EUROBiz

Journal of the European Union Chamber of Commerce in China

ISSUE 80 MAY/JUNE 2024
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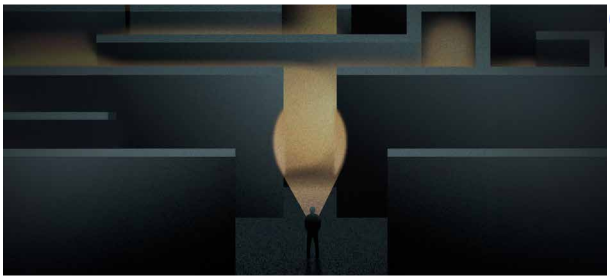

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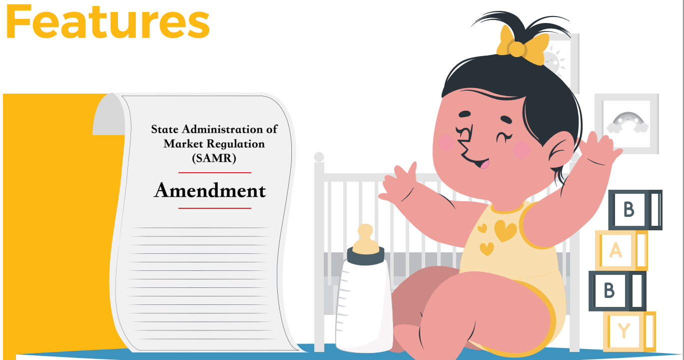

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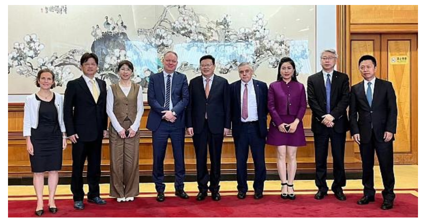

Shenzhen Party Secretary Meng Fanli pictured with the European Chamber delegation

Yellen Chides China Over 'Coercive' Moves Against US Firms

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EURObiz is published bimonthly by the European Union Chamber of Commerce in China, and is distributed free to all Chamber members.

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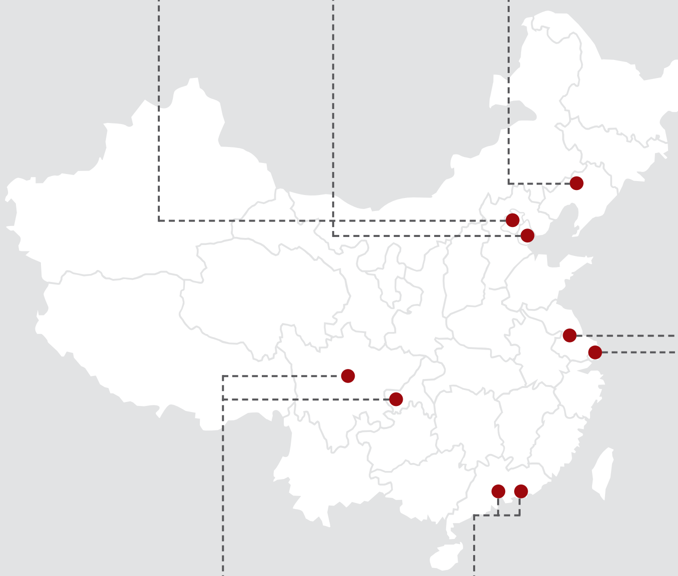

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President's Foreword

Common language on risk management needed

Jens Eskelund

President

European Union Chamber of Commerce in China

Risk management has emerged as a key focus in recent years. The COVID-19 pandemic exposed the fragility of global supply chains, and Russia's invasion of Ukraine highlighted the potential for critical dependencies to be weaponised. However, while all countries have the right to ensure the security of their respective economies, there is no agreement on how this should be achieved.

For its part, the European Union's (EU's) approach to 'de-risking' has arguably been the least disruptive to business and globalisation compared to that of the other major economies. The bloc is seeking to build resilience through diversification and remove potential market distortions in a country-agnostic manner, all while retaining as open a market as possible.

By contrast, China's efforts have been far more comprehensive — both in terms of their breadth and the intensity with which measures have been pursued. Its policymakers have implemented a series of progressive policies, the roots of which date back to the mid-2000s, aimed at achieving a high degree of technological self-reliance and supply chain security.

But China's focus on security comes at a cost, not only to business, but also to China. It is forcing foreign companies to question what kind of relationship the country wants to have with them and whether the Chinese market will remain welcoming in the long-term. In turn, the country's attractiveness as an investment destination is deteriorating, as the findings of this year's *Business Confidence Survey* testify.[1] The survey found the proportion of respondents that rank China as a top destination for both present and future investments is at the lowest level on record.

The intense focus on security is also now leading to push back from China's trade and investment partners, as they find themselves under pressure to take action to ensure their own competitiveness does not suffer at the hands of Chinese industrial policy. In this regard, the EU's recent launch of several probes into subsidy and procurement practices could be just the tip of the iceberg if the imbalances and lack of reciprocity in the EU-China relationship are not resolved satisfactorily.

Despite these challenges, the relationship still has much potential to create value for both sides. To capitalise, the EU and China need to engage in open, candid discussions on risk and, in particular, better align on which actions constitute common-sense pragmatism and which are acts of protectionism. While this is an ambitious aim, progress can only be made once such a consensus is reached.

To this end, the European Chamber recently published a report, *Riskful Thinking: Navigating the Politics of Economic Security*, in partnership with China Macro Group.[2] Our hope is that the paper contributes to the ongoing discussion on de-risking and risk management more broadly, by paving the way for the development of a common language on the subject. The Chamber stands ready to engage with policymakers, academics and industry stakeholders on both sides to advance this endeavour.

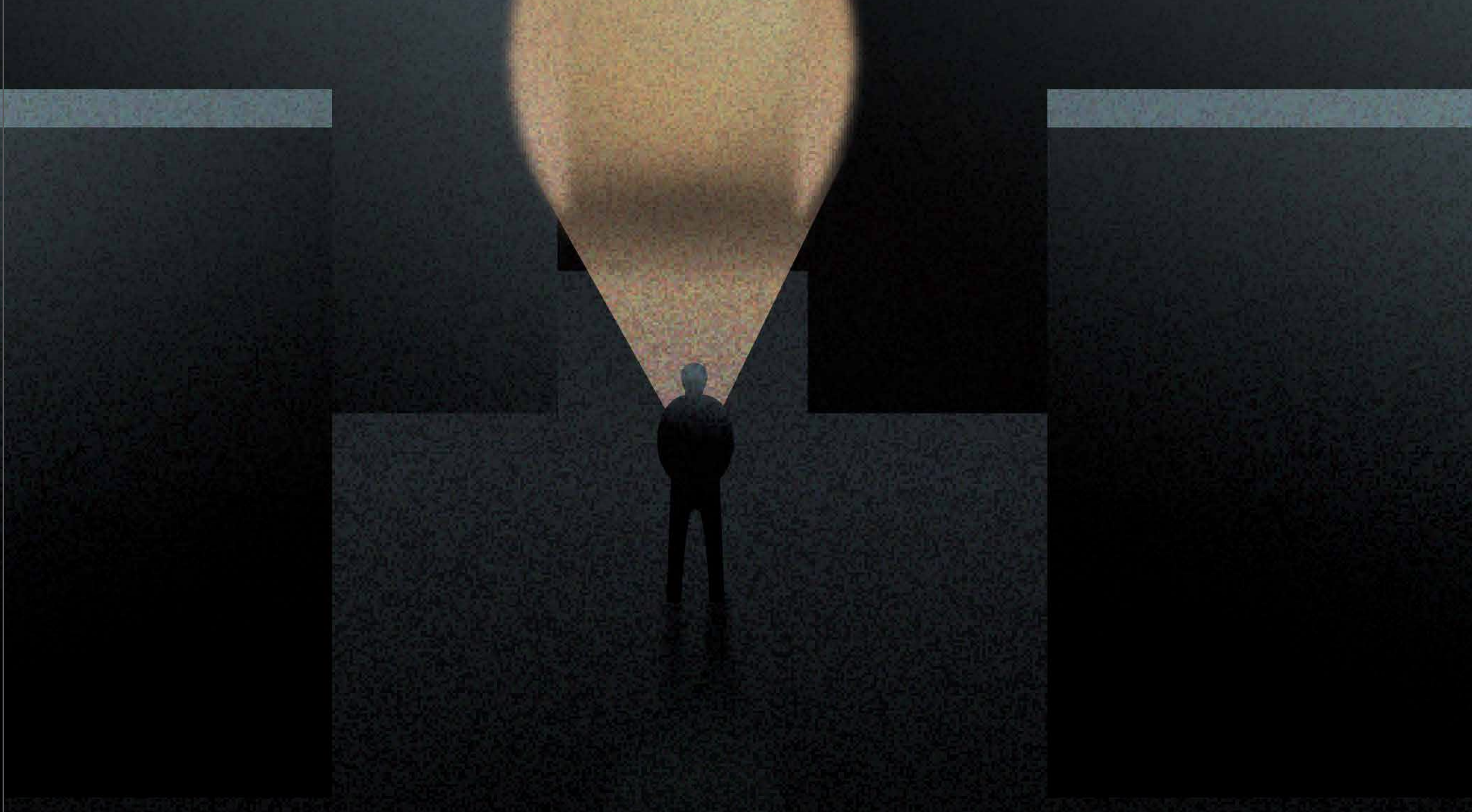
1 *European Business in China Business Confidence Survey 2024*, European Union Chamber of Commerce in China, 10th May 2024, viewed 10th May 2024, <https://www.europeanchamber.com.cn/en/publications–business–confidence–survey>

