak is more complicated than the recent one in Nanjing, which originated within the airport and spilled over. This time, there are multiple sources, many of which remain unclear even after half a month. Experts are still looking into what caused the outbreak in Ejine Banner, which they believe was caused by imported cases. The origin of the Heihe outbreak in Heilongjiang also remains unknown, and it is not related to the recent flare-ups in Inner Mongolia and Gansu province. The coronavirus can more easily spread in winter and there is also the increasing danger of the mutated Delta variant. Local governments have adopted strict measures to curb the spread. The outbreaks are expected to be contained in a month.

The latest resurgence of Covid-19 in China has shown an apparent **tendency of spreading among schools, affecting students and kindergarten children**, as at least four places have detected outbreaks related with schools and kindergartens. Experts called for faster vaccination of minors so as to raise students' resistance to the virus as well as monitoring of travel by parents and teachers to prevent potential flare-ups that could lead to larger-scale outbreaks among communities. Beijing's Chaoyang district suspended classes at 18 schools after outbreaks of confirmed cases recently.

Zeng Guang, former Chief Epidemiologist of the Chinese Center for Disease Control and Prevention, countered Western criticism of China's zero-tolerance policy. He warned that China should not let the foreign media's sniping shake the country's confidence. "We are at a highland [of fighting the coronavirus] that they cannot attain. Those who mock us are from countries where they have reported more than 10,000 cases daily, yet we report less than 100," he said.

As part of efforts to reduce the risk of imported cases causing a domestic outbreak, **many places have tightened control of goods purchased overseas**, and are reminding residents not to buy products from epidemic-hit regions. Provincial regions including Heilongjiang, Inner Mongolia, Shandong and Hunan have released notifications to remind residents to stop

purchasing from overseas, and postal and courier companies to stop delivering goods sent from overseas epidemic-hit areas. Consumers who plan to purchase products overseas via purchasing agents are advised to

ask suppliers to provide nucleic acid testing results and not to purchase products without them.

This overview is based on reports by the China Daily, Global Times and Shanghai Daily.

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## FOREIGN TRADE

### 4<sup>th</sup> import expo (CIIE) with more exhibitors than ever



The 4<sup>th</sup> China International Import Expo (CIIE) was held from November 5 to 10 in Shanghai with the number of participating countries and companies surpassing that of the third annual expo. According to the Global Times, the CIIE is the world's first national-level import exhibition and an innovation in the history of global trade. Nearly **3,000 exhibitors from 127 countries and regions** participated in the fourth edition of the Expo, according to the CIIE Bureau. According to a catalogue of exhibitors, Japan fielded the largest number of companies with a total of 289 exhibitors, while the U.S. sent 185 companies to the Expo. Germany fielded 167 exhibitors and Russia sent 42 companies. Last year, tentative deals for one-year purchases of goods and services at the CIIE totaled more than USD72 billion, up 2.1% from the second edition of the Expo, despite the impact of the pandemic, according to the CIIE Bureau.

**Chinese President Xi Jinping opened the 4<sup>th</sup> CIIE with a keynote speech that underlined China's unswerving commitment to further opening up its market** and helping to boost global cooperation, as the world faces rising protectionism and other challenges. Xi pledged that China will firmly safeguard true multilateralism, share market opportunities with the rest of the world, promote high-standard opening-up and uphold the common interests of the world. "The opening-up measures unveiled at the third CIIE have been basically implemented," Xi said.

President Xi announced that **China would further shorten the negative list for foreign investment, and release a negative list for cross-border trade in services in the pilot free trade zones.** China will also deeply engage in international cooperation on green and low-carbon development and the digital economy, and actively work to join the Comprehensive and Progressive Agreement for

Trans-Pacific Partnership and the Digital Economy Partnership Agreement.

This year also marked the 20<sup>th</sup> anniversary of China's accession to the World Trade Organization (WTO) and China has fully honored its commitments to the multilateral trade body. Over the past two decades, China has become the world's factory, the largest trading nation in goods, and the second-largest consumer market.

