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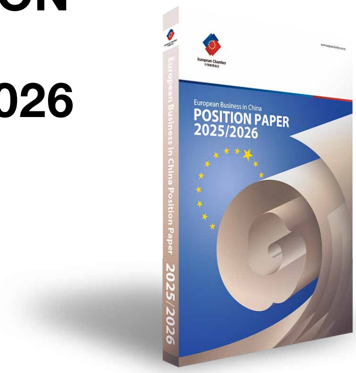

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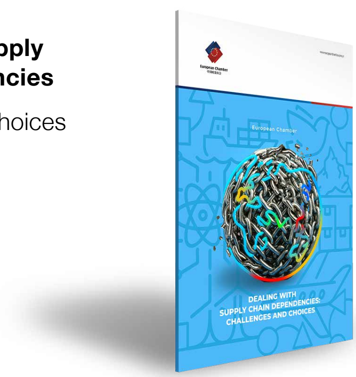

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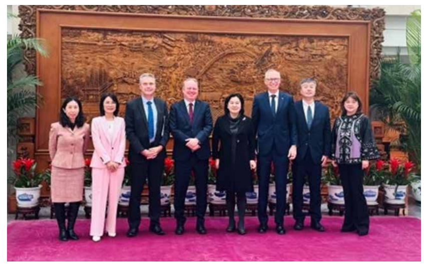

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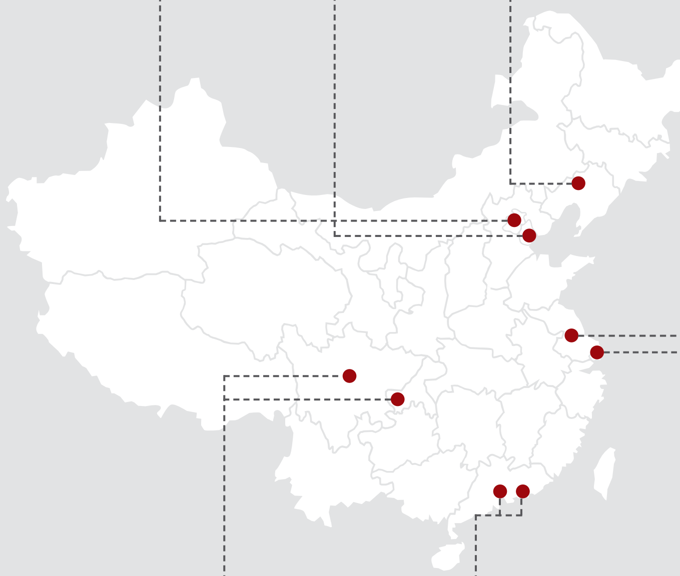

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President's Foreword

2025 in review

Jens Eskelund

President

European Union Chamber of Commerce in China

For the Chamber and its members, 2025 proved to be an extraordinary year. From tariffs to export controls, businesses faced an unprecedented level of global uncertainty. 'Involution' became a household term amidst persistent weak demand in the face of strong supply growth, and while some companies managed to grow top lines, many more of our members experienced shrinking margins.

In this environment, China's exports continued to skyrocket, with the European Union (EU) one of their main destinations. While still bringing immense value to both sides, the EU-China trade relationship has been under strain throughout the year, in part due to the *renminbi* sinking to a 10-year low against the euro,[1] which, coupled with the ongoing factory gate deflation in China,[2] has brought down the price of Chinese goods in Europe, further limiting the ability of certain core EU industries to compete. With Brussels now deciding that corrective action is necessary but not yet having set a clear direction, the year will end with more questions than answers as to how the EU-China trade relationship will evolve.

The United States (US)-China trade war has also been a defining feature of 2025, with tariffs at unprecedented levels imposed throughout the first half of the year and export controls causing significant collateral damage, including for European companies. While the late October US-China trade deal put a stop to further deterioration, companies remain on edge given how quickly new escalations can occur.

This tumultuous year marked an important milestone as well: the Chamber celebrated its 25th anniversary, looking back on a quarter century of advocacy aimed at ensuring that our members' concerns remain top of mind for key decision-makers. 2025's complex set of challenges meant that while little time was left for anniversary celebrations, each day that passed further confirmed the value proposition that the Chamber provides its members as an advocacy platform.

2025—which marked 50 years of diplomatic relations between the EU and China—was indeed a busy year for advocacy in both Brussels and Beijing. Chamber representatives met with key European stakeholders during two EU tours and held numerous meetings with various Chinese government bodies throughout the year. The EU-China Summit in July, despite low expectations, proved to be a useful platform to discuss business issues at the highest level, with the Chamber co-organising the China-Europe CEO roundtable, an exchange that had not taken place in that form since 2018.

The Chamber also released five high-quality reports in 2025, starting off with *Siloing and Diversification: One World, Two Systems*, followed by *Made in China 2025: The Cost of Technological Leadership*, the *Business Confidence Survey 2025*, the *European Business in China Position Paper 2025/2026* and finishing with *Dealing with Supply Chain Dependencies: Challenges and Choices*. In addition, hundreds of meetings and events held nationally ensured that members remained engaged.

Heading into 2026, we will continue to help our members navigate an increasingly complex environment. The 15th Five-year Plan, expected to be released in March 2026, will anchor discussions in the first half of the year, but beyond that, uncertainty remains the only certainty. Regardless, as the Chamber enters its 26th year, it will continue to leverage its voice to advocate for an improved business environment, keeping members' concerns in the spotlight.

1 Cho, Y., and Kawai, Y., *Yuan hits 10-year low against euro, threatening trade tensions, Nikkei Asia*, 2nd May 2025, viewed 10th November 2025, <https://asia.nikkei.com/business/markets/currencies/yuan–hits–10–year–low–against–euro–threatening–trade–tensions>

2 Wong, K., and Wu, X., *China's consumer prices return to growth as deflationary pressures persist, South China Morning Post*, 9th November 2025, viewed 10th November 2025, <https://www.scmp.com/economy/china–economy/article/3332087/chinas–consumer–prices–return–growth–deflationary–pressures–persist>

European Business in China

POSITION PAPER 2025/2026

On 17th September 2025, the European Chamber released its *European Business in China Position Paper 2025/2026*, offering a comprehensive assessment of the challenges and opportunities facing European companies operating in China.

The *Position Paper* offers five overarching key recommendations to Chinese policymakers for the development of China's 15th Five-year Plan (15FYP), which is set to guide the country's economic and social policies from 2026 to 2030.

The European Chamber's individual industry and horizontal position papers provide more granular detail, putting forward more than 1,100 constructive recommendations for optimising China's business environment.

Review of the 14th Five-year Plan

China's 14th Five-year Plan prioritised self-reliance and tech leadership. Two flagship policies framed the agenda: 'coordinate development and security' is aimed at balancing growth with national-security risks, while 'dual circulation' promotes reducing dependencies on third markets in critical areas while expanding domestic innovation, advanced manufacturing and consumption.

Key events during the 2020–2025 period covered by the 14FYP—including the COVID-19 pandemic, the collapse of China's real estate market, Russia's invasion of Ukraine that set the tone of European Union (EU)-China relations, and the United States (US)-China trade war—only worked to cement China's focus on becoming more self-reliant and finding new sources for growth – labelled as 'new productive forces'. The fourth plenary session of the Chinese Communist Party's (CPC) Central Committee held in October 2025—where the Party leadership deliberated on the 15FYP—confirmed policy continuity.

While a consistent approach can improve predictability, the final version of the 15FYP—which is expected to be published after the upcoming Two Sessions in March 2026—would still benefit from a thorough reflection on both the positives and the not-so-positives that China's current policy trajectory has brought along.

'Internal circulation': Industrial policies, self-reliance and domestic consumption

Policies introduced under the umbrella of 'internal circulation' have largely contributed to the upgrading of China's manufacturing base, with the country's share of global manufacturing now exceeding that of Germany, the US, Japan and South Korea combined. Similarly, expanded funding for basic research has accelerated technological innovation.

However, heavy government subsidies favouring producers have misallocated capital, leaving consumption lagging behind soaring capacity. This imbalance has contributed significantly to the emergence of what the Chinese Government has referred to as '*neijuan*' or 'involution': firms pouring in ever increasing resources for diminishing returns.

