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Contents

ISSUE 71
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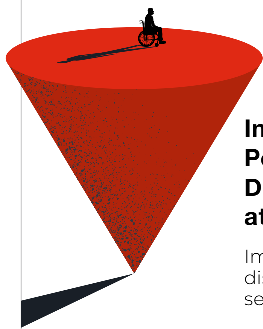

Features

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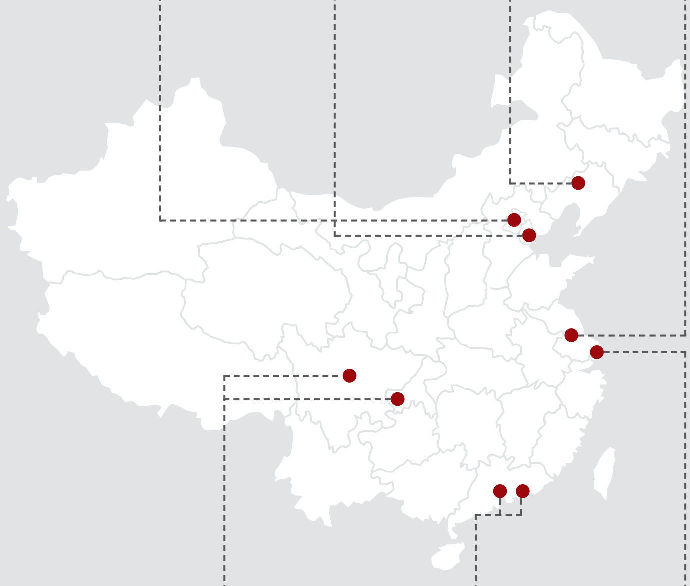

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President's Foreword

Diversity and Inclusion Benefit Us All

Jörg Wuttke

President

European Union Chamber of Commerce in China

At a time when economic headwinds create mounting challenges for both Chinese and global markets, businesses increasingly need to rely on their teams' creativity for innovative solutions to testing obstacles. Companies that build their teams on the foundations of diversity and inclusion create an advantage for themselves in this regard, as people from different groups—be it age, nationality or sex—offer a broader scope of perspectives when looking at a problem. An emphasis on inclusion also helps individuals overcome their own biases and approach challenges creatively, as it cultivates an environment where thinking 'outside the box' and offering different views are encouraged and valued.

When developing foundations for diversity and inclusion in China, companies need to have a thorough understanding of cultural differences that often result in divergent thinking styles and management attitudes. For instance, Chinese business leaders are likely to view their companies through the lens of a cultural background that puts the family structure at its centre. This way of thinking can lead to stronger team cohesion, but often also results in higher work demands and pressure.[1] When it comes to modes of thinking, psychological studies found that Westerners tend to focus on individual details and group them into abstract categories, while Easterners focus more on relationships and context.[2]

If managers can form their approaches informed by multiple modes of thinking, they will have an advantage when analysing problems and identifying optimal models for a solution. They will also be able to understand the cultural biases that might influence decisions and thereby course-correct whenever such attitudes get in the way of inclusion.

While an inclusive work environment is conducive for productivity, at many companies, inclusion is often still restricted to the top management level.[3] This puts companies at risk of missing out on the many benefits inclusion can offer, such as higher levels of engagement, commitment and collaboration, which are all key factors of better overall performance.

Business leaders in China can take an important step towards inclusion by shifting their focus from personal trust to professional trust. While the former is often rooted in a sense of belonging to a shared group, the latter is gained purely on merit. When a company puts efforts into nurturing a culture of inclusion, it offers a wider scope of opportunities for each member of its workforce to earn professional trust, as different ideas would not be suppressed or discarded without due consideration.

The European Chamber believes that European companies are well-placed to play an important role in the promotion of diversity and inclusion in China, as they can share their best practices to benefit all companies that are ready to take concrete steps towards creating an inclusive workplace.

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[1] Hout, T. & Michael, D., *A Chinese Approach to Management, Harvard Business Review*, September 2012, viewed 3rd November 2022, <https://hbr.org/2014/09/a–chinese–approach–to–management>

[2] Chiu, Liang–hwang, December 1972, *A cross–cultural comparison of cognitive styles in Chinese and American children, International Journal of Psychology,* vol.7, no.4, pp. 235–242, viewed 3rd November 2022, paid subscription service; Nisbett, R. E. *The Geography of Thought*. Free Press, New York, 2003.

[3] *Transforming enterprises through diversity and inclusion*, International Labour Organization, 2022, viewed 3rd November 2022, p. 15, <https://www.ilo.org/wcmsp5/groups/public/–––ed_dialogue/–––act_emp/documents/publication/wcms_841348.pdf>

EXPAT EXODUS

Foreign firms must prepare for business in China with fewer foreign managers

by **Gabor Holch**

Are all foreigners leaving China or is an 'expat exodus' only malicious fiction? Intercultural leadership consultant **Gabor Holch** of **Campanile Management Consulting** seeks answers in recent demographic data, and examines the practical implications for European firms in China.

What is happening?

Before plunging into arguments about China's 'expat exodus', it is worth considering the meaning of both words. A narrow definition of 'expat' refers to foreign workers in a country whose home employer covers their income and expenses. A broader understanding of the term is all foreigners in a country for work purposes, whether they are employed by foreign or local firms, self-employed or otherwise. As for 'exodus', the most common reference is the Old Testament, which suggests a complete

evacuation of a certain population from a given place. Another is the Greek word 'exodos' (ἔξοδος), which simply means 'exit'—as tourists often realise seconds after they missed their intersections on Greek highways.

Consequently, an 'expat exodus' could mean that all foreigners summarily evacuate China, or that some of them leave suddenly, or that some leave over a certain period of time. But which one is happening in China? In fact, European Chamber members polled for its annual *Business Confidence Survey* have opined since 2014 that "the golden age for foreign business in China" is over. During that time, the European, American and Benelux chambers have consistently reported decreasing numbers of expatriate employees at multinational firms. That seemed to contrast with optimistic guesstimates that, since the 2010 national census, the number of foreigners in China must have risen from around 750,000 to a million. The 2020 census dashed those expectations: there were no more than 850,000 foreigners in the country, roughly the same number as in Norway or Serbia.

The 2020 census also revealed that the majority of foreigners in China are not strictly defined as 'expats', but are workers from Myanmar (about 40 per cent) and Vietnam (nearly 10 per cent), and students from Pakistan and other developing countries in the Belt and Road Initiative. The largest Western population in China is over 50,000 United States citizens, who account for 6.5 per cent of foreigners in China but include thousands of naturalised Chinese returnees. In such limited expat communities, every departing family shrinks the comfort zone of all remaining expats, adding to the panicked perception of an 'exodus'.

Of course, some leave and others arrive. As the Chamber's *Business Confidence Survey* has revealed for several consecutive years, foreign firms still consider China one of the most profitable and promising markets. Management localisation and returnee talent reduced the need for traditional expats, and thus the interest among candidates. But a determined minority still brave 'zero-COVID' restrictions, manage to buy tickets and enter the country. Once there as an employee, staying is administratively easy, and physically pretty much the only option.

The 'expat exodus', therefore, is a steady outflow of 'expats' in the narrow legal sense, coinciding with an inflow of foreigners ('expats' in a wider sense) from different backgrounds, resulting in a marginal year-on-year net growth. Exit highly educated multinational workers and entrepreneurs from rich countries; enter skilled and unskilled labour, students and junior workers from developing economies. Both sides are right: expats from Europe, North America, Japan and Australia justifiably lament China's waning cosmopolitanism while the number of foreigners in China continues to sluggishly approach the previously projected one million. Neither situation suits the purposes of the Chinese Government's vision for a globally competitive value-added economy, or the multinational firms whose strategies rested on China's deepening integration into global supply chains, investment and talent markets. But business thrives on risk, at least, as long as executives properly assess and manage it.

What should foreign companies expect?

While scanning future horizons, foreign executives must remember that 'zero COVID' is not the only reason why expats leave. Local competition, the automation and digitalisation of management, localisation of expat jobs and the end of China's double-digit gross domestic product bonanza will continue if and when the country reopens. The demographic trend of immigrants from developing nations replacing rich-country expats will also continue. The fewer classic 'expats' remain, the less attractive China becomes for highly skilled international talent, especially those with families. Typical new expats from rich nations will be either early-career young singles nurturing unspecified 'China dreams', or senior experts and executives on short-term missions.

Meanwhile, another important trend will intensify: senior managers, executives, entrepreneurs and investors will prefer to conduct business in countries around China rather than inside it. Singapore, Bangkok, Seoul, Taipei and to some extent Hong Kong are already developing into remote hubs for running China operations away from ruthless 'zero-COVID' restrictions.

What can foreign companies do?

One lesson of the last quarter century of engagement between China and the world has been that foreign governments and corporations have little influence over trends and targets set by China and the Communist Party at its helm. Foreign firms have had more success in learning how to navigate these political currents than in protesting against them. Beijing's 'Made in China 2025' programme, 'self-reliance' and 'dual circulation' strategies, as well as the recent clampdowns on the technology sector in the name of 'common prosperity', caused initial panic among investors and planners. But eventually, resilient firms with viable China strategies figure out how to turn such barriers into opportunities. The unmatched scale and profitability of the Chinese market will inspire the same international executives to cope with the country's changing expat landscape too. Industry feedback indicates that the following are ways that smart foreign firms have overcome the risks arising from recent changes in China.

- **Accept extreme volatility:** Many firms declared the pandemic over and dusted off previous plans and targets too early. Now they are re-planning for a new China whose market and political environment scarcely resemble pre-COVID realities.

- **Foreign firms can scale walls:** With recently enhanced state scrutiny on Chinese firms receiving foreign investment or investing abroad, as well as internet traffic, and travel both in and out of the country, China needs foreign firms and experts more than ever to realise its dream of a globally relevant economy.

- **China branches will drift away:** After decades of management localisation, multinationals must anticipate that their local branches and executives in China will operate according to values that differ from global corporate principles, and re-design their operations accordingly.

- **Fewer expats, more business:** Still, China will remain a key market for multinationals, so firms must carefully fill certain key roles with expats who can mediate between 'more Chinese' local branches and headquarters (HQ), especially where money, compliance and data are concerned.

- **Nurture globally agile Chinese managers:** The same firms must carefully localise expat jobs for Chinese managers who can speak foreign languages, align with global plans and eventually play an international role, especially as much-needed China specialists at HQ.

- **Combine 'in-China' and 'near-China' options:** Firms must accept that some senior expats and families do not consider China a suitable location anymore, and give such talent the option to manage China operations from alternative locations in the region.

Finally, decisionmakers must remember that this is not the first crisis in history. Many global firms whose current managers are franticly redrafting their China strategies had a presence in the country before the People's Republic existed. They have also weathered hot and cold wars, and collapsing markets and states, somehow surviving and often thriving. Meanwhile, they managed to engage with nations governed according to a dizzying array of ideologies: former Communist countries in three continents, religious monarchies, revolutionary theocracies and governments in various states of disrepair. Somewhere in corner offices and databases, the lessons of those turbulent decades are available for multinational managers who are determined to deliver maximum corporate value with the minimum amount of unnecessary conflict.