"The holding of the CIIE demonstrates that China honors its commitment to high-level opening-up and sharing development dividends with others to shore up globalization," said Zhang Yansheng, Chief Researcher at the China Center for International Economic Exchanges. "The world is in urgent need of more trade orders and increased demand to revive the economic recovery, as well as communications to reach consensus and find more effective ways to combat the pandemic and repair global industrial and supply chains, and regarding both, the CIIE will play a vital positive role," he said. Huo Jianguo, Vice Chairman of the Beijing-based China Society for World Trade Organization Studies, said China has made great achievements in expanding market entry, and as it vows to promote institutional opening up, the focus for the next phase will include increasing the transparency and stability of administrative rules and regulations. Huo said China needs to align rules and regulations on trade and investment with the high standards of the world.

**At the new product release area, more than 60 exhibitors launched over 100 new products and innovative technologies.** More than half of these products are being shown to the world for the first time. One of the most high-profile exhibits is from Swiss pharmaceutical company Novartis – a hyperlipemia therapy called Inclisiran that lowers cholesterol levels. Patients only need two doses of Inclisiran a year.

The Global Times observed that the fourth CIIE could be summarized as **"three more's" – more green**, as almost all the exhibitors have showcased what they can do to help achieve China's carbon targets; **more interesting**, as the CIIE has not only become a platform for making deals, but for showcasing foreign companies' concept ideas and culture; and **more stringent**, as the pandemic-prevention measures taken at this year's CIIE are even stricter than at last year's event.

This overview is based on reports by the China Daily, Global Times and Shanghai Daily.

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## RETAIL

### Double Eleven shopping festival already under way



**The Double Eleven shopping festival already started on November 1, with consumers showing growing enthusiasm for buying electronics.** Xiaomi Corp said that sales of its consumer electronic products on e-commerce platforms and in off-line retail stores exceeded CNY7 billion on November 1. Within the first hour of the shopping festival, during which many discounted products are on offer, the company sold more than 500,000 units of its Redmi Note 11 series smartphones. Data from e-commerce platform JD also showed that the turnover of Apple products on JD in the first four hours of the gala – originally meant to allow singles to buy products for themselves on November 11 – increased 200% year-on-year, while sales of electronics from Xiaomi, Oppo and Vivo during the first hour all exceeded those in the same period last year. Realme, a fast-growing Chinese smartphone vendor, said that its sales in the first 16 minutes of the shopping festival exceeded its whole-day sales on November 1 of last year. Fu Liang, an independent telecom analyst, said this year's Double Eleven shopping festival comes at an important time for Chinese consumer electronics companies, especially smartphone vendors, as they vie to fulfill annual sales targets after demand was lower than expected in recent month.

**In September, shipments of phones in China hit 21.44 million units, a year-on-year decrease of 8.1%.** As a result, Chinese smartphone brands are scrambling to attract consumers with new products and discounts for older models, as they bet big on the Double Eleven shopping gala to boost sales. Lin Keyu, Analyst at Counterpoint Research, said it is also worth noting that during this year's shopping festival there were no sub-CNY1,000 smartphone models, partly because companies are offering better products.

**Payment will be more convenient this year as Cloud QuickPass will officially debut.** This is the latest example of removing payment difficulties, after 85% of all merchants on Taobao said they have accepted transactions through Cloud QuickPass. Digital payments, albeit ubiquitous in

China, used to be a matter of choice between Alipay, WeChat Pay, UnionPay or some other mobile wallet. Today, such barriers are being torn down. For instance, WeChat users need only scan a Cloud QuickPass – offered by UnionPay – to complete transactions in the blink of an eye. Alipay and WeChat Pay – covering over 90% of the country's third-party payment market transactions – said they are enhancing online and offline integration with China UnionPay to allow a seamless payment experience. In the past, users of Taobao, the e-commerce portal of Alibaba, could only make transactions via its mobile wallet Alipay by binding bank cards with Alipay accounts. Now, China's antitrust authorities are forcing interconnectivity to restore market order by reining in monopolistic behavior, experts said. Fan Yifei, Deputy Governor of the People's Bank of China (PBOC), said during a payment and clearance forum in September that the orderly interconnectivity of payment interfaces among platform companies helps boost fair competition, and that exclusive and discriminatory payment agreements should be banned.

According to a report by JD.com, **beauty and makeup, healthcare and maternal and baby products are the top three best-selling categories of imported products.** Consumers prefer to buy overseas products from the United States, Japan, France, Germany and Switzerland on JD. The proportion of female consumers who purchase imported merchandise is higher than that of male consumers, and the young generation aged below 30 is the fastest-growing consumer group for imported products. Data from the General Administration of Customs showed the import and export volume of China's cross-border e-commerce reached CNY886.7 billion in the first half of this year, up nearly 29% year-on-year.