2 *Riskful Thinking: Navigating the Politics of Economic Security,* European Union Chamber of Commerce in China & China Marco Group, 20th March 2024, viewed 9th May 2024, <https://europeanchamber.oss–cn–beijing.aliyuncs.com/upload/documents/documents/Riskful_Thinking_Navigating_the_Politics_of_Economic_Security[1175].pdf>

RISKFUL THINKING: Navigating the Politics of Economic Security

by **Robbie Jarvis**

The European Union (EU), China and the United States (US) have all been engaged in varying degrees of risk management and efforts to strengthen economic security for several years. However, it is misleading to use 'de-risking' as a catch-all term to describe their respective approaches. While sharing some common roots, the measures being adopted, the desired outcomes and the length of time each actor has been engaged in such activities, are distinct. **Robbie Jarvis** of the **European Chamber** takes a look at the different approaches and how companies are responding.



The latest report published by the European Chamber in partnership with the China Macro Group, *Riskful Thinking: Navigating the Politics of Economic Security*, examines the different approaches that the EU, China and the US are taking to manage economic risks, as well as the strategies Chamber members are taking to build resilience and shore up their operations.[1]

The EU has settled on a policy of 'de-risking' to better protect the bloc's economic security.

The term 'de-risking' first gained traction in political discourse in March 2023, when it was referred to in a speech delivered by European Commission President Ursula von der Leyen, in which she outlined the EU's new approach to mitigating a growing number of risks to its economy.[2] The understanding that threats have become more prevalent to both the EU's overall economic security and its companies overseas has been embedded in European policy thinking for some time. However, the perceived level of risk to the EU increased significantly following two black swan events, which catalysed the European Commission's approach to managing risk.

First, the COVID-19 pandemic laid bare several critical vulnerabilities. Challenges to Europe's food security and the sudden inability to access essential medical supplies, brought home the extent to which the EU has become overdependent on certain third countries, and raised doubts over the EU's long-term economic and social security. Second, Russia's invasion of Ukraine led to an acceleration of EU de-risking efforts, with a consensus among European Commission officials that the bloc could never again allow itself to be held hostage to critical resources.

The EU has so far been careful to develop its de-risking toolkit in a way that minimises the impact that it could have on its engagement with trade and investment partners. For example, the approach it has taken to identifying what constitutes a critical dependency and to what extent they should be de-risked, has been forensic. Despite this, von der Leyen's March 2023 speech, in which she explained some of the key principles of de-risking, was not well received in China, with officials warning of the "risk of linking trade with ideology and national security and creating bloc confrontation".[3]

"The EU has settled on a policy of 'de-risking' to better protect the bloc's economic security."

Just two months later, when the term 'de-risking' appeared in the joint communiqué issued by the Group of Seven (G7), following its May 2023 meeting in Japan, Chinese state media further claimed that "de-risking is just decoupling in disguise", and that "de-risking is just another pretext fabricated by Washington to contain China".[4]

However, this is something of a misinterpretation. For one, it overlooks that the term 'de-risking' originated in Europe, in order to distinguish the bloc's objective of taking a precise approach to economic security, risk management and diversification from broader decoupling, something that has been more associated with the US. Second, it obfuscates why the EU has found itself compelled to develop a de-risking toolkit, namely to defend itself from an increasing number of challenges to its own security, due to distortions and other threats emanating from third markets. Finally, such statements overlook the fact that China has been pursuing its own far more comprehensive form of risk management that predates EU de-risking by quite some time.

China's approach was initially informed by a recognition of the need to build domestic industrial capabilities, predicated on the desire to develop its economy. Starting around the mid-2000s, the drive for indigenous innovation was strengthened with industrial policies that were designed to enable China to catch up in both core technologies and industries identified as strategic. These industrial policies were gradually tweaked, both in terms of scope and ambition, to increase China's global competitiveness, with domestic and global market share targets being added. In parallel, China's five-year plans increasingly amplified security components alongside those related to development.

China's security and development concerns eventually converged, culminating in the emergence of the

[1] *Riskful Thinking: Navigating the Politics of Economic Security,* European Union Chamber of Commerce, 20th March 2024, <https://www.europeanchamber.com.cn/documents/download/start/en/pdf/1175>

[2] Brzozowski, A, *Von der Leyen wants 'de–risking' not 'de–coupling' in new China doctrine,* Euractiv, 30th March 2023, viewed 14th May 2024, <https://www.euractiv.com/section/eu–china/news/von–der–leyen–wants–de–risking–not–de–coupling–in–new–china–doctrine/>

[3] Camut, N, *China lashes out at von der Leyen over fiery remarks, Politico,* 31st March 2023, viewed 14th May 2024, <https://www.politico.eu/article/china–eu–ursula–von–der–leyen–remark–fu–cong–wang–lutong/>

[4] *Xinhua Commentary: De–risking is just decoupling in disguise, Xinhua*, 26th May 2023, viewed 14th May 2024, <https://english.news.cn/20230526/f534dc97c66f43e98b1a7642d07221c8/c.html>

concept of 'coordinated development and security', a top-level policy priority under the umbrella of the 14th Five-year Plan. During the 20th Party Congress in 2022, this need to enhance national security and social stability was further emphasised, as was Beijing's desire to intensify its technological self-reliance. As a consequence, China's approach to risk management and strengthening economic security today goes far beyond the EU's desire to eliminate critical dependencies and potential distortions in its own market while remaining as open as possible.

For its part, the US has moved away from its rhetoric of 'decoupling', as advocated by some in the Trump administration (2017–2021), in favour of de-risking, creating a perception that its approach is more closely aligned with the EU's than it actually is. While similar to the EU, with the US aiming to build domestic industrial capabilities and bolster its competitiveness in certain industries, there are also key differences. Perhaps the most striking difference is that a significant part of the US' strategy also involves taking pre-emptive measures aimed at impeding China's development to maintain America's dominant position in the global economy, something which is not a characteristic of EU de-risking efforts.