Gabor Holch is an intercultural leadership consultant, coach, author and speaker who has served 100+ clients in 30+ countries. His book entitled *Dragon Suit: The golden age of expatriate executives in China* is forthcoming from Business Expert Press, New York, in 2023.

Inclusion of People with Disabilities at Work

Improvements to the disability employment security fund system

by **Jeanette Yu**

Since 2017, the European Chamber of Commerce in China has been advocating the Chinese Government to optimise the Chinese disability employment security fund system and take practical measures to help companies integrate people with disabilities into the workplace. In the European Chamber's annual position papers, specific recommendations have been made regarding implementing a fairer system to employ and include people with disabilities at work. Over the years, certain aspects of the Chinese disability employment security fund system have been improved; and the government is taking more practical actions to promote the employment of people with disabilities. **Jeanette Yu** of **CMS Legal** looks at how the system has been enhanced so far.

Improvements to the Chinese disability employment security fund system

In 2007, China adopted a mandatory pro rata system for hiring people with disabilities, whereby companies are obliged to proportionally hire disabled individuals so that they constitute no less than 1.5 per cent of total staff. Companies unable to meet the quota are obliged to make contributions to the disability employment security fund (Fund). After 1st October 2015, the Chinese Government started to mandatorily levy the Fund on companies that failed to meet the quota for hiring disabled persons. Over the years since then, some improvements have been made to the Fund system.

In 2019, the Chinese Government issued an *Overall Plan for Improving the Disability Employment Security Fund System for Disabled Persons to Promote the Employment of People with Disabilities* (*Overall Plan*),[1] which became effective on 1st January 2020. As a result, the Fund system has been improved in the following ways:

1. Contribution amount to the Fund becomes more reasonable

In 2015, companies failing to hire disabled persons in the ratio required by local governments were requested to pay contributions to the Fund calculated based on the total payroll of all staff, including foreign nationals. Only small and micro businesses of 20 employees or less were exempted from paying into the Fund for the first three years after its establishment. During that time, few companies were able to successfully hire disabled persons. Consequently, most had to make large contributions to the Fund, resulting in a disproportional increase in operating costs – especially for those in the high-technology and service industries, which generally have higher salaries.

Based on the *Overall Plan*, while the contribution amount to the Fund is still calculated based on the total payroll, it is capped at twice the average salary at a company's location. Those that already employ disabled persons, even if below the statutory quota—though this will depend on the local ratio—can enjoy some exemptions in paying contributions to the Fund. In addition, small and micro businesses of 30 employees or less are exempted from paying into the Fund. All these policies have greatly reduced the Fund contributions burden for companies.

2. The Fund will prioritise supporting employment of disabled persons

Since 2016, the Fund has been levied nationwide, and constitutes a large share of local governments' income. For example, in 2021, the total Fund levied by Hebei Province was Chinese yuan (CNY) 1.86 billion.[2] While the Fund was originally used to subsidise both employment and the daily life expenses of disabled persons, according to the *Overall Plan*, the Fund now prioritises supporting employment of disabled persons, such as paying subsidies to companies that provide positions for disabled persons; purchasing or improving work facilities to accommodate disabled employees; paying training fees to mentors of disabled apprentices; or rewarding companies that hire more disabled persons than their quota. The new policies will provide more financial support for the employment of disabled persons.

In 2007, China adopted a mandatory pro rata system for hiring people with disabilities, whereby companies are obliged to proportionally hire disabled individuals so that they constitute no less than 1.5 per cent of total staff .

[1] *Notice on the issuance of the 'Overall Plan for Improving the Employment Security Fund System for the Disabled and Better Promoting the Employment of the Disabled'*, State Council, 27th December 2019, viewed 17 November 2022, <http://www.gov.cn/zhengce/zhengceku/2019–12/30/content_5465191.htm>

[2] *2021 employment security fund for the disabled income at the provincial and provincial levels*, Hebei Provincial Government,24th August 2022, viewed 17th November 2022, <http://czt.hebei.gov.cn/root17/zfxx/202208/t20220824_1661309.html>

Practical actions to promote employment of people with disabilities

In addition, China's Disabled Persons' Federation released implementing rules for the *Overall Plan* on 3rd March 2020,[3] while the State Council announced the *Three Years' Action Plan (2022 to 2024) on Promoting Employment of Disabled Persons* on 25th March 2022.[4] According to the action plan, the government is targeting an increase in the employment of disabled persons nationwide by one million over the next three years. To achieve this, the following actions have been planned:

1. **To set up a comprehensive database on employment of disabled persons**

   Information on both disabled persons and companies hiring disabled persons will be collected in one database. This will include basic personal information of the disabled persons as well as their circumstances, work experience, occupational skills, training record and their intention of employment, among other details; and the basic information of companies offering work positions to disabled persons. A database specifically for disabled undergraduate university students will also be established to ensure each student receives tailored guidance and service on employment before their graduation. This will help companies to identify appropriate candidates more easily.

2. **To establish an effective training system for disabled persons**

   The Disabled Persons' Federation plans to set up occupational training institutions with a specific focus on realising increased employment of disabled persons. The institutions will provide standardised training programmes and certificate categories, and issue standardised training certificates. Companies will also be encouraged to participate in the establishment of these training systems and help the institutions to develop training programmes that will meet their specific needs. This will allow disabled persons to undergo effective and practical training, making it easier for them to adapt to companies' requirements.

3. **To build a professional service system for employment of disabled persons**

   The government plans to set up a service system to facilitate the employment of disabled persons, such as encouraging the establishment of organisations/companies to provide related public services or human resource services. The government will also create a new official occupation of career counselors, who will specifically provide guidance on employment of disabled persons, or procure public services for supporting such employment with government funds. The standardisation of the service for employment of disabled persons will also be promoted, to ensure the quality of service received by disabled persons. This will support both companies and disabled employees in quickly integrating together and reduce the risk of unsuccessful hires.

Based on the above improvements, it is believed that, in the future, China will have a fairer and more effective disability employment security fund system. Companies that intend to engage disabled persons in their business will find it easier to identify and hire the right candidates.

Jeanette Yu is partner, and head of Employment & Pensions, of CMS Legal China, and is based at their Shanghai office. She has more than 20 years' experience in providing legal advice for international companies on Chinese labour law and compliance management issues. Since 2017, Jeanette has also been acting as the national chair/vice chair of the Human Resources Working Group of the European Chamber of Commerce in China.

[3] *The China Disabled Persons' Federation on the implementation of the 'Overall Plan on Improving the Disability Insurance System and Better Promoting the Employment of the Disabled',* State Council, 23rd February 2021, viewed 17th November 2022, <http://www.gov.cn/zhuanti/2021–02/23/content_5650152.htm>

[4] *State Council General Office issues a report on the promotion of persons with disabilities: Notice of the three–year Action Plan for Employment (2022–2024) GuoBan Fa [2022] No. 6,* State Council, 25th March 2022, <http://www.gov.cn/zhengce/zhengceku/2022–04/08/content_5684090.htm>

One Country, Many Cultures

Benefits and challenges of China's incredible diversity

by **Volker Müller**

Awareness of cultural diversity has increased with progressing globalisation. Most multinational companies offer inter-cultural training, and cultural differences are considered an important factor in cross border mediation. But what exactly is 'Chinese culture'? While most foreign employees perceive the ubiquitous Chinese term 'Western culture' as too imprecise, many of them have little awareness of the immense diversity of cultures in China. **Volker Müller, senior business manager** at the **European Chamber,** has worked in multiple regions in China, travelled to all provinces and witnessed the evolvement of Chinese culture over decades. In this article, he shares his insights on possible opportunities and pitfalls China's diverse culture can bring for foreign companies.

At the bus-station at Yushu, southern Qinghai Province.

Me: "One ticket to Nangqian."

Clerk: "Please!"

Me: "When does the bus leave?"

Clerk: "???"

Me: "The time of departure is not printed on the ticket. Can you tell me when the bus will leave?"

Clerk: "Just go to the bus and wait."

Now I remember I am in the Qinghai-Tibetan highland. The bus does not leave at a definite time; it leaves when it is full. When the bus stops for lunch, it does not wait for a stipulated amount of time; the driver will only continue the journey when all passengers have finished their meal – a human-orientated concept of time that is worlds away from the super-punctual express-trains in other parts of China.

This may be an extreme example, but it demonstrates that China is culturally very diverse. In addition to the Han Chinese majority group, the Chinese population is also composed of 55 officially recognised ethnic minorities. The country's land area is 2.23 times larger than that of the European Union, stretching from sub-arctic Heilongjiang Province to the tropical island province of Hainan. Until roughly 30 years ago, most Chinese rarely ever left the county where they were born, and different local cultures rarely mixed.

Stereotypes—positive and negative—abound in China: business-savvy people in Guangdong; a laid-back living style in Sichuan; a culture of dishonesty in Henan (which I personally strongly refute); patriotism and political consciousness in Beijing, and so on. To be clear: an individual's character and professional abilities are shaped by many factors, and are not just a result of their place of birth. However, local cultural factors do exist and need to be taken seriously.

China has changed, but different parts have done so at different speeds. The early Special Economic Zones, Shenzhen and Zhuhai—but also Beijing and Shanghai—have become cultural melting pots, whereas in smaller towns, especially in Western China, you rarely find people from other provinces.

For human resources departments, it has become standard practice to care for the mental well-being of foreign employees. However, often overlooked is the fact that employees from ethnic minorities or simply other parts of the country may have the same or even greater difficulties in adjusting to their new location. Chinese (nationwide) culture emphasises a deep connection with one's roots. Cultural concepts of homesickness (思乡病) and non-adaptation (水土不服) are deeply engrained in Chinese thinking. One simple example: many foreigners are accustomed to changing their place of residence every few years. Though Chongqing food may be very different to that of their home region, most foreigners consider it to be 'paradise on earth', while many domestic migrants from Eastern China will never like the spicy food.

When Chinese people move to a new place, they often form hometown or home-province groups, in which they can speak in their local dialect and cook home-style food together. This is a way of relieving cultural stress. However, this habit may become a challenge when many employees from one area are working together, which is often the case in large factories. Such groups may isolate themselves from their colleagues, forming factions and undermining team spirit.

The obvious advantage of multicultural teams is the diversity of abilities. The challenge for management is to put the right employee in the right position; stereotypes would suggest that a staff member from southern China is probably a good sales representative, a native Beijinger probably more suitable for government relations.

Because of the rapid development of China, cultural competency—just like general China know-how—needs to be maintained regularly. For example, just 20 years ago, it was very common in China to share very private information with strangers, like salary details. This habit has completely disappeared. In the past, an 'exotic' European face at an exhibition would give the product an international appeal and draw a lot of attention. While it may still be an advantage in western China, the presence of foreigners is nothing special anymore in the developed coastal cities.