Meanwhile, the country's emphasis on self-reliance and developing indigenous technologies has seen the playing field sometimes being strongly tilted in favour of domestic players. Many foreign-invested enterprises (FIEs)—particularly those in strategic industries—have lost market share, or even been squeezed out of the market altogether, as a result. This has been a contributing factor to China's overall decrease in foreign direct investment (FDI), with investors suspending expansion or redirecting capital to markets deemed fairer.

Photo: European Chamber

"... heavy government subsidies favouring producers have misallocated capital, leaving consumption lagging behind soaring capacity."

'External circulation': a catalyst for trade imbalances

China has also made strides in cementing its pivotal role in global supply chains while decreasing its dependencies on external markets.

However, China's rising export dominance and the subsequent trade imbalances that have developed have sounded the alarm bell for many third-market governments. While the EU and the US account for nearly two-thirds of China's trade surplus, in 2024, it was developing countries that filed the majority of complaints against China at the World Trade Organization, with many having already taken steps to protect their key industries from the impact of Chinese imports.

What European businesses hope to see in the 15FYP

1. Implement reforms that address underlying structural issues

According to the European Chamber's annual *Business Confidence Survey* (BCS), over the past three years China's economic slowdown has been the top concern for European companies operating in the country, while optimism about near-term future growth and profitability sank to record low levels. Chinese companies do not seem to fare any better, with the share of loss-making industrial firms in 2024 surging to the highest level since 2001.

Underpinning business concerns are a host of structural issues impeding China's economic development. While consumption in China is actually growing, a core issue is that manufacturing output has grown faster. 'Involution', expanding inventories, pressure on profit margins, decreasing asset utilisation and pressure to export are all natural consequences of this mismatch.

A key factor dampening consumer confidence was that the cost burden on households—which had already been substantial due to an inadequate social safety net—was made worse by the collapse of China's real estate market. With real estate investments losing value and producing diminishing returns, household saving surged to record high levels.

In the meantime, local governments, trapped in a prisoner's dilemma, keep subsidising hometown champions to safeguard local jobs and taxes, saturating sectors and deepening cut-throat competition no one dares exit.

2. Allow market forces to play the decisive role in resource allocation

When it comes to allocating capital, China's state-owned enterprises (SOEs) have a clear advantage, despite their weaker efficiency at using capital compared to their private peers. The disproportionately large support for SOEs has not only disadvantaged private firms, but also resulted in lower overall productivity while deepening 'involution' in strategic sectors.

Some broader issues have already been acknowledged by China's leadership. For example, Chinese President Xi Jinping has criticised local governments for focussing their efforts on the same emerging industries and called for managing disorderly competition at low prices as well as promoting the orderly withdrawal of backward production capacity. These two efforts in tandem could go a long way towards market consolidation in saturated segments.

3. Take action to create equitable trade relationships

While China is growing its global market share and continues to rely heavily on exports for growth, its imports are not growing at the same pace, resulting in increasing trade imbalances.

Concerns over the distortive impact of China's trade surplus with the EU have only intensified following the US' levying of tariffs on Chinese imports, with the EU side fearing that a potential reshuffling of trade flows could put further pressure on the EU Single Market. This has hardened sentiment within the European Commission towards China, fuelling the perception that trade with China is becoming a one-way street, ultimately harming European jobs and companies.

Addressing partners' economic security concerns and sharing trade gains more evenly could go a long way towards easing existing tensions.

4. Continue to green the economy and ensure environmental sustainability

China intends to peak carbon emissions before 2030, making the 15FYP pivotal in terms of setting a clear direction for reaching this milestone.

The country has already made rapid progress in its green energy transition, both in terms of renewable energy investments and capacity expansion, and it is also a global leader in manufacturing green technologies.

The challenge ahead is ensuring stable supply of renewable energy. The Chamber's BCS 2025 found that limited access to renewable energy was a top-three barrier to European companies decarbonising their China operations, leading many to delay or abandon related goals in the country.

As European companies are compelled by various factors outside of China's own sustainability drive to pursue carbon neutrality—including global corporate targets, EU sustainability regulations and pressure from customers—they are well-placed to drive China's green transition in multiple areas.

5. Advance China's digital transition in an inclusive way

China has also been making great strides in advancing its digitalisation agenda, however, the opportunities open to FIEs in this area are limited. For example, although European firms were instrumental in the early stages of mobile network development in China, throttled by excessive localisation requirements in procurement tenders, their market share dropped from around 30 per cent in the deployment of fourth generation (4G) network technology, to low single digits with the rollout of China's fifth generation (5G) network technology in 2023. Opportunities in other information and communication technology segments—including software development or digital solutions—are also drying up for FIEs, with autonomous and controllable guidelines compelling Chinese and foreign companies alike to avoid the use of foreign technologies.

While industrial policy support for indigenous industries is understandable within reasonable and proportionate limits, commercial markets must be free from undue localisation mandates.

To download the *European Business in China Position Paper 2025/2026*, please scan the QR.

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* *The Business Value of Palo Alto Networks Cybersecurity Platforms*, IDC, December 2023.

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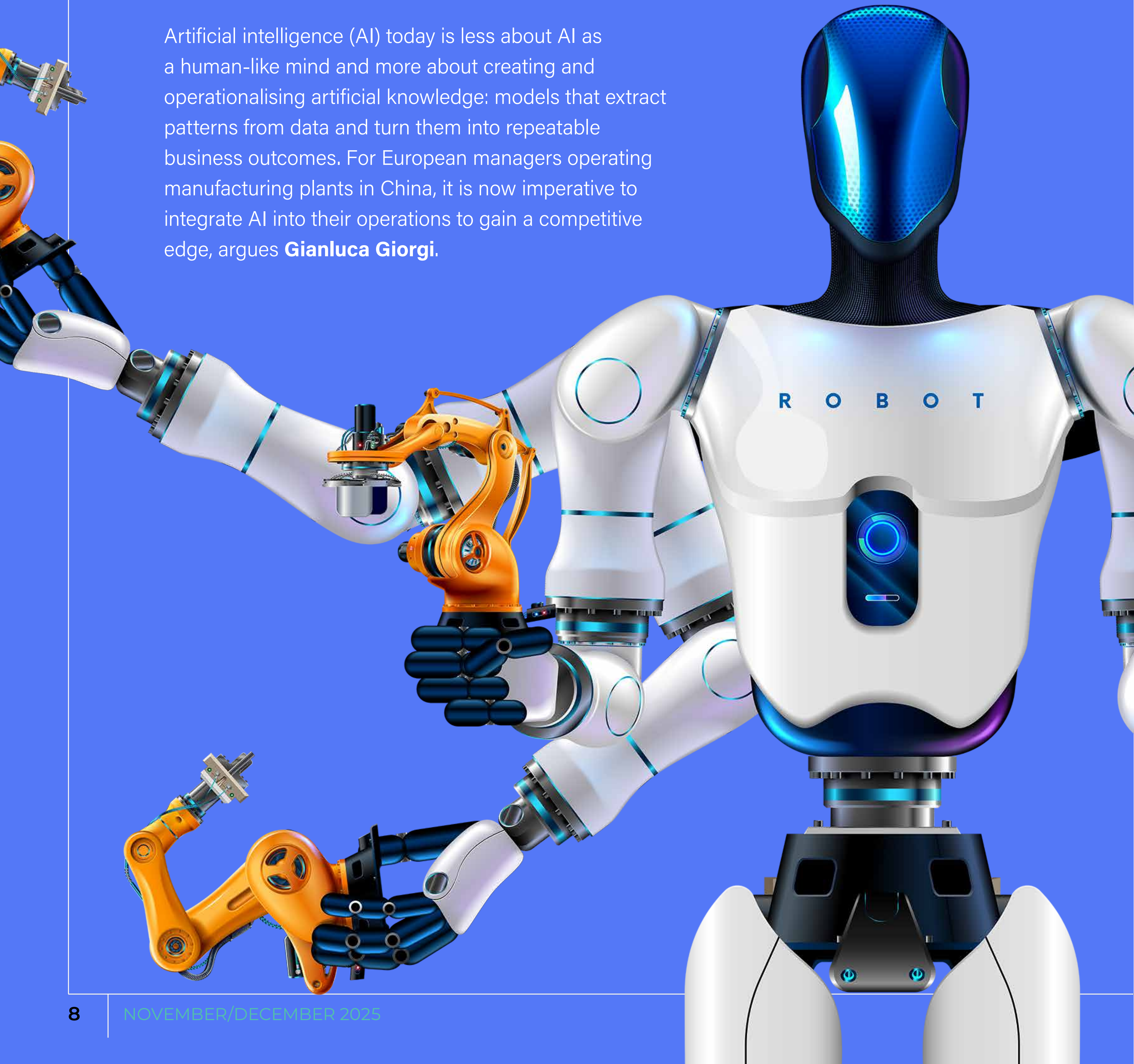
TRANSFORMATION DRIVEN BY AI

Strategic imperatives for European manufacturers in China

Artificial intelligence (AI) today is less about AI as a human-like mind and more about creating and operationalising artificial knowledge: models that extract patterns from data and turn them into repeatable business outcomes. For European managers operating manufacturing plants in China, it is now imperative to integrate AI into their operations to gain a competitive edge, argues **Gianluca Giorgi**.



