EURObiz

Journal of the European Union Chamber of Commerce in China

ISSUE 90 **JANUARY/FEBRUARY 2026**

https://www.eurobiz.com.cn/

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.

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

RSS

Listen on Apple Podcasts | Listen on Spotify | YouTube

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

WeChat

Podcast

We would love to hear your feedback. Contact us at website@europeanchamber.com.cn

FOLLOW US:

中国欧盟商会

中国欧盟商会
EUCCC

European Union Chamber of Commerce in China

EURObiz Online

WeChat QR Code

Contents

ISSUE 90
JANUARY/FEBRUARY 2026

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@europeanchamber.com.cn

National Member Relations Manager

Luyang Syvänen

+86 (10) 6462 2066 Ext. 37

lsyvanen@europeanchamber.com.cn

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

BEIJING

Office C412,
Beijing Yansha 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
euccc@europeanchamber.com.cn

TIANJIN

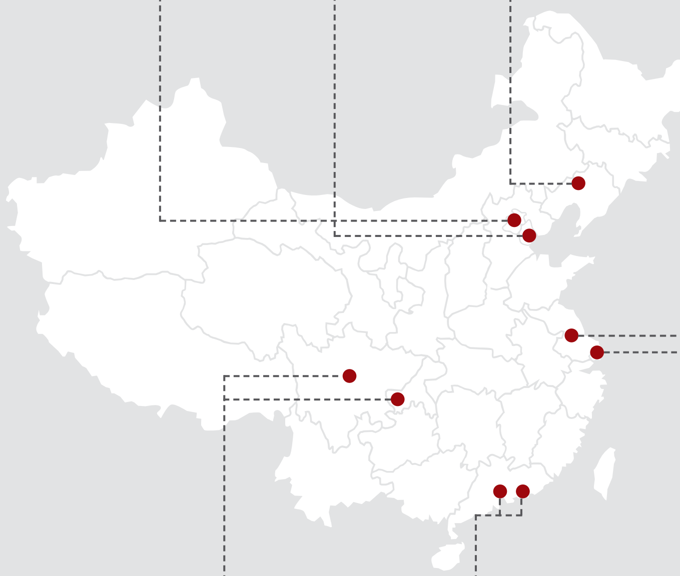
41F, The Executive Centre, Tianjin World Financial Centre, 2 Dagubei Lu, Heping District, Tianjin, 300020, PR China
天津市和平区大沽北路 2 号
天津环球金融中心
41 层德事商务中心
Tel: +86 (22) 5830 7608
tianjin@europeanchamber.com.cn

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@europeanchamber.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@europeanchamber.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@europeanchamber.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@europeanchamber.com.cn

SOUTH CHINA GUANGZHOU

Unit 3218, 32/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 3218 室
Tel: +86 (20) 3801 0269
Fax: +86 (20) 3801 0275
southchina@europeanchamber.com.cn

SOUTH CHINA SHENZHEN

Room 808, 8F, Tower1,
Novel Park, No.4078 Dongbin Road,
Nanshan District, Shenzhen,
518067, PR China
深圳市南山区东滨路 4078 号
永新汇 1 号楼 808 室
Tel: +86 (755) 8635 0974
southchina@europeanchamber.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@europeanchamber.com.cn

President's Foreword

China well positioned for rebalancing in 2026

Jens Eskelund

President

European Union Chamber of Commerce in China

With 2025 proving to be a tumultuous year for doing business in China, 2026 brings hope that there will be improvements in a number of areas. The forthcoming release of the 15th Five-year Plan (15FYP) will set the tone of Chinese policymaking for the coming five years and drive much discussion in 2026.

Rebalancing—both of the domestic economy and international trade—will remain a top ask for businesses during the year ahead. The mismatch between domestic manufacturing output growth and the ability of the domestic market to absorb this output continues to pressure manufacturers to accelerate exports, leading to ever-increasing trade imbalances and growing trade tensions, as outlined in the Chamber's recent supply chains report.[1] A gradual appreciation of the *renminbi* would promote rebalancing, helping to reduce trade tensions. However, China still needs to address several structural issues that affect its domestic economy.

