

p4

## The new European Parliament

*The impact on EU-China relations*

p7

## Green politics in flux

*The EU's climate policies and what they mean for business*

p12

## Defying the trend

*Some industries are not struggling to attract foreign investment*





European Chamber

# **CARBON NEUTRALITY ACTION**

WORKING WITH CHINA TOWARDS 2060

Join our  
working groups  
to make your  
contribution

Advocating for EU-China cooperation on decarbonisation

Facilitating coordinated efforts among the Chamber's membership

Working with China to achieve its 2060 carbon neutrality goal

FOLLOW US:



中国欧盟商会



中国欧盟商会  
EUCC



European  
Union  
Chamber of  
Commerce in  
China



EURObiz  
Online



WeChat  
QR Code

## Cover Story

### The new European Parliament

4

The impact on  
EU-China relations



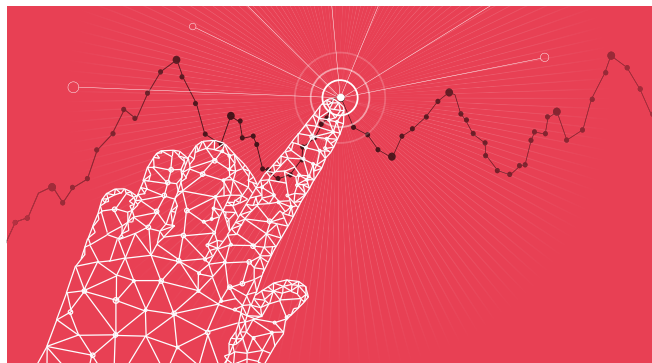
### Green politics in flux

7

The EU's climate  
policies and what  
they mean for  
business



## Features



ECONOMICS

12

### Defying the trend

Some industries are not struggling to  
attract foreign investment

## Regulars

President's Foreword 3

Advocacy Report 10

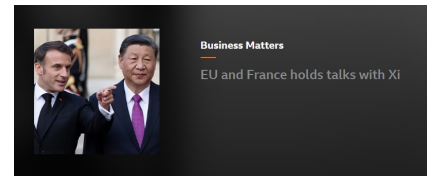


Chamber meets with the Council for the  
EU's General Secretariat



President Eskelund leads delegation to  
meet with Shanghai Mayor Gong Zheng

Media Watch 16



Events Gallery 18



Advisory Council News 20

Chamber Board 22

Working Group Chairs 24



**European Chamber**  
中国欧盟商会

**EURObiz**

Journal of the European Union Chamber  
of Commerce in China

**EURObiz online**

www.eurobiz.com.cn

**Chief Editor**

James Skinner

**Art Director**

Zhang Ye

**Advertising and Sponsorship Manager**

Queenie Cheng

+86 (10) 6462 2066 Ext. 54

qcheng@european-chamber.com.cn

**National Member Relations Manager**

Luyang Syvänen

+86 (10) 6462 2066 Ext. 37

lsyvanen@european-chamber.com.cn

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

All material is copyright © 2024 by the European Union Chamber of Commerce in China. No part of this publication may be reproduced without the publisher's prior permission. While every effort has been made to ensure accuracy, the publisher is not responsible for any errors. Views expressed are not necessarily those of the European Union Chamber of Commerce in China.

JOIN THE EUROPEAN BUSINESS CONVERSATION  
IN CHINA

Advertise in EURObiz

Reach 24,000 senior European and Chinese business executives, government officials and more than 1,700 member companies of the European Chamber nationwide with the only publication dedicated to covering European business in China.

**BEIJING**

Office C412,  
Beijing Lufthansa  
Centre,  
50 Liangmaqiao Road,  
Beijing, 100125, PR  
China  
北京市朝阳区亮马桥  
路五十号  
燕莎中心写字楼 C-412  
室  
Tel: +86 (10) 6462 2066  
Fax: +86 (10) 6462 2067  
eucccd  
european-chamber.  
com.cn

**TIANJIN**

41F, The Executive  
Centre, Tianjin World  
Financial Centre, 2  
Dagubei Lu, Heping  
District, Tianjin,  
300020, PR China  
天津市和平区大沽北  
路 2 号  
天津环球金融中心  
41 层德事商务中心  
Tel: +86 (22) 5830  
7608  
tianjin@  
european-chamber.  
com.cn

**SHENYANG**

Room 1208, World  
Financial Center 2,  
No. 43, Beizhan Road 1,  
Shenhe District,  
Shenyang  
沈阳市沈河区北站一  
路 43 号  
环球金融中心二期  
1208 室  
Tel: +86 (24) 3198 4229  
Fax: +86 (24) 3198 4229  
shenyang@  
european-chamber.  
com.cn

**NANJING**

Room 951,  
World Trade Center,  
2 Hanzhong Road,  
Gulou District,  
Nanjing, 210008,  
PR China  
南京市鼓楼区  
汉中路 2 号  
世界贸易中心 951 室  
Tel: +86 (25) 83627330  
Fax: +86 (25) 83627331  
nanjing@  
european-chamber.  
com.cn



**SOUTHWEST  
CHINA  
CHENGDU**

04-A, F16, Tower 1 Central Plaza,  
8 Shuncheng Avenue, Jinjiang  
District, Chengdu, PR China  
成都市锦江区顺城大街 8 号  
中环广场 1 座 16 楼 04-A  
Tel: +86 (28) 8527 6517  
Fax: +86 (28) 8529 3447  
chengdu@european-chamber.  
com.cn

**SOUTHWEST  
CHINA  
CHONGQING**

105, A2 Block, SinoSwiss  
Technopark, Jinzhou Avenue,  
Yubei District, Chongqing,  
401147, PR China  
中国重庆市渝北区金州大道  
平和路 5 号, 中瑞产业园  
A2 栋 105  
Tel: +86 (23) 63085669  
chongqing@european-chamber.  
com.cn

**SOUTH CHINA  
GUANGZHOU**

Unit 2817, 28/F, Tower A,  
China Shine Plaza, 9 Linhe Xi  
Road, Tianhe District,  
Guangzhou, 510613, PR China  
广州市天河区林和西路 9 号  
耀中广场 A 座 2817 室  
Tel: +86 (20) 3801 0269  
Fax: +86 (20) 3801 0275  
southchina@  
european-chamber.com.cn

**SOUTH CHINA  
SHENZHEN**

Rm 308, 3/F Chinese Overseas  
Scholars Venture Bld, South  
District, Shenzhen Hi-tech Industry  
Park, Shenzhen, 518057, PR China  
深圳高新区南区留学生创业大厦  
3 楼 308 室  
Tel: +86 (755) 8632 9042  
Fax: +86 (755) 8632 9785  
southchina@european-chamber.  
com.cn

**SHANGHAI**

Unit 2204, Shui On Plaza,  
333 Huai Hai Zhong  
Road,  
Shanghai, 200021  
PR China  
上海市淮海中路 333 号  
瑞安广场 2204 室  
Tel: +86 (21) 6385 2023  
Fax: +86 (21) 6385 2381  
shanghai@  
european-chamber.com.  
cn

# President's Foreword

## EU-China Ties at a Crossroads

In recent years, the European Union (EU)-China relationship has produced an astonishing number of issues that have raised concerns and heightened risks for business. In 2019, the EU called China: “simultaneously a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner, with whom the EU needs to find a balance of interests, an economic competitor in pursuit of technological leadership, and a systemic rival promoting alternative models of governance.”<sup>1</sup>


The sharpening tone was a precursor to an increasingly assertive approach that resulted in the creation of a set of trade instruments. Although these instruments—including the investment screening mechanism, the International Procurement Instrument (IPI) and the anti-coercion instrument—have not necessarily been developed specifically for China, they are designed to protect the EU single market against distortions, push for reciprocal treatment and increase market access for EU companies in third countries. Therefore, the fact that these tools are beginning to be used in connection with China should not come as a surprise.

From the second half of 2023 onward, the EU initiated a series of trade investigations into Chinese green technology imports. The most prominent was the anti-subsidy investigation into companies in China exporting passenger electric vehicles to the EU. The subsequent announcement of provisional countervailing duties underlined the urgency of finding solutions to the significant imbalances in the trade relationship between Europe and China, particularly when such imbalances arise from factors not reconcilable with the principles of free and fair trade.

