China Business Weekly

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

FCCC/EUCBA ACTIVITIES

Exclusive webinar with His Excellency Mr Zhang Ming, Ambassador of the People's Republic of China to the EU, Head of the Chinese Mission to the EU – 7 December 2021, 10:00 am CET

The EU-China Business Association (EUCBA) and the China Chamber of Commerce to the EU (CCCEU) are organizing an exclusive webinar with **His Excellency Mr Zhang Ming, Ambassador of the People's Republic of China to the EU and Head of the Chinese Mission to the EU.** This webinar will take place on December 7 at 10 am CET.

He will discuss the following topic:

'Update on the economic and trade relations between the EU and China'

Program:

10:00 – 10:10: Welcome remarks by:
Mr Jochum Haakma, Chairman, EU-China Business Association
Mr Xu Haifeng, Chairman, China Chamber of Commerce to the EU
10:10 – 10-25: Speech by **H.E. Mr Zhang Ming**, Ambassador of the People's Republic of China to the EU and Head of the Chinese Mission to the EU
10:25 – 11:00: Q&A session

Moderated by **Ms Gwenn Sonck**, Executive Director, EU-China Business Association

Practical information:

Date and time: December 7, 2021, 10h00-11h00
Location: Online
Price for members: Free

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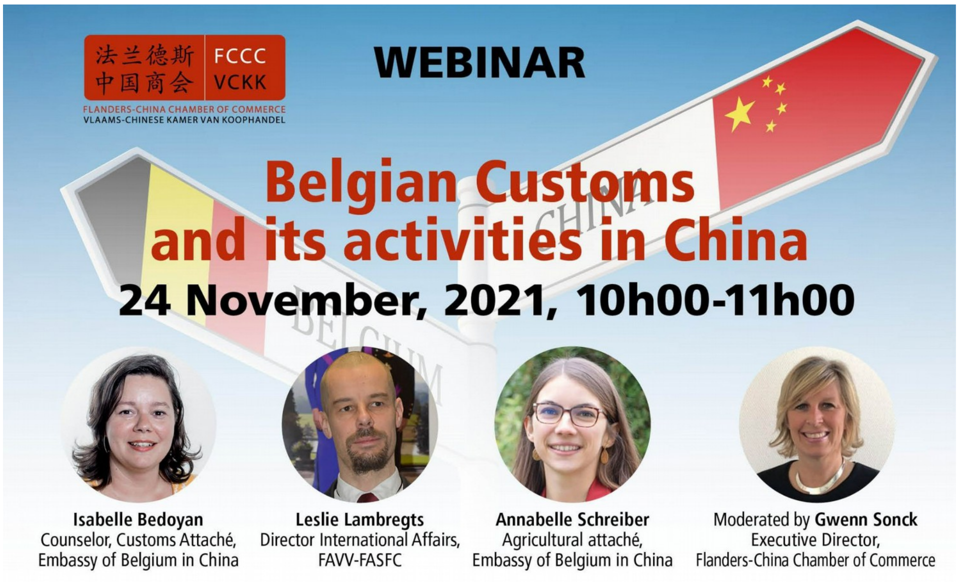
PAST EVENTS

Webinar: Belgian Customs and its activities in China – 24 November 2021



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

Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce, welcomed the participants to the annual webinar on Customs formalities in exporting to China and introduced the speakers.

Ms Isabelle Bedoyan, Counselor and Customs Attaché at the Belgian Embassy in Beijing, focussed on the procedures and regulations of the Chinese Customs related to import and export. Ms Bedoyan has been representing the Belgian Customs in Beijing since 2018, covering mainland China, Hong Kong and Macao, which each have separate Customs administrations. The Customs Attaché in Beijing has strong ties with the local Customs administrations to develop bilateral relations and solve some cases. There are only five Belgian Customs Attachés, stationed in Brazil, Russia, India, China and Indonesia.

An important task of the Belgian Customs Attaché is assisting and informing economic operators and individuals regarding Customs and excise regulations. The emphasis is on prevention because it is always cheaper and quicker to prevent problems, but the Attaché can also help in problem solving and act as intermediary between Belgian operators and Chinese Customs. However, the Attaché cannot be your lawyer or Customs broker and will always operate respecting national laws and local authorities. Representing Belgian Customs in China and building a professional network is also important. Attention points in China are the language and cultural barriers and the procedures before import and at the border. You also need to be aware of changing legislation. China Customs is becoming more and more a true gatekeeper, not only on border control, but also on market access. Customs issues with China can be very complex.There are several scenario's: exporting to China; producing in China; sourcing products from China; Belgian investments in China and Chinese investments in Belgium. In all these scenario's there is often a Customs aspect involved. In times of pandemic Customs can be even more important.

The General Administration of Chinese Customs (GACC) is a full ministerial-level agency and a true gatekeeper. It took over many responsibilities of the former quarantine agency and the registration and supervision of overseas manufacturers of imported food. Customs also integrated functions of the departments of health quarantine, animal and plant quarantine, export food safety and commodity inspection. Two other important players are the State Administration of Market Regulation (SAMR) and the Ministry of Agricultural and Rural Affairs (MARA), which also took over some important responsibilities.