When people say AI, they often mean ChatGPT or another large-language model (LLM). However, this narrow view often misleads business leaders. AI is not an artificial mind; a more useful way of thinking about it today is as 'artificial knowledge' – systems that ingest data, learn patterns and produce actionable outputs. As we cannot fully define human intelligence, we should avoid attributing human abilities to these systems. Instead, we should focus on what they actually do: transform data into usable, repeatable knowledge that improves decision-making and operations.

AI predates recent startups: its roots reach back to early computing, expert systems—such as Industry 4.0 Expert, which can be used for process optimisation, predictive maintenance and intelligent decision making—and decades of research. The modern renaissance—machine learning, deep learning and transformer architecture—was made possible by abundant data, more powerful hardware and improved mathematical techniques. For manufacturing, the critical change is availability. Sensors, enterprise resource planning (ERP) systems, manufacturing execution systems, and mobile connectivity have enabled factories to utilise masses of data. Where earlier automation projects stalled due to a lack of data or compute, today these inputs make practical AI use cases viable and profitable.

European managers and AI

European managers in China face a unique set of pressures: tight cost targets, customer expectations for higher quality and traceability, competition from both local and global players, and the need to align operations with company strategies. AI is not a magic bullet, but it is a force multiplier when applied right. The practical benefits are clear:

- Reduced unplanned downtime via predictive maintenance.
- Improved yield and quality through vision systems and process optimisation.
- Faster root-cause analysis by correlating sensor, production and quality data.
- Smarter workforce planning and a reduced administrative burden through automation.
- Improved lean systems with AI lean systems.

Common barriers to adoption in China

In the automation field and AI since the 1980s, three themes recur:

1. Many professionals remain attached to familiar routines and spreadsheet-based workflows, while managers often lack the time or inclination to explore advanced analytics platforms. Instead, they gravitate toward accessible tools like ChatGPT for translating documents or simplifying paperwork, rather than engaging with deeper system integration.

   This pattern echoes the 1980s, when ledgers were processed both manually and digitally. At the time, computers were still viewed with scepticism, and many managers insisted on parallel records to ensure reliability.

2. Talent and skills gaps: China's labour market has immense scale, but gaps exist in managerial AI literacy and systematic problem-solving approaches compared to Western best practices. Companies frequently struggle to recruit talent, but the faster route is to upskill current managers.

3. Data and system fragmentation: Legacy ERPs, Excel sheets, and stove-piped systems yield poor data hygiene. Without trustworthy data, large AI projects will fail.

In order to scale up AI pilots, European managers need a grounded, staged approach. These four pillars are essential to the success of AI projects: use cases, data and architecture, people and skills, governance and measurement.

Use cases: Start small

- Choose high-impact, low-complexity pilots: predictive maintenance on a critical machine line, defect detection with computer vision, or automated key performance indicator (KPI) dashboards that combine production, quality and maintenance data.
- Define measurable objectives, such as reductions in downtime, increases in yield, or hours saved in manual reporting.

- Time-box pilots: Three to six months with clear success criteria and a go/no-go decision.

Data and architecture: Pragmatism wins

- Tidy the inputs: Start with a small, trusted dataset rather than an ambitious 'data lake' approach. Clean, labelled data beats bigger but noisy datasets.
- Hybrid architecture: Use edge computing for real-time inference (e.g., vision systems, programmable logic control data) and cloud computing for model training and heavy analytics. Smaller, purpose-built models often suffice on the edge and reduce data transfers and costs.
- Leverage modern, pragmatic tools: Low-code/no-code workflows for data ingestion, model monitoring for drift, and machine learning operations practices to ensure reproducibility and version control.

People and skills: Train managers to be promoters and sponsors

- Focus on managers as AI enablers, not just consumers. A European manager in China must become an expert at using AI applications.
- Upskill existing talent: Create targeted programmes that teach plant managers how to interpret model outputs, design experiments and manage change. It is not necessary to have people with advanced education working on every line – experienced operators and engineers make excellent 'AI translators' when trained.
- Embed learning into daily work: Design learning opportunities that are part of routines, e.g., retrospectives tied to model-driven interventions or short 'show-and-tell' sessions for shifts.

Governance and measurement: Keep it practical

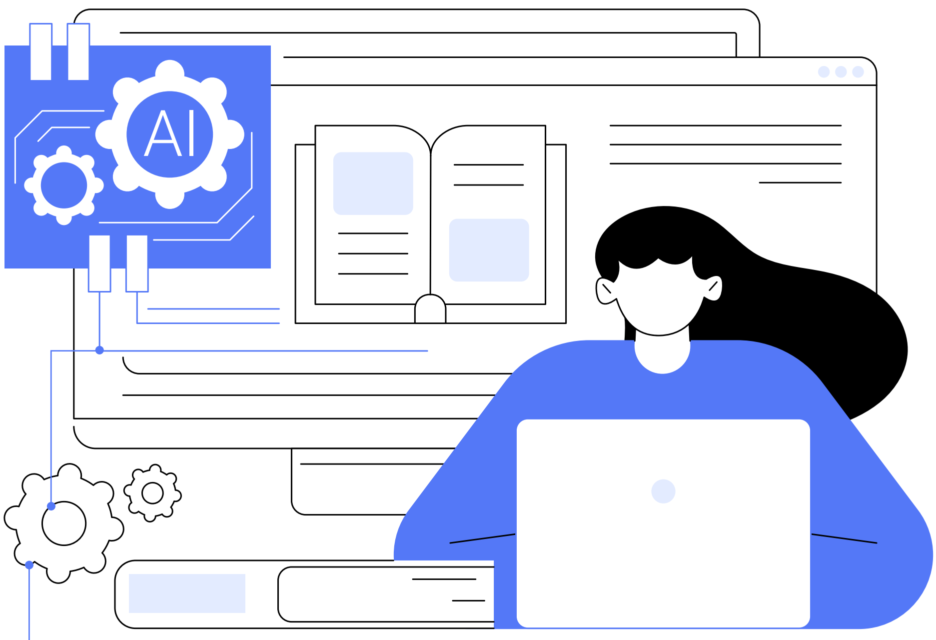
- Establish a lightweight governance model: Data quality owners, model stewards for each use case, and an escalation path for ethical or safety concerns.
- Measure return on investment (ROI): Connect model outputs to operational KPIs and financial impact. If a model does not demonstrably reduce scrap, downtime or cost per unit, stop or pivot the project.
- Protect security and intellectual property (IP): Industrial data is sensitive. Ensure encryption during transmission and at rest, maintain robust access controls, and have clear policies for model and data sharing.

Technology choices: Size and placement matter

There is a tendency to equate bigger with better. In manufacturing, smaller, focussed models often provide the best ROI. Multiple small models can be orchestrated to address discrete tasks (anomaly detection, scheduling, quality classification) and can run on edge devices for low latency and resilience. For language tasks (documentation, standard operating procedure translation), leveraging LLMs via secure private endpoints or fine-tuned smaller open models often provides the most practical balance of performance, cost and data privacy.

A cautionary note on LLMs and 'AI everywhere'

Tools like ChatGPT are useful for documentation, translation and ideation – but they are not a substitute for production-grade AI systems that manage real-time operations. Overreliance on general-purpose models without domain adaptation or



guardrails can create errors and false confidence. Think of ChatGPT as a rapid prototyping and communication assistant, not a direct replacement for calibrated models embedded in the control loop.