For its part, China has also launched probes into products from the EU, which were widely seen as tit-for-tat responses.<sup>2</sup> On 10<sup>th</sup> July, these moves culminated in an announcement by the Ministry of Commerce (MOFCOM) of an investigation into the EU's probes of Chinese companies under the bloc's Foreign Subsidies Regulation.

While trade tensions are mounting, political ties between the EU and China are also at a “difficult moment”<sup>3</sup> as China's growing relationship with Russia is casting doubt in Europe on China's position on the Ukraine war and its regard for Europe's security concerns.

This year will likely see significant political change, with the recently concluded European Parliament elections and presidential elections in the United States due in November. These changes may provide a window of opportunity to find a new balance in the EU-China relationship. However, the bloc will be looking for signs that China is taking action to address security concerns and trade imbalances, as well as a host of long-term business challenges.

The European Chamber will continue to act as a bridge between industry and government, providing feedback from our members to highlight areas in which China can further optimise its business environment for foreign investment. We remain confident that the key to unlocking the potential of the EU-China relationship lies in continued dialogue on existing issues and cooperation in areas of mutual interest. 



**Jens Eskelund**

**President**

European Union  
Chamber of  
Commerce in  
China

<sup>1</sup> Commission reviews relations with China, proposes 10 actions. European Commission, 12<sup>th</sup> March 2019, viewed 11<sup>th</sup> July 2024, <[https://ec.europa.eu/commission/presscorner/detail/en/IP\\_19\\_1605](https://ec.europa.eu/commission/presscorner/detail/en/IP_19_1605)>

<sup>2</sup> On 5<sup>th</sup> January 2024, China's Ministry of Commerce (MOFCOM) announced an anti-dumping probe into imports of brandy from the EU. On 17<sup>th</sup> June 2024, the MOFCOM launched an anti-dumping probe into EU pork and pork byproducts.

<sup>3</sup> On 7<sup>th</sup> July 2024, Jorge Toledo, EU ambassador to China described EU-China ties as being at “a difficult moment”. Sim, D. China making it “very difficult” for EU to deepen ties: ambassador Jorge Toledo, SCMP, 7<sup>th</sup> July 2024, viewed 10<sup>th</sup> July 2024, <<https://www.scmp.com/news/china/diplomacy/article/3269505/china-making-it-very-difficult-eu-deepen-ties-ambassador-jorge-toledo>>

# The new European Parliament

The impact on EU-China relations

In early June, citizens from the European Union's (EU's) 27 member states went to the polls to elect their European Parliament representatives for the 2024–2029 legislative term. In the next few months, the Parliament will approve the new members of the European Commission, having already re-elected President Ursula von der Leyen.<sup>1</sup> **Nina Crunckhorn** from **APCO** looks at how the new Parliament's composition may impact EU-China relations and its implications for European businesses in China.



The European Parliament, which adopts and amends EU-wide legislative proposals, has proven to be an influential actor in the EU-China relationship. For instance, in 2021, the Parliament voted to freeze the EU-China Comprehensive Agreement on Investment (CAI).<sup>2</sup> Additionally, in April, it approved rules to ban the import of goods produced using forced labour,<sup>3</sup> a move clearly targeting China. It also supervises the work of the European Commission, which is responsible for proposing new laws and has been playing an increasingly important role in driving the EU's tougher approach to China in recent years.

## Increased political fragmentation

The two parties that dominated the Parliament during the past term—the centre-right European People's Party (EPP) and the centre-left Socialists and Democrats (S&D)—held their ground. At the same time, most of the seats lost by the Greens were won by nationalist/far-right and populist parties, such as the Identity and Democracy Group (ID).<sup>3</sup> This shift has been propelled by growing opposition to green policies and immigration, as well as economic insecurity across the EU. The recent French parliamentary elections confirmed Europe's shift to the right, with the National Rally (RN) increasing its seat count by over a third, although it won fewer seats than anticipated.

The success of far-right parties means that the Parliament will be more

politically fragmented, making it more challenging to find consensus on China. The 2024 manifestos of the parties that stood for election do not share much common ground on China policy. The EPP's manifesto mentions China the most, echoing the official de-risking strategy, while the ID appears to have no agreed-upon approach. Therefore, much will depend on the voting alliances that the parties will form in the Parliament, and the role that the strengthened right-wing parties will play.

## The influence of the far right

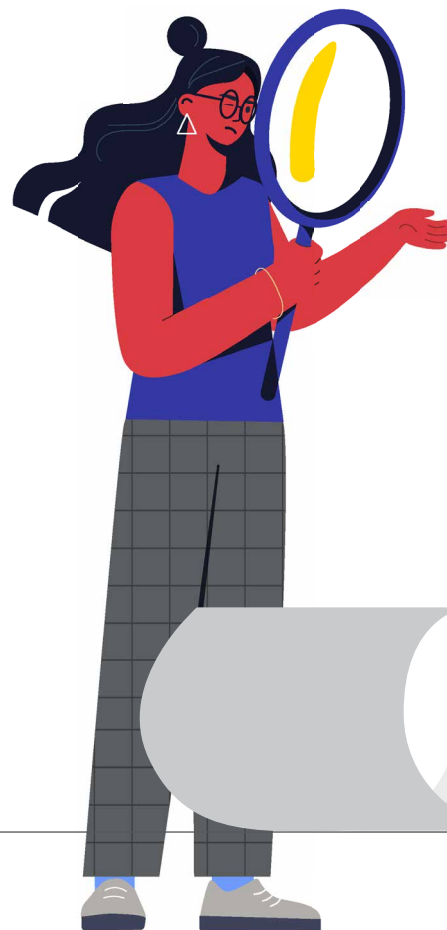
However, the gains made by right-wing parties indicate that the Parliament will likely adopt increasingly protectionist trade measures, which may affect China. The success of these parties signals widespread concerns in the EU about the current state of domestic affairs, particularly the cost of living and immigration. Therefore, the new Parliament is likely to focus on enhancing the EU's competitiveness

and protecting European industries. The European Commission already commissioned Mario Draghi to write a report on how to increase the EU's competitiveness. The report is expected to be published in September, but Draghi has already hinted that it will address how to decrease the EU's dependency on China. This could further fuel trade tensions with China in areas where the EU perceives imports from China are endangering its own producers.

In 2021, the Parliament voted to freeze the EU-China Comprehensive Agreement on Investment (CAI).

In April, it approved rules to ban the import of goods produced using forced labour, a move clearly targeting China.

The gains made by right-wing parties indicate that the Parliament will likely adopt increasingly protectionist trade measures, which may affect China.



<sup>1</sup> Abnett, K. and Fiorin, M. *EU Commission boss von der Leyen elected for second term*. Reuters, 18<sup>th</sup> July 2024, viewed 18<sup>th</sup> July 2024, <<https://www.reuters.com/world/europe/eu-parliament-decide-second-term-commission-chief-von-der-leyen-2024-07-18/>>

<sup>2</sup> *MEPs refuse any agreement with China whilst sanctions are in place*. European Parliament, 20<sup>th</sup> May 2021, viewed 15<sup>th</sup> July 2024, <<https://www.europarl.europa.eu/news/en/press-room/20210517/PRO123/meps-refuse-any-agreement-with-china-while-sanctions-are-in-place>>

<sup>3</sup> *Products made with forced labour to be banned from EU single market*. European Parliament, 23<sup>rd</sup> April 2024, viewed 15<sup>th</sup> July 2024, <<https://www.europarl.europa.eu/news/en/press-room/20240419/PRO123/products-made-with-forced-labour-to-be-banned-from-eu-single-market>>

<sup>4</sup> *2024 European election results*. European Parliament, 11<sup>th</sup> July 2024, viewed 15<sup>th</sup> July 2024, <<https://results.elections.europa.eu/en/index.html>>

<sup>5</sup> *Cokelere, H. and Gouy-Laffont, V. France election results 2024: Who won across the country*. Politico, 7<sup>th</sup> July 2024, viewed 15<sup>th</sup> July 2024, <<https://www.politico.eu/article/france-election-results-2024-map-constituencies-emmanuel-macron-marine-le-pen-live-new-popular-front-national-rally/>>

<sup>6</sup> *Mario Draghi: Radical change—is what is needed*. Groupe d'études géopolitiques, 16<sup>th</sup> April 2024, viewed 15<sup>th</sup> July 2024, <<https://geopolitique.eu/en/2024/04/16/radical-change-is-what-is-needed/>>

## Von der Leyen's second term

With little consensus on China among EU heads of state during President von der Leyen's first term, she took the lead in driving the EU towards a more assertive position. Under her leadership, the Commission formulated the de-risking strategy and launched a probe into subsidies for China-based electric vehicle makers in October last year. Over the next five years, von der Leyen is likely to continue toughening the EU's stance on China.