The Chinese commodity code (13 digits) is different from the international harmonized system (6 digits), so you should always check that you use the correct Chinese code, which might be linked to licenses and other procedures. VAT rates on imported goods decreased over the past years and are now between 9% and 13%. The consumption tax is comparable to our excise tax on tobacco and alcohol. Regarding Customs duties between Belgium and China we refer to the MFN duty rate for WTO members. But if you trade products from another country, it is usefull to look at the Free Trade Agreements (FTAs) that China has with other countries. Sometimes there are different rates for certain quota or during a certain time. In times of pandemic tariffs might also change when China needs certain products. The China Compulsory Certification (CCC) covers more than 150 types of products which need to be tested by a recognized Chinese laboratory.

China's single window for Customs will be the gateway for import and export, integrating more than 18 categories of basic services, more than 739 service items and 25 ministries. In the future even more features might be added. The year 2021 was much influenced by the pandemic, with an exponential growth in the prices of container transport, mostly outgoing from China. The container shortage also became a problem. We saw increased Covid controls on the cold chain, in the ports and there are many separate loops. There was disruption of maritime and air connections due to the pandemic, with the temporary closure of ports. There were also new regulations on the registration of overseas producers of imported food. Despite the new challenges there are resources to help you: chambers of commerce, the embassy and consulates and the regional representatives, including FIT, and the Customs and agricultural attachés.

Mr. Leslie Lambregts, Director International Affairs at FAVV-FASFC, **focussed on the support to companies exporting to China.** The Federal Agency for the Safety of the Food Chain (FASFC) is the competent authority in Belgium for the food chain and animal and plant health. The Department is also handling the requirements for the export of Belgian foodstuffs, animals and plants to countries outside Europe. All export requirements are published on the Department's website. If you need a certificate, you need to contact the local contact unit of the food agency. Currently, not only the Covid situation, but also the political situation between Belgium/Europe and China, is a real burden for the export files. For example, Belgium is for a long time free from African swine fever but the embargo to export Belgian pork to China is not yet lifted, while China is an important market for our meat industry. The department is also still waiting for answers from the Chinese colleagues to open the market for Belgian feed companies.

Ms. Annabelle Schreiber, Agricultural Attaché at the Belgian Embassy in Beijing, focussed on the new Chinese registration requirements for foodstuffs. The GACC Decree 248 regulates the registration and administration of overseas producers of imported food, entering into force on January 1, 2022. It replaces the Administrative Measures for Registration of Overseas Producers of Imported Food (Decree 145). Export instructions can be consulted on the FASFC website.

There are four possible situations depending on the product category:

1. No registration needed: continue as usual.

2. Registration via cifer.SINGLEWINDOW, without validation by the Belgian competent authority. Access https://cifer.singlewindow.cn and log in or create an account. You will need to input an “approval number”, which is the FASFC registration number you find on www.foodweb.be (Not the enterprise number). Register, choose your product category, and fill in the required information.

3. Registration via cifer.SINGLEWINDOW, with validation by the Belgian competent authority: submit a form and declaration for registration to AFSCA. This is valid for 14 product categories. Establishments that already export meat and meat products; aquatic products; dairy products or bird's nest, do not need to take any action.

4. Modalities not clearly defined: contact your importer to know under which situation your product falls.

The validity period of the registration is five years and to extend it a new registration request has to be submitted in Cifer within 3 to 6 months preceding the end of the registration's validity.

Concerning labelling, for all categories except meat products, fishery products and special dietary products, there are no particular rules concerning the size and format of registration numbers on the label as long as it respects the Chinese Food Safety Law. Registration numbers may be affixed to packaging in bonded warehouses. The label must comply with the labelling requirements for products produced after January 2022. At first the Belgian registration number may be used.

A Q&A Session concluded the webinar.

Contact:
Customs Attaché in Beijing: isabelle.bedoyan@minfin.fed.be
Economic support team of Belgian Customs: da.mf.es@minfin.fed.be
Website: https://finance.belgium.be/en/customs_excise
Agricultural Attaché in Beijing: annabelle.schreiber@favv-afsca.be

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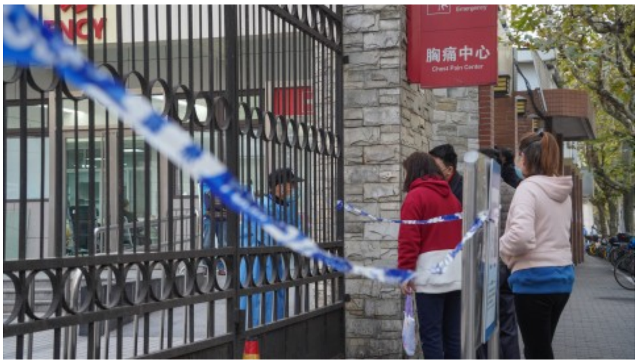
HEALTH

Three Covid cases in Shanghai lead to lockdowns, school closures and flight cancelations