Change management in practice

Ever since personal computers began to automate many workplace processes, the hardest obstacle has never been technology – instead, it has been convincing people to change their daily work and to trust new processes. In practice, introducing AI applications often brings early resistance from both managers and operators. It is important to demonstrate small wins quickly and publicly, such as reduced rework on a single product line, or a weekly maintenance alert that prevents a costly breakdown. It is best to identify 'change agents' – generally the most respected operators and managers who can champion the new solutions and provide peer-to-peer training.

Developing internal talent

Many European plants in China report difficulty hiring staff with the required skills. The fastest scalable strategy is to develop internal talent:

- Train managers in applied AI literacy – how to scope projects, read model outputs and ask the right questions.
- Turn experienced operators into 'AI operators' by pairing them with data engineers and giving them practical training on data labelling, validating model outputs and continuous improvement.
- Create career pathways that reward cross-disciplinary skills: production expertise plus data-enabled decision-making.

Measuring success: Metrics that matter

It is essential to move beyond 'vanity metrics'. It is best to track KPIs directly tied to business outcomes, for example:

- Operational: Meantime between failures, overall equipment effectiveness, yield, cycle time.
- Financial: Cost per unit, scrap and rework costs, maintenance spend.
- People: Time saved on reporting, number of employees trained, adoption rates of model-driven processes.

Risks and mitigation

- Model drift and false positives: Run continuous monitoring and retrain models when data patterns change.
- Data privacy and IP leakage: Segregate production data, use on-premise inference for sensitive workloads, and set strict vendor contracts.
- Energy and compute costs: Favour efficient models, schedule heavy training tasks at off-peak times or use cloud computing space, and use edge inference for real-time tasks.

AI is not a futuristic intelligence that replaces human leadership. It is a set of techniques that codify experience into repeatable, testable knowledge. For European general managers in China, the strategic imperative is simple: treat AI as an operational technology that requires the same discipline as any physical asset – clear objectives, measured outcomes, trained people and robust governance. It is essential to start small, focus on measurable wins, train managers and operators, and scale with a pragmatic architecture. The prize is significant: better quality, lower costs, faster decision making and stronger resilience in a highly competitive manufacturing environment.

Gianluca Giorgi is the CEO of **ES Automation Consulting**. He has worked in automation and AI since the 1980s, leading early industrial AI projects. He is a board member of the European Chamber and holds diplomas from MIT in Blockchain (2021) and AI Data Science (2024).

Kempinski Beijing Yansha Center

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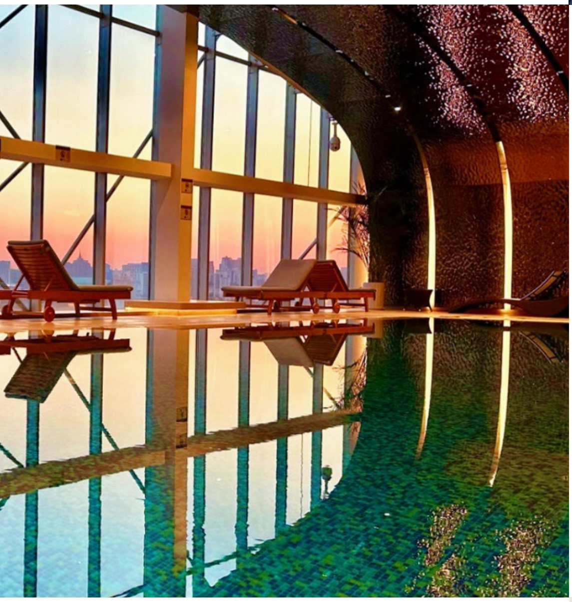
The Apartment Residences offer 170 fully furnished units, ranging from 65 to 193 square metres, with options for one, two, three and four bedrooms. For commercial tenants, the complex offers 135 leasable office and commercial units. These spaces, ranging from 30 to 830 square metres, are suitable for offices, banks, grocers, supermarkets, restaurants, spas and showrooms.

The Art of European Hospitality

The Yansha Center is more than a residence; it offers a way of life enriched by the five-star services and facilities of Kempinski Hotel Beijing Yansha Center. The Apartment Residences benefit from service delivered with European craftsmanship, covering every detail from 24-hour concierge and call centre assistance to comprehensive laundry services and weekly professional housekeeping.

Residents also enjoy access to a wide range of hotel facilities. The Pulse Health Club features a full range of TechnoGym equipment, specialised facilities such as a golf simulator, two squash courts, a professional yoga studio and a rooftop pool with views overlooking the magnificent skyline. Additionally, residents receive exclusive discounts at the hotel's six distinctive international restaurants, including the city's most popular European-style delicatessen, Kempi Deli.



A Life Beyond the Doorstep: An International Oasis

The Yansha Center Apartments are the preferred choice for the international community, offering unparalleled connectivity. Just a few steps from the complex lies the urban oasis of the scenic Liangma River. The beautifully planned waterside promenade stretches along a lush 18-kilometre corridor. It serves as the perfect setting for a relaxing morning jog or an evening walk.

This sense of natural serenity continues to Chaoyang Park, Beijing's largest urban park within the Fourth Ring Road, which is only moments away.

Beyond the tranquil setting, the neighbourhood is a vibrant international hub. The complex sits at the heart of Beijing's main diplomatic and business district, close to embassies and international enterprises. The community is exceptionally well-served with a diverse selection of restaurants, chic cafés and global supermarkets. For families, German, British and Canadian schools, as well as international kindergartens, are all within walking distance.

Excellent transportation links further enhance the comfort of living – the apartments are adjacent to Liangmaqiao Subway Station (Line 10), ensuring easy access to key areas of the city, while also providing a convenient 20-minute journey to Beijing Capital International Airport. The shuttle bus pick-up points for the Japanese School of Beijing (JSB) and the Daimler shuttle bus are located across the street.

The Beijing Yansha Center Apartments and Offices offer more than accommodation – they deliver a high-quality lifestyle experience. The complex truly operates on the concept of 'under one roof', allowing residents seamless access to a range of services and facilities, including international banks, a medical centre, a kindergarten, airline offices, dental and beauty services, the shopping mall and the facilities of Kempinski Hotel Beijing Yansha Center, all without leaving the building.

Mr Christian Wiendieck, Managing Director of Kempinski Hotel Beijing, and his family are themselves residents of the Yansha Center Apartments.

He notes, 'The Yansha Center complex has been a pillar of the European community in Beijing since 1992. For my family, this is our home. It offers the simple comfort of enjoying the community's festive celebrations, the scenic Liangma River just outside the window, the reliability of five-star weekly housekeeping and 24-hour concierge service, and the convenience of having distinct dining options—from an authentic European breakfast at Kempi Deli to an Italian family dinner at Via Roma or a hearty German gathering with friends at Paulaner Bräuhaus—all within the complex.'

EUROPEAN CHAMBER ANNUAL CONFERENCE 2025

Gearing Up For The 15th Five-year Plan

On 11th December 2025, the European Chamber held its annual conference in Beijing. The event featured keynote speeches, as well as panel discussions that included business leaders, policymakers, academics and senior Chamber representatives.

Chamber President Jens Eskelund delivered the opening remarks, reminding the audience that 2025 marks the 25th anniversary of the European Chamber and the 50th anniversary of European Union (EU)-China relations. He said that the world was living in uncertain times marked by geopolitical turbulence, such as the ongoing war in Ukraine, and that some fundamental assumptions were no longer valid. Eskelund also sounded a pessimistic note about China's forthcoming 15th Five-year Plan (15FYP), saying that a continued focus on self-reliance would do little to address concerns among China's trade partners that trade with the country was becoming a one-way street.

Eskelund made several predictions for 2026: trade tensions are likely to increase; exchange rates will come under increasing scrutiny, with the *renminbi* significantly undervalued at present; European companies will focus on controlling costs; and Chinese firms will accelerate outbound investments.

Next to speak was Ambassador of the European Union Delegation to China Jorge Toledo Albiñana. Toledo began his remarks by paying tribute to the Chamber on its 25th anniversary, stating that there was no Chamber as active or effective as the European Chamber. The ambassador also acknowledged the 50th anniversary of EU-China diplomatic relations, noting that during the past half-century, China has seen its economy grow faster than any other country in history. Toledo went on to highlight some of the EU's current problems, such as a lack of competitiveness, but emphasised that the political will to tackle these problems exists.