Factory gate deflation has now persisted for over three years,[2] with the pace of consumption growth unable to keep up with production growth. Exports provide an off-ramp for some of China's capacity, but surging volumes have resulted in unprecedented pushback from a number of markets.

This phenomenon is partly a result of involution, with China's Government adopting a number of policies to address it, such as efforts to boost domestic consumption.[3] The 15FYP will likely continue to embrace similar measures, but time is needed before their impact becomes clear.

While it is positive that China has recognised the importance of addressing involution, early indications about the 15FYP outlined in the Chamber's *Position Paper 2025/2026* suggest that self-reliance will remain a top priority.[4] For many European companies, accustomed to long-standing issues such as localisation requirements, this is cause for concern.

While China is unlikely to reverse its efforts to achieve self-reliance in strategic areas, European companies continue to hope that these initiatives can be undertaken in a way that protects the role of market forces, allowing both foreign and Chinese companies to compete on a level playing field. This would necessitate a shift in the way that industrial policy is used, leveraging 'new quality productive forces' in a different way to the Made in China 2025 initiative, which saw highly strategic industrial policy used to promote technological leadership in key sectors without regard for maintaining a level playing field, contributing to involution.[5]

The 15FYP is likely to essentially be a continuity of the 14FYP, with major policy reversals unlikely. The new plan does, however, provide an opportunity for China to make small adjustments that could have a big impact on the country's business environment, benefitting foreign and Chinese companies alike.

---

1 *Dealing with Supply Chain Dependencies: Challenges and Choices*, European Chamber, 10th December 2025, viewed 7th January 2026, <https://www.europeanchamber.com.cn/en/publications–archive/1377/Dealing_with_Supply_Chain_Dependencies_Challenges_and_Choices>

2 *In November 2025, the Producer Price Index (PPI) continued to rise month–on–month,* National Bureau of Statistics, 10th December 2025, viewed 5th January 2026, <https://www.stats.gov.cn/sj/zxfb/202512/t20251210_1962014.html>

3 *Curbing irrational competition to foster innovation*, *China Daily*, 25th August 2025, viewed 4th January 2026, <https://global.chinadaily.com.cn/a/202508/25/WS68ab9abfa310851ffdb4fcba.html>

