

China Business Weekly

18 January 2022



FCCC/EUCBA ACTIVITIES

Webinar: Likely pricing scenarios: how much will it cost you to ship by sea and rail between China and Europe in 2022? – 26 January 2022 – 10 am



The Flanders-China Chamber of Commerce is organizing a webinar, **'Likely pricing scenarios: how much will it cost you to ship by sea and rail between Europe and China in 2022?'**. This webinar will take place on January 26, 2022, from 10h00 am to 11h00 am CET.

Current spot ocean tariffs on the route ex-Asia, in particular ex-China, to Europe continue to be high. How long will these higher rates and delivery times continue and what changes, if any, can we expect in the coming months? For traders and businesses in Western Europe needing to export to, and import from, China, what will be the impact? In this webinar, we will provide a comprehensive picture of the current rates on the different routes, as well as drawing comparison with other ocean trade routes (between the US and China, for example). How do these rates compare with transporting by rail, which is a growing option for many traders?

During this webinar, Mr Pepijn De Vreese, Chief Officer International Trade at the Port of Zeebrugge, will give a presentation on the impact of container shortages on the global shipping supply chain and its impact on Zeebrugge as an emerging BRI hub, as well as on the future outlook. He will be followed by Mr Didier Duponselle, Business Unit Director Supply Chain Solutions, AHLERS, who will explain the current ocean spot tariffs and how prices are expected to behave in 2022. Each of them will refer to supply and demand on this trade route in an historical context.

The session will be moderated by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce.

This event is free for Members.

Programme:

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

10h05-10h30: Presentation on the impact of container shortages on the global shipping supply chain and its impact on

Zeebrugge as an emerging BRI hub, by Mr Pepijn De Vreese

10h30-10h50: Presentation on the current ocean spot tariffs and how prices are expected to behave in 2022, Mr Didier Duponselle

10h50-11h00: Q&A Session

Practical information:

Date and time: January 26, 2022, 10h00-11h00

Location: Online

Price for members: Free

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Online Chinese New Year Celebration – February 7, 2022, 13h30 - 14h30

Online
Chinese New Year Celebration
February 7, 2022, 13h30 - 14h30

His Excellency
CAO ZHONGMING
Ambassador
of the People's Republic
of China in Belgium

His Excellency
JAN JAMBON
Minister-President
of the Government
of Flanders

KURT VANDEPUTTE
Chairman
Flanders-China Chamber
of Commerce

Moderated by
GWENN SONCK
Executive Director
Flanders-China Chamber
of Commerce

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

The Flanders-China Chamber of Commerce has the pleasure to invite you to **celebrate the Year of the Tiger** on Monday, February 7 between 13h30 and 14h30. With the continuing Covid-related restrictions, this will be an online event.

Special guests of honor will be **His Excellency Cao Zhongming, Ambassador of the People's Republic of China in Belgium**, and **His Excellency Jan Jambon, Minister-President of the Government of Flanders**.

The speeches will be followed by a Question & Answer session focused on trade and investment between Flanders and China and the growing opportunities that exist. If you would like to ask a question, please could you add it into the registration form, so we can make sure that your question is addressed at the right point during the online session.

We very much hope that you will attend.

Program:

13h30-13h35: Welcome speech by **Ms Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce

13h35-13h40: Introduction by **Mr Kurt Vandeputte**, Chairman, Flanders-China Chamber of Commerce

13h40-13h55: Speech by **His Excellency Cao Zhongming**, Ambassador of the People's Republic of China in Belgium

13h55-14h05: Speech by **His Excellency Jan Jambon**, Minister-President of the Government of Flanders

14h05-14h30: Question & Answer session

Practical information:

Date and time: February 7, 2022, 13h30-14h30

Location: Online

Price for members: Free

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China Dinner: The Picanol Journey in China – 24 February 2022, 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 **February 24, 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: February 24, 2022, 18h30-21h30

Location: Cercle Royal La Concorde, Kouter 150 in Ghent; Parking: Kouter

Price for Members: €75, + 21% VAT **Price for non-Members:** €95, +21% VAT

We will follow government guidelines, so we ask every participant to bring a Covid Safe Ticket.