At the company level, efforts to eliminate risk from operations and decision-making processes have always been made. However, the volume, complexity and severity of the risks that companies face have all grown exponentially in recent years, as politics has slowly seeped into the business environment.

In the European Chamber's *Business Confidence Survey 2024*, a record 68 per cent of respondents reported that doing business in China has become more difficult since 2023.[5] Long-standing challenges, such as market access and regulatory barriers, unequal treatment and burdensome administrative requirements, have been exacerbated by global events, such as the COVID-19 pandemic and Russia's invasion of Ukraine. This came on top of worries about the Chinese and global economic slowdown, as well as negative impacts resulting from the US-China trade war.

68%

of respondents in the European Chamber's *Business Confidence Survey 2024* reported that doing business in China has become more difficult since 2023.

Consequently, business plans are now skewed disproportionately towards risk management and building resilience rather than cost saving, maximising efficiency and increasing market share. Key risks faced by European companies in China include: having to exit the Chinese market — due to the expense of continuing to operate in the market or being unable to satisfy EU or Chinese rules geared to mitigating economic risks; overexposure to the Chinese market; geopolitics; supply chain disruptions; conflicts between the EU's and China's respective legal regimes; and non-compliance with China's cybersecurity legislation.

Yet, there is no 'one size fits all' approach to managing such risks, with many different strategies being adopted even among companies of a similar size within the same industry. Strategies may be based on a given company's risk appetite, its anticipation of China's future trajectory, or simply in response to market changes and evolving business or customer needs, as well as a company's past successes and current footprint in China. In some cases, they can even be guided by an individual executive's general sentiment towards China.

At the same time, some of the approaches that companies are now having to adopt entail a significant loss of efficiency, which further increases operating costs, impacts innovation and will ultimately result in increased costs being passed on to consumers.

While the three respective strategies currently being pursued by the EU, China and the US all represent a retreat to varying degrees from globalisation as we know it, from a business point of view it is important to aim for the 'least expensive' solution. In this regard, the EU concept of de-risking, as presently defined, represents the most pragmatic approach in the eyes of business.

Unlike China, the EU is not pursuing policies aimed at attaining self-reliance, but rather diversification that will allow its supply chains to continue with minimal disruption. The EU's overall aim is also not to decouple but rather to maintain engagement with its partners, while becoming better at identifying and managing risk based on the precise identification of critical dependencies. This should result in new trade opportunities, the adoption of bespoke approaches to risk management and a continued emphasis on remaining highly integrated with the global economy.

Note:

The report, *Riskful Thinking: Navigating the Politics of Economic Security*, was published by the European Union Chamber of Commerce and China Macro Group on 20th March 2024. To download a free copy, visit: https://www.europeanchamber.com.cn/en/riskful-thinking-report

[5] *European Business in China Business Confidence Survey 2024*, European Union Chamber of Commerce in China, 10th May 2024, viewed 10th May 2024, <https://www.europeanchamber.com.cn/en/publications–business–confidence–survey>

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Pleasing nobody: The EU's Corporate Sustainability Due Diligence Directive

by **Jeremy Azzopardi**

As Europe enters a summer of political transition, one of its latest efforts to advance sustainability and human rights has not gone unnoticed. **Jeremy Azzopardi**, a **student** at the **Western Academy of Beijing**, investigates the Corporate Sustainability Due Diligence Directive (CSDDD).

On 23rd February 2022, the European Commission proposed its Corporate Sustainability Due Diligence Directive (CSDDD) seeking to advance the EU's sustainability and social goals worldwide. Companies with at least euro (EUR) 450 million in net worldwide turnover and more than 1,000 employees will be required to proactively prevent or mitigate adverse impacts of all their operations on human rights, particularly child labour and worker exploitation, and on the environment, including pollution and biodiversity loss.[1] Some companies will also need to craft business strategies in line with the 1.5 °C global warming temperature limit rise of the Paris Agreement. Penalties for violating the directive could exceed five per cent of net worldwide turnover.[2]

[1] Blenkinsop, P, *EU backs supply chain audit law after Italy switches sides, Reuters*, 15th March 2024, viewed 16th May 2024, <https://www.reuters.com/sustainability/boards–policy–regulation/eu–envoys–clear–proposed–supply–chain–audit–law–belgian–presidency–says–2024–03–15/>

[2] *Just and sustainable economy: Commission lays down rules for companies to respect human rights and environment in global value chains*, European Commission, 23rd February 2022, viewed 16th May 2024, <https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145>

The directive is expected to have far-reaching impacts on both European and foreign businesses operating in Europe, with the rules obliging a significant corporate duty to prevent damage from a company's own operations subsidiaries, as well as along its entire value chain. Commenting on the directive's potential to promote European ideals globally, Věra Jourová, president of the European Commission for values and transparency, said: "This law will project European values on the value chains, and will do so in a fair and proportionate way."[3] However, the CSDDD's all-encompassing scope has been drastically revised following concessions and political wrangling.

Backdoor dealings at the Council

Several countries reportedly expressed concern at the European Commission's original proposal. France lobbied for extensive changes to the text, beginning with a successful effort in December 2023 to exclude financial institutions.[4] Italy and Germany voted against numerous versions of the text fearing an excessive impact on smaller businesses, particularly small and medium-sized enterprises (SME), while holding concerns about its broader bureaucratic burden. Following compromises and sweeping changes, Italy cast the decisive vote in favour at the European Council in March 2024, while squabbling among members of Germany's coalition government led to its continued abstention.[5]

Finland had reservations regarding the directive's civil liability provisions, which would have allowed victims to file class action lawsuits to recover damages.[6] The Finnish Government noted that such a legal framework would be incompatible

> **"This law will project European values on the value chains, and will do so in a fair and proportionate way."**
>
> **Věra Jourová**
>
> President of the European Commission for Values and Transparency

with existing domestic law. Together with later-removed clauses holding company directors directly accountable for damages, the civil liability provisions were clarified and watered-down.

A lose-lose for businesses and NGOs?

Industry organisations and business groups including Business Europe, Eurochambres and the German Chamber of Commerce and Industry (DIHK), have denounced the directive for fragmenting the internal market, burdening companies with impractical obligations, disrupting supply chains and increasing costs.[7&8] Foreign business organisations, including AmCham and the China Chamber of Commerce to the EU, have joined calls to reduce the directive's sweeping compliance and administrative costs, complexity and legal risks, cobbling together an unlikely opposition coalition.[9]

Businesses have repeatedly highlighted the directive's scope, legal risks and the lack of consideration for potentially conflicting third-country legislation as chief concerns. They warn that the obligations will damage business competitiveness, both inside and outside of Europe. The directive may disrupt the level playing field and could place European companies operating abroad at a competitive disadvantage, with a new need to fulfil lengthy due diligence obligations. With increasing barriers to entry for European businesses, the burden of due diligence may dissuade third-country local firms from working with

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[3] Ibid.