## The impact of the US presidential election

The outcome of the upcoming United States (US) presidential election will also significantly influence the trajectory of EU-China relations. If Vice President Kamala Harris defeats Donald Trump, her administration is likely to continue many of Joe Biden's policies, including maintaining pressure on the EU to align its policies on China more closely with the US. On the other hand, a Trump win may see his administration impose a 10 per cent tariff on all EU imports to rectify trade imbalances with the bloc and a withdrawal from NATO. Such actions would likely result in a dramatic deterioration of transatlantic relations, possibly leading to a warming of EU-China ties.

## China's reaction

While China has not officially commented on the results of the European elections, Chinese experts perceive the outcomes, coupled with the re-election of von der Leyen, as somewhat detrimental to relations. They anticipate that the gains made by right-wing parties will likely lead to increased trade tensions, while

The European election results will have a long-term impact on EU-China relations, rather than more immediate effects.



the losses incurred by the Greens may result in fewer avenues for cooperation.

At the same time, considering that the EU is China's second-largest trade partner and a significant market for its exports, Beijing is expected to persist in trying to stabilise its relationship with the bloc – as evidenced by the number of visits to Europe by senior Chinese officials, including President Xi Jinping, Premier Li Qiang and Commerce Minister Wang Wentao.

## Implications for European businesses in China

Overall, the European election results will have a long-term impact

on EU-China relations, rather than more immediate effects. Significant shifts in the EU's policies towards China are unlikely over the next several months as the EU undergoes a transition period to select and confirm leaders and members of its major bodies. With the composition of the European Commission and the US election results still uncertain, it is essential that European companies maintain geopolitical awareness. [EB](#)

**APCO** is a global advisory and advocacy firm helping leading corporations, foundations and governments navigate a complex world. An independent and majority women-owned company, APCO brings diverse people and ideas together and works beyond traditional boundaries, building the un/common ground upon which progress is made.



CO<sub>2</sub>

# GREEN POLITICS IN FLUX

The EU's climate policies and  
what they mean for business

---

The recent elections for the European Parliament marked a significant shift in the political landscape, with right-wing populist parties gaining ground, while green parties in a number of the European Union's (EU's) member states were punished at the ballot box. Notably, the governing parties in Germany and France suffered substantial losses, potentially diminishing the influence of these major European powers. In this article, **Belinda Schäpe, China policy analyst** at the **Centre for Research on Energy and Clean Air**, explores how the election results will impact the EU's green policies and affect European businesses in China.

The EU will likely remain committed to implementing its climate agenda following the recent elections—despite the rise of right-wing populist parties—as the European Parliament continues to have a strong centrist presence. While green parties lost support, centrist parties came out strong and helped to secure a second term for Commission President Ursula von der Leyen.<sup>1</sup> Von der Leyen has championed Europe's climate policies with the largest green policy package the EU has ever seen, and the ambitious goal to make Europe the first climate-neutral continent by 2050 and reduce emissions by 55 per cent by 2030 compared to 1990 levels. This policy direction has led to the lowest level of EU emissions since the 1960s.<sup>2</sup> Crafted amid global challenges like the COVID-19 pandemic and Russia's invasion of Ukraine, these policies underscore the EU's deep-rooted commitment to the climate agenda, which will remain a focal point going forward.<sup>3</sup>

However, the newly elected Parliament is also expected to shift the focus of the climate agenda more towards industrial policy to seize the economic opportunities of the green transition rather than strengthening current targets. Integrating green technologies into broader industrial strategies is a critical driver of economic prosperity, offering extensive opportunities for innovation and new business ventures.<sup>4</sup> Therefore, in addition to the Fit for 55 Package laying out the EU's key climate targets and policies, the EU has also passed legislation such as the Net Zero Industry Act and Critical Raw Materials Act, which aim to strengthen

European competitiveness in green technologies and offer opportunities for European businesses. Over the coming five years, the EU is likely to further strengthen its industrial policy agenda.

With new regulations kicking in over the next five years, the newly elected European institutions will continue to shape green policies with significant global implications, extending well beyond the continent's borders. For instance, the European Carbon Border Adjustment Mechanism (CBAM), set to be implemented in 2026, will impose a levy on imports of certain carbon-intensive goods.<sup>5</sup> This policy aims to prevent carbon leakage and promote greener production practices globally, effectively extending the reach of the EU's climate ambitions. Similarly, the EU's Battery Passport, mandatory from 2027, will require detailed information on the sustainability and environmental impact of batteries placed on the EU market. This initiative is designed to enhance sustainability in critical mineral supply chains and support the broader green transition.<sup>6</sup> Such measures exemplify the EU's role as a global leader in climate policy, influencing international markets and practices, including in China.

## EU-China relations: a rocky path ahead

Europe's strategy towards China will likely see continuity following the elections, characterised by a de-risking approach.<sup>7</sup> With its de-risking

efforts, the EU is treading a fine line between ambitions to ensure European economic competitiveness and security, while pursuing continued diplomatic engagement with Chinese partners.

Green technologies have moved to the centre stage of the EU's de-risking efforts with China's dominant role in the sector. Securing sustainable and resilient supply chains for green technologies has become a central goal for the EU.<sup>8</sup> The recent subsidy investigations into Chinese electric vehicles (EVs), solar panels and wind turbines should be understood as efforts to ensure the competitiveness of European businesses in these technologies of the future.

With the recently announced tariffs on Chinese EVs, the EU has taken a calibrated approach to minimise trade tensions in strong contrast to the United States (US).<sup>9</sup> Compared to the US, the EU's tariffs are the result of a specific investigation with varying values for different companies based on the amount of subsidies they received. They are significantly lower than the

<sup>1</sup> A. Evans, S. Experts: *What Do the European Elections Mean for EU Climate Action?*, Carbon Brief, 11<sup>th</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://www.carbonbrief.org/experts-what-do-the-european-elections-mean-for-eu-climate-action/>>

<sup>2</sup> Thierici, H. and Myllyvirta, L. *EU's CO2 Emissions from Fossil Fuels Drop 8% to Reach Lowest Levels in 60 Years*, Centre for Research on Energy and Clean Air, viewed 4<sup>th</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://energyandcleanair.org/publication/eus-co2-emissions-from-fossil-fuels-drop-8-to-reach-lowest-levels-in-60-years/>>

<sup>3</sup> Hedegaard, C. *Unity Is Europe's Greatest Asset*, Project Syndicate, 18<sup>th</sup> March 2024, viewed 10<sup>th</sup> July 2024, <<https://www.project-syndicate.org/commentary/stability-crucial-to-european-union-navigating-crises-by-combie-hedegaard-2024-03/>>

<sup>4</sup> Kalcher, L. and Makaroff, N. *Time for a European Industrial Strategy*, 15<sup>th</sup> April 2024, viewed 10<sup>th</sup> July 2024, <<https://www.socialeurope.eu/time-for-a-european-industrial-strategy/>>

<sup>5</sup> Assous, A. Burns, T. Schäpe, B. Tsang, B. and Vangenechten, D. *A Storm in a Teacup – Impacts and Geopolitical Risks of the European Carbon Border Adjustment Mechanism*, E3G, 31<sup>st</sup> August 2021, viewed 10<sup>th</sup> July 2024, <<https://www.e3g.org/publications/a-storm-in-a-teacup/>>

<sup>6</sup> Press Release: *First-of-its-Kind Analysis by Battery Pass Consortium Reveals Benefits – and Challenges – of European Battery Passport*, 11<sup>th</sup> April 2024, viewed 26<sup>th</sup> July 2024, <<https://thebatterypass.eu/news/press-release-first-of-its-kind-analysis-by-battery-pass-consortium-reveals-benefits-and-challenges-of-eu-passport/>>

<sup>7</sup> Lau, S. *China's View of Europe's Rightward Shift*, Politico, 11<sup>th</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://www.politico.eu/newsletter/china-watcher/chinas-view-of-europes-rightward-shift/>>

<sup>8</sup> Mazzocco, I. *Balancing Act: Managing European Dependencies on China for Climate Technologies*, 13<sup>th</sup> December 2023, viewed 10<sup>th</sup> July 2024, <<https://www.csis.org/analysis/balancing-act-managing-european-dependencies-china-climate-technologies>>

<sup>9</sup> Reinsch, W.A. and Whitney, J. *Unpacking the European Union's Provisional Tariff Hikes on Chinese Electric Vehicles*, 21<sup>st</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://www.csis.org/analysis/unpacking-european-unions-provisional-tariff-hikes-chinese-electric-vehicles>>



blanket 100 per cent tariff imposed by Washington. The EU announcement was also accompanied by diplomatic engagement with Chinese counterparts in high-level trade talks and technical dialogues with affected companies, which led to small adjustments.<sup>10</sup> On a visit to China, the German Economic and Climate Minister Robert Habeck stressed that the tariffs are not punitive but aim to ensure a level playing field between European and Chinese companies.<sup>11</sup> This is a very different approach from the US, which imposed higher and arguably more protectionist and symbolic tariffs, considering the small number of Chinese EVs currently sold in the US market.<sup>12</sup>



The EU's continued climate focus provides opportunities for EU businesses in China to enhance innovation in green technologies, but they must contend with the uncertainties brought about by evolving regulatory frameworks and geopolitical tensions."