One astonishing effect of China's modernisation is the popularisation of standard Chinese (*Putonghua* or 'Mandarin'). Nowadays, meetings with business partners or government officials are generally held in standard Chinese. However, outside of the melting pots, it is still advisable to learn the local dialect. During lunch breaks or after work, locals will switch to their dialect. A non-local manager that just speaks *Putonghua* will remain an outsider.

A lot of literature has been written about Chinese versus 'western' management styles. The reality is that there is hardly any uniform Chinese management style. Some of the first private entrepreneurs came from the countryside, strongly influenced by Confucian traditions. As a result, they manage their companies like a patriarch, caring for their employees like a father and demanding strict obedience. On the other hand, since the late 1990s, a whole generation of Chinese managers went through international degrees in business, becoming heavily influenced by Western management methods.

In the past, limited economic resources and a society that encouraged collectivism did not leave much room for sub-cultures. Nowadays in China, every conceivable type of living style exists in parallel. This opens new niche markets for European companies. In China, in absolute figures, even a niche market may be large. For example, not long ago, many urban Chinese looked down on peasants. Now, there is a new trend that young urban professionals move to the countryside to grow organic food, creating a completely new market for do-it-yourself tools that local companies have hardly addressed so far.

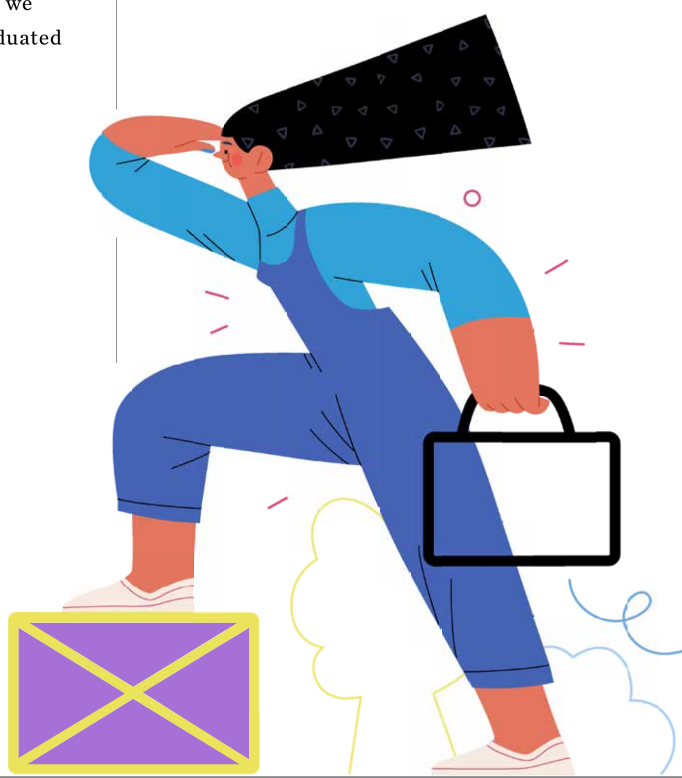
Finally, product marketing also needs to consider local cultural factors. Two examples: although China is the world's largest consumer of pork, products containing raw materials from pigs should still at least be clearly labelled, as they will not be acceptable to the minority Muslim population. Or, as Han Chinese, like most East Asians, prefer a pale 'white' complexion, cosmetics are specially designed for this customer group. However, this preference is not shared by some of China's ethnic minorities.

Case study – finding the right sales representative

In a previous job, I was assigned to establish an office in Western China. Finding good staff members was difficult, as local people seemed to be less diligent and business-orientated than the colleagues in our China headquarters. Most employees we selected for the new office graduated from universities in coastal areas, where they had acquired the 'mindset' that made them fit for work in an international company.

Finally, there was one position for a sales representative left. Two candidates were shortlisted: a 'lady' who had already worked for foreign companies, and had stylish, sophisticated manners as well as good English. The other one was a 'country girl', somewhat coarse in her appearance, the only one in her village who had worked her way up to a third-level education. Despite a lot of resistance from my team, I insisted on employing the 'country girl': First, I knew people from that area are particularly honest and loyal, which are important qualities for sales representatives, whose flexible schedules mean they often follow their own agenda. Second, the wellbeing of the 'country girl's' whole family would depend on her salary, which meant she would work day and night to be able to fulfil her filial duties. Third, and perhaps most important: she would match the cultural habits of our customers, who almost all grew up in that province and felt alienated when they encountered westernised behaviour.

Needless to say, the 'country girl' delivered excellent sales results. In this case, a right mix of employees was the key to success: managers educated in coastal areas with good organisational skills and the ability to interact with headquarters, and sales reps who could relate well to local customers.



Corporate Social Responsibility

And the path to responsible leadership in crisis times
by **Chia-Lin Coispeau**

On 16th November 2022, the European Chamber hosted its 4th Clean & Green Forum and 9th Corporate Social Responsibility (CSR) Awards in Nanjing. In this article inspired by that event, **Chia-Lin Coispeau** *from* **Maverlinn Impact Innovation** *shares food for thought on the imperative to develop responsible leaders that can encourage inclusive growth.*

To lament that we are in a 'crisis' is to bury our heads in the sand, for the truth is that, over the last 20 years, we have lurched from one crisis to another. In retrospect, the 2008 financial crisis offered a timely opportunity for transforming the role, functions and operations of the banking system and the mindset of its leaders to be more inclusive. Sadly, that opportunity was missed. The current health crisis is a second chance to rethink our societal model and dominant economic paradigm. Furthermore, to label climate change merely as a 'crisis' would be a huge mistake, for to counter it will entail a very long fight.

From Asia, the current geopolitical crisis in Ukraine might seem to be taking place too far away to have a serious impact locally. But this too would be a mistake. Today, we are finally beginning to grasp the true extent of our complex interdependence and recognise how quickly what begins as a local or regional crisis can rapidly take on a global dimension that can impact our supply chains, travels, lifestyles and mindsets. However, a crisis can also be an opportunity for us to change and to innovate.

Five decades ago, the Club of Rome think tank blew the whistle on the dangers the addiction to growth would bring.[1] The United Nations' Intergovernmental Panel on Climate Change (IPCC)[2] and the COP27 meetings continue to constantly raise the alarm and try to provoke action that will change the dominant growth paradigm.

To enable this paradigm shift, improving leadership skills and developing responsible leaders remain a categorical imperative. Business leaders, political leaders and citizens must cooperate to leverage the present situation and induce the changes necessary to ensure sustainability, welfare and a happy life for future generations.

Leaders and 'responsible' leaders: what is their role in society?

The essence of leadership is the capacity to influence, and whether in politics, business or civil society, leaders—responsible leaders—must be willing to take action to drive change now.

There are a number of leaders who are trying to manage the complexities of today's world, to use their imagination to build resilience. For example, a global furniture firm pledged to decouple its growth and its carbon footprint, and reduce its greenhouse gas emissions by more than its value chain emits, while still growing its business. Its supply chain, from sourcing from Forest Stewardship Council forests through to design, production, distribution and the management of the end-of-life cycle of its products, is run on a circular economy model.[3]

Responsible leadership must take into account all stakeholders that will be affected by a decision and integrate the long-term impact of choices made. The challenge lies in handling competing claims and conflicting objectives, and deciding how to prioritise and measure them, all while under pressure from the multiple stakeholders involved.

The vital competencies required to demonstrate responsible leadership in today's complex ecosystem include the ability to reimagine and articulate a company's place in the world; leverage the potential benefit of digital disruption; better control marketing tools used to influence and manipulate consumers; work on reducing gaps (whether they be of gender, nationality, race or ethnicity); and to nurture cooperation among individuals and teams. In short, the responsible leader must 'perform and transform'.[4]

This imperative is not confined to the Western world. For example, a leading gaming industry player, headquartered in Asia, has developed strong women empowerment initiatives. Ahead of the gaming industry average, 30 per cent of its employees are women and it aims to reach 40 per cent by 2025.

Companies in China will also increasingly be compelled to play a broader role in society to take into account their full range of stakeholders. Already, companies are capitalising on the power of data as digitalisation spreads rapidly and on an ever-larger scale. The number of digitally savvy consumers will also grow as firms thrive in this algorithmic world.

Responsible leaders will also have to place greater emphasis on anticipating their employees' expectations, and their wish to find a sense of purpose in their work. Decision-making that integrates environmental, social and governance with rigorous, reliable and trustworthy measures will become essential.[5]

The responsible leader: in search of the common good?

The creation of a virtuous circle between citizens, government and businesses will frequently require businesses to play a leading role and to sometimes even initiate steps. The European Green Deal, the Next Generation EU recovery budget or the 'Fit for 55' decarbonisation legislative package provide frameworks for such cooperation. The promotion of the circular economy,[6] the *écologie intégrale*,[7] will require significant investment in education to facilitate public understanding of what it means for them and hopefully, win their

[1] *The Limits to Growth,* The Club of Rome, 1972, viewed 24th November 2022, <https://www.clubofrome.org/publication/the–limits–to–growth/>

[2] *Climate Change 2022: Impact, Adaptation and Vulnerability,* IPCC, 27th February 2022, viewed 22nd November 2022, p. 35.

[3] Sustainability – caring for people and the planet, Ikea, viewed 22nd November 2022, https://about.ikea.com/en/sustainability

[4] Leinwand, P., Mani M.M. & Sheppard, B., *Reinventing Your Leadership Team, Harvard Business Review,* January–February 2022, pp. 60–69.

[5] Tomlinson, B., Whelan, T & Eckerle, K., *How to bring ESG Into the Quarterly Earnings Call*, Sloan Management Review, Summer 2021, pp. 9–11.

[6] Atasu, A., Dumas, C. & van Wassenhove, L. N., *The Circular Business Model*, Harvard Business Review, July–August 2021, pp. 72–80.

[7] Leloup, J.Y., (2020), *Vers une écologie intégrale*, Ed., Entreprises, p. 77.

acceptance of it. However, to benefit all stakeholders, more direct government intervention will be necessary as well as, on a global basis, greater cooperation between Organisation for Economic Co-operation and Development countries and emerging economies.

This means initiating a serious debate about the purpose of a company, the leader's role in society, and the 'reasonable' size of profit. As a green alternative to gross domestic product, China is pioneering a new environmental accounting framework known as gross ecosystem product (GEP), which attempts to assign a monetary value to the contribution of ecosystem services to human wellbeing. Piloted in Shenzhen and Pu'er, among other cities, GEP was applied to coordinate urban development and nature conservation, and to evaluate the performance of government agency in natural conservation. It is believed that GEP can provide a more holistic assessment of national success to drive investment in environmental protection and social welfare.

Likewise, the Corporate Sustainability Reporting Directive (CSRD) voted in by the European Parliament in November 2022 aims to put sustainability reporting on an equal footing with its financial counterparts. From 2024, the CSRD will require all large companies operating in the European Union to disclose data on the impact of their activities on people and the planet, as well as any sustainability risks they are exposed to.[8]

Such measures aimed at leading towards the target growth paradigm shift can only be realised through inclusive cooperation of political, business and society leaders. In this regard, European companies operating in China can and must play a key role.