[4] White, S, and Hancock, A, *France Seeks Weaker EU Due Diligence Rules for Banks, Financial Times,* 13th December 2023, viewed 16th May 2024, <https://www.ft.com/content/18d52021–c551–4a19–95ff–6b5c864c83bf>

[5] Blenkinsop, P, *EU backs supply chain audit law after Italy switches sides, Reuters*, 15th March 2024, viewed 16th May 2024, <https://www.reuters.com/sustainability/boards–policy–regulation/eu–envoys–clear–proposed–supply–chain–audit–law–belgian–presidency–says–2024–03–15/>

[6] McGowan, J, *Fate Of EU Corporate Sustainability Due Diligence Law Worsens As Finland Pulls Support, Forbes,* 7th February 2024, viewed 16th May 2024, <https://www.forbes.com/sites/jonmcgowan/2024/02/07/fate–of–eu–corporate–sustainability–due–diligence–law–worsens–as–finland–pulls–support/?sh=7c7eadc5431d>

[7] *EU due diligence could leave companies between a rock and a hard place*, BusinessEurope, 12th December 2023, viewed 16th May 2024, <https://www.businesseurope.eu/publications/eu–due–diligence–could–leave–companies–between–rock–and–hard–place>

[8] Blenkinsop, P, *EU backs supply chain audit law after Italy switches sides, Reuters*, 15th March 2024, viewed 16th May 2024, <https://www.reuters.com/sustainability/boards–policy–regulation/eu–envoys–clear–proposed–supply–chain–audit–law–belgian–presidency–says–2024–03–15/>

[9] *EU failing to endorse CSDDD a response to apprehensions widely shared the business communities: Chinese commerce chamber, Global Times*, 1st March 2024, viewed 16th May 2024, <https://www.globaltimes.cn/page/202403/1307986.shtml>

European companies as partners. Europe is also likely to suffer from reduced foreign direct investment, with the CSDDD imposing sweeping rules that could be avoided by entering other markets.

Environmental and labour groups have rallied behind the CSDDD but criticised the European Council for watering-down the directive, with the CSDDD only expected to cover 0.05 per cent of companies operating in the EU.[10] More than 100 NGOs issued a joint statement in February 2024 pointing the finger at member states, naming and shaming France and Germany for derailing negotiations and for failing to consider companies' impacts on human rights, workers, ecosystems and indigenous peoples.[11] Friends of the Earth Europe similarly criticised the directive for not including obligations related to emission reductions.[12]

What's next?

With the CSDDD passing the European Parliament on 24th April 2024, the directive is now all but law, requiring only the rubber-stamping of the EU Council of Ministers in May. But Europe is likely nowhere near ready for the law's wide-ranging impact, which due to the large footprint of European business is likely to affect every corner of the globe. It remains to be seen whether the EU will succeed in advancing European values or whether the directive will simply drive companies out of emerging markets, reducing Europe's global influence.

€450 million

in net worldwide turnover and more than 1,000 employees is the threshold for companies that will be required to proactively prevent or mitigate adverse impacts of all their operations on human rights, particularly child labour and worker exploitation, as well as on the environment, including pollution and biodiversity loss.

0.05%

of companies operating in the EU are expected to be covered by the CSDDD.

Such extensive due diligence throughout entire value chains could pose a particular challenge for European companies operating in China. Expansive domestic legislation, such as the recently broadened state secrets and anti-espionage laws, puts companies working in strategically critical fields at acute risk, with the possibility of criminal liability in China as they seek to fulfil the EU directive. The rules will also force European companies to undertake comprehensive investigations in politically sensitive regions, such as Xinjiang. Companies could view such obligations as an excessive risk, forcing them to leave certain areas, relocate production, reduce market share or even exit enormous markets like China altogether.

Europe has been increasingly criticised for exploiting its regulatory influence, often called the 'Brussels effect', with some claiming that the EU's recent climate measures are a form of neo-imperialism on the Global South. The EU should exercise caution in its regulatory and climate agendas, ensuring an inclusive and consultative approach with all stakeholders, including international partners and European businesses. Only time will tell whether the CSDDD will serve its intended purpose. Eb

Jeremy Azzopardi is a high school student from Malta currently pursuing the International Baccalaureate Diploma Programme at the Western Academy of Beijing. Born and raised in Beijing, he serves as Student Council President and is passionate about politics and the environment. He is interested in China's foreign relations, the European Union and climate politics.

[10] *Corporate sustainability and Due Diligence Directive: the good, the bad, and the ugly*, European Economic and Social Committee, 15th March 2024, viewed 16th May 2024, <https://www.eesc.europa.eu/en/news–media/press–releases/corporate–sustainability–and–due–diligence–directive–good–bad–and–ugly>

[11] *European Union: Joint Civil Society Statement Reacting to Lack of Majority in COREPER on CSDDD*, Amnesty International, 28th February 2024, viewed 16th May 2024, <https://www.amnesty.org/en/documents/ior60/7760/2024/en/>

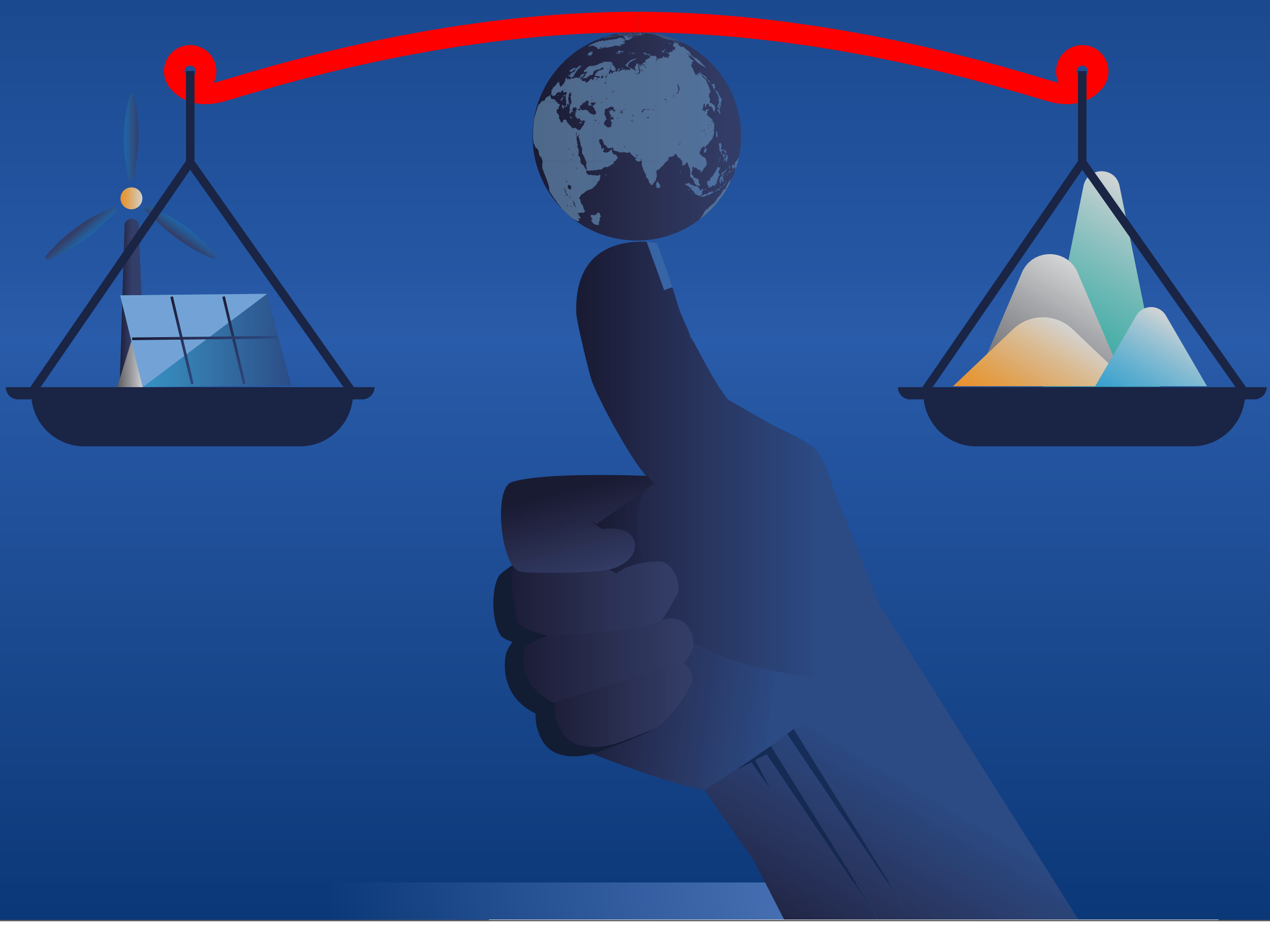
[12] *EU Council endorses corporate accountability law after years of negotiations and delays,* Friends of the Earth Europe, 15th March 2024, viewed 16th May 2024, <https://friendsoftheearth.eu/press–release/eu–council–endorses–corporate–accountability–law–after–years–of–negotiations–and–delays/>

Navigating the EU's risk management measures

Implications for EU-China industry collaboration

by **Arendse Huld**

Amid the complexities of global geopolitics and economic interdependence, the European Union (EU) finds itself at a critical juncture that will have major implications for its relationship with China. Central to this is the EU's 'de-risking' strategy, which seeks to reduce the bloc's dependence on China for its supply chains and key technologies, particularly critical raw materials (CRMs), renewables, semiconductors, healthcare and digital technologies. In this article, **Arendse Huld** from **Dezan Shira & Associates** outlines some of the implications for European companies doing business in China.