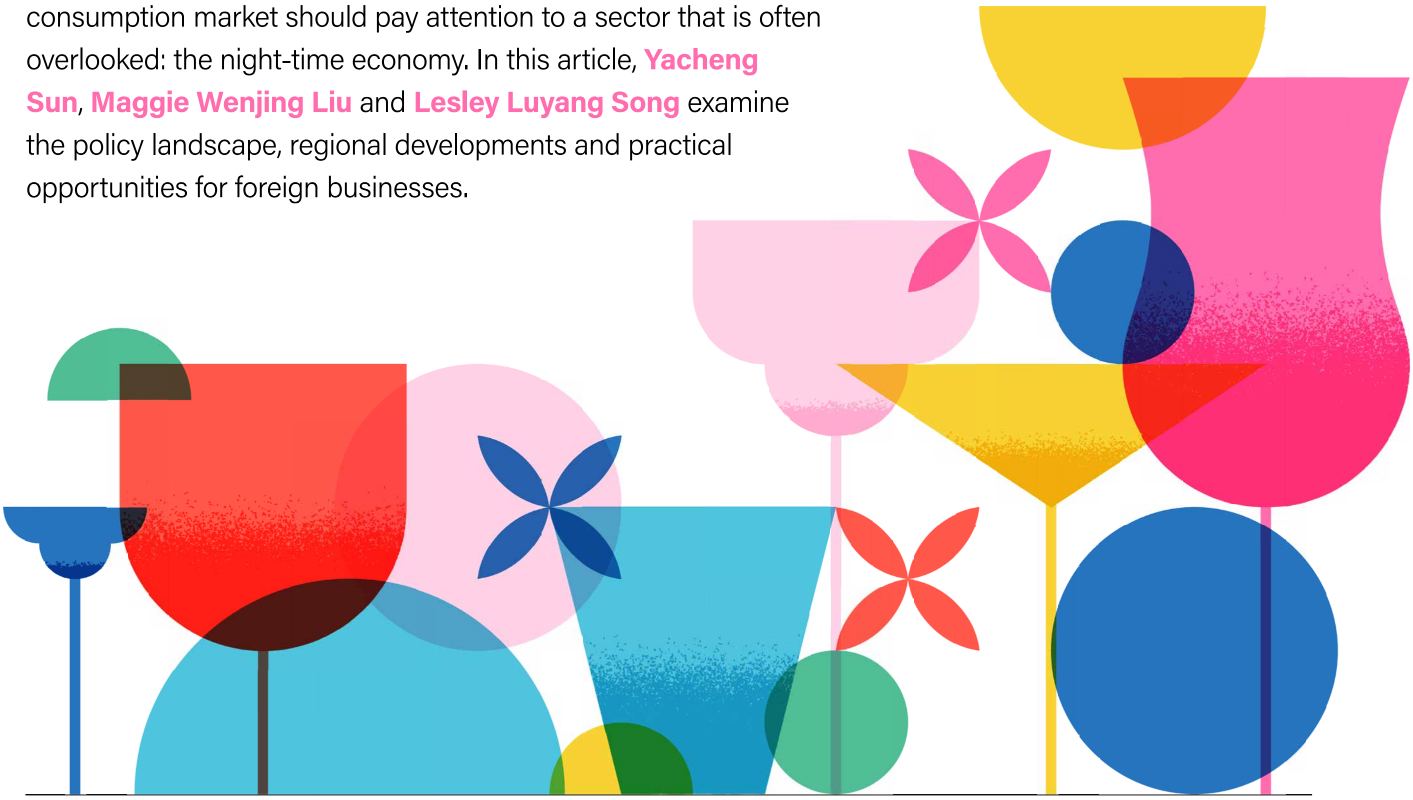
4 *European Business in China Position Paper 2025/2026*, European Chamber, 17th September 2025, viewed 7th January 2026, pp. 6–7, <https://www.europeanchamber.com.cn/en/publications–archive/1373/European_Business_in_China_Position_Paper_2025_2026>

5 *Made in China 2025: The Cost of Technological Leadership*, European Chamber, 16th April 2025, viewed 7th January 2026, <https://www.europeanchamber.com.cn/en/publications–archive/1274/Made_in_China_2025_The_Cost_of_Technological_Leadership>

After DARK

Opportunities in China's night-time economy

European companies looking to tap into China's domestic consumption market should pay attention to a sector that is often overlooked: the night-time economy. In this article, **Yacheng Sun**, **Maggie Wenjing Liu** and **Lesley Luyang Song** examine the policy landscape, regional developments and practical opportunities for foreign businesses.



China's night-time economy—defined as service-sector consumption occurring between 6 PM and 6 AM—has emerged as a critical driver of domestic consumption and urban vitality. According to industry research, the market scale increased from Chinese yuan (CNY) 22.54 trillion in 2018 to CNY 50.25 trillion in 2023.[1] Ministry of Commerce surveys indicate that 60 per cent of urban consumption occurs during night-time hours, with major shopping centres generating more than half of their daily sales between 6 PM and 10 PM.

China's four unique advantages

China possesses four distinctive advantages for developing its night-time economy that distinguish it from other major economies and create opportunities for foreign businesses:

Public safety: Chinese cities rank among the world's safest for night-time commercial activity. Residents can walk the streets late at night with a sense of security far exceeding most Western countries, providing the fundamental prerequisite for night-time consumption and reducing operational risk for businesses.