Three locally transmitted Covid-19 cases were reported in Shanghai last week, after nearly four months without any new infections. The three new cases are friends who traveled to neighboring Suzhou from November 19 to 21. All three were fully vaccinated and have been transferred to a hospital designated for Covid-19 treatment. A total of 55,278 people linked to the three cases have tested negative. Zhang Wenhong, Director of the Infectious Diseases Department at Huashan Hospital Affiliated with Fudan University, said unexpected waves of infections may become normal in winter. "Our country is still sticking to the strategy of rapid response and precise prevention and control," he added. Meanwhile, Hangzhou, capital of Zhejiang province, reported two new cases, local health authorities said. In Manzhouli, a city in Inner Mongolia bordering Russia, 28 cases were reported over the past three days. All roads connecting the city to other locations are being tightly controlled. Except for the delivery of daily necessities, all people and vehicles are prohibited from leaving the city.

At least 20 hospitals in Shanghai were temporarily put under lockdown for investigations related to the outbreak. These include the headquarters of Huashan Hospital, Renji Hospital, Shanghai General Hospital, and Shanghai No 10 People's Hospital. Online services are still available at local hospitals, which can be accessed via their WeChat accounts. Ruijin Hospital's 55 departments have opened free online consultation services, and 30 departments offer online clinical services. People can talk to doctors via video calls and send photos. After consulting online services, prescribed medicines will be delivered to patients by logistics companies. By November 29, all hospitals resumed normal operations.

Three residential areas have also been locked down and declared a medium-risk areas. The Xijiao Jinlu complex in suburban Shanghai is only several hundred meters from the Qingpu Campus of Shanghai United International School and there are also several kindergartens nearby. The sudden lockdown led to anxiety among parents and grandparents trying get their children back from school, as they faced the "unexpected situation." A contingency plan was launched immediately, and if needed officials, volunteers and police were mobilized to bring the children back home. Three nucleic acid test spots were set up at the complex within three hours of the lockdown and medical workers visited three seniors aged over 90 to provide tests at their homes. Spare rooms were made available for non-residents, such as construction workers and domestic helpers for them to stay, and two vehicles were arranged exclusively for the delivery of daily necessities to the residents. A team of 150 volunteers was set up to take charge of goods delivery, cleaning and maintenance.

Domestic airlines are offering free ticket changes or refunds for flights taking off, landing or transiting at Shanghai's two airports. The Shanghai-based China Eastern, Spring and Juneyao airlines as well as Guangzhou-based China Southern, which are the biggest operators at the Hongqiao and Pudong airports, have issued free flight change or refund notices. Travelers can either cancel their flights or change to any other date by the end of 2021 free of charge. China's civil aviation authority has ordered domestic airlines to offer free ticket refunds for recent flights due to Covid-19. Travelers can cancel their travel plans any time before the plane takes off.

Leading Chinese epidemiologists brushed aside the possibility that the Omicron variant will have a major impact on China, pointing to the country's current dynamic zero-Covid policy and swift response to flare-ups that ensure the country is able to deal with any variant. The new mutation, declared by the World Health Organization (WHO) as a "variant of concern," was discovered in South Africa and has since been detected in many other countries including Belgium and the Netherlands. Despite having one of the world's highest Covid-19 vaccination rates, Israel was the first country to ban foreigners from entering in response to the new variant. Countries such as the UK, and some other EU countries and the U.S. have imposed travel bans on South Africa and neighboring countries. The Hong Kong Special Administrative Region, which has reported two cases of the new variant, has already banned entry of non-Hong Kong residents who have been in eight African countries within 21 days of arrival. Only about 24% of South Africans are fully vaccinated, according to Johns Hopkins University data, compared with nearly 60% of U.S. residents and 76.8% in China.

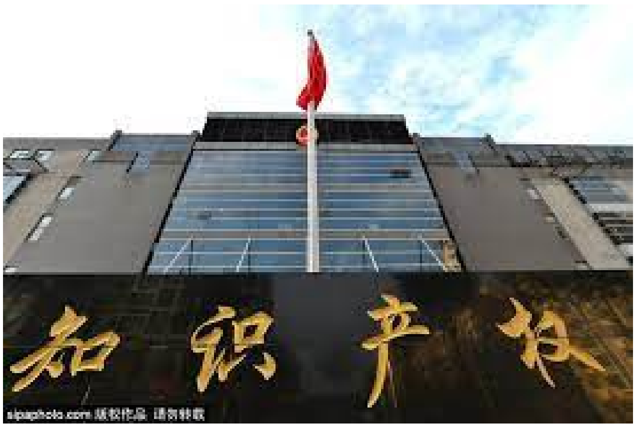
The Chinese mainland and Hong Kong are expected to resume quarantine-free travel as Hong Kong has basically fulfilled the requirements, and Hong Kong has entered the implementation stage for the orderly border reopening with the mainland, Hong Kong officials said. The resumption of quarantine-free travel may start in early December with a daily quota of 1,000 people. Chinese analysts said that resumption of quarantine-free travel between the Chinese mainland and Hong Kong is the first step for the entire country to reopen its borders, which may come as early as next year.