Acknowledgements

Finally, we would like to take this opportunity to thank the European Chamber, the judges, the winners and all applicants, and the speakers that participated at the 4th Green & Clean Forum and 9th CSR awards for providing such an enriching discussion platform.

The Chamber gratefully acknowledges the support of the sponsors of our CSR event: BASF-YPC Company Limited; Dafeng District, Yancheng; Virtuos China Ltd; and Maverlinn.

Chia-Lin Coispeau is partner at **Maverlinn Impact Innovation**, an advisory firm aimed at reducing social and environmental issues in China and Europe. Our team craft innovative strategies to deliver superior value to industry leaders. Maverlinn is committed to promoting a model of humane development through constant attention given to personal empowerment and the common good.

[8] *Sustainable economy: Parliament adopts new reporting rules for multinationals,* European Parliament, 10th November 2022, viewed 22nd November 2022, < https://www.europarl.europa.eu/news/en/press–room/20221107IPR49611/sustainable–economy–parliament–adopts–new–reporting–rules–for–multinationals>

Winners of the 9th CSR Awards

MNCs Category

Leadership in CSR & Sustainable Growth (National):
Philips China

Leadership in CSR & Sustainable Growth (Regional):
Arkema (China) Investment Co, Ltd Changshu Branch; Beijing MTR Corporation Limited; Budweiser Brewing Company APAC

Excellence in Environment Conservation (Regional):
Lenzig Nanjing Fibre

Excellence in Carbon Neutrality (National):
Suez; Schaeffler Greater China

Excellence in Carbon Neutrality (Regional):
Bosch Automotive Aftermarket

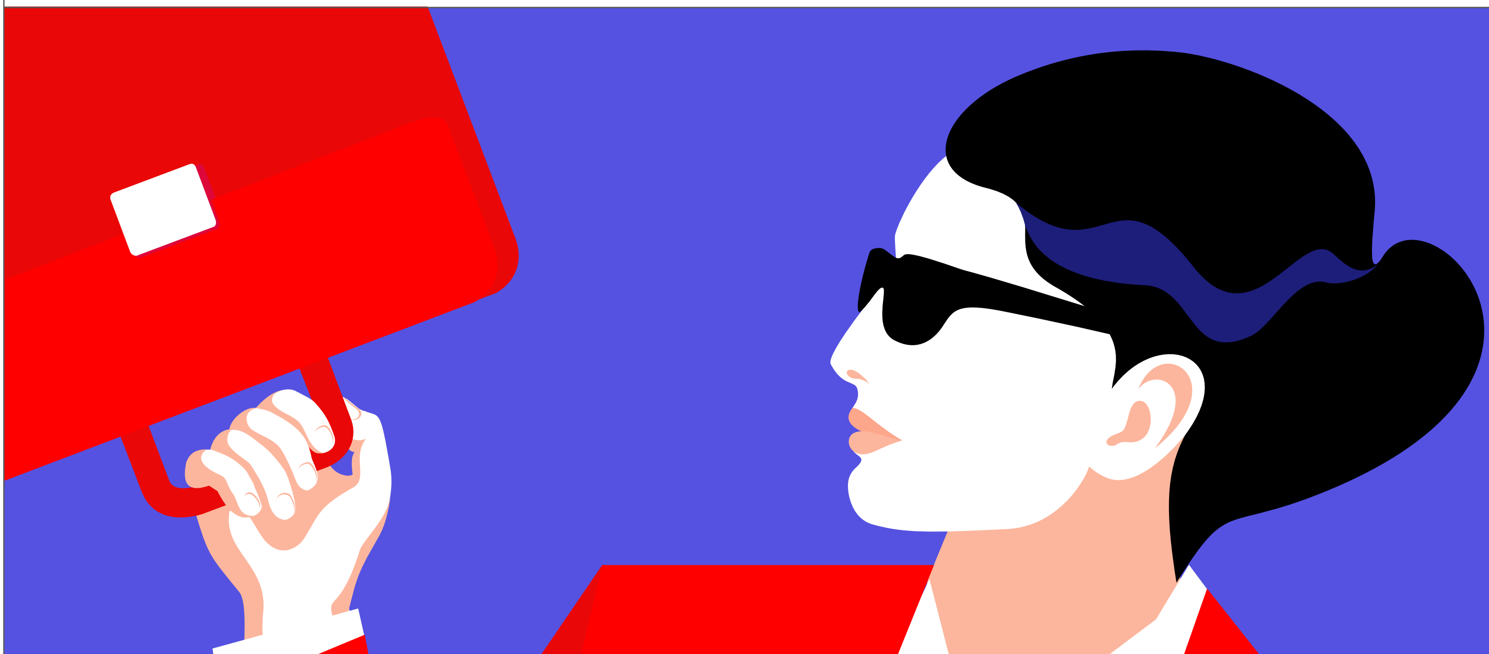
NGOs / Social Enterprise Category

Excellence in Social Innovation:
Netspring Green IT Programs

Special Award

Excellence in Women Empowerment:
Virtuos China Ltd

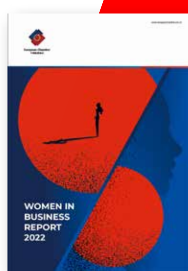
NOTE: This article is inspired by *Developing Responsible Leadership for Sustainability: a Categorical Imperative* (published in *Think*, September 2022, pp. 2-15), by Henri-Claude de Bettignies, Emeritus Professor, INSEAD and Distinguished Emeritus Professor of Globally Responsible Leadership at CEIBS, as well as speeches delivered during the European Chamber Nanjing Chapter's 4th Green & Clean Forum and 9th CSR awards, in particular by Octavian Stamate, counsellor for energy and climate action at the Delegation of the EU to China.



WOMEN IN BUSINESS

European companies in China commit to fostering progress

Alongside their state-of-the-art products and services, European companies also bring their company cultures to China when setting up operations in the country. As part of their company group's efforts to promote diversity and inclusion (D&I) at the workplace, many European businesses have already set up D&I teams, created various initiatives and implemented relevant in-house policies both in their global operations and on local levels. The European Chamber recently conducted a survey and a set of interviews with Advisory Council members to provide an overview of the progress some of the largest European companies operating in China have made in promoting gender diversity in leadership roles as well as in their general workforce. This article outlines some of the main findings.



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Increasing the share of women in business is an important facet of diversity and inclusion efforts, and one where European companies are especially well-placed to foster progress in China.

At the most fundamental level, European companies report that they put a special emphasis on communication as part of their promotion of gender diversity in the workplace. The language they use reflects their commitment to inclusion. For example, a European

Chamber member reported that in their job postings for areas where men are overrepresented, they use a tone and vocabulary that may better resonate with female applicants. Furthermore, some members have run in-house as well as external communication campaigns to raise awareness about factors, like unconscious bias, that can impede efforts at increasing the share of women in the workforce if left untackled.

At a more tangible level, businesses set targets for increasing female representation. During an interview conducted for the survey, a member company pointed out that specific targets are helpful because they can give a clear indication of how fruitful efforts at diversifying the workforce have been, as well as on which areas are more challenging. The targets also clearly indicate companies' intentions towards increasing the role women play in business.

To ensure that their targets can be reached, several member companies have quotas in place throughout their hiring process. One company said that it relies on a set replacement rate to calculate how many women should join their staff once a female employee departs. Another company reported having a minimum quota for the percentage of women in leadership positions across all company functions.

Another key action taken by companies against gender imbalance is putting policies in place to ensure equal pay. One member reported that its annual salary review includes several dimensions for checking if there is a salary gap between genders. The company also has a special budget for eliminating salary gaps if any are identified.

According to members, increasing female representation remains a challenge in some sectors. This is in line with the global picture. A survey by the World Economic Forum (WEF) shows that the share of women in the workforce varies greatly across business sectors.[1] According to the survey, women's participation in job families such as installation and maintenance, construction and extraction, architecture and engineering, and manufacturing and production are relatively low. Some European Chamber members with business activities in those areas described similar trends, while pointing out that other areas—including financial services and administration—are often dominated by women. The WEF survey also attests to this latter observation.

Some member companies have partnered with educational institutions to attract more females to career paths where they are currently underrepresented. Their initiatives for young female talent include events as well as courses for students from secondary-school level up. One common goal cited is empowering girls by creating awareness of gender stereotyping. The idea behind such programmes is that young women will be more confident in the face of discouragement if they can identify that it is stemming from gender bias. Another company mentioned making efforts to dispel outdated perceptions about certain fields: for example, while manufacturing is frequently believed to be labour-intensive, due to technical advances and automatisation in recent decades, these jobs have largely shifted to being focus-intensive, requiring a different set of skills.

Increasing the number of female business leaders can be challenging when women are underrepresented along the talent pipeline. One member reported trying to mitigate this by identifying the problems their female employees encounter in their career paths. Through targeted internal workshops that provide a platform for women to share their experiences and exchange their views, female members of staff can help their company to find ways in which the difficulties they face can be addressed. For example, as women are generally considered to be the primary caretakers in the Chinese family setting, when COVID-19-related measures prompt schools to switch to online classes—often without prior notice—it is frequently the working mothers that have to stay at home with their children. Addressing this issue requires flexibility as well as targeted planning from the workplace.

Another way one member company uses to help women move ahead in their careers is by encouraging all employees to apply for open positions within the company rather than waiting for a promotion. This policy empowers all employees to take control of their own careers, and helps dispel the lingering effects of gender bias.

Cross-industry Mentor Initiative (CIMI)

The European Chamber also actively takes part in promoting gender diversity among top leadership within its member companies. First launched in late 2019, the Chamber's CIMI has already concluded three cycles, all focussing on improving female representation at top corporate levels. The programme partners mid- to senior-level female managers in China with C-suite leaders of European business in China, who help to impart the additional skills and knowledge required for managers to take the next step in their careers. Each cycle of the CIMI consists of a part-time course lasting approximately six months. The fourth cycle of the CIMI will run between December 2022 and June 2023.

[1] *The Industry Gender Gap: Women and Work in the Fourth Industrial Revolution*, p. 5., World Economic Forum, January 2016, viewed 11th November 2022, <https://www3.weforum.org/docs/WEF_FOJ_Executive_Summary_GenderGap.pdf>

European Business in China Position Paper 2022/2023 Presentations to Government Officials

Ministry of Commerce (MOFCOM)

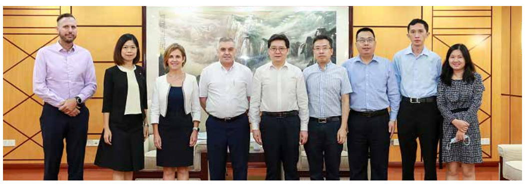
23RD SEP.
BEIJING

President Wuttke led a delegation to meet in person with Assistant Minister Guo of the MOFCOM.
Photo: European Chamber

On 23rd September, European Chamber President Jörg Wuttke led a delegation to meet in person with Assistant Minister Guo Tingting of the MOFCOM to present the recently released *European Business in China Position Paper 2022/2023* (*Position Paper*). An in-depth exchange took place on the paper's key recommendations, as well as the European Union (EU)-China trade and investment outlook. Assistant Minister Guo acknowledged the Chamber's role in promoting EU-China exchanges, and expressed hope that the Chamber would continue working closely with the MOFCOM to strengthen bilateral economic relations, and promote cooperation on green development and other areas. Chamber Vice President (VP) Jens Eskelund and several Advisory Council members also attended the meeting. Other MOFCOM officials present represented the departments of foreign investment and European affairs.