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HEALTH

Beijing on high alert as one Omicron case found and neighboring Tianjin battling larger Covid outbreak



China's capital Beijing has beefed up Covid-19 prevention measures after the more contagious variant of the virus, Omicron, was detected in a patient who neither had contact with confirmed cases nor left the city in the last 14 days. Infection by mail is suspected. The Omicron variant was detected on the envelope and on a document mailed to the recipient from Canada via the U.S. and Hong Kong. China's Postal Administration vowed to "build a barrier" against Covid-19 cases imported through international express mail. The Beijing Center for Disease Control and Prevention (CDC) is asking people to reduce purchasing overseas commodities as the epidemic overseas is rampant.

Roughly 16,500 people in Haidian district and all places the patient went to lately have been tested and all tests came back negative. Epidemiologists warned Beijing may be subject to more stringent measures such as citywide testing and traffic restrictions if more sporadic flare-ups within the city are reported. Wang Guangfa, a respiratory expert at Peking University First Hospital, said the current situation in Beijing is difficult to judge, as the origin of the infection remains unknown. "It is very possible that new cases will emerge if the cause is unclear," said Wang.

Beijing will require travelers to get a Covid-19 test within 72 hours of arrival in the Chinese capital. The new rule, effective from January 22 to the end of March, is aimed to help with early detection of Omicron. Beijing already requires inbound travelers to take a Covid-19 test within 48 hours of departure for the city and have a green code on the city's health tracking app. As of January 15, locally transmitted cases attributable to the Omicron variant have been reported in eight cities in China's mainland –

Anyang; Beijing; Dalian; Guangzhou; Shanghai; Tianjin, Zhongshan and Zhuhai, but the total number of Omicron cases has not been reported.

Beijing vowed to beef up measures to prevent a Covid-19 flare-up in China's capital and ensure people's safety as the Beijing 2022 Winter Olympic and Paralympic Winter Games approach. Besides the concerns raised by the latest domestic wave of Covid-19 in the neighboring city of Tianjin, the arrival of tens of thousands of overseas participants increases the risk of imported infections. Beijing must leave no stone unturned in implementing epidemic prevention and control measures to ensure the capital, Olympics and residents are free from the threat of new flare-ups, Cai Qi, the Party Secretary of Beijing and Director of the Anti-epidemic Command Center said. According to the latest regulation from Beijing municipal government, all people coming or returning to Beijing will be monitored and screened. Any person who is deemed a risk will be quarantined to keep out any potential cases. Those with travel history to medium-risk regions within 14 days should strictly follow epidemic rules and they will be required to quarantine at home and take a nucleic acid test. Henan, Shaanxi, and Guangdong province are also fighting against a Covid resurgence.

Despite all the efforts, Peking University respiratory specialist Wang Guangfa told the Global Times that **the incidence of infection among Olympic participants in the biosecurity bubble of the Winter Olympics could be relatively high.** A large number of foreign Olympic delegations will enter China soon. Wang said that although most Olympic participants are required to be fully vaccinated, because Omicron is highly contagious although with relatively mild symptoms, it could be difficult to detect infections. Therefore, the risk of infection brought by people coming in cannot be underestimated, and Beijing definitely needs a more prudent response. Manzhouli, in Inner Mongolia, has announced a ban on fruit imports after the surface and packaging of some imported fruits tested positive for Covid-19 in multiple cities.

In Tianjin, airlines and railway departments started refunding all passengers who had purchased tickets to leave Tianjin, as people are encouraged to remain in the city temporarily. Zhou Lu, Deputy Director of the city's Commerce Bureau, said Tianjin has an adequate supply of fresh vegetables. Only one family member can go to designated venues to buy vegetables, while all other

residents are required to stay at home. The first round of nucleic acid testing in Tianjin, launched on January 9 after two local Omicron cases were reported, has concluded with more than 12.5 million samples collected, resulting in 77 positive cases. The second round started at 12 pm on January 12, and more than 2.23 million people had been tested by 4 pm. An efficient and speedy screening is the most powerful weapon to win the fight against Omicron, Wei Sheng, Department Director at the Tongji Medical College of the Huazhong University of Science and Technology, told the Global Times.