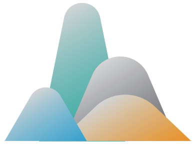
The EU's risk management measures will have significant implications for European companies doing business with or in China, in particular those engaged in 'sensitive' high-tech industries or that rely on China for the provision of critical raw materials (CRMs) and technologies.

Reconciling renewable energy ambitions with risk management strategies

The EU's de-risking strategy must be understood against the backdrop of the COVID-19 pandemic and the Russia-Ukraine war. While the pandemic laid bare the vulnerability of global supply chains, the war heightened the sense of urgency among key member countries to decarbonise the bloc's economy to reduce reliance on imported fossil fuels.

The EU's supply chains are inextricably linked to China, with the bloc highly dependent on China for the import of CRMs in particular. According to the European Commission, China currently accounts for 100 per cent of the EU's supply of heavy rare earth metals (HREE) and over 85 per cent of light rare earth metals (LREE). These include a variety of metals that are crucial for solar and wind power generation. Therefore, reducing 'critical dependencies and vulnerabilities' is central to the EU's de-risking strategy. However, building out the bloc's renewable capacity while reducing its reliance on China presents a unique challenge, one which will have significant implications for European companies operating in these fields.

The CRM Act, adopted by the European Council in March 2024, aims to "strengthen Europe's strategic autonomy" by diversifying the EU's CRM supply, increasing the production, processing and recycling of CRMs within the EU's borders, and establishing new trade ties around the world.[1]



100% HREE **+80%** LREE

China currently accounts for 100 per cent of the EU's supply of heavy rare earth metals (HREE) and over 85 per cent of light rare earth metals (LREE).

Among its goals is for at least 40 per cent of the EU's annual consumption of CRMs to be derived from local processing, and to source no more than 65 per cent of the bloc's annual consumption of each CRM at any relevant stage of processing from a single third country by 2030.

These targets will place a huge amount of pressure on companies over the next six years to find alternative sources for their raw materials. In addition, without a clear roadmap to realising these goals, and as Europe's domestic industries play catch-up with China, many companies that currently rely on Chinese imports may find themselves with limited options to fill supply gaps.

Other regulatory efforts from the EU could also create further hurdles for companies sourcing renewable technologies from China. In April 2024, the European Parliament approved regulations to ban the sale, import and export of goods made using forced labour, as defined by the relevant International Labor Organization (ILO) conventions. These regulations will implicate products made in Xinjiang Uygur Autonomous Region, a major producer of solar panels and components. European companies importing these goods from China may therefore be saddled with the additional burden of rigorous vetting processes for their suppliers and the risk of having products confiscated or destroyed upon entering the EU.

Increasing pressure to curb EU-China collaboration

The push to reduce reliance on China for CRMs will also have a significant impact on material sourcing for the production of semiconductors and other electronics required for the development of digital and advanced technologies. However, in addition to the efforts to diversify supply chains, EU member states are also coming under increasing pressure to limit other forms of technological collaboration with China.

Much of this pressure is coming from the United States (US), which notably persuaded the Netherlands to impose export controls on advanced semiconductor manufacturing equipment. This move limited the Dutch semiconductor equipment supplier ASML from exporting its most advanced immersion deep ultraviolet (DUV) lithography systems to China.[2]

Exacerbating these factors is the very real possibility of retaliatory measures from China. In July 2023, China's Ministry of Commerce (MOFCOM) placed export restrictions on 14 gallium and germanium items, key metals used for the production of chips and other electronic components. This move has been widely seen as retaliation for US export controls on key semiconductor technology.

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1 *An EU critical raw materials act for the future of EU supply chains,* European Council, 18th April 2024, viewed 9th May 2024, <https://www.consilium.europa.eu/en/infographics/critical–raw–materials/>

2 *Statement regarding Dutch government's export control regulations announcement*, ASML, 30th June 2023, viewed 9th May 2024, <https://www.asml.com/en/news/press–releases/2023/statement–regarding–export–control–regulations–dutch–government>

While the export restrictions have thus far been largely US-led, the EU has also begun to develop its own rules regarding technological collaboration with China as anxiety over technology leaks and transfers to Chinese counterparts grow.

In the *Joint Communication on a European Economic Security Strategy* released in June 2023, the European Commission recommended further controls on outbound investment into technologies assessed to enhance military and intelligence capabilities.[3] Based on this, the European Commission issued a recommendation in October naming four key technology areas—advanced semiconductors, artificial intelligence (AI), quantum technologies and biotechnologies—that require further risk assessment by EU countries.[4]

Among the risks to be assessed are the possibility of these technologies being applied for dual civil and military use and the possibility of them being used in violation of human rights, "including restricting fundamental freedoms".

In the field of AI, China and the EU are "deeply entangled", according to a report from MERICS. Both academic and commercial ties between Chinese and EU institutions have flourished over the last decade, with the report identifying nearly 37,000 English-language, AI-relevant EU-China joint research papers between 2017 and 2022. It also noted that several European companies have set up AI labs in China and that Chinese companies offer AI products and services in the EU market.

However, the report also found that many collaborative projects between EU and Chinese institutions have both military and surveillance applications, which include projects on "target tracking, cybersecurity, and biometric recognition with risky entities in China".

While the report notes that basic research is not currently subject to any EU export controls, such as those imposed by the Netherlands which only target hardware, it is clear that many current collaborations between Chinese and EU institutions fall within the scope of the European Commission's assessment risks. Given the extent of the collaboration, a vast amount of collaborative research and development in the field of AI may be vulnerable to further regulation and restrictions, both directly from the EU and indirectly by the US.

In 2023, Aarhus University in Denmark stopped accepting students from China who receive financing through the government-run Chinese Scholarship Council (CSC).

Although no specific investment or research restrictions have been imposed on academic or commercial collaboration, it is notable that several European academic institutions have already elected to cease or limit collaboration on projects with Chinese government funding. For instance, in 2023, Aarhus University in Denmark stopped accepting students from China who receive financing through the government-run Chinese Scholarship Council (CSC).

Meanwhile, the MERICS report found that a national export control authority has already ordered the closure of a project with a Chinese defence university due to its use of "AI software with potential military application", indicating that the authorities are already cognisant of the potential risks.

The risks of the EU's de-risking strategy

The EU's efforts to reduce dependency on China carries risks that need careful consideration. While aiming to diversify supply chains and enhance autonomy, there is a concern that such measures might stifle innovation in crucial sectors like renewables, AI and semiconductors.

Dependency on Chinese imports, especially for CRMs, presents challenges for diversification efforts. Without clear guidance and support, companies may struggle to comply with regulations and adapt to new sourcing practices, hindering their competitiveness.

Moreover, continued collaboration with China remains vital for EU companies in various industries. Disengagement risks isolating them from valuable resources and opportunities.