The ambassador was pessimistic about the trajectory of the EU-China relationship and its future prospects. He said that the recent EU-China summit had not been productive—with no progress on trade or China's support for Russia in the Ukraine war—but it had provided the two sides with an opportunity to exchange views. On trade, Toledo stated that things had actually worsened over the past year. While the EU has taken carefully targeted measures against China following comprehensive investigations, China's retaliatory actions have been applied broadly and in areas where the EU has a trade surplus. Toledo went on to note that China's rare earth element (REE) export controls had harmed European companies more than American companies, and that the country's reputation as a reliable supplier of goods was starting to suffer.

Toledo emphasised that the current trade relationship between the EU and China could not continue, pledging that if China did not take action to level the playing field, then the EU would do so through current and future trade defence instruments. He concluded his remarks by saying that the relationship needed rebalancing.

The second keynote speaker said that China and Europe had fundamentally different economic models—'social-security enhanced' in Europe and 'government-enhanced' in China—which can both support and hinder business. The speaker also noted China's current economic difficulties and their impact on European businesses operating in the country, including the long waiting periods for payments from local governments as they try to pay down their debts. The speaker expressed optimism about the future, forecasting that the Chinese Government would end up taking many of the measures that have been suggested by economists to stimulate the economy. This would include measures to help make life easier for foreign companies and to smooth relations with major trading partners.

The first panel discussion examined whether 'involution' had become a permanent feature of China's economy, initiating the discussion with a debate on what had been the most unexpected economic event of 2025. Several mentioned geopolitical events, including the ongoing Ukraine war, Israel's bombing of Iran and the 'Liberation Day' tariffs. One panellist argued that current global instability was likely the result of the world moving from a unipolar to a multipolar system.

Debating the drivers of involution, one speaker mentioned that China's limited social safety net encourages a high level of saving. Another blamed the Chinese Government's excessive support for unprofitable companies. There was no consensus on when the situation might ease, with the panel generally seeing little light at the end of the tunnel.

The second panel of the conference looked at China's 15FYP and where future opportunities might lie. One panellist mentioned that the 15FYP is basically a continuation of the 14FYP without any substantive changes. Another argued that the 'high-quality development' focus of the 15FYP will emphasise artificial intelligence (AI) and innovation. It was noted that the green economy presents a significant opportunity for European companies and that China will lead 'green globalisation' in the 21st century. Healthcare and advanced manufacturing were also mentioned as potential opportunities. At the policy level, it was suggested that Europe and China could cooperate in areas such as AI governance and World Trade Organization reform.

The final panel looked at supply chains in an unstable world. One panellist argued that China continued to support globalisation and wants to improve it, but the discussion quickly moved to recent trade tensions. The panel were in agreement about the level of disruption China's REE export controls had caused, with the controls seen as China's main card to play against the United States. There was agreement among some panellists that China was attempting to map key supply chains and dominate critical technologies. However, one panellist claimed that China did not have ambitions to become a great power and its trade measures were simply a response to measures taken by other countries.

15TH SEP.
SOUTH CHINA

Chamber representatives attend Greater Bay Area Development Conference

The Third Business Conference on Guangdong-Hong Kong-Macao Greater Bay Area Development
Photo: European Chamber

On 15th September, Vice President and South China Chapter Chair Fabian Blake and South China Chapter Board Member Klaus Zenkel attended the Third Business Conference on Guangdong-Hong Kong-Macao Greater Bay Area Development.

Blake met with Chinese People's Political Consultative Conference National Committee Vice Chair Jiang Xinzhi, Guangdong Party Secretary Huang Kunming, Guangdong Governor Wang Weizhong, and China Council for the Promotion of International Trade Chairman Ren Hongbin at a VIP reception held on the sidelines of the conference.

Zenkel delivered a speech during a panel focussed on artificial intelligence (AI) and industry transformation, during which he detailed the respective strengths of China and Europe in AI development.

16TH SEP.
NANJING

Chamber meets with Nanjing party secretary

Vice President and Shanghai Chapter Chair Carlo D'Andrea with Nanjing CPC Municipal Committee Secretary Zhou Hongbo
Photo: European Chamber

On 16th September, Nanjing CPC Municipal Committee Secretary Zhou Hongbo met with European Chamber Vice President and Shanghai Chapter Chair Carlo D'Andrea and Nanjing Chapter Chair Shan Jianhua, ahead of Nanjing's 5th Innovation Fair.

D'Andrea thanked the Nanjing Government for its continued support. Zhou thanked the Chamber for acting as a bridge between European businesses and the local government. Both sides agreed to maintain close communication to support the sustainable growth of European companies in Nanjing, as well as improve the city's business environment.

20TH OCT.
BEIJING

European Chamber attends MOFCOM roundtable

Attendees at the MOFCOM policy interpretation for foreign-invested enterprises
Photo: European Chamber

On 20th October 2025, the European Chamber participated in a policy interpretation session held by the Ministry of Commerce (MOFCOM) for foreign-invested enterprises. The event was hosted by Vice Minister of Commerce Ling Ji. Officials from the Ministry of Finance and the Ministry of Industry and Information Technology were also in attendance. Chamber member companies raised issues such as standards for domestically manufactured products in government procurement and export controls.

21ST OCT.
SHANGHAI

European Chamber representative speaks at Asia-Europe Large River Regional Dialogue

Asia-Europe Large River Regional Dialogue
Photo: European Chamber

On 21st October, Jens Ewert, vice chair of the European Chamber's Shanghai Chapter, delivered a speech at the 2025 Asia-Europe Large River Regional Dialogue hosted by the Shanghai People's Association for Friendship with Foreign Countries (SPAFFC). SPAFFC President Chen Jing gave the opening remarks at the event, which was also attended by the organisation's vice presidents, Fu Jihong and Su Lin.

Ewert spoke on the significance of the EU-China economic relationship, highlighting the importance of Shanghai addressing key environmental, social and governance-related issues. He also noted that the European Chamber will continue to support its members in advancing innovation within China's sustainability sector.

21ST OCT.
SHENYANG

Shenyang Chapter meets city's vice mayor

On 21st October, representatives from the Chamber's Shenyang Chapter met with Shenyang Vice Mayor Zhao Wei, as well as nine other local government bureaus including the Shenyang Development and Reform Commission, the Shenyang Bureau of Natural Resources and the Shenyang Commerce Bureau. During the meeting, members outlined some of the challenges they face when operating in the city.

31ST OCT.
BEIJING

European Chamber delegation meets Vice Foreign Minister Hua Chunying

President Jens Eskelund and other Chamber representatives pictured with Vice Foreign Minister Hua Chunying
Photo: European Chamber

On 31st October, European Chamber President Jens Eskelund led a delegation of Advisory Council members during a closed-door meeting with Vice Minister Hua Chunying of the Ministry of Foreign Affairs. Both sides exchanged views on EU-China economic and trade relations, the recent meeting between the presidents of the United States and China, export controls, and EU-China people-to-people exchanges. Representatives from the Chamber's Advisory Council also raised concerns relating to the challenges their respective companies face when operating in China.

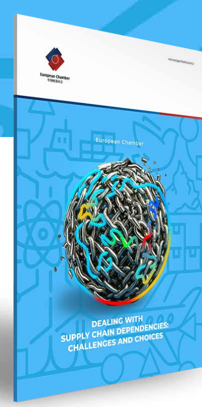
Hua highlighted the importance that the 15th Five-year Plan will place on high-quality development and high-level opening-up. She recognised the importance of EU-China ties and the achievements made in the bilateral relationship over the past 50 years. On the topic of people-to-people exchanges, Hua indicated that the Chinese Government would continue to expand the list of nationalities eligible for visa-free entry to China. She also called for mutually beneficial cooperation between China and the EU, and encouraged the European Chamber and European business to continue to play a role in advancing positive bilateral relations. Both sides agreed to explore solutions to the business issues raised with the relevant Chinese ministries.