China's top respiratory expert Zhong Nanshan said the country had fully vaccinated 1.08 billion people as of November 24, accounting for 76.8% of the total population and laying a solid foundation for achieving herd immunity by the end of this year. **He stressed that the West advocates personal freedom, but this eventually leads to poor handling of the pandemic.** "What we need is collective freedom, social freedom and national freedom. Only with these freedoms can we have individual freedom," he said. Zhong pointed out that in the West people have the freedom not to wear masks, the freedom to assemble and the freedom not to get vaccinated. But the result is the spread of the epidemic, with repeated outbreaks involving large numbers of infections and deaths. "But in the fight against global public health events, China pays attention to the highest human rights: the right to life, more importantly, the right to health. People wear masks, consciously limit their activities and cooperate with nucleic acid testing to reduce the spread of the virus."

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

IPR PROTECTION

China unveils new blueprint to protect intellectual property



China has unveiled a new blueprint for the protection of intellectual property rights over the next five years, pledging to effectively curb IPR infringement. The five-year plan announces goals for tougher legislation and stronger law enforcement in key sectors. The blueprint comes on the heels of a 15-year master plan released in September, which stated China's aim of becoming a global leader in IPR protection by 2035. According to the document, China will enforce a punitive compensation system for IPR infringements to curb violations and improve the share of patent-intensive industries and copyright industries in GDP over the next five years. Amendments will be made to the patent, trademark, copyright and antitrust laws, and legislation regarding a product's geographical indication and commercial secrets will be ramped up.

Shen Changyu, Director of the China National Intellectual Property Administration, said that the blueprint was a concrete road map for IPR development over the next five years. He said that major highlights include adherence to the philosophy that protecting IPR is protecting innovation, as well as laying the groundwork for a stronger protection mechanism across the board. With China's booming online economy now requiring greater IPR protection, he said the Administration will coordinate efforts both online and offline and respond to challenges, such as the ease with which evidence related to infringement can be destroyed in the information age. The document calls for the improvement of the protective mechanisms covering emerging areas and new business models, including big data, artificial intelligence and gene technology, and aims to boost research into the formulation of data IPR protection regulations.

Protection for intangible cultural heritage will be stepped up, and stronger safeguards for sports, entertainment programs and live-streaming will be implemented. The government will also establish a damage evaluation mechanism for IPR infringements. China will launch a special program for data IPR protection, explore related legislation and promote amendments to relevant laws and regulations. According to the World Intellectual Property Organization (WIPO), **China led the world in patent applications last year, with 1.5 million requests filed. The nation issued over 530,000 patents, up 17.1% year-on-year**, the highest growth of all WIPO members.

Dong Yu, Executive Vice Dean of the China Institute for Development Planning at Tsinghua University, said **IPR has become one of the key pillars of China's high-quality development**. Patent-dependent industries made up 11.6% of China's GDP last year, with copyright industries accounting for 7.4%. "In addition to leveling the playing field for innovative businesses, a strong protective system will also help improve the consumer market and enhance protection of consumer rights," Dong said. Yi

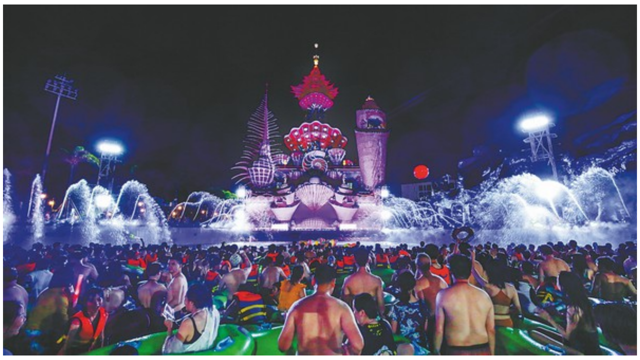
Jiming, Director of the Institute for International Intellectual Property at Peking University, said the document seeks to better integrate IPR mechanisms with technological innovation and the industrial revolution to increase growth of emerging sectors. Wang Junlin, Partner at the Yingke Law Firm specializing in IPR, said the document will help China refine its punitive compensation mechanism to better solve problems such as the low cost of infringement and the high cost of rights protection. Wang said many smaller firms in China are still infringing IPRs due to a lack of awareness. A punitive compensation mechanism will raise public awareness on respecting IPR and punish severe violators. It will also bolster protection and increase people's enthusiasm to stand up for their rights," he added.

China will also play a proactive role in international rule-making concerning intellectual property rights. Gan Shaoning, Deputy Director of the China National Intellectual Property Administration, pledged to "offer equal protection for foreign businesses in China. In the meantime, we must also spearhead the protection of Chinese businesses overseas". The five-year plan seeks to make it more convenient for Chinese businesses to register IPR overseas by introducing measures including the establishment of stronger international cooperation for IPR review services, an expanded network of rapid patent review, and cooperation in sharing new crop varieties. Guidance will be provided for cross-border e-commerce companies to better help businesses improve their capacity for handling overseas IPR risks, the China Daily reports.