High technology has widely been used in the current war against Omicron in Tianjin. 5G and big data provide an effective support for the management of important tasks during outbreaks in China. For instance, the whole process of nucleic acid testing, including sample collection, sealing, and transportation is recorded digitally. As of January 17, a total of 294 people had been infected with Covid-19 in Tianjin, a municipality of 13.86 million people, with all the cases attributable to the Omicron variant. The Tianjin outbreak has spread to at least two other cities – Anyang in Henan and Dalian in Liaoning province.

The factories of Volkswagen and Toyota in Tianjin have been shut down and production lines in other parts of China have been instructed to try to make up for the potential capacity losses. Volkswagen's two plants in Tianjin only account for around 20% of the total production capacity in China, while the Toyota factory accounts for about half. But Tianjin's port has not been affected.

In Xian, since the resurgence of the pandemic on December 9, more than 5,000 testing sites have been

set up across the city, staffed by over 100,000 medics, community workers and volunteers, including some foreign residents of Xian. Two hospitals in Xian which delayed the rescue and treatment of a pregnant woman and a critical ill patient were ordered to suspend their operations for rectification for three months. The persons in charge of the hospitals were held accountable for the incidents.

Most flights from the United States to Shanghai have been suspended by the Civil Aviation Administration of China (CAAC) following an increasing number of imported Covid-19 cases. Five flights to Shanghai operated by Delta, United and American airlines, as well as China Eastern Airlines, have been put on hold for two to four weeks, beginning this week. More than 50 passengers on these flights have tested positive since the end of 2021 at Shanghai Pudong international Airport. Among the most severely affected, Delta Air Lines Flight DL287 from Seattle to Shanghai will be suspended through the end of February. Shanghai has reported over 250 imported cases since January 1 amid a new wave in the global pandemic caused by the Omicron variant. As many as 70 flights from the U.S. to China have been canceled since the beginning of 2022. The number of flights between China and the U.S. has dropped from about 100 per week before the pandemic to about 20 now.

On January 18, mainland China reported 171 new Covid-19 cases, of which 127 locally transmitted, and the others passengers arriving from abroad.

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

MACRO-ECONOMY

China's GDP up 8.1% in 2021



China's gross domestic product (GDP) expanded 8.1% year-on-year to CNY114.37 trillion last year, the National Bureau of Statistics (NBS) said. Two-year average growth was 5.1%. The economy grew by 4% in the fourth quarter of last year, slowing from the 4.9% growth in the previous three months, bringing the full-year growth rate to 8.1. China set an economic growth target of "above 6%" for 2021 during the National People's Congress (NPC) in March last year. China's economy grew by a revised 2.2% year-on-year in 2020 under pressure from the coronavirus.

China's central bank cut the rate on its one-year policy loans to 2.85% – the first drop since early 2020 at the height of the pandemic – and a clear signal that the year's outlook remains uncertain. Final consumption contributed 65.4% to the GDP expansion, while net exports contributed 20.9%, said NBS Director Ning Jizhe at a press conference. China's GDP is expected to account for more than 18% of the global total.

According to the NBS, industrial production grew 9.6% last year. Retail sales grew by 1.7% last month compared with a year earlier, down from 3.9% in November. Overall in 2021, retail sales grew by 12.5%. **Per capita disposable income reached at CNY35,128, up 9.1% year-on-year** in nominal terms. Fixed-asset investment (FAI) rose by 4.9% last year. The country's per capita GDP stood at USD12,551 last year, approaching the World Bank's threshold for a high-income country. Meanwhile, China's research and development (R&D) expenditure rose 14.2 % year-on-year last year, four percentage points higher compared to the previous year, accounting for 2.44% of GDP. Last year, investment in high-tech industries increased by 17.1%, 12.2 percentage points faster than total investment.

China's population on the mainland has grown to

1.4126 billion by the end of last year, up by 480,000 compared with the end of 2020. The figure does not include Hong Kong, Macao, and Taiwan residents and foreigners who live in the mainland. China's population living in urban areas on the mainland increased by 12.05 million from the end of 2020 to 914.25 million by the end of 2021, representing 64.72% of the total. China's birth rate hit a record low at 7.52 births per 1,000 people.