The EU needs to strike a balance, providing better guidance and assistance to companies while fostering strategic collaboration with China in key areas. This approach can ensure resilience and competitiveness in an evolving global landscape.

Dezan Shira & Associates assists foreign investors in China and has done so since 1992 through offices in Beijing, Tianjin, Dalian, Qingdao, Shanghai, Hangzhou, Ningbo, Suzhou, Guangzhou, Dongguan, Zhongshan, Shenzhen and Hong Kong.

The company has offices in Vietnam, Indonesia, Singapore, the United States, Germany, Italy, India and Dubai (UAE), as well as partner firms assisting foreign investors in the Philippines, Malaysia, Thailand and Bangladesh.

3 *Joint Communication To The European Parliament, The European Council And The Council On "European Economic Security Strategy"*, European Commission, 20th June 2023, viewed 9th May 2024, <https://eur–lex.europa.eu/legal–content/EN/TXT/?uri=CELEX%3A52023JC0020>

4 *Commission recommends carrying out risk assessments on four critical technology areas: advanced semiconductors, artificial intelligence, quantum, biotechnologies*, European Commission, 3rd October 2023, viewed 9th May 2024, <https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4735>

5 Arcesati, R, Chang, W, Hmaidi, A, and von Carnap, K, *AI Entanglements: Balancing risks and rewards of European–Chinese collaboration*, MERICS, 16th November 2023, viewed 9th May 2024, <https://merics.org/en/report/ai–entanglements–balancing–risks–and–rewards–european–chinese–collaboration>

6 Petersen, L B, *AU Stops Admitting PhD Students from China Who Have Signed Allegiance to the Chinese Communist Party*, Omnibus, 27th March 2024, viewed 9th May 2024, <https://omnibus.au.dk/en/archive/show/artikel/au–stopper–optaget–af–kinesiske–phd–studerende–der–har–underskrevet–troskabsed>

7 Arcesati, R, Chang, W, Hmaidi, A, and von Carnap, K, *AI Entanglements: Balancing risks and rewards of European–Chinese collaboration*, MERICS, 16th November 2023, viewed 9th May 2024, <https://merics.org/en/report/ai–entanglements–balancing–risks–and–rewards–european–chinese–collaboration>

19TH MARCH
BEIJING

Chamber meets Director General Olivier Guersent

Representatives from the Chamber's Legal and Competition Working Group with Olivier Guersent, director general of the Directorate–General for Competition
Photo: European Chamber

On 19th March, European Chamber President Jens Eskelund led a delegation of representatives from the Chamber's Legal and Competition Working Group to meet Olivier Guersent, director general of the Directorate-General for Competition. Discussions focussed on the impact of recent political, economic and policy developments in China on European businesses operating in the country.

25TH MARCH
SHENYANG

Shenyang Chapter Chair Kaiserseder speaks at investment seminar

Shenyang Chapter Chair Erich Kaiserseder speaking at the seminar
Photo: European Chamber

On 25th March, the European Chamber's Shenyang Chapter Chair Erich Kaiserseder delivered a speech at an investment seminar hosted by the Shenyang Federation of Industry and Commerce. Deputy Director of the United Front Work Department of the Shenyang Municipal Committee Jin Xiang and the Party Secretary of the Federation of Industry and Commerce also spoke at the event, which saw representatives from domestic and foreign enterprises exchange views on the global economic situation, China's dual circulation strategy and key trends in their respective industries.

8TH APRIL
SOUTHWEST CHINA

Vice President Bagnasco delivers speech on EU's CBAM

European Chamber Vice President and Southwest Chapter Chair Massimo Bagnasco speaking on the EU's Carbon Border Adjustment Mechanism
Photo: European Chamber

On 8th April, the China Council for the Promotion of International Trade (CCPIT) Sichuan Council held an event on the EU's Carbon Border Adjustment Mechanism (CBAM) in Chengdu. Vice President and Southwest China Chapter Chair Massimo Bagnasco delivered a speech at the event, in which he emphasised the Chamber's eagerness to work with the CCPIT to increase awareness and understanding of the CBAM. CCPIT Sichuan Vice President Wang Zhimin also spoke, noting how for businesses, the themes of decarbonisation and competitiveness are becoming increasingly intertwined.

9TH APRIL
SHANGHAI

European Chamber delegation meets Director General Torres

Representatives from the European Chamber with the director general of the Directorate–General for Justice and Consumers
Photo: European Chamber

On 9th April, a European Chamber delegation led by European Chamber Vice President and Shanghai Chapter Chair Carlo D'Andrea met with Ana Gallego Torres, director general of the European Commission's Directorate-General for Justice and Consumers in Hangzhou.

The delegation provided Torres with an overview of the business environment in China for European companies. The discussion primarily focussed on key issues related to corporate sustainability due diligence, cross-border data transfer and product safety. Representatives from six industries gave an update on recent regulatory developments in their sectors, the improvements they have led to and the challenges they continue to face.

16TH APRIL
SOUTH CHINA

Chamber meets with Shenzhen Party Secretary Meng Fanli

Shenzhen Party Secretary Meng Fanli pictured with the European Chamber delegation
Photo: European Chamber

On 16th April, a European Chamber delegation led by President Jens Eskelund met with Shenzhen Party Secretary Meng Fanli. After presenting the Chamber's *Position Paper 2023/2024*, Eskelund spoke on issues including China's deteriorating status as an investment destination, the implementation of tax incentives for foreign nationals, the green energy transition, innovation and digitalisation. He emphasised the importance of developing a more predictable and transparent policy and regulatory environment — something that is crucial if the erosion of business confidence that has taken place over the past few years is to be reversed.

18TH APRIL
TIANJIN

Tianjin Chapter meets vice mayor

A European Chamber delegation, led by President Jens Eskelund, meets with representatives from the Tianjin Government
Photo: European Chamber

On 18th April, the European Chamber's Tianjin Chapter met with representatives from the Tianjin Government for a roundtable event, attended by Tianjin Vice Mayor Li Wenhai. The discussion covered topics including how to strengthen industry-university cooperation and the importance of government support for small and medium-sized enterprises in the region.

#BECAUSE OFUS

More realistic packaging standards for special dietary foods

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 2024, we will present some examples of our successful advocacy work.

In this edition, we summarise the Chamber's advocacy efforts, which led to the introduction of more realistic packaging standards for special dietary foods.

Summary

Based on the national standards released in 2021, the set ratios for empty space within food packaging were unrealistically small for special dietary foods, which include infant formula and foods for special medical purposes (FSMP). If impacted manufacturers had been compelled to follow these standards, they would have faced severe compliance costs, as well as difficulties selling their products in online and offline markets. Consumers who rely on certain products would likely have lost access to them.

The European Chamber was engaged with the relevant authorities for a long time to highlight the risks and potential negative impacts of these requirements. On 29th March, the State Administration of Market Regulation (SAMR) issued an amendment to the relevant document, which, following the Chamber's recommendations, optimised the requirements for five special dietary food categories.

Background

To accelerate green and low-carbon development in the food and cosmetics industries, the SAMR released the *Requirements of Restricting Excessive Package—Foods and Cosmetics (GB 23350)* in 2021, which came into effect on 1st September 2023. These standards specify the allowed ratios for empty space within the packaging of all food and cosmetics commodity categories.

The set ratios were unrealistically small for the special dietary foods category, which includes infant formula, FSMP, milk powder, modified milk powder, complementary foods for infants and young children and complementary food nutritional supplements. While the technical requirements for the production and packaging of these products are the same as those for 'ordinary' food products, they were given stricter parameters. For instance, the ratio for ordinary cookies was set almost seven times higher than for cookies for infants and young children.

If manufacturers of special dietary foods had been compelled to follow these standards, they would have faced significant compliance costs, as well as difficulties being able to sell in online and offline markets. Even if the ratio was increased by 50 per cent, the estimated cost of rectification for a single product for the whole sector, taking rice powder for infants and young children as an example, would be around Chinese yuan (CNY) 0.8 billion.