China came first in several intellectual property indicators in 2020. Its patent filings increased 6.9% to nearly 1.5 million, far more than the United States, which ranked second with more than 597,000 applications. Japan took third place with more than 288,500 filings, according to the World Intellectual Property Organization (WIPO). The number of Chinese filings for utility models surpassed 2.9 million, taking up the lion's share of applications worldwide. More than half of the world's applications for trademarks and industrial designs came from China. In plant varieties, China registered a double-digit year-on-year increase to 8,960 filings, accounting for close to 40% of applications worldwide. Followed by Germany, the U.S. and South Korea, China registered the fastest growth in the number of patents in force last year, reaching 3.1 million. There were more than 8,400 protected geographical indications in force in China last year, also leading the world.

TOURISM

Nearly 20 new theme parks opened in China since the beginning of the pandemic



Despite the effects of the Covid-19 pandemic on tourism, China opened nearly 20 theme parks, including the Universal Beijing Resort that opened in September. According to a report by consulting firm AECOM and the Los Angeles-based Themed Entertainment Association, the top 20 theme parks in the Asia-Pacific region saw visitor numbers drop 58% in 2020, but the impact on China has been different from other parts of Asia. The country was the first to implement restrictions and closures, but new parks and attractions continued to open even through the pandemic, though with some delays, says Beth Chang, Executive Director of Economics at AECOM's Asia-Pacific operations. Companies including Overseas Chinese Town and Fantawild opened new parks, while Chimelong Paradise expanded. Ocean Park Hong Kong opened a new year-round water park called Water World.

The OCT Group moved ahead with its expansions and additions in 2020, including a new Happy Valley theme park in Nanjing, Jiangsu province, and three new water parks in Nanjing, Shunde in Guangdong province, and Xiangyang in Hubei province, and several small attractions, including an observation wheel, also in Shunde. Last year, Fantawild opened a new Oriental Heritage park in Mianyang, Sichuan province.

Parks in China saw a first wave of temporary closures last year in late January and the first reopened by late March at about one-third capacity, while the country gradually returned to somewhat business as usual. Last year, domestic air travel and high-speed rail operated at about 90% of normal capacity and outdoor scenic areas and parks did well, with people seeking open, outdoor activities. Bookings to theme parks in the first six months of 2021 increased by 85% compared with the same period in 2019, according to China's major online travel agency Trip Group. "Theme parks have remained one of the most popular tourist choices," says Liu Fangtong, Senior Publicity Officer at trip.com.

This year, four theme parks, including Universal Beijing Resort, Chimelong and Shanghai Disney Resort, made their way to the top five sites during the Mid-Autumn Festival holiday from September 19-21, according to Liu. Fantawild parks are primarily targeted to local audiences, with a focus on themes such as local culture and history. Chimelong Paradise in Guangzhou saw the best returns of the group, and also opened a new show and theme area in 2020. Disney is optimistic about the future. The Shanghai Disney Resort, which is celebrating its fifth anniversary in 2021, announced another increase in admission price taking effect in January 2022. Shanghai Disney has also planned an expansion, with an area based on Zootopia under construction. Development of a new, Frozen-themed area at Hong Kong Disneyland is also underway. “Those moves reflect Disney‘s confidence in its operations in China, as well as the company's strategy to keep increasing per-visitor revenue,” Chang says.

The establishment of Universal Beijing Resort, and the ongoing expansion of Shanghai Disney Resort, continue an upward trajectory for the industry, and reinforce the notion of quality entertainment for parks in China and Asia. “Universal Beijing Resort has also set an exemplary standard in being the first LEED-certified theme park in the world,” Chang says. “As China pushes to reduce greenhouse gas emissions and cut its carbon footprint, we will see more innovation of this kind, moving toward reduced energy consumption and more sustainable development with less waste.” Moreover, water parks that were allowed to open in China by May were able to attract tourists during summer, though with limited capacity and the need to address guests’ hygiene concerns. The Atlantis Sanya resort water park in Hainan province had essentially no loss of attendance this year. It has drawn affluent Chinese guests who weren’t able to travel overseas.

The government is promoting the “nighttime economy” to help stimulate domestic demand. Many attractions have added evening activities this year, including water parks that traditionally avoided operating at night. The new OCT Shunde water park has had success offering nighttime ticket discounts, drawing as much as three-quarters of the day’s attendance and giving guests the opportunity to experience the park without the intense summer heat. Some water parks are incorporating electronic dance music to night activities to attract younger visitors, the China Daily reports.

CHINA NEWS ROUND-UP

CAAC restricts cargo in passenger cabins to anti-epidemic goods, reducing cargo capacity

According to a new regulation of the Civil Aviation Administration of China (CAAC), **starting from January 1, 2022, aircraft passenger cabins will only be allowed to carry anti-epidemic-related items, not other freight.** As the number of passenger flights dropped sharply since the start of the epidemic, many passenger cabins had been converted to carry cargo, but this will no longer be allowed. Market insiders predict that the new regulations will **further tighten air cargo capacity, pushing up international air cargo fees.** The new regulations also prohibit cabin seats to be removed to increase cargo space. Airlines that have removed passenger seats to carry more cargo are required to restore the airplanes to their original configuration. Market watchers said that the introduction of the new regulations is mainly due to safety considerations as an automatic fire extinguishing system is lacking in passenger cabins.