Some 98% of all the orders placed by consumers in the Chinese mainland may be shipped free of charge during this Double 11 shopping festival, according to reports. Couriers delivered 569 million packages on November 2, a year-on-year increase of 28.54%, according to the State Post Bureau. China's sophisticated logistics system has an organized chain with delivery enterprises, e-commerce platforms and industry workers cooperating closely with each other, which maximally guarantees a smooth delivery flow, Zhang Yi, CEO of iiMedia Research Institute told the Global Times. He Hui, Director of the China Logistics Information Center, added that the country's efforts in continuously improving the infrastructure, such as constructing railways and highways and delivery companies opening up more stations, aims to cover as many provinces and counties as possible. The average Chinese consumer receives more packages than those in other countries, e.g. more than three times the number of packages than an American, the Global Times reports.

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### CHINA NEWS ROUND-UP

#### Record high revenues and profits of EU companies in China result from China's vitality and opening up efforts, said MOFA

Record high revenues and profits for EU businesses demonstrate China's economic vitality as well as its efforts to continuously open up the market and optimize the business environment for foreign firms, Wang Wenbin, Spokesperson for China's Foreign Ministry, said. Wang's remark came after Joerg Wuttke, President of the European Union Chamber of Commerce in China, said that EU companies are willing to make greater contributions to the high-quality development of China's economy, as the turnover and profit of member companies reached record highs in the nation in 2020. "The record highs in the turnover and profits of member companies of the European Union Chamber of Commerce in China are an epitome of the vitality of the Chinese economy and the positive effects of China's endeavor to deepen opening-up and optimizing the business environment," Wang said. As two major independent forces in the world and each other's comprehensive strategic partner, **cooperation between China and the EU, complementary, mutually beneficial and win-win in nature**, has brought tangible benefits to the two peoples, Wang added.

Official data showed that China became the EU's No 1 trading partner in 2020. Bilateral trade in the first three quarters of 2021 reached USD599.3 billion, an increase of 30.4% year-on-year. Nearly 60% of European companies plan to expand their businesses in China this year, an increase of nearly 10 percentage points from 51% last year, a survey released by the European Union Chamber of Commerce in China showed in June.

China has made overall plans to promote economic and social development, and strives to create a market-oriented business environment based on the rule of law and up to international standards to provide strong guarantees for companies operating in China, Wang noted. "We will continue to improve the business environment for foreign companies, including those from the EU. We also stand ready to work with the EU side to advance connectivity, seek greater strategic synergy, boost global economic recovery and contribute to addressing global challenges," Wang said, as reported by the Global Times.

#### President Xi Jinping committed to deepen international cooperation in shipping

President Xi Jinping reiterated China's commitment to deepening international cooperation on shipping affairs and making all-out efforts to restore and ensure the smooth flow of global industry and supply chains. In a congratulatory letter to the **2021 North Bund Forum on International Shipping**, Xi said China is willing to work with different nations to jointly tackle the current challenges, adapt to the new trends of going green, low-carbon and smart in the shipping sector and promote the industry's healthy growth. He noted that the shipping industry is a key guarantor of the development of international trade and an important bond in terms of friendly exchanges among the peoples of various nations. With the Covid-19 pandemic raging globally, President Xi also stressed the important role of the sector in pandemic response, promoting trade recovery and ensuring the stability of industry and supply chains.

The 2021 North Bund Forum opened in Shanghai on November 4, bringing together over a dozen international and domestic shipping associations and companies. They have jointly launched the **Shanghai Initiative**, which **stressed the importance of unimpeded shipping and aviation to global supply chains** and called for joint efforts to safeguard cross-border transportation to fight the pandemic, the application of new technologies and the adoption of green and low-carbon technologies to reduce global greenhouse gas emissions.

Li Qiang, Shanghai Communist Party Secretary, said that holding the forum at the North Bund was very meaningful as it sits at the intersection of Suzhou Creek and the Huangpu River – two main rivers connecting Shanghai with inland waterways and the Yangtze River. "Shanghai thrived on the rivers and the sea, and shipping is of vital importance for the city's development," he said, adding that the city has basically built itself into an international shipping center with the world's highest turnover of containers at Shanghai Port for more than a decade. Minister of Transport Li Xiaopeng said the building of transportation infrastructure paved the way for China's modernization, and the development of China's shipping industry has attracted global attention with world-class ports and harbors that connect countries and facilitate trade, the China Daily reports.