Advanced digital infrastructure: Mobile payment penetration exceeds 90 per cent, and 5G networks provide extensive coverage, creating a solid foundation for the digital transformation of night-time commerce.

Widespread delivery networks: Millions of delivery riders constitute a 24-hour logistics network that not only satisfies consumer demand but also creates substantial employment

[1] Zhao, X, *China Night–time Economy Industry Market Analysis Report*, Zhiyan Consulting, 18th November 2024, viewed 12th January 2026, <https://www.chyxx.com/industry/1202839.html>

opportunities, allowing businesses to extend service hours without requiring customers to visit physical locations.

Deep cultural heritage: From Tang and Song dynasty night markets to the modern night-time economy, over a thousand years of tradition has cultivated unique night-time consumption habits and cultural identity among Chinese consumers.

The consumption landscape

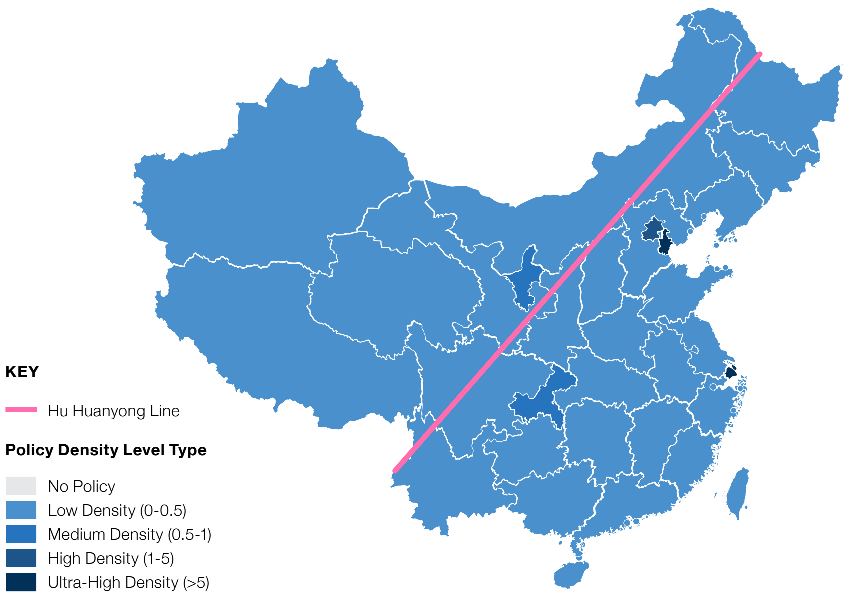
The sector has developed a comprehensive ecosystem spanning multiple formats: night-time dining (from street food to Michelin-starred restaurants, forming a distinctive 'midnight canteen' culture); night shopping (transitioning from traditional department stores to experiential retail and 24-hour convenience stores); cultural entertainment (museum night programmes, late-night theatre, immersive experiences); night tourism (river cruises, illuminated landmarks); sports and fitness (night running, evening sports leagues). Evening education is another bright spot – Shanghai's citizen art school saw 650,000 people competing for just 10,000 places on its 2023 autumn evening programme, demonstrating strong demand for night-time cultural programming.

The policy landscape

Between 2010 and June 2025, all 31 provincial-level administrative regions issued night-time economy policies, totalling 61 documents and representing significant policy mobilisation.

Geographic distribution: There is a clear distribution pattern to announced policies, with relevant policies concentrated overwhelmingly in the east.