Last year, **Dongguan in Guangdong province became the 24th city on the Chinese mainland to record a GDP over CNY1 trillion**. In 2021, Beijing became the first Chinese city to have a GDP exceeding CNY4 trillion. Shanghai was the first Chinese city to hit the CNY1 trillion mark in 2006, followed by Beijing in 2008. "China's rapidly growing urban economy has become a key pillar supporting the country's economic development," said Pan Helin, Executive Director of the Digital Economy Academy of Zhongnan University of Economics and Law. Shanghai is expected to join Beijing with a GDP over CNY4 trillion in 2021. Among the 24 cities, 18 are located in southern China and 6 in the northern region. Zheng Lei, Chief Economist at Glory Sun Financial Group, said the 24 cities accounted for around 40% of China's overall GDP, showing the remarkable role urban economies play in supporting the country's overall development.

China's foreign trade reached USD6.05 trillion in 2021, setting a new historic record following a previous high of USD4 trillion in 2013, according to the General Administration of Customs. In renminbi terms, the total foreign trade in 2021 was CNY39.1 trillion, surging 21.4%

from a year earlier. Exports were CNY21.73 trillion, up 21.2% year-on-year, while imports expanded by 21.5% on a yearly basis to CNY17.37 trillion. "But export growth in 2022 will likely become more moderate due to the high comparison base and weaker overseas demand", Li Kuiwen, GAC Spokesman and Director General of the Statistics and Analysis Department, said.

China's economy is expected to grow around 5.5% in 2022, bringing the average annual growth rate forecast for 2020 to 2022 to 5.34%, according to the Center for Forecasting Science (CEFS) of the Chinese Academy of Sciences (CAS). Bao Qin, Assistant Director of CEFS, said China's GDP growth rate is expected to reach around 5.2% in the first quarter of 2022, with the second and third quarters expected to be 5.5% and 5.6%, respectively. Fourth quarter GDP is likely to grow by 5.7%. "Domestic consumption is expected to maintain sustained growth in 2022, with a year-on-year nominal growth rate of 5.4% to 7%, which will still be the main driving force for economic growth," Bao said at a news conference in Beijing. The nominal growth rate of fixed asset investment (FAI) is expected to be 5% to 6% in 2022. The country's imports and exports are likely to surge more than 6% year-on-year to reach USD6.41 trillion in 2022, with exports and imports increasing nearly 7% and over 5%, respectively, the forecasts showed. The consumer price index will rise around 2% in 2022.

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

AUTOMOTIVE

China's auto exports double to more than 2 million in 2021



China's auto exports doubled to a record 2.02 million in 2021, breaching the 2-million-mark for the first time, data released by the Ministry of Industry and Information Technology (MIIT) showed. Auto exports have been robust since April, setting new records, and the annual volume in 2021 was a breakthrough for exports, which hovered at over 1 million units for many years, the China Association of Automobile Manufacturers (CAAM) said. "Thanks to new-energy vehicles (NEVs) and the export market, the market share of Chinese auto brands reached 44% at home, nearing the best level in history," the CAAM said. Vehicle production and sales increased 3.4% and 3.8% to 26.08 million and 26.28 million last year, respectively,

ending three years of decreases. Total output and sales have led the world for 13 consecutive years, cementing China's position as a global auto production power.

The rise in overall auto sales is partly attributable to **new energy vehicles (NEVs)**, whose **sales rose 1.6 times**, or 157.5%, to 3.52 million units, the fastest growth rate since 2016. This secured China's position as the world's largest market for NEVs for seven consecutive years. Wang Weiming, an official at the Ministry of Industry and Information Technology (MIIT), said the automobile industry has played an important part in stabilizing China's industrial economy and spurring economic growth. The CAAM estimated that overall auto sales in China are expected to rise 5% to 27.5 million units this year. Among them, sales of passenger vehicles are expected to reach 23 million units, up 7%. NEV sales are estimated to reach 5 million units, up 42%.

"In the first quarter, China's auto market showed a rapid recovery due to a low base effect, but the growth slowed in the second quarter. The auto semiconductors' shortage caused a drastic drop in car production in the third quarter, while sales in the fourth quarter beat expectations," said Fu Bingfeng, Executive Vice President and Secretary General of CAAM. The Ministry said that it will make an all-out effort to stabilize the sound development of the country's auto

industry, promote the development of NEVs and intelligent internet-connected vehicles, and elevate the stability and competitiveness of the industrial chain, the Global Times reports.