However, the looming US elections may have more influence on EU-China relations than the EU elections themselves. With a potential second term for former president Donald Trump, the EU will have to navigate further uncertainty in transatlantic relations, which may force Europe to strengthen ties with other countries, including China. Should a future Trump administration choose to withdraw from multilateral forums and abandon its climate agenda, the EU will have to step up its global climate leadership and consider deepening engagement with China.<sup>13</sup>

## Implications for EU businesses in China

The EU's continued climate focus provides opportunities for EU businesses in China to enhance innovation in green technologies. China's leadership in green technologies and substantial investments in these sectors present significant opportunities for collaboration and innovation.<sup>14</sup> EU businesses can leverage this environment to enhance their capabilities and adopt best practices in green technologies.

At the same time, businesses must contend with the uncertainties brought about by evolving regulatory frameworks and geopolitical tensions. As the EU continues to implement policies to accelerate the green transition, companies will need to stay abreast of new requirements and proactively adopt greener business models to ensure compliance and maintain competitiveness.<sup>15</sup> In addition, companies need to navigate

potential conflicts between European and Chinese regulations and address challenges related to supply chain disruptions and geopolitical tensions.

However, EU businesses also play an important role in maintaining stable EU-China relations amid heightened geopolitical tensions by offering valuable insights and fostering technical cooperation on green technologies.<sup>16</sup> Through joint ventures and collaborations, European companies can help bridge the gap between the bloc and China, promoting mutual understanding and shared goals in sustainability. 

**Belinda Schäpe** is a China policy analyst at the Centre for Research on Energy and Clean Air, where she analyses China's decarbonisation journey and advises policymakers on their diplomatic engagement with China. Schäpe holds a double master's degree in international affairs from the London School of Economics and Peking University, and a bachelor's degree in Chinese studies and business administration from Tübingen University.

<sup>10</sup> Rankin, J. *EU Brushes aside Risk of China Trade War over Electric Vehicle Tariffs*, *The Guardian*, 4<sup>th</sup> July 2024, viewed 10<sup>th</sup> July 2024, <<https://www.theguardian.com/business/article/2024/jul/04/eu-china-electric-vehicle-tariffs-trade-war-risk>>

<sup>11</sup> Martinez, M. *EU and China Set for Talks on Planned Electric Vehicle Tariffs*, *Reuters*, 22<sup>nd</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://www.reuters.com/world/german-economy-minister-says-eu-open-talks-china-tariffs-2024-06-22/>>

<sup>12</sup> Reinsch, WA, and Whitney, J. *Unpacking the European Union's Provisional Tariff Hikes on Chinese Electric Vehicles*, 21<sup>st</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://www.csis.org/analysis/unpacking-european-unions-provisional-tariff-hikes-chinese-electric-vehicles>>

<sup>13</sup> Baetan, T. *Roundtable: Europe's Summer of Change and EU-China Climate Cooperation*, *Dialogue Earth*, 10<sup>th</sup> July 2024, viewed 10<sup>th</sup> July 2024, <<https://dialogue.earth/en/climate/roundtable-europes-summer-of-change-and-eu-china-climate-cooperation/>>

<sup>14</sup> Myllyvirta, L. *Analysis: Clean Energy Was Top Driver of China's Economic Growth in 2023*, Centre for Research on Energy and Clean Air, 25<sup>th</sup> January 2024, viewed 10<sup>th</sup> July 2024, <<https://energyandcleanair.org/analysis/clean-energy-was-top-driver-of-chinas-economic-growth-in-2023/>>

<sup>15</sup> *Sustainability Regulation Outlook 2024*, Deloitte Insights, 16<sup>th</sup> February 2024, viewed 10<sup>th</sup> July 2024, <<https://www2.deloitte.com/xe/en/insights/environmental-social-governance/sustainability/regulation-outlook.html>>

<sup>16</sup> Orankhorn, N., Jiaxin, L., and Margherita, M. *Navigating EU-China Relations After the European Elections*, *APCO*, 4<sup>th</sup> June 2024, viewed 10<sup>th</sup> July 2024, <<https://apco.worldwide.com/blog/navigating-eu-china-relations-after-the-european-elections/>>



15<sup>TH</sup> MAY  
BEIJING

A delegation led by President Jens Eskelund met with representatives from the Council of the EU's General Secretariat  
Photo: European Chamber

## European Chamber meets EU Council Secretariat



On 15<sup>th</sup> May, European Chamber President Jens Eskelund met with representatives from the Council

of the European Union's (EU's) General Secretariat. Eskelund indicated that the deployment of the EU's defensive toolbox, together with the economic situation in China, meant that there was some room for negotiation in bilateral exchanges with China for the EU, and that this leverage needed to be used.

Following this, a discussion took place covering topics such as the implementation of opening-up measures by China, the impact of EU legislation such as the Corporate Sustainability Due Diligence Directive, and Chinese insights into tools like the International Procurement Instrument.

15<sup>TH</sup> MAY  
BEIJING

European Chamber President Jens Eskelund with ERT representatives  
Photo: European Chamber

## President Eskelund meets European Round Table for Industry



On 15<sup>th</sup> May, European Chamber President Jens Eskelund met with representatives of the European Round Table for Industry (ERT). Eskelund provided an overview of the key findings of the Chamber's *Business Confidence Survey 2024*. He also outlined broader trends in the EU-China trade relationship, including the the growing trade imbalance.

This was followed by a discussion with ERT representatives, which covered topics including the recent tariff increases by the United States on Chinese products and public procurement in China, as well as the EU's industrial policy efforts and defensive toolbox.

16<sup>TH</sup> MAY  
SOUTHWEST CHINA

European Chamber Vice President and Southwest China Chapter Chair Massimo Bagnasco speaking at the opening ceremony of ECOMONDO CHINA-CDEPE 2024  
Photo: European Chamber

## Southwest China Chapter chair addresses ECOMONDO China-CDEPE 2024

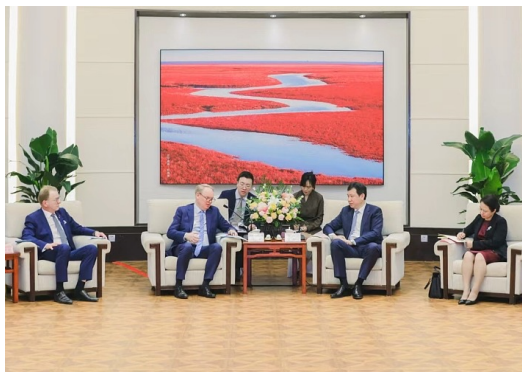


On 16<sup>th</sup> May, the 2024 ECOMONDO CHINA-CDEPE was held in Chengdu. European Chamber Vice President and Southwest China Chapter Chair Massimo Bagnasco attended the event's opening ceremony, during which he gave a keynote speech on the Carbon Border Adjustment Mechanism (CBAM) and how European businesses are well placed to assist China with achieving its 30/60 carbon goals.

21<sup>ST</sup> MAY  
SHENYANG

A European Chamber delegation meeting with Jin Guowei, vice governor of Liaoning Province  
 Photo: European Chamber

## European Chamber meets Liaoning vice governor



On 21<sup>st</sup> May 2024, European Chamber President Jens Eskelund led a delegation of member companies from the Chamber's Shenyang Chapter to meet Jin Guowei, vice governor of Liaoning Province, and other senior officials from the Shenyang Government. Jin noted the positive role played by the Chamber in addressing business concerns and encouraging investment in northeast China. Eskelund noted that Liaoning has the potential to become a key international trade and logistics hub, but that further steps should be taken to optimise its investment environment.