Guangdong Department of Commerce

27TH SEP.
SOUTH CHINA



A South China Chapter delegation presented the *Position Paper* to leading officials from the Guangdong Department of Commerce.
Photo: European Chamber

On 27th September, a South China Chapter delegation, led by Chamber VP and Chapter Chair Klaus Zenkel, met with Zhang Jingsong, director general (DG) of the Guangdong Department of Commerce, and his colleagues Hua Bin, director of the Foreign Investment Administration Division, and Wang Yi, deputy director of the Foreign Investment Promotion Division, to present the Position Paper. The two-and-half-hour meeting covered the impact of COVID containment measures on business, the imbalance in EU-China trade, cross-border exchange and international talent, supply chains, the green energy transformation, and individual income tax benefits for foreign nationals.

Shanghai Municipal Commission of Commerce

30TH SEP.
SHANGHAI

The Shanghai Chapter met with the Shanghai Municipal Commission of Commerce and the Chamber VP and the Zhanjiang Economic and Technological Development Zone, and presented the new *Position Paper*.
Photo: European Chamber

On 30th September 2022, Chamber VP and Shanghai Chapter Chair Bettina Schoen-Behanzin and Chapter General Manager Ioana Kraft presented the *Position Paper* to Zhu Yi, deputy DG of the Shanghai Municipal Commission of Commerce, and Xue Feng, DG of the Zhanjiang Economic and Technological Development Zone. VP Schoen-Behanzin highlighted five key trends impacting European businesses in China, and the related concrete recommendations provided in the *Position Paper*. The topics discussed included the declining rates of EU foreign direct investment in China, the impact of COVID-related measures on business in Shanghai, and shifts in companies' supply chain strategies.

SEP.-OCT.
BEIJING, SHANGHAI

European Union stakeholders in China

On 22nd September, President Wuttke presented the *Position Paper* to EU member states' Heads of Mission in Beijing.

On 23rd September, Chamber Secretary General Adam Dunnett presented the *Position Paper* to member states' trade counsellors in Shanghai.

On 3rd October, a group of European Chamber representatives led by President Wuttke met online with Sabine Weyand, DG of the Directorate-General for Trade at the European Commission.

On 4th October, President Wuttke met online with Mara Steinberga, foreign policy advisor to European Council President Charles Michel.

On 5th October, a Chamber delegation led by President Wuttke met online with Bernd Lange, member of the European Parliament (MEP) and chair of the Committee on International Trade (INTA).

On 21st October, President Wuttke presented the *Position Paper* to member states' economic counsellors in Beijing.

21ST–22ND SEP.
BRUSSELS

European Chamber, EU SME Centre representatives meet in person with Brussels counterparts

From 21st–22nd September, Ester Cañada Amela, senior manager of European affairs at the European Chamber and advocacy manager at the EU Small and Medium-sized Enterprise (SME) Centre, and Davide Orlandi, partnerships coordinator at the EU SME Centre, attended several meetings in Brussels with key EU stakeholders. These included: Tudor Fabian Petru, policy advisor to Iuliu Winkler, member of the European Parliament (MEP) and vice chair of the INTA; staff of the office of Reinhard Bütikofer, MEP and chair of the Delegation for Relations with China; and David Rodriguez Colmenero, international relations officer at the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs.

17TH OCT.
SHENZHEN

South China Chapter visits Shenzhen Development and Reform Commission, discusses work resumption, low business confidence

The South China Chapter met with Lan Qing, director of the Economic System Reform Division of the Shenzhen DRC.
Photo: European Chamber

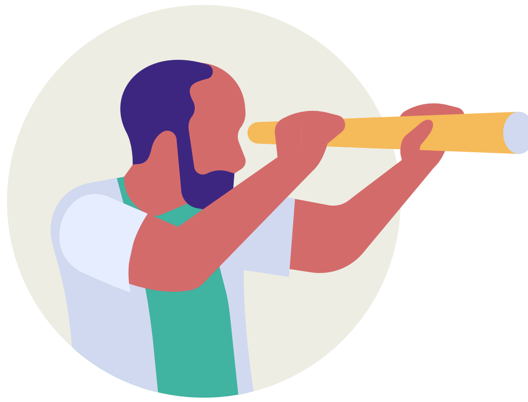
On 17th October, South China Chapter GM Francine Hadjisotiriou and Government Affairs Manager Angel Zhang met with Lan Qing, director of the Economic System Reform Division of the Shenzhen Development and Reform Commission (DRC). Director Lan said that the Shenzhen DRC highly values the Chamber's annual *Business Confidence Survey* and *Position Paper* publications, and hopes to work more closely with the Chamber in assisting foreign-invested companies, especially in setting up regional headquarters and research and development centres locally.

THE ROAD AHEAD

Key business trends to watch in 2023

by **Stephanie Sam**

There is no denying that 2022 has been a tumultuous year, even for most optimistic: rising geopolitical uncertainty, a global economic slowdown, an imminent energy crunch and supply chain bottlenecks – all against the backdrop of climate change. While the rest of the world appears to be tentatively emerging on the other side of the COVID-19 pandemic back to a degree of normality, companies operating in China face ongoing COVID-related curbs and the challenges such restrictions cause. Looking at the bumpy road ahead, **Stephanie Sam, communications and business manager** with the **European Chamber Shanghai Chapter**, gives a rundown of six key developments to watch for going into 2023.



China's COVID carousel

Almost three years have passed since China closed its borders in an attempt to control the pandemic, yet its COVID carousel is still spinning, and its localised lockdowns have very international implications for supply chains and the global economy. While rates of economic growth began to rebound in the rest of the world in 2021 from the impact of the pandemic, China is still dealing with limited cross-border and domestic business travel, as well as manufacturing bottlenecks, which have knock-on effects on demand for China-produced goods.

One of the most immediate challenges for China's central government is continuing to justify its stringent COVID policy at the expense of economic growth and stability. One prime example would be the spring 2022 Shanghai lockdown, which shuttered businesses and residents for two months straight, leading to the city's global domestic product shrinking by 14 per cent.[1] Many businesses still find themselves playing roulette, wondering whether their operations will suddenly be ground to a halt due to the detection of a single COVID-19 case on their premises or among staff.

In the European Chamber's *Business Confidence Survey 2022*, COVID-19 was rated as the greatest perceived threat to business.[2] Nevertheless, members are optimistic about the recent cancellation of the circuit breaker mechanism for inbound flights, as limited international flights and frequent cancellations had led to difficulties in planning ahead for those willing to undergo onerous quarantines upon their return. The Chamber hopes that flights will continue to increase in the coming months to encourage cross-border travel once again

While the announcement during German Chancellor Olaf Scholz's Beijing visit in November that the BioNTech vaccine will be made available to expats is a step in the right direction,[3] the entire Chinese population must have access to mRNA vaccinations so China can fully re-open its borders and to mitigate zero-COVID-induced disruptions to global trade. Until then, as reiterated during the 20th Communist Party of China National Congress (Party Congress), dynamic zero-COVID is here to stay for the foreseeable future.

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1 Xiao, Zibang, *Shanghai's Economy Shrank Almost 14% as Lockdown Took Toll, Bloomberg,* 15th July 2022, viewed 2nd November 2022, <https://www.bloomberg.com/news/articles/2022–07–15/shanghai–s–economy–shrank–almost–14–as–lockdown–took–toll?leadSource=uverify%20wall>

2 *European Business in China Business Confidence Survey 2022*, European Union Chamber of Commerce in China, 20th June 2022, viewed 9th November 2022, <https://www.europeanchamber.com.cn/en/publications–business–confidence–survey>

3 Rinke, Andreas, *Germans Expats in China Will Have Access To BioNTech Vaccine Says Scholz, Reuters,* 5th November 2022, viewed 5th November 2022, <https://www.reuters.com/business/healthcare–pharmaceuticals/scholz–secures–agreement–allowing–expats–china–use–biontech–covid–19–vaccine–2022–11–04/>

Revival of the Belt and Road Initiative (BRI)

Against the backdrop of the 20th Party Congress, which secured President Xi Jinping's third term in power,[4] attention has refocussed on China's forays into Central Asia through the BRI, and the integral role this has played in China's rise in terms of economic and political influence. Perhaps even more telling is that President Xi's first visit out of China since the initial COVID outbreak was to Kazakhstan, where, in 2013, he first laid out the broad vision for the BRI.[5] Although some analysts say the BRI has become 'less and less prominent in Chinese leaders' speeches',[6] Xi's keynote speech at the 5th China International Import Expo in November 2022 referred explicitly to the development of pilot zones for ecommerce cooperation on the Digital Silk Road as well as further promotion of the BRI.[7]

While China's COVID battles brought many BRI projects to a standstill, there has a been a recent revival in activities in the Eurasian heartland and beyond; from gas pipelines and power stations to infrastructure for telecommunications and e-commerce. This will be key to the central government's plans to connect the Western Xinjiang region to the rest of the globe. These BRI projects are intended to "shape economics and geopolitics for decades to come with wide-ranging implications for international security".[8]

Energy security

Natural gas prices skyrocketing, fuel shortages, Russian gas supplies cut amid intensifying geopolitical tensions – it is only going to get worse for the European Union (EU) in the months ahead. The bloc relied on Russian gas imports for 40 per cent of its gas supplies in 2021, the absence of which means imminent energy shortages for most member states.[9] Despite enacting various policy plans to diversify gas supplies, such as REPowerEU, and the EU Commission's proposal for a dynamic price cap on gas,[10] a bleak winter looms ahead in Europe as

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4 *Xi Jinping Set For Historic 3rd Term as China Unveils New Leaders, Aljazeera*, 23rd October 2022, viewed 1st November 2022, <https://www.aljazeera.com/news/2022/10/23/xi–jinping–set–for–historic–3rd–term–as–china–unveils–new–leaders>

5 Putz, Catherine, *China's Inadvertent Empire: Welcome to Sinostan (Interview with Raffaello Pantucci), The Diplomat*, 19th April 2022, viewed 29th October 2022, <https://thediplomat.com/2022/04/chinas–inadvertent–empire–welcome–to–sinostan/>

6 Brinza, Andreea, *What Happened to the Belt and Road Initiative?, The Diplomat,* 6th September 2022, viewed 2nd November 2022, <https://thediplomat.com/2022/09/what–happened–to–the–belt–and–road–initiative/>

7 *Full text: Xi Jinping's speech at the 5th CIIE opening ceremony, CGTN,* 4th November 2022, viewed 11th November 2022, <https://news.cgtn.com/news/2022–11–04/Full–text–Xi–Jinping–s–speech–at–the–5th–CIIE–opening–ceremony–1eGVXQ6d8ha/index.html>