U.S. electric vehicle maker Tesla sold 70,847 China-made vehicles in December, the highest monthly rate since it started manufacturing in Shanghai in 2019, according to the China Passenger Car Association (CPCA). Tesla's December sales, which included 245 for export, were almost three times the number achieved in the same month last year and 34% higher than November's sales. It also brought Tesla's total sales of China-made cars for last year to at least 473,078, according to calculations by CPCA. This accounts for around half of the 936,000 vehicles the U.S. automaker delivered globally last year. Tesla's Shanghai factory, which started delivering vehicles at the end of 2019, makes electric Model 3 sedans and Model Y sport utility vehicles (SUVs) for the domestic and international markets.

Deliveries at the Shanghai gigafactory stood at 484,130 vehicles last year, up 235% from 2020. Last year, over

160,000 of Tesla's made-in-China cars were exported to over 10 countries and regions in Europe and Asia. The localization rate of spares reached 90%, with 92% of Tesla's battery metal parts in the Shanghai plant capable of being recycled. Tu Le, Beijing-based Managing Director at Sino Auto Insights, said the December numbers showed that the Tesla brand in China remained strong and that it was also operationally "impressive" given that the Shanghai factory had the capacity to make around 42,000 vehicles a month on average. "They were well over that number in December despite the chip and battery shortages that other EV makers experienced."

China's EV market is dominated by domestic brands including BYD and Wuling – a local marque that is part of General Motors. Tesla is the only foreign brand in the top 10, according to Shanghai-based consultancy Automobility. The CPCA also said Chinese EV maker Nio delivered 10,489 cars last month, a year-on-year increase of 49.7%, while Xpeng delivered 16,000 vehicles. Germany's Volkswagen said it sold more than 13,787 ID series EVs in China in December, the Global Times reports.

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CHINA NEWS ROUND-UP

China world leader in Internet of Things (IoT)

China is at the global forefront in developing the internet of things (IoT), leading the way with the construction of IoT infrastructure and its industrial applications, according to a new report released during the 2021 World Internet of Things Convention. He Xuming, Chairman of the WIOTC Executive Committee said that "the output value of Internet of Things is projected to exceed CNY2 trillion in China in 2021." He told the conference that despite Covid-19, China has built nearly 1.4 million 5G base stations, marking a solid step in the construction of infrastructure for the IoT. Citing the report, He said the 2021 IoT output value is expected to exceed USD8 trillion in the world, with about 20% year-on-year growth.

The report said more than 600,000 IoT industrial applications and life service systems have been developed globally, mainly in fields including agricultural production and industrial manufacturing, pandemic prevention and control, healthcare, transportation, electricity and energy and environmental protection. He called for global efforts to build international technological standards to promote IoT development, suggesting all governments, institutions, business associations and enterprises around the globe jointly build the IoT digital economic market.

Li Bohu, Academician at the Chinese Academy of

Engineering (CAE), said that amid a new era of smart IoT, more efforts should be made to build a technological innovation system that brings together enterprises, universities, research institutes and end-users, cultivate more talent, increase policy support, foster the integrated development of technologies, application and industries, and strengthen global exchanges and cooperation.

The 2021 World Internet of Things White Paper was also released during the convention. "The IoT not only makes traditional industries smarter and more ecological, but also improves the quality of products and makes the supply chain smarter, more accurate and reliable. This will foster new sources of economic growth in the world, generate hundreds of trillion-dollar markets and create hundreds of millions of jobs." Su Tao, Executive Vice Chairman of the WIOTC Executive Committee, said globally accepted technical standards are needed to facilitate the global interconnection of all things, the China Daily reports.

Approval of foreign investment projects simplified in Shanghai

Shanghai issued new measures on the approval and filing of foreign investment projects, largely reducing the number of documents required and cutting red tape to streamline application procedures for foreign investors.