Figure 1. Geographic distribution of night-time economy policies across China

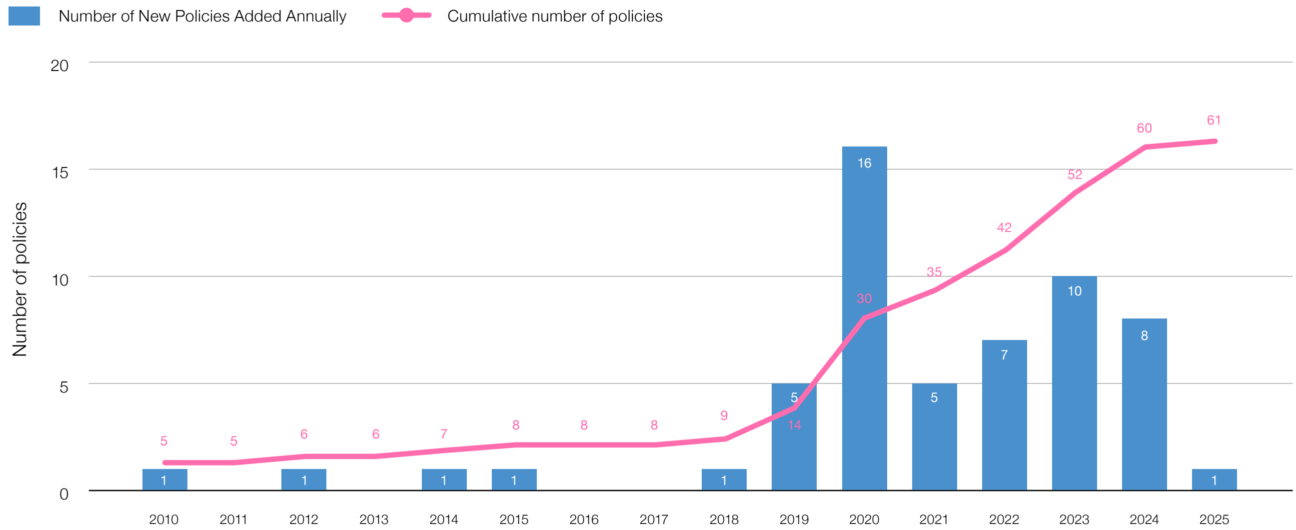


The North China region leads with 15 policies, with Tianjin alone accounting for nine—the highest of any province/municipality—demonstrating the proactive policy innovation capacity of municipalities directly under the central government. East China follows with 12 policies, reflecting economically developed regions' emphasis on the night-time economy. Henan Province ranks second nationally with four policies, demonstrating the populous region's urgent need to leverage its night-time economy to stimulate consumption and generate jobs. Figure 1 illustrates the geographic distribution of night-time economy policies across China's 31 provincial-level regions, with policy density closely following the Hu Huanyong Line that historically divides China's densely populated east from its sparsely populated west.

> "Shanghai's citizen art school saw 650,000 people competing for just 10,000 places on its 2023 autumn evening programme"

Policy development shows clear phased characteristics: As Figure 2 shows, the 'exploration period' (2010–2018) produced only seven policies across nine years, reflecting that the night-time economy had not yet garnered mainstream policy attention. The 'explosion period' (2019–2020) marked a turning point: 2019 saw five policies (a 400 per cent increase from 2018's single policy), and 2020 reached a peak with 14 policies announced. This surge coincided with the

Figure 2. Annual and cumulative night-time economy policy issuance in China, 2010–2025



Ministry of Commerce designating night-time economy development as a key consumption promotion measure. The maturation period (2021–2024) produced 26 policies over four years, with policies becoming more systematic, coordinated and operationally specific.