8 Umbach, Frank, *How China's Belt and Road Initiative is faring,* GIS, 8th April 2022, viewed 1st November 2022, <https://www.gisreportsonline.com/r/belt–road–initiative/>

9 Horton, Jake & Palumbo, Daniele, *Russia sanctions: How can the world cope without its oil and gas?, BBC*, 29th September 2022, viewed 2nd November 2022, <https://www.bbc.co.uk/news/58888451>

10 Ainger, John & Krukowska, Ewa, *Europe to Propose Dynamic Price Cap on Its Biggest Gas Exchange, Bloomberg,* 16th October 2022, viewed 1st November 2022, <https://www.bloomberg.com/news/articles/2022–10–16/europe–to–propose–dynamic–price–cap–on–its–biggest–gas–exchange?leadSource=uverify%20wall>

consumers and businesses alike face soaring energy prices alongside a general economic downturn.[11]

In a similar vein, China also must balance energy security with its ambitious carbon peak/neutrality targets and a shift to renewables, which—given China's unique position as a manufacturing powerhouse—poses a risk to global supply chains. In 2022, China experienced its most intense heatwave in six decades.[12] The extra air conditioning usage caused a power crisis, exacerbated by a severe Yangtze River Basin drought that hampered hydropower production rates. This came only ten months after surging coal prices had also driven widespread curbs on power consumption, hampering normal business operations. Fortunately, as the Chamber's *Carbon Neutrality* report notes, European businesses' technological knowhow and experience with established EU environmental regulations leaves them well-placed to help China transition from coal to renewable energy in a more stable fashion.[13]

In the meantime, European companies' global carbon neutrality pledges have left them facing an intense scrabble to ensure their own energy security and increase access to renewables in both the EU and China. Failure to do so may lead to consequences as severe as some enterprises having to exit the Chinese market.

Supply chain challenges

The economic outlook for 2023 looks gloomy, with sky-high inflation and a global recession on the horizon potentially adding to issues caused by China's zero-COVID measures and the war in Ukraine. Many industries are still plagued by bottlenecks, and new EU and United States legislation is calling for increased scrutiny of supply chains through audits.

Geopolitical spats have always been an issue, and EU-China tensions escalated in recent months ahead of Schulz's visit, particularly as Thierry Breton, European Commissioner for the Internal Market, reiterated the notion of China's perceived rivalry to the EU.[14] While full EU-China decoupling is unlikely due to the bloc's reliance on Chinese supplies of rare commodities, increasing EU pressure on concerns over issues such as compelled technology transfers means that businesses will increasingly sacrifice supply chain efficiency by diversifying to ensure resilience and mitigate geopolitical risks.[15] Companies will continue to maintain a strong China presence, but will need to map out their supply chains to identify their potential exposure to geopolitical volatility. By doing so, they can diversify and reduce the risks involved in relying solely on China for key components while it remains plagued by zero-COVID and power crunch shutdowns.

Talent management transitions

The Great Resignation. Quiet quitting. Lying flat. Due to the COVID-19 pandemic, employees worldwide have increasingly reassessed their priorities, and embraced the greater flexibility offered by hybrid or fully remote work. With the improvements in artificial intelligence and technology enabling digitalisation, it will be essential for businesses to re-evaluate their talent management strategies to create diverse, human-centric workplaces that focus on creativity, innovation and communication – skills that cannot be automated. Simultaneously, European companies in China are facing a talent shortage, exacerbated by an expat exodus, closed borders and the negative impact of zero-COVID on the quality of life available in the country. Another key challenge for multinationals will be embracing the shift from a single global approach to understanding that social and cultural shifts will increasingly play a significant role in localised talent management.

Spotlight on sustainability

With 2022 United Nations Climate Change Conference (COP27) attendee countries being accused of making empty promises,[16] the spotlight for industry players will remain on sustainability and related measures. In recent years, although environmental and social governance—commonly referred to by its acronym ESG—has morphed into an empty corporate buzzword, a trend towards legislating for science-based sustainability standards has emerged.

The EU's adoption of the Corporate Sustainability Reporting Directive in October 2022 marks a major step towards extending the scope of standard sustainability reporting to more companies operating in the EU, both European and non-European.[17] European companies will be required to dedicate more time and resources to complying with these regulatory changes in regard to supply chain auditing, emissions reporting and climate risk metrics, such as energy consumption, waste generation and water usage.

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[11] *Europe's Bleak Midwinter: Heading for an Energy and Growth Crunch*, Economist Intelligence Unit, 17th August 2022, viewed 27th October 2022, <https://www.eiu.com/n/europes–bleak–midwinter/>

[12] Wong, Dennis and Huang, Han, *China's record heatwave, worst drought in decades, SCMP,* 31st August 2022, viewed 2nd November 2022, <https://multimedia.scmp.com/infographics/news/china/article/3190803/china–drought/index.html>

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China's Biopharma Industry

Market prospects and investment paths

by **Yi Wu**

Biopharma, short for biopharmaceuticals, are medical products produced using biotechnology (or biotech). Typical biopharma products include pharmaceuticals generated from living organisms, vaccines and gene therapy, among others. China's biopharma industry has much attention home and abroad, especially after Chinese companies developed multiple COVID-19 vaccines that are now in wide circulation. Market capitalisation of Chinese biopharma companies grew to over United States dollars (USD) 200 billion in 2020 from USD 1 billion in 2016.

With China's rapidly ageing population and a growing affluent middle-class, the country's biopharma industry presents challenging but compelling opportunities to investors. In this article, **Yi Wu** of **Dezan Shira** discuss the market size, growth drivers and global competition facing China's biopharma industry and suggest potential investment paths.

How big is China's biopharma market?

Biopharmaceuticals in China is a lucrative business, with significant domestic demand due to an ageing population and expanding household budgets for quality products and services as people's living standards improve.

China's healthcare market is predicted to expand from around Chinese yuan (CNY) 6.47 trillion (tn) (USD 900 billion (bn)) in 2019 to CNY 16.53 tn (USD 2.3 tn) in 2030,[1] and its market size is second to only the US. Specifically to the biopharma industry, the market size will likely grow from CNY 345.7 bn (USD 47.60 bn) in 2020 to CNY 811.6 billion (USD 111.76 bn) in 2025, a 135 per cent increase in five years.[2] Similarly, market capitalisation of Chinese biopharma companies grew from USD 1 bn in 2016 to over USD 200 bn in 2020.[3]

What are the growth drivers for China's biopharma industry?

The broader biotech sector is a main focus of the Chinese Government's 'Made in China 2025' strategy.[4] The country needs a steady biopharmaceutical industry to address its healthcare needs and to build an internationally competitive and innovative pharmaceutical industry as part of wider economic restructuring. Under the same momentum, on 30th January 2022, nine agencies jointly issued the *14th Five-year Plan for the Development of the Pharmaceuticals Industry* to clarify the goals and directions for industry development in the next five years.[5]

In recent decades, China's biopharmaceutical industry has undergone a momentous shift, evolving from a generics-focussed space to a thriving innovative hub. Promoting the industrialisation and application of novel drugs and high-end medical devices and techniques is a major developing area under the industry's plan. At the same time, many of the country's wider pharmaceutical regulations were aligned with global standards. Authorities have streamlined new therapy approval and reduced the cost of domestic drug development, making the Chinese market more attractive to domestic and foreign investors alike.[6]

The emphasis on innovation and standardisation has profound implications for patients and industry peers. China's National Reimbursement Drug List (NRDL) has, for example, expanded access to innovative drugs through the country's basic medical insurance coverage. The 2020 NRDL list, effective from 2021, expanded

1 *China's healthcare market is expected to grow from RMB6 trillion in 2019 to RMB16 trillion in 2030*, Ping An Insurance, 30th April 2021, viewed 18th November 2022, <https://www.prnewswire.com/news–releases/chinas–healthcare–market–is–expected–to–grow–from–rmb6–trillion–in–2019–to–rmb16–trillion–in–2030–301281036.html>

2 *Market size of biological medicines in China from 2013 to 2020, with a forecast until 2025 (in billion yuan),* Statista, March 2022, viewed 18th November 2022, <https://www.statista.com/statistics/999117/china–market–size–of–biopharmaceuticals/>

3 Gaurav Gupta, *As Washington Ties Pharma's Hands, China Is Leaping Ahead, Barrons,* 11th June 2021, viewed 18th November 2022, <https://www.barrons.com/articles/as–washington–ties–pharmas–hands–china–is–leaping–ahead–51623438808>

4 Made in China 2025, State Council, viewed 18th November 2022, <https://english.www.gov.cn/2016special/madeinchina2025/>

5 *14th Five–year Plan for the Development of the Pharmaceuticals Industry,* State Council, 30th January 2022, viewed 18th November 2022, <http://www.gov.cn/zhengce/zhengceku/2022–01/31/5671480/files/b2cafa62d001408e8e20acf71ab4bf26.pdf>

6 Dexter Yan, *China Aims To Synchronize With Global Drug Approvals By 2025*, Pink Sheet Pharma Intelligence, 24th January 2022, viewed 18th November 2022, <https://pink.pharmaintelligence.informa.com/PS145555/China–Aims–To–Synchronize–With–Global–Drug–Approvals–By–2025>

twice to include a total of 2,860 drugs, and analysts anticipated a price cut of up to 61.7 per cent among new drugs.[7] Such facilitated approval and price reduction will drive more interest to the industry.

The biopharma industry is also boosted by the application of advanced technology. Many pharmaceutical companies have built partnerships with technology firms to develop new drugs through artificial intelligence (AI) during the research, discovery and testing stages. It is reported that financing for AI-assisted drug discovery in China exceeded CNY 8 billion (USD 1.26 billion) in 2021.[8] Application of AI will be more critical to the industry's development in the future.

China's biopharma innovations are also gaining worldwide regulatory recognition. For instance, the US Food and Drug Administration (FDA)'s designations for China-originated therapies have proliferated in the past two years.[9] While China's biopharma industry sees rapid development in breakthrough innovations, its research capacity still lacks behind major powers, such as European Union Member States, the US and Japan.

To further develop its biopharma and biomedical industries, the Chinese Government has established seven biomedical city clusters, spanning from the Jing-Jin-Ji Area,[10] the Yangtze River Delta, and the Greater Bay Area to central and western China. These regions host industrial zones that incubate key research entities and companies that facilitate technical development.

Challenges: Competition between China and the US in biopharma

Many speculate that the biotech sector could become a new battleground between China and the US —similar to what is happening in semiconductors.

In February 2022, the US Government added two subsidiaries of Wuxi Biologics to its 'unverified list'. While this does not prevent American companies from doing business with the firm, it adds procedures and paperwork. In September, US President Biden signed an executive order to boost domestic manufacturing in the US biotech industry. The order mentioned risks posed by foreign competitors in the biotechnology supply chain. Following the order, shares of Chinese biotech companies tumbled, especially those with large revenue exposure to the US.