The city government released the "**Procedures of Shanghai Municipality on the Administration of**

Approval and Filing of the Projects with Foreign investment,” aiming at standardizing the approval and filing of projects with foreign investment, improving government services and facilitating foreign investment. The new regulatory document reflects the combination of new rules on foreign investment, new requirements on fixed asset investment project administration, and new measures of the city’s reform on “streamlining administration and delegating power, improving regulation, and upgrading services.”

These Procedures apply to the newly established or acquired projects of foreign investors and foreign-invested enterprises involving fixed assets investment in Shanghai. Materials required for approval of projects are to be substantially simplified. Duplicate documents will no longer be required as they can be obtained by sharing of data via the government’s Online-Offline Shanghai. Foreign investors may make their own decisions and bear their own risks in line with market prospects and economic benefits, and project approval and filing bodies may not illegally infringe upon their investment autonomy, the Shanghai Daily reports.

Paid-in foreign direct investment (FDI) in Shanghai topped a record USD22.551 billion in 2021, a surge of 11.5% year-on-year. A total of 6,708 new enterprises were set up in the city, up 16.6% year-on-year. Total contract value was USD60.391 billion, a 16.9% rise. The actual use of foreign capital in commercial services was USD7.604 billion, increasing 38% from a year earlier, while that in the high-tech services sector reached USD6.569 billion, an increase of 11%. Shanghai also attracted an extra 60 regional headquarters and 25 R&D centers of multinational enterprises, lifting the totals to 831 and 506.

China issues development plan for 6G

China vowed to increase support for 6G innovations and promote 6G international standardization in a digital economy development plan for 2021-25, reiterating the country’s ambition of maintaining its edge in the ultrafast 6G era, despite challenges and hurdles. According to the roadmap, which was launched by the Chinese government, the added value of the core industries of the digital economy will account for 10% of GDP by 2025, and the digital transformation of the industry will reach a new level. The 10% objective is a practical goal, considering China’s current speed of digital development, and the country should have no difficulty attaining the set goal, Xiang Ligang, an independent tech analyst, told the Global Times.

China’s digital economy has made marked progress, with various digital technologies playing a growing role in overcoming the effects of the Covid-19 pandemic. **China had the world’s second-largest digital economy with a scale of USD5.4 trillion in 2020,** trailing the U.S. with its USD13.6 trillion digital economy, according to a white paper on the global digital economy unveiled by the China Academy of Information and Communication Technology in August 2021. “A large part of the incremental added value should come from the conversion of traditional industries into digital ones with the help of advanced technologies, such as new-energy vehicles

(NEVs) and intelligent ports,” Xiang said.

“The world is likely to agree on 6G standards around 2028, and from 2020-2025, China is likely to focus work on proposing 6G standards as well as research of relevant technologies,” Xiang said. “The country will not lag in 6G development at any stage, whether in technical research or infrastructure construction.” A recent report released by the China Internet Network Information Center showed that China has become a major source for patent applications in the field of 6G innovations. The push of 6G technology also includes the rollout of a complicated network of satellites and the construction of a national integrated system of big data centers, the Global Times reports.

FDI inflows register new record

Actualized foreign investment flows into China reached a new high in 2021, Shu Jueting, Spokesperson for the Ministry of Commerce (MOFCOM), told reporters. Last year, the country’s actualized use of foreign investment – excluding that in the banking, securities and insurance industries – **rose by 14.9% year-on-year to reach CNY1.15 trillion, equivalent to a 20.2% rise in U.S. dollar terms to USD173.48 billion,** setting a new record. The actual use of foreign investment in the high-tech sector grew by 17.1%, while the services sector received CNY906.49 billion of foreign investment, up 16.7% from the prior year. Countries and regions along the routes of the Belt and Road Initiative booked a 29.4% rise in their investment in China, while the ASEAN countries’ investment flows into the country soared 29%.

The new record suggests that China might remain atop the global rankings for foreign investment recipients, although a recovery in the U.S. economy over the past year could have drawn inflows to the U.S. as well, Bai Ming, Deputy Director of the International Market Research Institute at the Chinese Academy of International Trade and Economic Cooperation, told the Global Times. China unseated the U.S. as the world’s largest recipient of foreign direct investment (FDI) in 2020 despite a plunge in global FDI amid the coronavirus’ onslaught, according to the UN Conference on Trade and Development (UNCTAD). China brought in USD163 billion in FDI inflows in 2020, versus USD134 billion attracted by the U.S., the UN numbers showed. In 2019, the U.S. attracted USD251 billion in inflows, compared with USD140 billion received by China.