## GDP rebound still possible in Q4

**Analysts expect that China's GDP growth in the fourth quarter may yet rebound to above 5%** as the government will likely further expand fiscal spending to boost domestic demand and investment. China's GDP grew at 4.9% year-on-year in the third quarter, down from 7.9% in the second quarter. Xu Hongcai, Deputy Director of the Economic Policy Committee of the China Association of Policy Science, said the government has accelerated the issuance of special local government bonds and it is likely to loosen credit and financing policies for companies. "The prices of major commodities and raw materials will remain elevated in the fourth quarter and they are unlikely to drop substantially in the near term," Xu said. "We'll likely see a mild rebound of growth in the fourth quarter as the government will expand fiscal spending to shore up growth. It appears that policymakers will use every possible tool to avoid further deceleration of GDP growth." It is important to understand the dynamics of the broader picture. Coal shortages, analysts said, were caused by a mix of factors including rising demand for power from industries amid robust economic recovery and export growth; low coal inventory; and the decline of domestic coal supply that was disrupted by extreme weather and strict restrictions on coal production to meet carbon emission goals.

The coal shortage ultimately led to China's recent power crunch and electricity rationing in some regions. The rigid on-grid power price mechanism, under which the power price is allowed to fluctuate only within a certain range, exacerbated the power shortage as coal-fired power plants have little incentives to produce in light of soaring coal prices. As China is to enter the peak winter season for power consumption, the question is how long it would take for the pressure of power shortages to be eased and how much of an impact it could have on the Chinese economy. China's policymakers have acted swiftly to rein in coal prices and ensure adequate supplies. While the country has been pushing for green development, coal still accounts for about 57% of China's primary energy consumption. Higher prices of coal-fired electricity would mean higher costs for companies, especially those in energy intensive upstream industries, and could drive up prices of other raw materials, ultimately pushing inflation higher.

Economists at the China International Capital Corp said that growth of China's factory gate inflation, which already hit a record high in September by rising 10.7% year-on-year, will likely remain above 10% in October. Meanwhile, growth of the country's consumer prices could reach nearly 2%. CICC analysts also forecast that energy shortages could reduce China's GDP growth rate in the fourth quarter by 0.1 to 0.15 percentage point. The National Development and Reform Commission (NDRC) has issued multiple guidelines since the end of September to stabilize both power production and consumption. The regulator has reformed the power pricing mechanism, expanding the fluctuation range to 20%, which could help reduce the losses coal-fired power plants have to bear. In addition, electricity prices for high energy-consumption companies will be set by the market and will not be subject to the 20 % ceiling, the NDRC said.

"Amid Beijing's rising efforts to boost coal supply and mitigate power outages, we expect industrial production growth to rebound slightly to around 3.5% year-on-year in October from 3.1% in September," Lu Ting, Chief China Economist at Nomura Securities, said. "We revise China GDP downward to 4.3% year-on-year in the fourth quarter from 4.5% year-on-year and we revise China GDP to 8.9% for the whole of 2021 from 8.7%," said Iris Pang, Chief China Economist at Dutch bank ING, as reported by the China Daily.

## China completes preparations to meet its RCEP obligations

**China will be able to fully meet its obligations when the Regional Comprehensive Economic Partnership (RCEP) agreement comes into effect at the start of next year**, according to Yu Benlin, Director General of the Ministry of Commerce's Department of International Trade and Economic Affairs. The Ministry confirmed last week that six member countries of the Association of Southeast Asian Nations, including Singapore, Thailand and Vietnam, and four non-ASEAN countries – China, Japan, New Zealand and Australia – had formally submitted their RCEP ratifications to ASEAN's Secretariat, meeting the conditions for the deal to come into force in those 10 countries at the start of next year. Yu said the RCEP – the world's biggest trade pact by GDP – is designed to remove as much as 90% of tariffs on goods traded between signatories within a decade of coming into effect.