Though the executive order did not specify sanctions as happened with semiconductors, it is a first step in this direction as it asks US departments to come up with plans for alternatives. In addition, it also explicitly mentions the importance of safeguarding biological data for security concerns. Therefore, it is possible that the biopharmaceutical industry may take a similar path to semiconductors.

Potential investment paths for foreign investors

Active government and policy support, growing domestic R&D capacity, and the scale of public healthcare demands have galvanised a new era of biopharmaceutical innovation in China. The country's emergence as a potential new source of innovation and R&D opens more doors to the global biopharmaceutical industry. Strategic partnerships with Chinese companies can provide access to local markets and commercialisation opportunities. Possible involvement for foreign investors includes the following:

- sourcing assets from China for local and global markets;
- partnering or launching local investment funds;
- establishing incubators to foster early-stage innovation;
- opening technology platforms to Chinese innovators; and
- investing in R&D for commercialisation.

These strategies will enable foreign players to capture a share of China's rapidly growing biopharma industry. They will likely gather momentum as Chinese players continue to evolve and augment the global biopharmaceutical marketplace.

At the same time, anticipating the increasing competition between China and the US in biotechnology, investors should prepare for risk exposure to geopolitical entanglements.

The original version of this article was first published by Dezan Shira on their China Briefing website on 10th November 2022.[11]

Dezan Shira & Associates is a pan-Asia, multi-disciplinary professional services firm, providing legal, tax and operational advisory to international corporate investors. Operational throughout China, ASEAN and India, our mission is to guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business operations in the region. With more than 28 years of on-the-ground experience and a large team of lawyers, tax experts and auditors, in addition to researchers and business analysts, we are your partner for growth in Asia.

[7] *China's 2021 NDRL listing sees price cuts of up to 95 percent,* The Pharma Letter, viewed 18th November 2022, <https://www.thepharmaletter.com/article/china–s–2021–ndrl–listing–sees–price–cuts–of–up–to–95>

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[9] Kiki Han, Franck Le Deu, Fangning Zhang, and Josie Zhou, *The dawn of China biopharma innovation*, McKinsey, 29th October 2021, viewed 18th November 2022, <https://www.mckinsey.com/industries/life–sciences/our–insights/the–dawn–of–china–biopharma–innovation>

[10] 'Jing–Jin–Ji refers to the Beijing, Tianjin and Hebei Province area.

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#BECAUSE OFUS

Revised standard allows more cheese types to enter Chinese market

As the independent voice of European business in China since 2000, the European Chamber actively participates in China's legislative process and our advocacy activities are widely recognised by the Chinese authorities.

We launched our #becauseofus campaign in 2019 to show our gratitude for the joint advocacy efforts of all stakeholders: governments, think tanks, member companies and our own working group and desk managers. In *EURObiz* in 2022, we will present four examples of our successful advocacy work.

In this edition, we look at **how the European Chamber encouraged China to revise its standards and allow more types of cheese to enter the Chinese market**.

What is cheese?

Cheese is a food derived from milk.

During production, the milk (from cow, sheep, goat or mixed) is usually coagulated to form the cheese mass by adding rennet, mould and/or yeast (common types of culture). The mass is then separated from the remaining liquid and pressed into its final form. As widely-used cultures, mould and yeast are important ingredients that contribute to the texture and flavour of cheese.

The amount of mould and yeast in different types of cheese varies, depending on the desired texture and flavour. Some moulds and yeast make cheese taste fruity and lactic, like honey or cream, while some can create stronger and stranger flavours, such as cow manure or burnt onions. The mysterious flavours individual moulds and yeast create inspire love for cheese in many consumers around the world.

Mould and yeast continue to grow in the cheese after it is produced, which results in cheese being considered a 'living food' – food that is still growing when it is consumed.

Regulations on cheese

International standards

It has been proven that the presence of mould and yeast in cheese products does not form part of any recognised pathogenesis that may lead to illnesses, and thus does not present any danger to consumers. None of the relevant international standards, such as CODEX STAN 283-1978 or the EC 2073/2005, have set restrictions on mould and yeast in natural cheese.

Chinese standards

The previous Chinese national regulation *Hygienic Standard for Cheese* (GB 5420-2003) and the 2010 *National Food Safety Standard for Cheese* (GB 5420-2010) set the maximum level of mould and yeast at 50 colony-forming units per gram (cfu/g). However, some types of cheese require levels beyond 50 cfu/g to achieve their characteristic texture and flavour. Moreover, as mould and yeast continue growing after production, cheese with a level below 50 cfu/g on its production date can still go over the limit during its shelf life.

Therefore, the strict restrictions on the maximum levels of permissible mould and yeast prevented many cheese products that were widely sold around the world from entering the Chinese market. Furthermore, Chinese domestic cheese manufacturers cannot produce certain categories of cheese products in China because of the limits on mould and yeast in the relevant standards.

As the Chinese economy develops and consumption upgrades, increasing numbers of Chinese consumers are discovering a taste for cheese. However, the Chinese standards as described above affected cheese importation and industry development in China, consequently hindering the domestic consumption of cheese.

Advocacy efforts

Since 2009, a recommendation on the revision of the cheese standard has been included in the *European Business in China Position Paper (Position Paper)*. In 2014, the Cheese Industry Desk was established and, since then, an individual paper on cheese has been included in the *Position Paper*.

The European Chamber and the Cheese Industry Desk (renamed as the Dairy Industry Desk in 2021) closely communicate with authorities and industry associations from both the European Union (EU) and China, including former EU Agriculture Commissioner Phil Hogan, the Chinese National Health Commission (NHC), the National Centre for Food Safety Risk Assessment (CFSA) and the National Dairy Engineer Technology Research Centre. The Chamber also submitted comments on every round of revision of relevant legislations, and bridged communication between authorities and industry.

Result

In March 2021, the NHC released the revised *National Food Safety Standard* (GB 5420-2021), which removed the limits on mould and yeast.

The new standard has singlehandedly increased the range of choices of cheeses now available to Chinese consumers by allowing European manufacturers to bring more types to the Chinese market. For example, in the first batch of EU Geographical Indications (GI) products listed under the EU-China GI Agreement that entered into force in March 2021, 13 per cent is cheese. Due to the release of the new standard, all of these European cheeses will now be able to enter the Chinese market unrestricted.

Looking forward

The European Chamber Dairy Industry Desk will continue to advocate for the removal of Chinese barriers to foreign dairy products and ingredients, in order to introduce a wide variety of qualified products to Chinese consumers and foster the development of the domestic dairy industry.

Media Watch

Chamber launches its European Business in China Position Paper 2022/2023

On 21st September, the European Chamber launched its *European Business in China Position Paper 2022/2023* (*Position Paper*). Within 24 hours, 40 original media articles were published on the report. Chamber President Jörg Wuttke also held live interviews with *CNBC*, *DW* and *Bloomberg* on the day of the launch, and with the *BBC* on 22nd September. Another 47 articles—including 11 by domestic media—were published in the following days and weeks, with the influence of the *Position Paper* lasting up until mid-October.

Chamber holds nationwide media roundtable on updates on COVID situation

On 13th October, the Chamber held a media roundtable to discuss updates on China's COVID situation, local business operations and the country's economic outlook, featuring President Wuttke and all local chapter chairs. *Bloomberg* published an article quoting Vice President and Southwest China Chapter Chair Massimo Bagnasco statement that, "Travelling from Chengdu to Chongqing for a short meeting now takes several days instead of a few hours due to the need to quarantine at both ends." On 14th October, the *SCMP* cited Shenyang Chapter Chair Harald Kumpfert, who told the roundtable that, "the current mood in China is 'really down' and many people are looking for significant change after the twice-a-decade congress, including reopening of the border."

President Wuttke was interviewed live by *BBC World News* on the *Position Paper 2022/2023*
Media: *BBC*
Date: 22nd September 2022

President Wuttke was interviewed live by *CGTN* on the *Position Paper 2022/2023*
Media: *CGTN*
Date: 21st September 2022

China Loses Allure as European Firms Rethink Investments

- Ideology trumping economics in China, says EU chamber's Wuttke
- Future investment from Europe can't be "taken for granted"

Bloomberg reported on the *Position Paper 2022/2023* launch
Media: *Bloomberg*
Date: 21st September 2022

Quarantine for Intercity Travel Hobbles Business Ties in China

- Policy turns one-hour meetings into marathons lasting days
- EU Chamber members endure lengthy isolation and missed events

Article by *Bloomberg* on China's COVID restrictions quoted VP Bagnasco
Media: *Bloomberg*
Date: 14th October 2022

President Wuttke discusses the 20th Party Congress with media

President Wuttke spoke live on *Bloomberg* about the 20th Party Congress
Media: *Bloomberg*
Date: 14th October 2022

The week-long 20th Party Congress of the Chinese Communist Party (CCP) commenced on 16th October. Ahead of the event, on 14th October, *Bloomberg* interviewed President Wuttke on his expectations, who said: "We all hope there would be changes to the COVID policy and vaccination should be addressed [at the Party Congress...] We are a bit in a grave situation, which is unique because normally the Party Congress is all about optimism. At this stage, things are not doing well. It's all about the reinforcement of the will."

On 24th October, just after the 20th Party Congress concluded, *The Wall Street Journal* ran a piece on China's new leadership, which quotes the Chamber's statement that it "is looking forward to 'continuing to work closely with China's new leadership in a pragmatic way.' The Chamber also noted the Congress's focus on environmental protection, "calling it a positive move".

On 25th October, *Handelsblatt* quoted President Wuttke as saying, "[there is] an increasing break with the successful policy of reform and opening-up policy, initiated in 1987 by then party leader Deng Xiaoping. Although China's leadership continues to publicly profess its 'open-door policy', but doubts are now growing. Since words have not been followed by deeds, more and more Western politicians and business leaders are growing tired of these 'promises'."

NEWS ANALYSIS

In Xi's China, the Business of Business Is State-Controlled

The Chinese leader has increasingly demanded that businesses conform to the aims of the Communist Party, an agenda he doubled down on this week at an important political gathering.

Article by *The New York Times* on the 20th Party Congress reflects concerns over politicalisation of business
Media: *The New York Times*
Date: 17th October 2022

Economy / China Economy

China sets out 15 ideas to boost foreign investment, with 'easing' expat travel, smart manufacturing in focus

- National Development and Reform Commission sets out plan to stabilise and further increase foreign investment into China
- Foreign investors have increasingly raised concerns over the mounting challenges of operating in the world's second-largest economy under zero-Covid policy

SCMP cited Chamber's opinion on the new NDRC policy package
Media: *SCMP*
Date: 26th October 2022

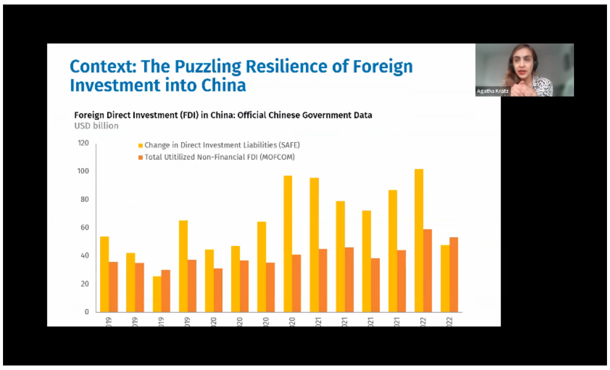
Chamber's statement on new NDRC foreign investment plan picked up by media

On 25th October, the National Development and Reform Commission (NDRC) released a policy package that includes 15 measures by the top state planner to encourage foreign investment into China. On 26th October, the *SCMP* quoted the Chamber's statement on the plan: "However, this is essentially the gathering of existing national policies under one umbrella, the implementation of which—in terms of how and over what time frame—is yet to be clarified. [...] [We don't expect any updates in the short term], but will continue to seek opportunities to provide input on these policies based on the needs of our members."