Looking ahead, MOFCOM aims for a more proactive and effective use of foreign investment, Shu said. MOFCOM aims to steer foreign investors into advanced manufacturing, modern services, emerging technologies, low-carbon projects and the digital economy. Moreover, free trade ports and free trade pilot zones are expected to play a larger role in appealing to foreign investors. Major economic and trade fairs such as the China International Import Expo (CIIE), the Canton Fair, and the China International Fair for Trade in Services (CIFTS) will be tapped to attract more foreign investment. The Ministry also pledged to improve one-on-one tracking services for key foreign firms and projects, and to address issues of concern to businesses such as facilitating entry of personnel into the country. In addition, efforts are in the pipeline to remove rules that are non-compliant with the foreign investment law and its implementation regulations, ensuring foreign businesses are treated fairly.

Spokesperson Shu also cited the complaints mechanism for foreign firms to increase protection of the legitimate rights and interests of foreign investment and stabilize foreign investors' expectations and confidence about their investment in the country, the Global Times reports.

Shanghai to become leading international IP center

Shanghai will beef up intellectual property (IP) protection and build the city into a leading international IP center by 2035, under an action plan released by the municipal government. By 2025, the city aims to be a leader in international IP with improved mechanisms and services supporting IP protection and strengthened international cooperation, according to the plan. By 2033, Shanghai will be built into a leading IP center with a complete and mature system, and globally leading indicators for IP creation and application. The plan includes 10 indicators for 2025, including increasing the average ownership of high-value invention patents to 30 per 10,000 people, the number of overseas invention patents to 6,000 and adding an accumulated 1,400 trademark applications under the Madrid System. It is expected that by 2025, the share of added value of patent-intensive industries in the city's GDP will rise to 19% and the share of added value of copyright industries in GDP will be increased to 9.9%. In term of IP protection and services, the city will increase the number of licensed patent agents to 2,100 by 2025.

Since 2004, Shanghai has drawn up two IP strategy outlines. From 2011 to 2020, the number of invention patents authorized in Shanghai increased from 9,200 to 24,200; the number of Patent Cooperation Treaty (PCT) international patent applications rose from 847 to 3,558, and the total number of effective registered trademarks grew from 261,800 to 1.73 million. As of the end of 2020, Shanghai had registered 145,600 invention patents, accounting for 60.21 per 10,000 people, ranking second in the country.

China is committed to participating in the global governance of IP under the framework of the World Intellectual Property Organization (WIPO) in 2022, Wang Wenbin, Spokesperson of the Chinese Foreign Ministry, said. In 2021, foreign applicants were granted 110,000 invention patents in China, a year-on-year increase of 23%. Trademark registrations increased by 5.2% year-on-year, reaching 194,000 successful applications, according to the report, indicating foreign companies' rising confidence in China's IP protection and business environment, the Global Times reports.

China upgrades its airport management

China has made progress in upgrading its airport management. **By the end of 2021, 66 airports nationwide were capable of providing facial recognition services**, the Civil Aviation Administration of China (CAAC) said. Meanwhile, 234 airports could serve passengers with "paperless" journeys by introducing e-boarding and e-security checks, allowing passengers to travel with only identification cards and eliminating the

need for conventional paper boarding tickets. Also, 842 aircraft in China's civil aviation fleet were capable of providing in-flight wi-fi services. China also launched an "easy security check" service, which provides safer and more efficient security-checks at major airports with an annual passenger throughput of more than 10 million people. "It's a new security-check sustained by information technologies," said Li Tong, Deputy Director with the Public Security Bureau of the CAAC. "Under ideal conditions, passengers could save up to half the time by going through the new security check at airports." The application of digital technologies is of vital importance to ensure safety, efficiency and sustainable growth, it said.

The CAAC is committed to making the industry smarter by integrating new-generation digital technologies into the whole industry from air travel, air logistics and Customs clearance, to the industry's operation and supervision, according to the CAAC's smart aviation strategy. The Administration has also been actively promoting radio-frequency identification technology in luggage tracking, automatic luggage check-in and intelligent inquiry services, among others. Innovation is among the key tasks of the CAAC to ensure high-quality development of the industry this year, with smart aviation as a highlight. The CAAC said it will also boost the development of the BeiDou navigation system and the industrial application of 5G technology in the civil aviation sector, the China Daily reports.