DEALING WITH SUPPLY CHAIN DEPENDENCIES

Challenges and Choices

Globalisation has not just created immense value for China, as it has for Europe, it has also given the country the ability to exert significant influence over global supply chains, which are now heavily reliant on exports from China. While it should follow that China would do everything in its power to protect the system that it has benefitted from, its security-orientated and self-reliance-focussed policy direction is instead contributing to a more strained global trading environment. China's willingness to use its dominance in supply chains to exert pressure on its trade partners, for example through export controls, is being met by increasing pushback from other countries and regions. This may result in a reduction of both China's influence over supply chains and the

The report is available to download free from the Chamber's website. Please visit:



https://www.europeanchamber.com.cn/en/dealing-with-supply-chain-dependencies

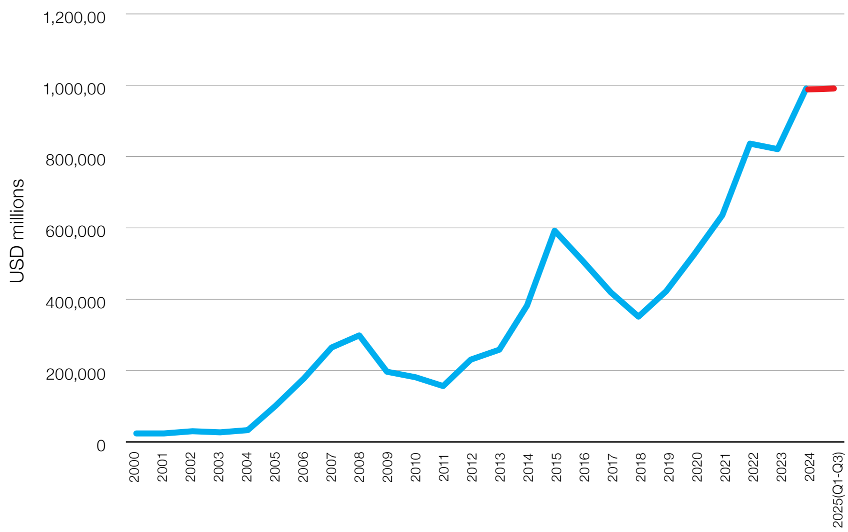
benefits of global trade, as trading partners take necessary steps to reduce dependencies on China.

China is currently the world's only manufacturing superpower, with the efficiency and competitiveness of its supply chains making it an exceptionally attractive base for manufacturing and sourcing for many companies. However, long-standing pain points of operating in China—like discrimination in procurement and broadly applied industrial policy, as well as new challenges like tariffs and export controls—are compounding the challenges of a global business environment that is increasingly politicised, uncertain and susceptible to disruptions. The result: companies are struggling to balance the positive aspects of Chinese supply chains against the need to ensure flexibility and resilience.

There are external factors at play that China cannot directly control—such as the United States' (US') shift away from globalisation through its 'America-first' approach—but it could be more cognisant of how its actions ultimately influence the decisions that other markets may take in response. Many of the concerns that the US has expressed about how China has been able to use its manufacturing prowess to dominate global trade are widely shared by other markets, including the EU. While the EU has been slow to react to this, China's 2025 imposition of export controls on rare earth elements (REEs) and its subsequent announcement of extraterritorial controls may have been a turning point, with Brussels now seriously considering how to reduce its dependence on China for critical materials.

Given that the EU is still in the early stages of its response, it is not possible to predict how its overall

China's Global Trade Surplus (Goods)



approach to China, and trade in general, will evolve. With limited exception, it has both adhered to and defended WTO principles, welcomed most Chinese investment into its Single Market and used carefully targeted, measured trade defence actions only when clear market distortions have been identified. China has benefitted from this approach so far, allowing it to address tensions with the US through disruptive retaliation while knowing it could count on the EU as a stable, albeit discontented, trade partner. However, by continuing to export ever greater quantities of goods to the EU—in part to compensate for weak domestic demand relative to supply growth—while failing to address several long-standing concerns that European companies have about the country's business environment, China is pushing the EU to take a more offensive approach to its China policy than it currently does.

For now, however, China's exports to the EU are continuing to grow at a rapid clip. This is perhaps providing a false sense of security that its current policy focus on security and self-reliance—while it reaps the benefits of its dominant position in global trade—is both correct and sustainable. But while the strength of China's industrial clusters mean that many global companies are still heavily reliant on the country's supply chains in order to remain competitive, the way geopolitical events—like the US-China trade war—have directly impacted companies has made clear the danger of single-country dependencies, especially on China. This is further accelerating the shift in the way companies view their supply chain strategies, as they increasingly prioritise resilience and flexibility over cost and efficiency.

Over time, China's ability to exercise control over key supply chains through measures like tariffs and export controls may diminish as other countries' self-reliance initiatives mature. Most European companies present in China today will remain for as long as they can, given that the country's innovation ecosystem and unparalleled manufacturing capacity will remain strengths. But both their willingness and ability to place China at the centre of their global supply chains may well diminish depending on if and how China decides to continue leveraging its current dominance.

Public relations

How comms teams struggle to prevent crises

A series of major public relations (PR) crises have recently triggered widespread public backlash – from Arc'teryx's 'Himalayan Mountain Fireworks Show' and an advert by Swatch accused of depicting 'slanted eyes', to the public dispute between Luo Yonghao and the XiBei restaurant chain. What these incidents have in common is that the root cause lay within functions meant to protect the brand: the marketing team or company leadership itself. In this article, **Ulan Tuya** asks why those entrusted with safeguarding a company's reputation so often end up damaging it.

How do companies allow flawed campaigns or misguided messages to go public, sparking large-scale crises?

A key factor is arrogance. Before a crisis fully erupts, there is a widespread tendency to underestimate both the speed at which negative information spreads and the extent of the damage it can cause.

On 19th September 2025, outdoor brand Arc'teryx sponsored artist Cai Guo-Qiang to present the 'Ascending Dragon' fireworks display in the Zirelong area of the Tibet Autonomous Region, triggering a major PR crisis over alleged damage to the plateau's ecosystem.

The incident damaged the company in a number of ways:

- **Corporate reputation:** The brand faced widespread condemnation across the Chinese internet.
- **Brand image:** It became the target of memes and online jokes.
- **Consumer trust:** Loyal users expressed shame and talked about 'covering the logo' on products they had bought from the company.
- **Environmental credibility:** The company's previous environmental, social and governance (ESG) efforts were publicly questioned.
- **Stakeholder backlash:** Influential key opinion leaders, celebrities and writers openly criticised the brand.
- **Media scrutiny:** Criticism came from top-tier party media, official outlets and business publications.
- **Institutional condemnation:** Several industry associations issued statements of condemnation.
- **Legal and regulatory consequences:** Local officials involved were dismissed, and Arc'teryx is expected to face legal repercussions.
- **Long-term impact:** The brand will likely encounter greater resistance in applying for similar outdoor event permits in the future.

Could this crisis have been avoided?

Should the Arc'teryx team have seen it coming? Any PR team with a basic respect for Chinese law and social norms ought to have raised immediate red flags when the idea was first proposed. A competent risk assessment would have taken into account:

1. The highly fragile ecosystem of the Qinghai-Tibet Plateau.
2. The Ecological Conservation Law of the Qinghai-Tibet Plateau.
3. The Grassland Law.
4. The public perception of the region as a place for 'spiritual purification'.
5. The deeply ingrained public awareness of urban firework bans since 1993.
6. Existing public backlashes over previous firework displays due to environmental concerns.

Arc'teryx is not alone. PR crises originating from internal communication functions are frequent. Other examples include:

- **2018:** The Dolce & Gabbana 'eating with chopsticks' advertisement.
- **2019:** Muji's use of the term 'French Concession' in a Weibo marketing post.
- **2021:** Dior's photography exhibition that was accused of using 'slanted eye' models to insult China.
- **2022:** Procter & Gamble's WeChat article titled *Women's Feet Are Five Times Smellier Than Men's*, criticised as insulting to women.
- **2022:** FAW Audi's advertisement starring Andy Lau, exposed as plagiarised.
- **2023:** The MINI Cooper ice cream incident at the Shanghai Auto Show, made worse by a poorly handled PR statement.