Furthermore, consumers who rely on certain products, including due to medical conditions, would likely have lost access to them.

Advocacy Efforts

From June to December 2023, the Chamber sent two advocacy letters to the SAMR and four advocacy letters to the Ministry of Industry and Information Technology (MIIT) on behalf of the Agriculture, Food and Beverage Working Group, the Paediatric Nutrition Desk, the FSMP Desk and the Dairy Industry Desk, detailing the compliance risks of relevant products on the market and the potential impact on industry and consumers.

These advocacy efforts successfully encouraged three rounds of public consultation on the *No.2 Amendment to GB 23350*. After the Chamber submitted comments in September 2023, the second draft adopted the Chamber's suggested ratios for empty space for **four special dietary food categories**. The Chamber again provided comments during the second round of public consultation.

In January 2024, the Department of Consumption of the MIIT informed the Chamber about the upcoming third round of public consultation. The Chamber then submitted comments providing reports on the potential impact on special dietary food products, as standards for this category had not been amended in the second draft.

Success

On 29th March 2024, the SAMR issued *No.2 Amendment to GB 23350* (*Amendment*), optimising the requirements for **five special dietary food categories** in line with the Chamber's recommendations.

With the release of this *Amendment*, relevant products from our members can continue to be sold online and offline without the need to make any changes.

Media Watch

Chamber's comments on 'Two Sessions' sought by media

Held on 4th and 5th March, key focusses of the 2024 'Two Sessions' included 'new quality productive forces', national security, economic development and geopolitical priorities. Chamber commentary on the event was widely sought by media organisations.

Speaking with the *Global Times* and *CGTN*, Chamber President Jens Eskelund highlighted the relatively modest expectations that Chamber members have for the Chinese market this year, noting that while the country's growth target of around 5 per cent is achievable, it will be important for China to also focus on achieving sustainable growth, particularly through boosting domestic consumption. Vice President and Southwest Chapter Chair Klaus Zenkel spoke to *China News* about the country's economic development, suggesting that if there were a more friendly business environment and government support for a level playing field, more foreign companies would enter the market.

On 4th March, it was announced that the premier's press conference—customarily held following the conclusion of the Two Sessions—would not be held this year. Speaking with the *SCMP*, Eskelund emphasised that transparency and engagement with international media are important for enabling the global audience to understand China's priorities and its assessment of the domestic and global situation.

Vice President Klaus Zenkel being interviewed by *China News* on China's economic outlook
Media: *China News*
Date: 3rd March 2024

President Jens Eskelund speaking live on *CGTN*
Media: *CGTN*
Date: 12th March 2024


EU firms in China skewed 'disproportionately' towards risk management - business group

By Laurie Chen and Sarah Wu

March 20, 2024 9:09 AM GMT+8 · Updated a month ago

Aa

Reuters article on Chamber members' risk management efforts
Media: *Reuters*
Date: 20th March 2024

Chamber launches risk management report

On 20th March, the European Chamber published *Riskful Thinking: Navigating the Politics of Economic Security*, in partnership with China Macro Group. A total of 32 journalists attended the report's official launch, which was followed by a media lunch with journalists from key media outlets. Within 24 hours of the paper's launch, 29 original articles were recorded.

The report received considerable coverage in international media, with articles published by outlets including *Reuters*, the *Financial Times*, *CNBC*, *AP* and *Al Jazeera*. International media coverage largely focussed on the increasingly politicised business environment experienced by European companies operating in China and its implications for the risk management strategies and/or operations of European Chamber members.

Domestic media coverage, including by the *SCMP*, the *China Times* and *The Paper*, mostly focussed on the state of EU-China trade ties, and highlighted the need for both sides to have an honest and frank conversation on the topic of risk management.

Chamber's views on US Treasury Secretary Yellen's visit to China gain media coverage

Between 4th and 9th April, United States Treasury Secretary Janet Yellen conducted a six-day trip to China during which she held talks with senior Chinese officials, including Chinese Premier Li Qiang and former vice premier Liu He. Yellen raised a number of issues with her Chinese counterparts, including concerns related to Chinese overcapacity and its potential negative implications for the rest of the world. In an interview with *Bloomberg*, Chamber President Jens Eskelund warned that, if left unaddressed, Chinese overcapacity may put pressure on the European Union to take action, in order to ensure that it does not lead to the deindustrialisation of Europe.

Yellen Chides China Over 'Coercive' Moves Against US Firms

- Treasury Secretary speaks at event hosted by US business group
- Says China factory capacity more than world economy can bear

Bloomberg article on Janet Yellen's China visit
Media: *Bloomberg*
Date: 5th April 2024

FROM AFP NEWS

Reform Or Barriers: What Next After Yellen's China Visit?

By Beiyi SEOW April 8, 2024

Article published by the *AFP* on the outcomes of Yellen's visit
Media: *AFP*
Date: 8th April 2024

Chamber comments on new data regulations

On 22nd March, the Cyberspace Administration of China (CAC) officially enacted the long-awaited *Provisions on Facilitating and Regulating Cross-border Data Flows* (*Provisions*). The *Provisions* build upon the previous draft *Regulations on Regulating and Promoting Cross-Border Data Flows* issued by the CAC on 28th September 2023.

The Chamber issued a statement noting that while it was a positive development, there remains a need for the Chinese authorities to narrowly define the scope of what constitutes 'important data' under the regulations, and to avoid an expansive interpretation of 'personal sensitive information' which is still subject to the old rules.

数据出境新规落地 六种情况下无需申报等手续

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2024年03月23日 17:34

Caixin article on the new data regulations
Media: *Caixin*
Date: 23rd March 2024

Media seek Chamber's view on Scholz's visit to China

German Chancellor Olaf Scholz visited China from 14th to 16th April for a state visit which included meetings with President Xi Jinping and Premier Li Qiang. Chamber President Jens Eskelund and Vice President Carlo D'Andrea were interviewed by *Bloomberg* and *CGTN* about the visit. They highlighted the current imbalances in the relationship between Germany and China, as well as the importance of the countries' leadership communicating face-to-face.

Caixin article on the new data regulations
Media: *Caixin*
Date: 23rd March 2024

Events Gallery

BEIJING, 27TH MARCH 2024

New Engines for China's Economic Growth in 2024

- The EU-China relationship might be more challenging this year and there is the potential for a direct impact on business operations in China.
- European officials are concerned about China's policy direction, particularly the focus on supply-side economics and capacity expansion, and the potential structural imbalance between supply and demand that could impact global markets.
- It is important to defend European industries against cheap Chinese imports. There is also a need for European strategic autonomy and to consider the impact of November's presidential election in the United States.

BEIJING, 29TH APRIL 2024

Bursting at the Seams — Understanding Chinese Overcapacity

- The issue of overcapacity in China is not just a cyclical problem but has become structural, affecting a wide range of sectors. The situation is driving a systemic disconnect between supply and demand, leading to increased exports to offset internal surpluses.
- There is a lack of market mechanisms to address the excess production capacity, and state-supported companies are kept afloat despite losses.
- The overcapacity problem is exacerbating geopolitical tensions with the increased use of trade defence investigations and foreign subsidy regulations. There is a growing call for more drastic measures, including the development of a trustworthiness model that encompasses cybersecurity, data security, labour and environmental standards.

SHANGHAI, 9TH MAY 2024

2024 Europe Day Celebration

- Europe Day marks the anniversary of the historic 'Schuman Declaration'.
- The European Chamber's Shanghai Chapter has, by tradition, held an annual Europe Day reception on 9th May to celebrate peace and unity in Europe with the city's European business community.
- This year's celebration attracted an audience of over 400 people from Shanghai's diplomatic and business community.