28<sup>TH</sup> MAY  
SHANGHAI

A delegation led by European Chamber President Jens Eskelund met with Shanghai Mayor Gong Zheng  
 Photo: European Chamber

## Meeting with Shanghai Mayor Gong Zheng



On 28<sup>th</sup> May, a European Chamber delegation—led by Chamber President Jens Eskelund and Chamber

Vice President and Shanghai Chapter Chair Carlo D'Andrea—met Gong Zheng, mayor of the Shanghai Municipal Government. Eskelund outlined how market access restrictions are undermining Shanghai's ability to attract foreign direct investment. D'Andrea emphasised the importance of strengthening industry-to-government dialogue, as well as how European businesses have contributed to the development of Shanghai and the Yangtze River Delta Region more broadly. Gong thanked the Chamber for its continued engagement with the local government and its recommendations on improving Shanghai's business environment.

19<sup>TH</sup> JUNE  
SOUTH CHINA

European Chamber Vice President and South China Chapter Chair Klaus Zenkel meeting with Guangdong Governor Wang Weizhong  
 Photo: European Chamber

## South China Chapter chair meets Guangdong governor



On 19<sup>th</sup> June, European Chamber Vice President and South China Chapter Chair Klaus Zenkel met with Guangdong Governor Wang Weizhong on the sidelines of the 2024 Conference for Economic and Trade Cooperation between the Pearl River Delta and the Eastern-Western and Northern Regions of Guangdong Province. Zenkel thanked the Guangdong Government for its assistance in addressing some of the challenges faced by European companies. Wang encouraged the Chamber to continue its engagement with the local authorities.

# Defying the trend

## Some industries are not struggling to attract foreign investment

While much has been written about foreign investors' declining interest in China, there are still industries that investors are keen to explore. In this article, **Hawksford's Fabio Stella** looks at some of the more encouraging foreign direct investment (FDI) trends in China.

As one of the main contributors to China's economic growth and development since the start of the reform and opening-up period, foreign investment remains a key indicator when analysing the overall performance of the Chinese economy. Amid regional restructuring by multinationals seeking to reduce their reliance on China-centric supply chains, many investors are still cautious due to lingering geopolitical tensions – despite the end of COVID-19 restrictions. Although similar uncertainties had been a

constant for the previous five years of macro-economic trends, as of 2024 they were accompanied by new worries about slowing demand and the real estate market.

While China continues to reform the policies that have driven its economic growth, some sectors have become particularly attractive to foreign investors and others have significantly reduced market access barriers.

## Fast-moving consumer goods

China's rapid technological advancements and culture of innovation in e-commerce have created unprecedented opportunities for international companies in the fast-moving consumer goods (FMCG) industry to engage with China's vast consumer base. The disruptions caused by COVID-related restrictions on traditional retail channels, coupled with a surge in live streaming, have enticed more multinational corporations (MNCs) to capitalise on China's consumer market through online platforms such as Tmall, JD.com, Pinduoduo, Xiaohongshu and Douyin.

Given the pivotal role of e-commerce and platform-based commerce in driving the country's economic expansion, overseas investors recognise e-commerce as a crucial gateway to access China's dynamic consumer landscape. The main areas of interest for foreign investors in China's FMCG sector include food and beverage (with a particular focus on food supplements), pet care, household essentials and cosmetics.

## Hydrogen, cleantech energy players are key components in China's sustainable future

As China progresses towards a more sustainable and eco-friendly development path, global firms are seeking potential investments that align with the country's green development drive. March 2022 marked the issuance of the first long-term plan to develop a national hydrogen industry by 2035, with guidelines on standards for producing, storing, transporting and using hydrogen released in August 2023.<sup>1&2</sup>

Similar to what happened with other green energy sectors in the past (for example, solar), China's commitment to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060 is setting the scene for numerous investment projects. The Chinese Government is already

implementing attractive policies and financial incentives to encourage the adoption of green energy and support more involvement of foreign-invested enterprises in green certificate trading and cross-provincial green power transactions. The sectors related to green development and low-carbon industries, such as hydrogen technologies that enable the decarbonisation of natural gas, are already part of the industries in which foreign investment is highly encouraged.

## The new era of automation, high-tech and advanced manufacturing

China's manufacturing sector actively fosters collaboration and knowledge exchanges with foreign industry leaders, focussing on the integration of cutting-edge technologies in automated manufacturing processes. Leveraging its world-class manufacturing infrastructure and highly skilled workforce, China stands out as a preferred destination for international corporations to establish production plants and facilities.

The Made in China 2025 initiative, a strategic national plan aimed at transforming traditional low-cost manufacturing into high-value-added industries, highlights priorities such as innovation, quality enhancement, sustainable practices and operational efficiency. As evidence of this push, China's Ministry of Commerce recently announced a new batch of flagship foreign investment projects worth more than United States dollar (USD) 15 billion in sectors ranging from automotive and robotics to power and



<sup>1</sup> Nakano, J. *China's Hydrogen Industrial Strategy*, Center for Strategic & International Studies, 3<sup>rd</sup> February 2022, viewed 25<sup>th</sup> July 2024, <<https://www.csis.org/analysis/chinas-hydrogen-industrial-strategy>>

<sup>2</sup> Köhl, C. *Hydrogen set to be the next booming sector for Chinese cleantech*, ScienceBusiness, 18<sup>th</sup> April 2024, viewed 25<sup>th</sup> January 2024, <<https://sciencebusiness.net/news/hydrogen/hydrogen-set-be-next-booming-sector-chinese-cleantech>>

The expertise of foreign players in specialised products such as green and sustainable finance and green bond issuance is highly sought after and welcome.

energy storage, biomedical and new materials. Furthermore, a shortened Negative List<sup>3</sup> with restrictions on manufacturing demonstrates China's continued willingness and ongoing efforts to attract foreign investment and stimulate economic growth.

## Investment products in high demand

China's banking, financial services and insurance sectors have experienced significant growth in FDI in recent years. By the end of 2023, there were 888 business branches of foreign-funded banks, and 137 serving as either business branches or representative offices opened by overseas insurance institutions.<sup>4&5</sup> The country's share of global growth and its burgeoning middle class have been the main engines in creating local champions. There is growing demand from an increasing number of high-net-worth individuals for a wider range of investment products, protection coverage and warranties in one of the most dynamic markets in Asia.

Foreign-run institutions are now able to own 100 per cent of their Chinese banking and insurance subsidiaries, attracting both new players to enter the local financial arena and existing investors to buy out their local partnerships and joint ventures. The expertise of foreign players in specialised products such as green and sustainable finance and green bond issuance is highly sought after and welcomed. The involvement of foreign players can also help China meet key national targets, such as making

Shanghai a leading international financial hub by 2025.<sup>6</sup>

## Building world-class healthcare and R&D facilities

Due to its aging population and the growing focus on access to high-level treatments and wellbeing, international providers of healthcare technologies, pharmaceuticals and medical devices are targeting China with ambitious plans. The Chinese Government has been implementing reforms to enhance its healthcare system and support the research of new treatments and biotech innovation. This has created an appealing environment for international businesses to offer expertise in the drive to improve the population's health outcomes.<sup>7</sup>

Thanks to their extensive and historical presence in China's pharmaceutical and biotech sector, global players have continuously invested in research and development (R&D) facilities, spurred the local mergers and acquisitions scene with joint projects culminating in acquisitions, and developed local distribution channels. China has become a leading market for the experimentation phase of some of the most innovative treatments targeting cancers due to the availability of large numbers of patients able to take part in trials. In the meantime, Chinese biotech and genetic research startups are forging ahead by venturing overseas to gain market access and wider recognition for their home-grown discoveries. As a result of their successful overseas collaborations,

foreign partners will be encouraged to engage with Chinese businesses in the Chinese market.<sup>8&9</sup>

In conclusion, China's recent technological achievements, and dedication to sustainability and economic reforms have encouraged foreign investment in several areas. In light of the intricate nature of the global landscape, foreign businesses are now undertaking comprehensive research before entering strategic markets, especially when doing so for the first time. While China's commitment to addressing existing challenges to its sustainable growth is expected to provide renewed confidence to foreign investors, international electoral milestones are gradually clarifying the global political spectrum of this decade. The second-largest economy in the world still offers foreign investors a wide range of opportunities to explore. With cyclical events paving the way for renewed trade negotiations, there is still plenty of room for optimism about the long-term performance of FDI in China. **EB**

*A version of this article was previously published by Hawksford.*

**Fabio Stella** works as commercial director at Hawksford. A graduate of Peking University, his areas of expertise include manufacturing and trading operations, foreign direct investment and market access strategies in Greater China, and corporate restructuring and relocation projects.