The “passenger-to-cargo” aircraft mainly refer to planes which have been modified to fit more cargos by removing passenger seats. This is a temporary modification with seats able to be refitted based on demand. Because the cabin floor has a low load-bearing capacity, it is generally used for large and light goods, including e-commerce packages. The new regulation is only applicable to domestic airlines, with overseas airlines yet to receive guidance on the matter. “It will defiantly push up cargo fees,” Lin Zhijie, an independent market watcher, told the Global Times, as the move will inevitably reduce cargo capacity. Global cargo transport has been stretched over recent months, and air freight rates have been running at near historic highs. Taking the routes of Hong Kong-North America, Hong Kong-Europe, and Frankfurt-North America as an example, average freight rates from January to July 2021 increased by 106.9%, 65.4% and 90.6% respectively compared with the same period in 2019, according to Essence Securities.

Airlines have been mobilizing a large number of idle passenger planes using the “passenger-to-cargo” method to offset the huge losses in passenger travel. In the third quarter, the total losses of eight domestically listed passenger airlines reached CNY11.114 billion. Except for Spring Airlines, which recorded a modest profit, China's remaining seven airlines all recorded losses. Among them, total losses of the country's three state-owned airlines exceeded CNY7.9 billion.

President Xi pushing reforms in science and technology

President Xi Jinping underlined the need to step up institutional reforms in science and technology at a meeting of the Central Committee for Deepening Overall Reform. The meeting adopted key documents, including a three-year plan (2021-23) for reforms of management in science and technology, and proposed measures to **support the Zhongguancun National Independent Innovation Demonstration Zone in Beijing** to develop pilot reforms in innovation. It also adopted a guideline on speeding up the development of a unified national market for electrical power. President Xi called for a critical battle against institutional barriers that affect scientific and technological innovation, and he urged efforts be made to focus on problems, overcome weaknesses and take targeted measures to set up a system that supports higher-level independent innovation and helps raise the nation's innovation capacity. A system will be set up for research of core technologies in key fields, building a network of national laboratories and basic science research centers. The role of enterprises in scientific and technological innovation was also underlined.

In related news, it was reported that China's preeminence in 5G network infrastructure and its rapid progress in artificial intelligence and cloud computing can give it **an edge in moving toward the metaverse**. The metaverse is basically a shared virtual environment in which technologies such as virtual reality and augmented reality are combined to create a sense of virtual presence. The metaverse envisions a future in which the virtual world and the physical world are inextricably interconnected, said Yu Jianing, Executive Director of the Metaverse Industry Committee at the China Mobile Communications Association. Though the concept is still in its infancy, **metaverse is the next big thing after the mobile internet**, and it will give rise to new businesses, bring profound economic changes and inject a fresh impetus into the integration of digital and real economies, Yu said. "Metaverse is becoming the new battlefield for competition in innovation," Yu added.

Jiao Juan, Analyst at Essence Securities, said that compared with other countries, China is a quick mover in rolling out 5G networks and commercializing 5G technologies, which can give it an upper hand in laying down a sound infrastructure for the metaverse. China had built more than 1.15 million 5G base stations as of mid-November, accounting for more than 70% of the global total, the China Daily reports.

Restrictions on Chinese companies risk scaring off investors, warns Chinese Ambassador to the UK

China's Ambassador to the United Kingdom Zheng Zeguang has said unfair restrictions placed on Chinese companies, due to "geopolitical and ideological considerations", **go against the spirit of free trade** and could scare off potential investors in Britain. Zheng told a forum that Chinese businesses operating in the UK have grown concerned about calls from several politicians and officials to reduce Chinese involvement and investment in certain sectors of the economy. Some British Ministers are seeking to prevent future Chinese investment in nuclear power projects, and the UK has already banned Chinese telecommunications company Huawei Technologies from taking part in upgrades of 5G mobile networks.

"If restrictions are imposed on businesses based on geopolitical or ideological considerations, that could not be a practice of free trade, and you will go against the rules of the World Trade Organization," Ambassador Zheng said. "Furthermore, they will scare away prospective investors – not something we want to see." The Ambassador was speaking during the 4th China-UK Economic and Trade Forum, which was hosted online by the China Chamber of Commerce in the UK (CCCUK). During the event, the Chamber launched its 2021 Report on the Development of Chinese Enterprises in the UK, which reveals Chinese companies in Britain continued to show impressive growth and resilience, despite the turbulence brought on by Brexit, the Covid-19 pandemic, and growing trade tensions between major global powers. In the face of these external adversities, 53% of the companies surveyed managed to stabilize or even increase their revenue in 2020 compared with 2019, the report stated, with 63% reporting stable or improved profitability.