Events Gallery

BEIJING, 23RD SEPTEMBER 2022

The Chosen Few: A Fresh Look At European FDI In China



- European investment has grown much more concentrated, both in terms of the companies, the sectors in which they operate, and the countries of origin.
- In the past four years, the top 10 European investors in China shared nearly 80 per cent, on average, of total European direct investment.
- The trend of 'the chosen few' is not unique to Europe, and it is not only occurring among European investors, but also in the United States and other countries.

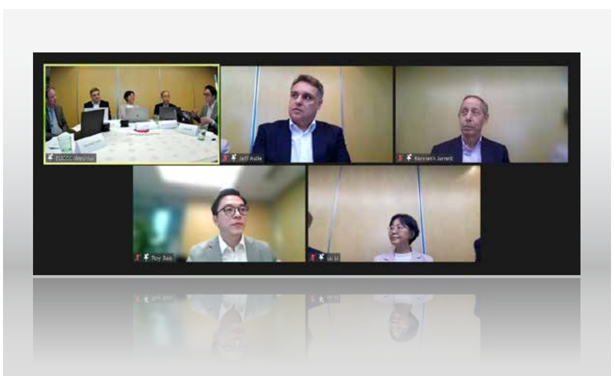
BEIJING, 30TH SEPTEMBER 2022

Scott Kennedy on the US-China Tech War, and What Lies Ahead

- United States (US)-China relations are in terrible shape and are on a trajectory to have some connected conflict at some point, and something needs to get in the way of that trajectory.
- The lack of credible information creates the current environment in both China and the US, and generates scepticism in both places.
- A central part of China's plans for peaceful unification is about engaging with Taiwanese high-technology companies and making them feel welcome.

SHANGHAI, 25TH OCTOBER 2022

What's Ahead? A Close Look at the 20th CPC National Congress



- While China is still a manufacturing powerhouse, it is increasingly becoming more involved in high-end manufacturing.
- Companies should continue to engage in dialogue with their local government as much as possible.
- Companies should not hurry into decisions at this point, and maintain a low-profile strategy.

SHANGHAI, 27TH OCTOBER 2022

2022 HR Excellence Conference: Adapting to Disruption in Turbulent Times

- Organisations need to be rebuilt due to disruptions in current economic environment, to advance business operations and following legislation changes.
- If a company is restructured internally, it may bring changes to employees' work position, duties or location, or perhaps even layoffs.
- The role of human resources (HR) in during organisation restructuring is to work on the internal restructuring design, make and implement action plans, and help employees adapt to the changes.

TIANJIN, 2ND NOVEMBER 2022

2nd Carbon Neutrality Conference - The Role of European Business in China's Race to 2060

- It is necessary to look beyond carbon dioxide in relation to scope 1 and 2 emissions, but also to look at the full life cycle from production to recycling.
- Advocacy is an important tool to encourage the public, authorities and others to change their mindset.
- Constant dialogue is essential to develop the best synergies, to scale up by creating ecosystems and to learn from each other.

SOUTH CHINA, 26TH OCTOBER 2022

Cybersecurity, Data and Personal Information Compliance for EU SMEs in China

- Implement technical measures to monitor and record the status of network operations and cybersecurity incidents, and preserve relevant web-logs for at least six months.
- The Personal Information Protection Law has seven principles: legality; a clear and reasonable purpose; the collection of only the minimum data necessary; openness and transparency; accuracy and quality; accountability; and security.
- Companies should make emergency response plans, and immediately implement them if an incident occurs.

SOUTHWEST CHINA, 22ND SEPTEMBER 2022

Symposium on Business Modes of Chengdu Cross-border E-Commerce

- There are 132 cross-border e-commerce comprehensive pilot areas in China.
- Chengdu was one of the second batch of 12 cross-border e-commerce comprehensive pilot zones established by the State Council in 2016.
- Compared with traditional foreign trade, cross-border e-commerce simplifies links, helps enterprises reduce costs, speeds up the flow of goods, and improves the efficiency of the supply chain.

SHENYANG, 28TH OCTOBER 2022

Situational Leadership and Problem-solving-based Communication

- Situational leadership is not something you do to people, but something you do with people.
- In terms of upward management, it is important to show respect to higher management's standpoints, and to not embarrass them in public.
- Do not report only what is good while concealing what is unpleasant; report negative information to your manager in a timely manner.

Advisory Council News

Photo: covestro.com

Covestro invests in the production of more sustainable polycarbonates in Asia Pacific

19th August 2022 – Recycling plastic waste through mechanical processes such as sorting, grinding, re-granulating and compounding is an essential part of the circular economy. Covestro, one of the world's leading manufacturers of high-quality polymer materials and their components, announced plans to set up its first dedicated line for the mechanical recycling (MCR) of polycarbonates at its integrated site in Shanghai. The new MCR line will address the growing demand for more sustainable solutions – in particular, post-consumer-recycled (PCR) products, to be used primarily for the compounding step in the manufacture of electrical and electronic products, automotive applications and consumer goods.

Merck opens new EUR 29 million biologics testing centre in Shanghai

21st September 2022 – Merck, a leading science and technology company, opened a viral clearance (VC) laboratory as part of the first building phase of its new euro (EUR) 29 million China Biologics Testing Centre. The 5,000 square metre centre is the first of its kind for Merck in China. The VC laboratory allows customers to locally conduct viral clearance studies—one of the most critical steps in drug development—from pre-clinical development to commercialisation, and will help to meet the double-digit demand for VC testing services in China. The VC laboratory will add around 120 jobs by 2023.

"This lab and future labs will provide our Chinese customers with critical local services backed by our 75 years of global experience in the testing market," said Dirk Lange, head of Life Science Services at Merck.

TotalEnergies and Holcim considering ambitious decarbonisation project

10th October 2022 – On 23rd September 2022, energy giant TotalEnergies and building materials industry leader Holcim signed a memorandum of understanding to jointly study the decarbonisation of Holcim's Obourg cement plant near Mons in Wallonia. Various solutions will be assessed for reducing, capturing, sequestering and/or efficiently utilising the facility's emissions.

Photo: totalenergies.com

Each partner will contribute its best-in-class technologies and know-how to explore and develop the project, including:

- an innovative new air-oxyfuel switchable kiln, to facilitate the capture and purification of carbon dioxide (CO_2) in the flue gases, as part of Holcim's upgrade of the current cement plant; and
- the transportation and use of the captured CO_2 by TotalEnergies for an innovative e-fuel-producing scheme and/or deposit in geological storage in the North Sea.

The aim behind this project is to progressively decarbonise the cement sector in order to become carbon neutral by 2050, together with society.

Budweiser China's Lime Rural Vitalisation Project drives growth in Anyue County, Sichuan Province

12th October 2022 – Budweiser China celebrated another successful year of its Lime Rural Vitalization Project with a lime-picking ceremony in Anyue County, Ziyang City, Sichuan Province. Officials and guests from the local government, academia and the farming community joined company representatives in celebrating the harvest. The project saw robust growth in 2022 in terms of harvest as well as industry connectivity. With the planting acreage growing from just two hectares to nearly 14 hectares, and the average yield up by 33 per cent year-on-year to reach 15 tonnes per hectare, the project hit its second-phase yield targets ahead of schedule.

Photo: Budweiser

In addition, the ceremony saw Budweiser China West Business Unit's signing of a purchase agreement for 25,000 kilos of Anyue limes, as well as the unveiling of the Industry Research Base of the College of Horticulture at Sichuan Agricultural University. Co-led by Sichuan Agricultural University and Budweiser China, the research base aims to advance lime-growing research that will help drive the development of the industry.

Bureau Veritas ranked in Forbes 2022 list of world's best employers

31st October 2022 – Forbes partnered with market research firm Statista to compile their sixth annual list of the World's Best Employers. The survey involved 150,000 full-time and part-time workers from 57 countries working for businesses with operations worldwide. They were asked to rate their willingness to recommend their employers to friends and family, and to evaluate other employers in their respective industries that stood out either positively or negatively.

With more than 82,000 employees worldwide, Bureau Veritas strives to shape a better workplace. The group is committed to building and maintaining a diverse workforce where people will learn and grow in an inclusive culture while leaving their mark on society.

Photo: group.bureauveritas.com

Tell Us Your Big News

European Chamber members are welcome to add news items on their own activities to our website, and share it with all our other 1,800 members.

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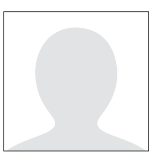
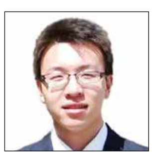


General Manager

SHENYANG



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SOUTH CHINA

Francine Hadjisotiriou
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SW CHINA

Sally Huang
General Manager

TIANJIN

Catherine Guo
General Manager

SECRETARY GENERAL

Adam Dunnett

Listed in alphabetical order.

WORKING GROUP CHAIRS

The chairs and vice chairs are responsible for carrying out the working group's overall leadership through hosting working group meetings, leading advocacy meetings, co–leading on the annual *Position Paper*, recruiting new members and representing the group in front of media.

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Auto Components National Chair
Felix Koo

Automotive National Chair
Hongzhuo Zhang

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Pharmaceuticals National Chair
Raphael de Garnier des Garets

Rail National Chair
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Bolei Chen

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of the European Chamber

The members of the European Chamber's Advisory Council are active in representing and advising the Chamber, and make an enhanced contribution to the Chamber's funding.

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BUDWEISER BREWING COMPANY APAC
百威亚太控股有限公司

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Lifeline

Confidential support across China

Who We Are

One in four people experience a mental health crisis in their lifetime. It can happen to anyone – regardless of social economic status, gender, age or nationality.

Established in 2004, Lifeline provides the only English speaking mental health support helpline and online chat service across China. We are a 100% volunteer-based non-profit social entity.

We provide 12 hours of support every day, delivering a responsive and empowering service for those facing life challenges, experiencing emotional difficulties or having suicidal thoughts. We listen, support, and offer resources and referrals helping callers to take positive steps forward. Sometimes all that is needed is a listening ear.

Help is available from 10am-10pm, 365 days a year.

Helpline
400 821 1215

Online chat
WeChat: LifelineConnect

Website
www.lifelinechina.org

Support Lifeline by donating today!

SHANGHAI UNITED FOUNDATION
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Confidential support across China.
We listen. We care.