<sup>3</sup> Foreign investors eye more opportunities in China's high-tech industry, Xinhua, 16<sup>th</sup> February 2024, viewed 25<sup>th</sup> July 2024, <[https://english.www.gov.cn/news/202402/16/content\\_WS65cea7a2c6d086814e8e40a7.html](https://english.www.gov.cn/news/202402/16/content_WS65cea7a2c6d086814e8e40a7.html)>

<sup>4</sup> Finance official: Foreign institutions heavily engaged in China's financial market, Xinhua, 26<sup>th</sup> January 2024, viewed 25<sup>th</sup> July 2024, <[http://english.scio.gov.cn/pressroom/2024-01/26/content\\_116966510.htm](http://english.scio.gov.cn/pressroom/2024-01/26/content_116966510.htm)>

<sup>5</sup> Qi, X. Foreign financial institutions highlight China market, opening-up efforts at 2024 Lujiazui Forum, Global Times, 20<sup>th</sup> June 2024, viewed 29<sup>th</sup> July 2024, <<https://www.globaltimes.cn/page/202406/1314540.shtml>>

<sup>6</sup> International Financial Center, Shanghai Government, updated April 12<sup>th</sup> 2024, viewed 25<sup>th</sup> July 2024, <<https://english.shanghai.gov.cn/en-ThisisShanghai/20231207/9815a792b254c42bc1bbe69f61a817a.html>> ; :text=As%20outlined%20in%20the%2014th,development%20of%20the%20national%20economy->

<sup>7</sup> Lo, K. China investment: Beijing hones in on biotech in fresh pitch to woo foreign business, SCMP, 14<sup>th</sup> August 2023, viewed 25<sup>th</sup> July 2024, <<https://www.scmp.com/economy/china-economy/article/3231056/china-investment-beijing-hones-biotech-fresh-pitch-woo-foreign-business>>

<sup>8</sup> Greenen, M.J. Global pharma invests in China on the strength of a booming national biotech sector, IMD, viewed 25<sup>th</sup> July 2024, <<https://www.imd.org/byimd/asia-hub/global-pharma-invests-in-china-on-the-strength-of-a-booming-national-biotech-sector/>>

<sup>9</sup> He, J. Li, V. and Niessner, J. PE and China biotech: Global M&A on the agenda, ION Analytics, 17<sup>th</sup> January 2024, viewed 25<sup>th</sup> July 2024, <<https://ionanalytics.com/insights/mergermarket/avc/pe-and-china-biotech-global-ma-on-the-agenda/>>



# 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 informed on the latest economic data, market trends, and policy and regulatory updates that could shape your industry.



HELLO



50

minutes

Hey!

China ShortCuts is available on Apple Podcasts, Spotify and Google Podcasts, or you can subscribe to the RSS feed:



Follow our official WeChat account 'european-chamber' to be notified about new episodes. Visit our podcast website for more information.



WeChat



Podcast

# Media Watch

## Media seek Chamber's views on Xi's European tour

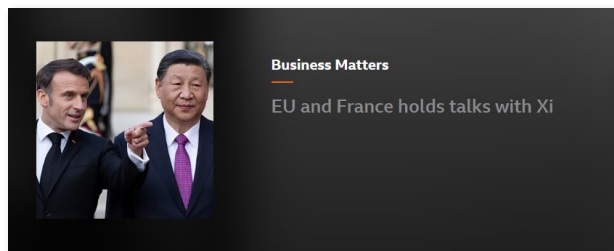
Chinese President Xi Jinping conducted a state visit to France, Hungary and Serbia from 5<sup>th</sup> to 10<sup>th</sup> May. Speaking to the media about the visit, European Chamber President Jens Eskelund and President Emeritus Joerg Wuttke both suggested the importance of viewing Europe as an autonomous actor in world affairs. The trade balance was another topic raised in interviews. Speaking to the *BBC*, Eskelund noted that there needs to be some sort of readjustment due to numerous issues in the trade relationship. This was also highlighted by Secretary General Adam Dunnett, who suggested that trade and investment are one of the best ways of ensuring a positive bilateral relationship, in an interview with *CGTN*.

## Chamber launches Business Confidence Survey 2024

On 10<sup>th</sup> May, the European Chamber published its *Business Confidence Survey 2024 (BCS)*. A total of 38 journalists attended the BCS's official launch event, which was immediately followed by a lunch with key media. Prior to this, embargoed media roundtables had been held on 8<sup>th</sup> and 9<sup>th</sup> May.

Chamber President Jens Eskelund was interviewed by *Bloomberg*, *CGTN*, *ARD* and *ilsole24* on the day of the BCS's launch, and Chamber Vice President Stefan Bernhart was interviewed by *RTL* and the *BBC* on 10<sup>th</sup> and 14<sup>th</sup> May respectively.

The BCS received significant coverage in international media, with 29 articles published by outlets including *Bloomberg*, the *Financial Times*, *Reuters*, *AP* and *CNBC* within 24 hours of its launch. International media coverage focussed on the deterioration in business confidence over the past year and on how China's slowing economic growth is increasingly informing European companies' investment decisions. Domestic media coverage primarily covered the BCS's headline finding that business sentiment had fallen to a record low across several metrics.



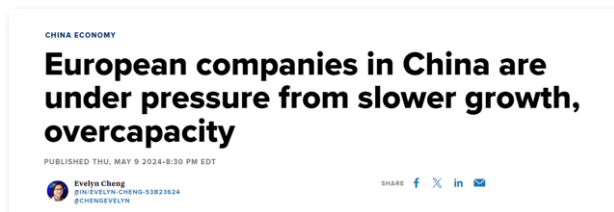
*BBC* radio interview with President Jens Eskelund on Xi's visit  
Media: *BBC*  
Date: 7<sup>th</sup> May 2024



Secretary General Adam Dunnett being interviewed by *CGTN* on EU-China relations  
Media: *CGTN*  
Date: 10<sup>th</sup> May 2024



President Eskelund appears live on Bloomberg to present BCS findings  
Media: *Bloomberg*  
Date: 10<sup>th</sup> May 2024



*CNBC* article on China's economic slowdown and overcapacity  
Media: *CNBC*  
Date: 14<sup>th</sup> May 2024

## EU to put tariffs of up to 38% on Chinese electric vehicles as trade war looms

Move, to be applied provisionally from July, would trigger duties of more than €2bn a year

● **Explainer: How will new EU tariffs on Chinese EVs work?**

An article by *The Guardian* on the EU's provisional tariffs

Media: *The Guardian*

Date: 12<sup>th</sup> June 2024



Secretary General Adam Dunnett speaking live to *CNBC* on the EU tariffs

Media: *CNBC*

Date: 24<sup>th</sup> June 2024



Secretary General Adam Dunnett being interviewed by *CCTV*

Media: *CCTV*

Date: 13<sup>th</sup> May 2024

## Secretary General highlights foreign investment at Global Trade and Investment Promotion Summit

On 13<sup>th</sup> May, the 2024 Global Trade and Investment Promotion Summit, organised by the China Council for the Promotion of International Trade, was held in Beijing. Representatives at the summit called on the international business community to make concerted efforts to fast-track the global economic recovery. European Chamber Secretary General Adam Dunnett was interviewed on the sidelines of the event by *CCTV* and *China Economic Net* about the state of foreign investment in China. He noted that the best way for China to attract more investment would be to ensure that the foreign companies already invested in the country are profitable, and to reassure them that their voice is being listened to.

## EU levies provisional duties on Chinese battery electric vehicles

On 12<sup>th</sup> June, the EU announced it would be provisionally applying additional tariffs on imported battery electric vehicles (BEVs) produced in China. In addition to the 10 per cent duties already levied on BEV imports, additional duties on imports from the following manufacturers will now apply: BYD: 17.4 per cent; Geely: 20 per cent; SAIC: 38.1 per cent. The same day, the Chamber sent a statement to media organisations on the development, which received widespread coverage in outlets including *Reuters*, *The Guardian*, the *Global Times* and *Caixin*.