Root causes: a management perspective

The problem stems from fundamental structural flaws within organisations:

1. **Siloed functions:** Media relations, social media, marketing events, and advertising are often managed by separate, disconnected teams.
2. **Fragmented supply chains:** Relying on numerous external vendors increases the risk of messages going off-script or becoming uncontrolled.
3. **The weakened role of PR:** Corporate PR is often excluded from the content-creation process, acting as a gatekeeper only after the fact – if at all. Much external communication is published without any PR or risk-management review. Some companies have no PR function at all.
4. **Misaligned key performance indicators:** There is a fundamental conflict of goals. PR is evaluated on reducing public opinion risks, while marketing is incentivised to pursue 'breakthrough creativity' that goes viral. This drives marketing teams—pushed by aggressive performance targets—to take risks that PR would avoid.
5. **No ultimate gatekeeper:** There is no central authority empowered to conduct unified reviews of all outgoing communication. Most critically, no one is empowered to say no to high-level decisions that carry significant reputational risks.

Taking a proactive approach

To close this gap, organisations must take action across three dimensions: awareness, process, and authority.

- **Enhance risk awareness:** Recognise that not every member of the communication team is naturally equipped to identify public opinion risks. Provide regular training in public sentiment analysis, crisis case studies, and relevant laws and regulations. Keep the team updated on social trends and cultural sensitivities to prevent misjudgements based on outdated information.
- **Streamline approval processes:** Break down departmental silos and implement a cross-functional review system. All external content—including campaigns, advertisements and press releases—should be evaluated by PR or dedicated risk-control staff. Manage external vendors rigorously, embedding public opinion risk clauses into service agreements.
- **Empower the gatekeeper function:** Redefine the PR department's role by granting it veto power over high-risk communication initiatives. Establish an independent 'public opinion gatekeeper' role, held by someone with both expertise and organisational authority. For major campaigns, require a pre-release risk assessment report to be submitted directly to decision makers.

Finally, senior leadership must institutionalise a 'say no' mechanism. They should respect professional judgment, ensure all key decisions undergo risk evaluation, and avoid prioritising short-term creativity and engagement at the expense of long-term brand reputation.

Conclusion

The PR crises experienced by companies like Arc'teryx and Swatch serve as a warning: in today's world of instant information spread, every external statement and marketing activity can become the starting point of a crisis. The failure of public opinion early-warning mechanisms is ultimately a failure of corporate management and accountability.

Only by embedding risk prevention into daily operations and approaching public sentiment and social norms with humility and respect can companies protect their brand reputation and achieve sustainable growth. After all, a brand's true value lies not in fleeting viral moments, but in the long-term accumulation of trust.

Ulan Tuya is a senior PR consultant with over 20 years of experience. She is the founder of **Linglong Gezhi PR Consultancy Co Ltd.**

Media Watch

Chamber launches European Business in China Position Paper 2025/2026

The European Chamber published its *European Business in China Position Paper 2025/2026* (*Position Paper*) on 17th September, with 24 journalists joining the report's official launch event. Two embargoed media roundtables were held on the preceding day, and a lunch event with leading international media was held shortly after the *Position Paper's* launch.

Chamber President Jens Eskelund had interviews with *Bloomberg* and *CCTV* on 17th September, and Secretary General Adam Dunnett was interviewed by *Market News*. Within 24 hours of its launch, 33 original articles had been published on the *Position Paper*.

President Jens Eskelund being interviewed by *Bloomberg* on the *Position Paper*
Media: *Bloomberg*
Date: 17th September 2025


FINANCIAL TIMES

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EU-China relations + Add to myFT

EU companies hit by renewed delays to Chinese rare earths licences

Chamber urges Beijing to lower trade barriers as businesses suffer bottlenecks over critical minerals

FT article on the Chamber's *Position Paper*
Media: *FT*
Date: 17th September 2025

Chamber's September Brussels Tour in the media

From 22nd to 26th September, a delegation of European industry representatives, led by Chamber President Jens Eskelund, travelled to Brussels for a week of meetings with EU officials. On 25th September, an on-the-record session was held, in partnership with the European Institute of Asian Studies, at which Eskelund and several members of the Chamber's Executive Committee shared their views on the business environment in China. On the sidelines of the tour, Eskelund and Secretary General Adam Dunnett were interviewed by several media outlets, including the *Financial Times* and the *Wall Street Journal*.

President Jens Eskelund being interviewed by *Euronews*
Media: *Euronews*
Date: 24th September 2025

EU Firms Face New Production Halts on China Rare Earth Pinch

By Bloomberg News
September 18, 2025 at 12:35 PM GMT+8
Updated on September 19, 2025 at 4:33 PM GMT+8

Bloomberg article on China's export controls on rare earth elements
Media: *Bloomberg*
Date: 18th September 2025

The Race Is on to Make Rare Earth Magnets Outside China

After Beijing exerted its power over the valuable magnets as leverage, other countries started to add production, but only incrementally. And China is far ahead.

A *NYT* long read on China's rare earth export controls
Media: *The New York Times*
Date: 19th September 2025

Chamber representatives comment on lay-offs and China's 'K visa'

On 10th September, the European Chamber's Human Resources (HR) Working Group Vice Chair Jeanette Yu was interviewed by *Les Echos* on the reasons why some foreign companies are laying off many of their China staff. She noted that one of the drivers is foreign companies restructuring their China operations, including by cutting headcount, as a means to cut costs and boost efficiency.

China introduced its new 'K Visa' in October 2025 to attract science and engineering professionals to come and work in the country. Speaking to the *SCMP*, HR Working Group Chair Ioana Kraft said that further clarity is needed on the scope of the visa, including more details on eligibility for the scheme.

« La chasse aux coûts atteint un niveau record » : en Chine, une vague de licenciements balaie les entreprises étrangères

Les Echos article on several foreign companies laying off large numbers of their staff in China
Media: *Les Echos*
Date: 10th September 2025

Chamber's views on China's rare earth export controls sought by media

On 4th April 2025, China announced export controls on several rare earth elements (REEs) and permanent magnets under its Export Control Law, a development which compels exporters to obtain licences before shipping REEs and magnets overseas. Although an uptick in the rate of approvals was seen following the 25th EU-China Summit, many European companies continue to encounter significant challenges obtaining export licences, with some at risk of production stoppages.

On 19th September, the Chamber shared a statement with media on the latest developments, based on input gathered from several members. It noted that out of 141 reported applications for REE licences, 19 had been approved as of 9th September. *Bloomberg* published several articles quoting the Chamber's stance, suggesting that European businesses may face production stoppages due to China's REE export controls, something *The New York Times* also focussed on.

On 9th October, China's Ministry of Commerce (MOFCOM) announced a further tightening of export controls on REE-related items and technologies, as well as an expansion in the scope of items to which export controls apply. On 10th October, the Chamber proactively shared a statement with journalists on the development, which stated it is likely to lead to a further escalation in EU-China trade tensions. The statement was quoted by *AP* and the *South China Morning Post*.

Following the meeting between Chinese President Xi Jinping and US President Donald Trump on 30th October, China's MOFCOM announced that it would suspend its 9th October round of REE export controls on critical minerals used in military hardware, semiconductors and other high-tech industries for a year. Shortly after this, following high-level meetings with the EU, China also confirmed that the suspension will extend to the EU.

EU firms brace for more shutdowns due to China rare earth controls despite summit promise

By Mei Mei Chu
September 17, 2025 9:15 AM GMT+8 · Updated September 17, 2025

Reuters reports on China's exports controls
Media: *Reuters*
Date: 17th September 2025

Events Gallery

BEIJING, 12TH NOVEMBER 2025

Breakfast Roundtable with Joerg Wuttke: EU-China Tech and Geopolitics Rivalry

- China's growing industrial overcapacity is intensifying global trade tensions and undermining the competitiveness of European industries.
- Legal and security-related uncertainties in US-China-EU trade policies are increasing operational risks for multinational companies.
- European firms must upgrade manufacturing and technology capabilities, especially in artificial intelligence and software, while managing supply chain investigations and regulatory risks.

BEIJING, 20TH OCTOBER 2025

Briefing on the Second EU Tour of 2025

- The Brussels visit had two main goals: raising stakeholders' awareness of EU firms' China issues and gaining a better understanding of the EU's evolving China policy.
- It is vital that China clarifies what is considered a 'domestic product' in the country's public procurement market.
- China's rare earth export controls may stay in place; therefore, the EU will need to develop alternative sources of supply and prepare for future challenges.