SHANGHAI, 28TH MAY 2024

Shanghai Chapter AGM and Business Confidence Survey Launch 2024

- Despite there being positive signs in terms of market opening, European businesses are increasingly worried about the Chinese economy and optimism over the near and medium-term outlook is fading.
- As China's most international city, Shanghai is still considered a good place to do business and has a strong reputation for innovation, but the ease of doing business has declined across the board.
- It is important that the local authorities continue to partner with the European business community to help Shanghai regain its international appeal and restore business confidence.

TIANJIN, 29TH MARCH 2024

HR Initiative: Diversified Employment Challenges and Practice in Manufacturing

- Human resources leaders always face challenges, such as high turnover rates of blue-collar staff, maintaining appropriate staffing for low and peak season business demand and irregular projects.
- Try diversified methods of recruitment for blue-collar staff, including making use of agencies.
- When an internal department has excessive requirements of a candidate, try to discuss it with them and re-evaluate the essential requirements.

SOUTH CHINA, 26TH APRIL 2024

AI Engineering: Beginner to Intermediate Levels

- To optimise prompt engineering for AI models, it is crucial to understand each model's capabilities and engage in iterative testing and refinement based on performance metrics and user feedback.
- Strategies should include minimising bias and ensuring ethical use, while also being adaptable for multi-turn conversations and specialised technical domains.
- Integrating human oversight, especially for critical applications, and focussing on security and privacy further enhances the effectiveness and reliability of AI model performance through prompt engineering.

SOUTHWEST CHINA, 23RD APRIL 2024

Southwest China Chapter Annual General Meeting: Riskful Thinking Report Launch (Chengdu)

- It is natural for global actors to ensure the security of their respective economies. It should be done in a way that is minimally disruptive to business.
- Actions taken in the name of risk management and strengthening economic security should be proportionate, targeted and precise — and should never become a cover for protectionism.
- China's 14th Five-year Plan marks a strategic shift in Chinese policymaking and includes risk management as a key pillar.

NANJING, 6TH MAY 2024

Nanjing AGM 2024 and Launch of Riskful Thinking: Navigating the Politics of Economic Security

- Efficiency in risk management could become a competitive advantage for businesses in the future.
- Three differing approaches to risk management have emerged: 'de-risking' in the European Union, coordinated development and security in China and strategic pre-emption in the United States.
- This year is the 20th anniversary of the European Chamber's Nanjing Chapter.

Advisory Council News

Empowering women in Asian agriculture

Deutsche Bank, through its corporate responsibility programme in Asia, is helping women from local communities and social entrepreneurs break the bias, access opportunities and create an impact in their fields.

Closing the gender divide in agriculture

Farming in Asia is mostly a male-dominated sector. Women make up 43 per cent of the global agricultural labour force. Yet they face significant gender barriers such as lack of access to funds, agricultural training and technology.

With climate change impacting food production in the region, it is now more crucial than ever to provide women farmers with the resources to help them feed the world.

This is how Deutsche Bank is inspiring inclusion in the agriculture sector in Asia, and helping women improve their livelihoods.

The Philippines: Supporting careers in food production

In the Philippines, Deutsche Bank partners with Gawad Kalinga to provide scholarships to young people to prepare them for a future in agriculture and food production. Mary Kris L. Alinsub, 25, is one of these scholars. The scholarship paid for an education at the School for Experiential and Entrepreneurial Development (SEED Philippines), the pioneering nationwide agri-education school system for the rural poor.

Photo: Mary Kris L. Alinsub, Philippines

Raised in a farming family, the scholarship has opened up new career opportunities. She has obtained the Technical Education and Skills Development Authority (TESDA) National Certificate on Organic Agricultural Production. Her next goal is to find stable work to provide for her entire family and contribute to her community meaningfully.

India: Enabling transformation of organic waste to increase farming yield

In India, the bank provides funding for women farmers like Barfi Devi to access new farming equipment such as a bio-digester, which converts organic waste into biofertilizer and biogas. This significantly reduces costs for Devi while having a positive environmental impact.

Together with the Centre for Microfinance, Deutsche Bank funded the installation of a bio-digester on her farm. This is an environmentally sustainable system that transforms natural waste, such as cow dung, into biofertilizer and biogas. The high quality organic biofertilizer can then be used in fields, increasing the productivity and the yield. Another by-product of the process, biogas, is a renewable energy that can be used for cooking. As energy costs rise, the financial saving is significant. This further enables Devi to invest in expanding her agricultural portfolio and build a brighter future for her family.

Sri Lanka: Supporting sustainable honey production

Deutsche Bank works with Ruk Rakaganno, an NGO, to help women like Sumanawathie in rural communities in Sri Lanka to set up sustainable honey production. This serves as an additional revenue stream in the face of the rising cost of living.

Honey is a valued commodity in Sri Lankan households, used both as a sweetener and an ingredient in indigenous medicine. It is typically obtained through a process called ‘honey hunting’, that leads to the destruction of hives with a drastic environmental impact. Ruk

Rakaganno offers a sustainable alternative, providing women with the infrastructure and training they need to raise bee colonies. Sumanawathie hopes that this initiative can help educate children on the importance of environmental conservation and bring the community closer together through awareness of the process.

Bud China launches 100+ Innovation Alliance to foster cross-sector innovation

Budweiser China's (Bud China) signature 100+ Innovation Lab celebrated its 2023 achievements with a Demo Day at the BrewDog Taproom in Shanghai. At the event, five startup teams showcased their pilot results achieved through sustainable development innovation in collaboration with Bud China and its value chain partners. The company also announced the official launch of the 100+ Innovation Alliance, aimed at creating a sustainable innovation ecosystem, fostering interdisciplinary collaboration, and convening partners from government, industry, academia, research and investing sectors.

Jan Clysner, Bud APAC vice president of sustainability and procurement,

Photo: budweiserapac.com

and Terry Yao, procurement director of sustainability, hosted the event, which was attended by officials and representatives from academia and business.

Led by Bud China, the 100+ Innovation Alliance was formed in collaboration with Huaxing Glass, SKIAD and Impact Hub Shanghai. Dr Jianzhong Lu and Professor Huanzheng Du act as expert consultants for the alliance, while QF Capital and the National Science Park of Fudan University have joined as investment partner and entrepreneurship support partner, respectively. Community partners such as S-Tron China and the China Education Support Project are also involved.

Jan Clysner remarked, "Since the launch of the 100+ Innovation Lab in 2020, it's been inspiring to witness our collective pursuit of sustainable innovation possibilities with startups and industry partners. Moving forward, we aim to build an innovative ecosystem through a cross-sectoral alliance and connect the entire value chain. We will continue to collaborate with previous startup teams to seize more strategic opportunities. At the same time, we plan to extend the pilot period of some projects to enable the long-term outcome. I believe we'll foster sustainable development and achieve shared success collectively."

Photo: michelin.com

Bureau Veritas named Global Certification Provider for EDGE green building certification

Michelin recently received the 'Global Living Wage Employer' certification from the Fair Wage Network, a world-renowned non-governmental organisation, attesting that all Michelin Group companies—excluding those recently acquired or in the process of being sold—receive remuneration at least equivalent to the living wage.

The living wage is defined as the remuneration enabling each employee to provide for his or her family's essential needs (food, housing, transport, children's education, healthcare, etc.), while also providing for unexpected events and buying consumer goods. The Fair Wage Network takes into account the fixed components of employee remuneration. In most cases, the living wage references provided by the Fair Wage Network are above the legal minimum wage.

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 over 1,700 members.

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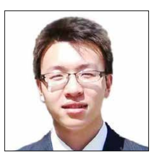

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China ShortCuts

The European Chamber launched its new, short-format podcast series in October 2022.

China ShortCuts is a five-minute weekly catch-up about the Chinese business landscape.

Tune in to stay up-to-date on the latest economic data, market trends, and policy and regulatory updates that could shape your industry.

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