The Ministry of Commerce (MOFCOM) and other government agencies have completed preparations for the implementation of all **701 binding obligations involving China under the RCEP**, Yu added. A total of 166,000 Chinese entrepreneurs, trade and customs officials, and related personnel have completed RCEP training in over 600 training sessions and online training courses. The RCEP will further stabilize industrial and supply chains in the Asia-Pacific region when it comes into effect, ensure free trade and regional connectivity, and contribute to the world's economic recovery, said Dang Yingjie, Deputy Director General of the National Office of Port Administration at the General Administration of Customs. China's foreign trade volume with other RCEP participants surged 19.3% year-on-year in the first three quarters of this year.

The RCEP was officially signed on November 15 last year. Its 15 member countries have a total population of 2.27 billion and a total GDP of USD26 trillion. Their combined exports reach USD5.2 trillion, accounting for around 30% of the world's total economic output, the China Daily reports.

## China's foreign trade up 31.9% in first 10 months

**China's total imports and exports reached USD4.89 trillion in the first 10 months of 2021, increasing 31.9% from a year earlier and exceeding the full-year figure for pre-Covid 2019.** The robust trade data with double-digit growth in both imports and exports during the period

were supported by a combination of factors, including China's complete and resilient supply chain, strict epidemic prevention, and booming global demand for Chinese goods, analysts noted.

However, total trade volume fell in October with import growth falling below expectations amid new Covid-19 outbreaks, logistics hurdles and power shortages. But analysts said that trade growth will likely be maintained at around or above 20% for the rest of the year. Exports reached USD2.7 trillion for the first 10 months, a year-on-year increase of 32.3%, while imports saw a significant 31.4% increase, reaching USD2.19 trillion. ASEAN remained China's largest trading partner, with a total of USD703.34 billion, an increase of 30%. **Trade with the EU, China's second-largest partner, stood at USD670.38 billion, an increase of 30%.** The increase in trade between China and the U.S. was the largest among the top three trading partners, rising 33.4% year-on-year to USD609.94 billion. During the same period, China's total trade with countries and regions part of the Belt and Road Initiative also grew 23% year-on-year to CNY9.3 trillion.

China's total import and export value for October alone fell 5.6% month-on-month, data from the GAC showed. Experts said that this was within expectations, given the power curbs in several parts of China amid high coal prices and tight supplies, as well as strict but necessary epidemic prevention and control at border ports. The country's exports in U.S. dollar terms in October increased by 27.1% year-on-year to USD300.2 billion, the Global Times reports.

## Measures taken to further develop China's consumption market

**The Haihe International Consumption Summit in Tianjin** recently highlighted new opportunities for international consumption under the "dual-circulation" development plan, in which domestic and overseas markets reinforce each other, with the domestic market as the mainstay. China's consumption market has created unlimited opportunities for enterprises, Jasmine Xu, Chairwoman and CEO of P&G Greater China, said at the

Tianjin summit.

**In July, the central government chose Shanghai, Beijing, Tianjin, Chongqing and Guangzhou to take the lead to become international consumption centers.**

The five recently unveiled a series of measures and will carry out specific projects to implement the plan. "I believe China will be able to leverage the fundamental role of domestic consumption in economic development and foster a more robust and domestic market to boost growth at home and create more room for global growth," said Ian McGarrigle, Founder and Chairman of the World Retail Congress.

With a population of over 1.4 billion, including a middle-income group of over 400 million that keeps expanding, China offers a supersized market which will create new opportunities for global consumption markets, Minister of Commerce Wang Wentao said at the Summit. Currently, individuality and the shopping experience are becoming more important. "China is one of the largest and most sophisticated consumer markets in the world, and we are very committed to China and to Chinese consumers. We are investing to improve and expand our operations and we are investing in innovative new products and services, all with a view to meeting Chinese consumers' desire to have a better life," said David Taylor, Chairman of the Board, President and CEO of P&G. Dan Friis, Co-founder of the Bestseller Fashion Group China said his company achieved 100% localization since 1998 and spent all the time in the Chinese consumption market to understand Chinese consumers. "There have been so many opportunities in China all these years," Friis said.

Liu Hui, Director of the JD Research Institute for Consumption and Industrial Development, said the number of international brands and products on JD has continued to grow in recent years. The National Bureau of Statistics (NBS) said China's retail sales of consumer goods in the first three quarters totaled around CNY31.8 trillion, up 16.4% year-on-year. Wang Wei, Director General of the Institute of Market Economy, said building Chinese cities into international consumption centers is conducive to fostering new growth poles in promoting stable economic growth, and leading the momentum in global consumption, the China Daily reports.

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