SHANGHAI, 8TH NOVEMBER 2025

CIIE Side-event: Smart Financing for SMEs

- The European Chamber and EU SME Centre highlighted the vital role of small and medium-sized enterprises (SMEs) in driving economic growth and resilience in China and Europe.
- It is crucial to provide smarter financing solutions, employee development, and practical solutions to strengthen SME competitiveness.
- Collaboration between government, business, and academia was emphasised as key to supporting SME growth and innovation.

SHANGHAI, 12TH NOVEMBER 2025

Shanghai Position Paper 2025/2026 Launch

- Strengthening Shanghai's internationalisation and policy coordination is essential to boost business confidence.
- Supporting small and medium-sized enterprises and advancing the green transition remain key drivers of Shanghai's competitiveness.
- Enhancing supply chain resilience across the Yangtze River Delta is crucial for sustainable regional growth.

TIANJIN, 22ND OCTOBER 2025

Review of Tianjin Heavy Pollution Weather Emergency Plan

- An online platform will soon be introduced for administrative work related to environmental protection.
- Regulatory measures will be made more stringent for mobile source pollution.
- A list of industries exempt from the emergency plan includes those essential to the normal functioning of society, as well as companies with international trade volumes that reach a certain level or account for a significant share of their operations.

NANJING, 23RD OCTOBER 2025

Position Paper and Business Confidence Survey Launch 2025

- Nanjing Chapter members report a better business environment compared to the national average, with higher profitability (74 per cent), greater perceived equality for foreign firms (86 per cent), and stronger confidence in China as a top investment destination, highlighting regional improvements amid broader challenges.
- The *Position Paper* identifies structural economic issues and contains suggestions for measures that would tackle inefficiency, rebalance trade and leverage economic strengths for more sustainable economic growth.

SOUTH CHINA, 5TH NOVEMBER 2025

Position Paper 2025/2026 South China Launch

- The health of China's domestic economy is the primary concern of Chamber members, driven by a domestic imbalance between supply and demand.
- In the context of future collaboration, there is a need for a more collaborative approach on the green transition and an inclusive digitalisation strategy that avoids market fragmentation.
- European companies are making strategic investments in research, development and innovation centres in Shenzhen. This demonstrates clear confidence in the city's potential and is a move to integrate into higher-value segments of the supply chain.

SOUTHWEST CHINA, 3RD SEPTEMBER 2025

Business Confidence Survey Launch 2025 (Chengdu)

- In Southwest China, the outlook is cautious but resilient. Companies are not leaving – they are adapting.
- Chapter members reported more market opening than in other regions – 71 per cent said they saw progress.
- Transparency in local policy making was the top area that Chapter members said needed improvement.

Advisory Council News

Bureau Veritas signs declaration of cooperation to accelerate nuclear for maritime applications

Photo: pixabay

With more than 30 European companies from the French and international nuclear and maritime sectors, Bureau Veritas (BV), a world leader in testing, inspection, and certification, formally signed the *Declaration of Cooperation for Accelerating Nuclear for Maritime Applications to meet Climate Ambitions* during the World Nuclear Exhibition in Paris. The signing represents a landmark initiative uniting international stakeholders across the nuclear, maritime, research, financial and regulatory communities in a shared commitment to promote a European initiative to advance the safe and sustainable use of nuclear technologies for maritime decarbonisation.

The declaration recognises the critical role of the maritime sector in achieving global climate goals and the need to transition to low-carbon energy systems. It highlights the potential of Small Modular Reactors (SMRs) to become a safe, reliable, and sustainable solution for maritime and port energy systems. Together, the signatories reaffirmed their commitment to advancing innovation in line with the France 2030 Investment Plan, which allocates euro 1 billion to the development of innovative nuclear technologies, including SMRs.

The signatories have committed to an ongoing collaborative effort—across industries—to address technological, regulatory, and societal challenges, and to identify pilot projects to test and validate nuclear-powered solutions. The declaration also emphasises transparent communication on nuclear safety to build public understanding and trust.

In addition, the participants encourage Administrations to develop a robust European ecosystem that will facilitate the development of nuclear technologies in maritime operations; to strengthen international collaboration with the International Atomic Energy Agency (IAEA) and the International Maritime Organization (IMO); and to call on governments and institutions to provide regulatory clarity, equitable access to climate finance, and harmonised safety standards. Progress will be reviewed annually to ensure transparency and alignment with global climate and energy transition targets.

GSK and Empirico enter licence agreement for clinical-stage, first-in-class oligonucleotide candidate to treat respiratory diseases

GSK Plc and Empirico Inc, a clinical-stage biotechnology company with leading capabilities in human genetics-driven target discovery and siRNA medicines, today announced that they have entered into a worldwide exclusive licence agreement for EMP-012, a highly selective first- and potentially best-in-class siRNA, a type of oligonucleotide. EMP-012 addresses a novel therapeutic target and is currently in a phase I trial for the treatment of chronic obstructive pulmonary disease (COPD), with the potential for expansion into other inflammatory respiratory diseases.

Medical need in COPD remains high despite ongoing innovation. By 2050, COPD prevalence is expected to increase to about 600 million people and become the leading cause of all hospital admissions, costing healthcare systems approximately United States dollar 4 trillion. Given the heterogeneous nature of COPD, novel therapeutic approaches are needed to treat the full spectrum of patients, especially those who do not qualify for biologics and face continued symptoms, exacerbations and hospitalisations.

EMP-012's novel mechanism of action, discovered by Empirico, targets a distinct inflammatory pathway introducing the potential for a therapeutic approach that is agnostic of baseline type 2 inflammation, smoking or co-morbid disease. The target is backed by extensive genetic data and translational insight, providing confidence in its potential. Based on this mechanism, EMP-012 could offer clinical benefit in patients with non-type 2 inflammation, a key patient sub-group where treatment options are limited. EMP-012's enhanced potency and longer dosing interval, resulting from Empirico's proprietary siRNA chemistry, strategically complements GSK's ongoing programmes in COPD, including long-acting biologics. In addition to its potential as a monotherapy, EMP-012 provides GSK further optionality for combinations across its COPD portfolio and pipeline.

Schneider Electric accelerates industrial decarbonisation at COP30

Schneider Electric, a global energy technology leader, recently announced its participation in the 30th United Nations Climate Change

Photo: Schneider Electric

Conference (COP30) in Belém, Brazil. The company arrived at the event mobilising businesses, governments, and civil society around a practical agenda for energy and industrial transformation, aimed at boosting local economic resilience and promoting a just and inclusive transition.

"Ten years after the Paris Agreement, COP30 presents a turning point for the global climate action agenda," said Esther Finidori, chief sustainability officer of Schneider Electric. "We now have the tools, the ambition, and the global imperative to move from pledges to progress. When electrification meets digital intelligence, and when innovation meets inclusion, we unlock a transition that is faster, fairer, and more resilient."

Decarbonising Brazilian industry

A new report from Schneider Electric's Sustainability Research Institute and the Brazilian Ministry of Development, Industry, Trade, and Services (MDIC) highlights Brazil's potential to lead global industrial transformation and achieve critical emissions reductions. The research explores the country's strategic advantages, including its clean and diversified energy matrix, green hydrogen potential, abundant natural resources, and central role in ecosystem preservation, providing insights for public policies and institutional decision-making.

The study is structured in three phases. The first phase presents prospective scenarios through 2050 for demand-driven decarbonisation based on international experiences and impact analyses on energy, emissions, and technologies. Subsequent phases will be released throughout COP30. These will provide recommendations on industrial policies, electrification and efficiency strategies as well as detailed scenarios for achieving carbon neutrality in Brazilian industry. The initiative reinforces the importance of combining innovation, competitiveness, and environmental responsibility, positioning Brazil as a model for low-carbon development.

Developing a future-ready workforce

A new analysis from Schneider Electric and consultancy Systemiq projects the creation of up to 760,000 new bioenergy jobs by 2030, positioning Brazil as a global leader in renewable fuels.

The report, 'Shaping Brazil's Workforce for a De-fossilized Economy', emphasises the need to train and reskill 450,000 new professionals in automation, electrification, and carbon traceability, proposing a three-phase action plan that combines technical training, data integration between corporations and government, and structural educational reforms.

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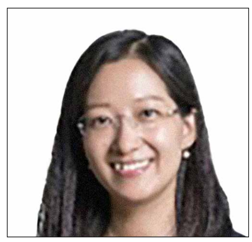

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CARBON NEUTRALITY ACTION
WORKING WITH CHINA TOWARDS 2060

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