The report found that 86% of Chinese companies in the UK believed the disruption brought on by Covid-19 would not last in the long term, with respondents forecasting rapid recoveries over the coming years. Some 94% of the respondents did not anticipate long lasting challenges related to Britain's departure from the European Union. But companies also expressed an increasing level of anxiety about the shifting geopolitical situation. In particular, the report states, the deterioration in general sentiment toward China is translating into "discriminatory behavior in business interactions on a number of occasions". There was also the perception that the newly enacted UK National Security and Investment Act was intended to curb Chinese investment. The report surveyed 79 Chinese companies in the UK, of which 49.4% said the business environment in the UK had marginally worsened during the past two years, the China Daily reports.

MNCs looking to cross-border e-commerce to launch new products in China

A growing number of multinational corporations are banking on cross-border e-commerce to launch new products in China, with business representatives citing convenience, cost-effectiveness and reliability. German personal care products company Beiersdorf introduced several of its products, including skincare brand Eucerin, to Chinese consumers via e-commerce portals. "E-commerce actually serves as a great testing ground for nascent brands that do not yet have a cult following in China. Given the sheer size and vitality of the market, even for test runs, that's still hundreds of millions of yuan in business we are talking about," said Ketin Lei, General Manager for Corporate Affairs at Beiersdorf China. The China-Europe freight service connecting Hamburg, Germany and Shanghai, where the company is headquartered, provided an extra and more cost-effective choice for transport.

Snack firm Mondelez, the maker of the iconic Oreo cookie, is also using cross-border e-commerce to see whether a new product resonates with local consumers. The company's debut of the Stride Charcoal gum was first made available to Chinese customers on cross-border e-commerce sites and quickly developed an avid following. In less than a year, production of the gum was shifted from Thailand to its plant in Guangzhou, Guangdong province. This year, the company is applying the same strategy with Olina's wholesome healthy cookies, said Joost Vlaanderen, President of the company in China. "We have launched it online first to see how the customers respond," he said. "If it gets good results, we might produce it locally." U.S. food company General Mills has just introduced its high-end pet food label Blue Buffalo to the Chinese market, the brand's first overseas expansion outside its home market, made available through cross-border e-commerce channels, said James Chiu, Vice President of General Mills China. He added that cross-border e-commerce is an ideal channel to make a debut.

China's Ministry of Commerce (MOFCOM) said in the first seven months total imports and exports to and from the European Union reached CNY2.96 trillion, soaring 26.7% year-on-year. Among them, imports reached CNY1.17 trillion, with a growing percentage contributed by cross-border e-commerce, the China Daily reports.

Bilibili joins competition in online payments

Competition in China's digital payment market is set to intensify as **Bilibili**, a popular online video-sharing and entertainment platform, **has obtained a payment license after acquiring a majority stake in an online payment company**. Many internet companies have invested in online payments to cut dependence on third-party payment operators and reduce operating costs. Bilibili acquired a 65.5% stake in Zhejiang Yongyi Payment Co for CNY118 million from the online payment company's state-owned shareholders. As live-streaming e-commerce has been gaining traction in China since the outbreak of Covid-19, short video platforms have accelerated efforts to acquire online payment licenses and roll out self-owned e-payment services.

In January, ByteDance launched its own third-party payment service for its short video platform Douyin, after it acquired Wuhan Hezhong Yibao Technology Co in 2020. Moreover, Douyin's rival Kuaishou acquired online payment firm Easylink Payment Co last year. Wang Pengbo, Senior Analyst from market consultancy Botong Analysys, said the primary reason why internet companies obtain payment licenses is to comply with regulatory requirements. "Financial regulators have required companies engaged in financial business to hold related licenses, which will protect sensitive information such as user and business data."

Wang said obtaining payment licenses will help companies reduce expenditures on commission fees that are given to other online payment providers, explore other financial value-added services, as well as bolster their digital transformation. Wang added that Bilibili's acquisition will not have a significant impact on the online payment industry in the short term, as it takes time to change users' payment habits and adapt to new payment functions.

The number of online payment service users in China had reached 872 million by the end of June, accounting for 86.3% of the country's total internet users, according to a report released by the China Internet Network Information Center (CINIC). In recent years, Chinese tech companies, including Meituan, Pinduoduo, Huawei and Didi Chuxing, have obtained licenses to tap into the payment segment. However, China's third-party mobile payment sector is dominated by Alipay and WeChat Pay, with the former taking 55.6% of the total market in the second quarter last year, according to market research firm iResearch. Other players include JD Pay and Baidu Wallet, the China Daily reports.

First pilot area for autonomous vehicles launched in Beijing

Beijing launched China's first pilot area for commercial autonomous driving, marking a shift from the testing phase for autonomous driving to wider commercial exploration, industry experts said. **Baidu and self-driving startup Pony.ai are the first to be granted permission to offer paid services** and provide up to 100 self-driving vehicles for commercial use in an area of 60 square kilometers in the Beijing Economic and Technological Development Zone. According to the head office of the Beijing High-level Automated Driving Demonstration Area, autonomous driving service providers can adopt market-based pricing and start charging for their services. The service provided by Baidu's Apollo Go includes over 600 pickup and drop-off points in both commercial and residential areas, Baidu said. Covering a total of 350 kilometers of roads, the service is available every day of the week from 7 am to 10 pm. By using the Apollo Go app, qualified users can locate one of a total of 67 autonomous cars in the vicinity and hail a ride by themselves.