JD opens two robotic shops in the Netherlands

Chinese e-commerce firm JD announced it has opened two robotic shops named "ochama" in Leiden and Rotterdam in the Netherlands as part of its efforts to further expand its presence overseas and strengthen its supply chain.

It is the first time that JD has opened brick-and-mortar stores in Europe, featuring a new shopping model that merges online ordering and pickup shops where the distribution of parcels is managed by robots. JD said it plans to open two more such stores in Amsterdam and Utrecht in the near future. "With rich experience in retail and cutting-edge logistics technologies that the company has accumulated over the years, we aspire to create an unprecedented shopping format for customers in Europe with better prices and service," said Pass Lei, General Manager of ochama at JD Worldwide, the company's cross-border commerce unit. The company said the omnichannel model allows shoppers to enjoy the convenience of ordering products online through ochama's app, where a full range of commodities such as fresh and packaged food, household appliances, beauty, maternal and infant products, fashion and home furnishings are offered.

The automated warehouse is part of the pickup shop, where people can witness a fleet of robots including automated ground vehicles and robotic arms responsible for picking, sorting and transferring the merchandise. By simply scanning the app's QR code at the check-out, ordered goods are carried to the customers by the conveyer belt. In addition, people can visit the pickup shop's showroom to experience ochama's product assortment, or they can also choose the next-day home

delivery service without going to the pickup shop, JD said.

Ochama, which combines “omni-channel” and “amazing”, marks the first omni-channel retailer in the Netherlands that offers not only food, but also other consumer goods in one shopping app. By fully tapping the technologies in logistics and supply chain management, the shops can bring down product prices by an extra 10% to benefit the chain’s customers, said Mark den Butter, COO of ochama. In addition to the Netherlands, JD also opened warehouses in the United Kingdom, Germany, the Middle East and Australia last year, more than half automated ones, the China Daily reports.

Guideline issued to develop ultra high definition (UHD) monitors

The Ministry of Industry and Information Technology (MIIT), the Publicity Department of the Communist Party of China and other departments, issued a guideline to develop 4K and 8K ultra-high-definition (UHD) monitors. More efforts should be made to promote the development of new technologies, new businesses and new models, speed up the upgrading and application of video and audio equipment, and promote the maturity of technical standards and industrial chains, said the guideline. Dong Min, Deputy Secretary General of the China Video Industry Association, said the upcoming Beijing 2022 Winter Olympics and the deployment of fast 5G technology will make the transmission of 8K content possible and bolster sales of 8K televisions and 8K-related content production. UHD is a term that includes two video resolutions – 4K and 8K – with 8K resolution an image or

display with a width of approximately 8,000 pixels, currently the highest UHD resolution in digital television and digital cinematography.

The scale of China’s UHD video industry is expected to exceed CNY4 trillion by 2022, according to an action plan issued by the MIIT, the National Radio and Television Administration (NRTA) and China Media Group. The plan said a sound industrial system for 4K video will be established and breakthroughs will be made in R&D of products and the industrialization of 8K technology by 2022, with a cluster of internationally competitive companies in the field to be fostered.

In addition, the NRTA said that local authorities should increase capital and financial subsidies for cable TV, 5G-powered radio and television, and specific internet audiovisual programs in rural areas. “UHD video technology, along with 5G and AI, is an important direction in the new generation of information technology,” said Xiao Yaqing, Minister of Industry and Information Technology. Xiao said that accelerating the development of the UHD video industry will directly promote the upgrading of broadcasting equipment, terminal products, displays and chips, and boost the digitization of the industry and content production. China’s 8K UHD TV industry is set to witness explosive growth as a batch of home appliance manufacturers have ramped up efforts to tap into the segment. For instance, Shenzhen Skyworth-RGB Electronics, a subsidiary of Chinese television maker Skyworth Group, said the company is committed to providing a complete range of 8K products, including video cameras, monitors and cloud operating systems, the China Daily reports.

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