Chamber Secretary General Adam Dunnett was also interviewed by *CGTN* and *CNBC* on the provisional tariffs. He noted the importance of dialogue between EU and Chinese policymakers – particularly given that definitive duties would not come into force until November if levied.

## Local chapter events held for Business Confidence Survey launch

On 28<sup>th</sup> and 29<sup>th</sup> May, and 5<sup>th</sup> June respectively, the European Chamber's Shanghai, Tianjin and South China chapters held local launch events for the Chamber's *Business Confidence Survey 2024* (BCS), with all three events garnering coverage in national media. *Phoenix TV* reported on how Shanghai's attractiveness as an investment destination has declined; the *SCMP* ran an article on how business confidence is relatively low in South China, when compared to confidence in other regions; and *CRI* wrote a piece on recruitment and retention issues facing businesses in Tianjin.



Chamber Vice President and Shanghai Chapter Chair Carlo D'Andrea presenting the BCS findings in Shanghai  
Media: *Phoenix TV*  
Date: 29<sup>th</sup> May 2024

# Events Gallery

BEIJING, 6<sup>TH</sup> JUNE 2024

## Roundtable with Dr Scott Rozelle - Human Capital and China's Future Growth



- China is currently facing a significant human capital challenge. While the government has acknowledged this issue and implemented relevant measures that have shown some effectiveness, the main problem lies in rural areas.
- The proportion of children attending high school in rural areas is low, with many opting for vocational high schools of subpar quality.
- Addressing these challenges requires interventions in rural communities, such as improving rural schools and local facilities, and providing adequate nutrition and quality healthcare for school-age children.

BEIJING, 2<sup>ND</sup> JULY 2024

## Breakfast Roundtable with Keyu Jin: What the world can learn from China's playbook?



- China's economic landscape is shaped by its unique socio-cultural context, including the enduring prominence of the household economy, demographic shifts from the one-child policy and the emergence of the 'mayor economy'.
- China's unique political and economic structure involves the government actively promoting national economic growth and urbanisation, while also navigating a complex relationship between central and local authorities and managing a financial system with both sophisticated and underdeveloped elements.

SHANGHAI, 20<sup>TH</sup> JUNE 2024

## Carbon Neutrality Conference 2024: Decarbonisation and Renewable Energy - Policies, Strategies and Challenges



- China aims for its renewable energy capacity to surpass fossil fuels by next year, demonstrating solid progress towards greener industry standards. In parallel, the European Union's Carbon Border Adjustment Mechanism highlights the global shift toward stringent carbon regulations, presenting challenges and opportunities for businesses.
- To build a decarbonisation ecosystem, corporations must adopt comprehensive strategies for low-carbon solutions. This includes integrating renewable energy, enhancing energy efficiency, innovating supply chains and investing in green technologies.
- Green electricity in China involves physical power transmission and Green Electricity Certificates.

SHANGHAI, 3<sup>RD</sup> JULY 2024

## Sustainable Transition for SMEs: Prospects for Business Growth and Challenges in Change Management



- Small and medium-sized enterprises (SMEs) constitute 95 per cent of firms globally and provide 70 per cent of employment, yet they face significant hurdles in adopting sustainable practices. In China, SMEs are often penalised for environmental violations, indicating a need for better support and resources to help them transition to sustainable operations.
- SMEs are crucial to economic growth and innovation, particularly in Shanghai where they represent 99.5 per cent of businesses. Despite challenges like market access barriers and limited resources, there are substantial opportunities for SMEs that embrace sustainability. Governments and industry groups must provide tailored support to help SMEs capitalise on green practices and drive innovation, job creation and resilient local economies.

TIANJIN, 28<sup>TH</sup> JUNE 2024

## HR Initiative Seminar - European Chamber Tianjin Business-College-Research Initiative Seminar & College-EU Business Collaboration Meeting



- It is important to help universities understand European businesses by inviting university representatives to visit factories to learn about production processes and technical equipment.
- European businesses are eager to hire blue-collar workers, research and development staff and technicians.
- Local universities are enthusiastic about cooperating with European companies.

SOUTH CHINA, 12<sup>TH</sup> JULY 2024

## European Chamber Visit to Zhuhai's Hengqin Cooperation Zone



- Hengqin Cooperation Zone has an important role to play in promoting Macao's economic diversification.
- European Chamber members and key stakeholders in Zhuhai discussed logistics, business operations and policy benefits directly with local authorities and industry leaders.
- There is the potential for continued growth and collaboration in Zhuhai's dynamic business environment.

SOUTHWEST CHINA, 25<sup>TH</sup> MAY 2024

## 2024 European Chamber Gala Ball (opening remarks)



- Culture serves as a primary bridge that connects all European Union member states with Sichuan and Chengdu provinces.
- Green development and the transition towards a decarbonised world are the cornerstone of cooperation between China and the European Union.
- Yet we live in a period of tensions, necessitating the rebuilding of bilateral trust as the initial step toward reestablishing robust trade and investment activities.

NANJING, 8<sup>TH</sup> JUNE 2024

## European Chamber Nanjing Badminton Summer Tournament



- The tournament featured 14 teams from Nanjing International School, BASF-YPC, Siemens Numerical Nanjing, Epiroc, Bosch Mobility Automotive, Bosch Huayu Steeing Nanjing, Fette, Brembo, Tietoevry, DB Schenker, Diehl Controls, EMZ-Hanauer, Ericsson Nanjing and CTS.
- The winners were as follows:
  - 1<sup>st</sup> place: Ericsson Nanjing
  - 2<sup>nd</sup> place: Siemens Nanjing
  - 3<sup>rd</sup> place: BASF-YPC

# Advisory Council News

## Boehringer Ingelheim inaugurates biomass power plant

Boehringer Ingelheim recently inaugurated a biomass power plant at its Ingelheim site. With the new power plant, the company is optimising its energy supply and protecting the environment simultaneously, saving around 50,000 tons of CO<sub>2</sub> per year. The CO<sub>2</sub> emissions from the site's own energy generation will be reduced by 70 per cent. In total, the company is investing euro (EUR) 205 million in sustainable infrastructure projects in Ingelheim and will eventually be able to cover 95 per cent of its energy requirements at the site from renewable sources.



Photo: boehringer-ingelheim.com

rose through the ranks with stints as general manager of airfreight for North China and then Beijing Branch, before leading Area West as vice president, and then most recently as senior vice president and head of Area East and Area North. She takes over from Vishal Sharma, who was appointed chief executive officer for the Asia-Pacific region in February 2024. Cao is an alumna of Beijing Technology and Business University and has an Executive MBA from HEC LIEGE and Shanghai Jiao Tong University.

## ABB expands portfolio with acquisition of Siemens' wiring accessories business in China

ABB recently announced that it has signed an agreement to acquire Siemens'

wiring accessories business in China. The acquisition will broaden ABB's market reach and complement its regional customer offering within smart buildings.

The offering ABB is acquiring includes wiring accessories, smart home systems, smart door locks and further peripheral home automation products, which will continue with the Siemens brand under a licensing agreement.

The acquisition will also give access to a wide distribution network across 230 cities in China and provide additional expertise from regional sales, manufacturing operations and management teams. Siemens' wiring accessories business in China generated more than United States dollar (USD) 150 million in revenues in 2023 and includes more than 350 employees. The business will be margin accretive to ABB and the transaction is expected to close within the next 12 months. Financial terms were not disclosed.

"This acquisition reflects our strategic

## Appointment of Cindy Cao as DB Schenker's Greater China Cluster CEO

Cindy Cao joined DB Schenker in 1995 as an air import manager and



Photo: dbschenker.com



Photo: new.abb.com

focus and commitment to growth in China,” said Mike Mustapha, president of ABB Electrification’s Smart Buildings Division. “With the new channel to market and expanded offering, we can deliver a full range of ABB building automation and energy distribution solutions, enriching customers’ options for safe and reliable smart buildings technology.”

## Veolia, Towngas launch Hong Kong’s first green hydrogen production project

Veolia and The Hong Kong and China Gas Company Limited (Towngas) are taking the lead in responding to the Hong Kong Government’s Strategy of Hydrogen Development.