Baidu's autonomous driving capabilities have made rapid progress in recent months. Its robotaxi services have provided 115,000 rides in the third quarter, **making Baidu the largest robotaxi service provider globally**. The company plans to expand Apollo Go services to 65 cities in 2025, and 100 cities in 2030. Toyota-backed Pony.ai said about 200 sites are covered by its robotaxi service and passengers can pay for rides via Alipay or WeChat Pay. "The move is of great significance in further accelerating the large-scale commercialization of autonomous driving technology nationwide," said Zhang Xiang, Researcher at the Automobile Industry Innovation Research Center, which is part of the North China University of Technology in Beijing. Beijing is taking the lead in the development of commercialized autonomous driving across the nation, Zhang said, adding other first-tier cities, such as Shanghai, Guangzhou and Shenzhen might open similar commercial pilots for self-driving services soon.

As autonomous driving technology continues to mature, the sector is poised to witness robust growth in the coming years. The market size of China's self-driving taxi services is expected to surpass CNY1.3 trillion by 2030, accounting for 60% of the country's ride-hailing market by then, said a report by global consultancy IHS Markit. The report said the robotaxi market will eventually be dominated by two to three major service providers, with the top providers occupying more than 40% of the total market, the China Daily reports.

Shanghai Data Exchange launched in Pudong

The Shanghai Data Exchange (SDE) was launched in the city's Pudong New Area. A total of 20 data products were listed on the exchange, covering eight industries including finance, transportation and communications. State Grid Shanghai Municipal Electric Power Co and Industrial and Commercial Bank of China (ICBC) made one of the first transactions on November 25. According to State Grid Shanghai, commercial banks can use real-time electricity data to come up with innovative financial products and services for companies. Xi Zenghui, Deputy Director of the Internet Department of State Grid Shanghai, said that the establishment of the SDE has made it possible to transform the company's electricity data into a value-added service. Based on the rules of the exchange, State Grid Shanghai can provide processed data products that meet both data security requirements and buyer demand.

The trading system used at the exchange is the first of its kind in China. According to the exchange, no transaction will be conducted if the data purchaser cannot explain the exact scenario in which the data will be used. While only one-on-one transactions are available on the exchange at present, one data product listed on the exchange will be accessible to multiple buyers in the future.

Located in the core area of Zhangjiang High-Tech Park in Pudong, the SDE was established to address the major difficulties in data trading, including identification of data ownership, pricing of data, reaching mutual trust between transaction parties, initiating transactions and overall supervision, said local authorities. Pudong aims to play a pioneering role in establishing standards and systems for data trading, communication and management. A total of 100 companies signed agreements with the SDE to secure the compliance and security of data transactions. Third-party law firms and accounting firms have also reached agreements with the exchange to ensure the safety of transactions. Zhang Weiqi, CEO of Fudata, said the company will be mainly responsible for providing safe and controllable technology services and management systems for data supervisors, users, providers and managers taking part in data transactions on the exchange, the China Daily reports.

Tianjin Port unveils the world's first zero carbon emissions terminal

Tianjin Port unveiled the world's first zero carbon emissions terminal in mid-October. Located in the C Area of Beijiang port's intelligent container dock zone, the terminal went into service following an inauguration ceremony on October 17. It has been operating smoothly since, the China Daily reported last week. It has three berths, each with a loading capacity of 200,000 metric tons and a length of 1,100 meters. It can berth two vessels weighing 200,000 tons simultaneously or two vessels weighing 100,000 tons and a third weighing 70,000 tons. Container handling capacity is estimated at 2.5 million TEU per year. Chu Bin, Party Secretary and President of the **Tianjin Port Group**, said that construction of the terminal took only a year and nine months, a reflection of "Chinese speed". He added that the group **aims to make Tianjin the world's top intelligent port**, and the new terminal is part of the strategy to achieve this ambitious target. "It is the world's first smart and 'zero-carbon' terminal – an example for the intelligent upgrading and low-carbon development of ports all over the world," Chu said.

"By coordinating all factors in the area in real-time based on AI technology, the terminal's 'brain' can automatically create optimized loading and unloading plans. This leads to 20% higher efficiency compared to traditional terminals," said Liu Xiwang, Deputy Director of the Information Department of the Tianjin Port Group's No 2 Container Terminal. AI-controlled robots with sensors acting as eyes and ears do the dangerous and arduous work that humans do at traditional container terminals, he said, adding that the intelligent terminal saves on manpower, time and cost, while maintaining world-leading efficiency. A BeiDou Navigation Satellite System base station was set up at the terminal for dynamic, high-precision 5G positioning, according to Yang Jiemin, Vice President of the Tianjin Port Group. The terminal is powered by wind and solar energy, achieving zero-carbon emissions for energy consumption and production.

During the first three quarters of this year, Tianjin Port handled 351 million tons of cargo, a record high, up 4.5% year-on-year. During the same period, it ranked eighth on the list of the world's largest ports in terms of total container handling capacity.

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Contact
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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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