The two companies have signed a memorandum of understanding to jointly develop Hong Kong’s first green hydrogen project at the South East New Territories Landfill Extension in Tseung Kwan O. By utilising biogas to produce green hydrogen and promoting various hydrogen energy applications, the project aims to convert waste into energy. The first batch of locally produced green hydrogen is expected to be available next year.

## DHL’s new Shanghai EV centre to help companies in EV ecosystem with international expansion

DHL, the leading global brand in the logistics sector, has opened its latest electric vehicle (EV) Centre of Excellence in Shanghai to support EV companies and their related sectors to grow their presence locally and globally. This marks the Group’s first EV Centre of Excellence in China, the largest global EV market, following locations in key regions across the globe including Indonesia, Mexico, the

United Arab Emirates and the United Kingdom.

The Shanghai EV Centre of Excellence is managed by DHL Global Forwarding, and was developed in close cooperation with Team EV of DHL Customer Solutions and Innovation (CSI), DHL Express and DHL Supply Chain. The facility specialises in seamless and integrated end-to-end logistics for EV products, including batteries, electric motors and charging infrastructure. It has a dedicated team of specialists to ensure efficient handling, storage and transportation while meeting the unique needs of the EV sector.

The burgeoning growth and appetite for EVs present specific challenges for manufacturers, such as the need for strategic storage solutions at both the origin and destination to manage increased battery shipments. Additionally, with batteries classified as dangerous goods, there are stringent safety and regulatory requirements to navigate.


The Shanghai EV Centre of Excellence is supported by DHL Global Forwarding’s extensive network of 35 branches strategically positioned to optimise major gateways across China. It has a network of over 50 warehouses and cross-dock facilities with a strong presence in major commercial cities. This includes access to warehouse space to store and handle dangerous goods, such as batteries and finished vehicles for import and export. It will also have a team of EV and dangerous goods experts working with customers to deliver the right solutions in an evolving landscape. 



Photo: veolia.hk

### 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.

## Executive Committee of the European Chamber

### PRESIDENT



**Jens Eskelund**  
Maersk

### VICE PRESIDENTS



**Massimo Bagnasco**  
Progetto CMR (Beijing)  
Architectural Design  
Consultants



**Stefan Bernhart**  
Volkswagen



**Carlo D'Andrea**  
D'Andrea & Partners



**Miguel Montoya**  
InterChina



**Bruno Weill**  
BNP Paribas



**Klaus Zenkel**  
Imedco Technology



**Xiaobo Zhang**  
TotalEnergies

### TREASURER

### STATES' REPRESENTATIVES



**Gianni Di Giovanni**  
Eni



**Simon Lichtenberg**  
Trayton Group



**Peter Ling-Vannerus**  
SEB



**Markus Borchert**  
Nokia



**Ninette Dodoo**  
Freshfields



**Adam Dunnett**

### BOARD MEMBER

### SECRETARY GENERAL

## Nanjing Board

### CHAIR



**Andreas Risch**  
Fette Compacting  
(China) Co Ltd

### VICE CHAIR



**Jianhua Shan**  
BASF-YPC  
Co Ltd

### BOARD MEMBERS



**Alessandro Brenda**  
Marposs (Nanjing)  
Automation Co Ltd



**Florian Hobelsberger**  
Diehl Controls  
(Nanjing) Co Ltd



**Frank Redecker**  
REACH Talent  
Consulting (Xuzhou)  
Co Ltd

## Shanghai Board

### CHAIR



**Carlo D'Andrea**  
D'Andrea & Partners

### VICE CHAIRS



**Jens Ewert**  
Deloitte



**Holly Lei**  
Covestro China

### BOARD MEMBERS



**Charles Billard**  
Sanofi China



**Roberto Donà**  
International Business  
School Suzhou,  
Xi'an Jiaotong-Liverpool  
University



**Felix Hess**  
Siemens China



**Francis Liekens**  
Atlas Copco (China)  
Investment Co Ltd

## Shenyang Board

### VICE CHAIR



**Erich Kaiserseder**  
Conrad Hotel  
Shenyang

### BOARD MEMBERS



**Sebastian Bittner**  
GG Cables and Wires



**Diane Chen**  
Shenyang New  
World Expo



**Stephane Gonnentand**  
Dalian ODC Marine  
Manufacture



**Robert Kuessel**  
BMW Brilliance  
Automotive










**Matt Sullivan**  
Trench High Voltage  
Products Ltd, Shenyang


Listed in alphabetical order.




## South China Board

CHAIR	VICE CHAIRS		BOARD MEMBERS			
						
<b>Klaus Zenkel</b> Imedco Technology (Shenzhen) Co Ltd	<b>Fabian Blake</b> AMS Products Assembly (Foshan) Co Ltd	<b>Gianluca Giorgi</b> ES Automation Consulting Ltd	<b>Blandine Cressard</b> Residence G Shenzhen	<b>Aaron Finley</b> Deloitte	<b>Chris Gassner</b> SZMuri	<b>Joanna Ye</b> Mazars Guangzhou


## Southwest China Board

CHAIR	VICE CHAIR	VICE CHAIR & CHONGQING REPRESENTATIVE	BOARD MEMBERS			
						
<b>Massimo Bagnasco</b> Progetto CMR (Beijing) Architectural Design Consultants	<b>He Donglin</b> Siemens Ltd China Chengdu Branch	<b>Leo Zhang</b> Sika (China) Ltd	<b>Raquel Ramirez</b> RR Consulting	<b>Paul Sives</b> Proton Products Chengdu Ltd	<b>Dieter Vanonckelen</b> Md Business Management (Chengdu) Co Ltd	<b>Jessica Wu</b> IvyU Limited









## Tianjin Board

CHAIR	VICE CHAIR	BOARD MEMBERS		
				
<b>Christoph Schrempf</b> Airbus (Tianjin) Delivery Centre Ltd	<b>Bernd Avers</b> Volkswagen Automatic Transmission (Tianjin) Co Ltd	<b>Massimo Dinelli</b> WEILBURGER Coatings (Tianjin) Limited	<b>Jiangang Gao</b> Schlote Automotive Parts (Tianjin) Co Ltd	<b>Changying Zheng</b> WAGO Electronic (Tianjin) Co Ltd

## Overseas Representatives

BRUSSELS	PARIS
	
<b>Davide Cucino</b> Fincantieri	<b>Charlotte Roule</b> ENGIE

## European Chamber Office Team

BEIJING	NANJING	SHANGHAI	SHENYANG	SOUTH CHINA	SW CHINA	TIANJIN	SECRETARY GENERAL
							
<b>Carl Hayward</b> General Manager	<b>Haiyan You</b> General Manager	<b>Steven Basart</b> General Manager	<b>Leo Liu</b> Office Manager	<b>Francine Hadjisotiriou</b> General Manager	<b>Sally Huang</b> General Manager	<b>Lorraine Zhang</b> General Manager	<b>Adam Dunnett</b>

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.



**Agriculture, Food & Beverage  
National Chair**  
Silvia Wang



**Auto Components  
National Chair**  
Jiang Lingling



**Automotive  
National Chair**  
Wang Pei



**Aviation & Aerospace  
National Chair**  
Remi Paul



**Carbon Market  
National Chair**  
Xu Zhonghua



**Compliance & Business Ethics  
National Chair**  
Victor Shen



**Construction  
National Chair**  
Johannes Weilharter



**Cosmetics  
National Chair**  
Jacky Zhang



**Energy  
National Chair**  
Kitty Xia



**Environment  
National Chair**  
Jet Chang



**Finance & Taxation  
National Chair**  
Alexander Prautzsch



**Financial Services  
National Chair**  
Bruno Weill



**Healthcare Equipment  
National Chair**  
Jiang Jie



**Human Resources  
National Chair**  
Jeanette Yu



**Information & Communication  
Technology National Chair**  
Michael Chang



**Intellectual Property Rights  
National Chair**  
Bai Yajun



**Investment  
National Chair**  
Jens Ewert



**Legal & Competition  
National Chair**  
Sara Marchetta



**Logistics  
National Chair**  
Elaine Chen



**Maritime Manufacturing &  
Industrial Services National Chair**  
Adnan Ezzarhouni



**Petrochemicals, Chemicals  
& Refining National Chair**  
Justin Zhang



**Pharmaceuticals  
National Chair**  
Carol Liu



**Rail  
National Chair**  
Michelle Zhang



**Research & Development  
National Chair**  
Li Ye



**Standards & Conformity  
National Chair**  
June Zhang

# The Advisory Council

## 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.