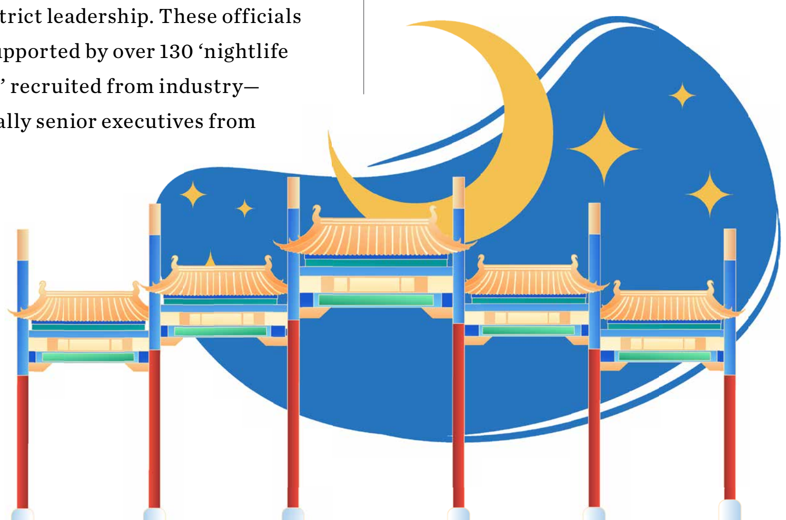
The night mayor system

Shanghai pioneered the 'night district chief' system in April 2019, creating a model that has since spread across China. Each of the city's 16 districts has assigned a deputy district head to serve as night district chief, responsible for coordinating night-time economy development and reporting to district leadership. These officials are supported by over 130 'nightlife CEOs' recruited from industry—typically senior executives from major commercial and entertainment enterprises—who serve as bridges between government and market.[2]

Beijing has adopted a similar model with its three-tier 'lamplight keeper' system spanning municipal, district, and street levels. Beijing's Qianmen Street, designated as one of the city's first four 'night Beijing' landmarks in 2019, exemplifies this approach. The historic street now features extended evening hours for traditional shops, themed lighting and cultural programming, including Beijing opera and craft demonstrations – attracting 35 million visitors in 2024, up 75 per cent from 2019.[3]

75%

Qianmen Street attracted 35 million visitors in 2024, up 75 per cent from 2019.



In Shanghai, night district chiefs are appointed from among district leaders responsible for coordinating night-time economic development. The nightlife CEO system encourages districts to publicly recruit individuals with management experience in night economy-related industries to assist the night district chiefs. As district government leaders, night district chiefs report to their superiors and relevant municipal departments. Nightlife CEOs report directly to their district's night district chief. This dual-track system retains Chinese administrative characteristics while introducing professional business management, and has now been promoted to 15 cities including Guangzhou and Chengdu.

[2] *Guidance on Promoting Night–time Economy Development in Shanghai*, Ministry of Justice, 28th June 2021, viewed 12th January 2025, <https://www.moj.gov.cn/pub/sfbgw/zwgkztzl/2021nzt/20210420fdbnl_2329/fzzfjsxl/202106/t20210628_429035.html>

[3] *Qianmen Street has changed*, *Beijing Daily*, viewed 12th January 2026, <https://news.bjd.com.cn/2025/06/26/11212947.shtml>

Regulatory innovations

The 61 policy documents reveal four categories of policy tools. **Fiscal support policies** feature prominently, with 38.2 per cent of policies explicitly proposing financial support measures. Tianjin established dedicated night-time economy development funds using a 'rewards instead of subsidies' approach, providing percentage-based subsidies for construction and renovation of pilot districts.

Regulatory adjustment policies appear in 40.1 per cent of documents. Shanghai pioneered relaxed outdoor seating regulations, allowing 'external seating areas' during specified evening hours – a major breakthrough in urban management. Beijing supports 24-hour convenience stores, late-night dining establishments and 24-hour bookstores. Chengdu has gone further, allowing street-facing businesses to set up outdoor seating on sidewalks from 8 PM to 2 AM without impacting traffic flow.

Yangpu District's Daxue Road exemplifies Shanghai's approach. The street established a self-governance committee in 2019, bringing together government, property management, merchants and residents. Management standards have been developed and upgraded to 'version 2.0', adopting a 'one road, one plan; one store, one standard' approach. The regulations specify permitted zones, and establish transparent approval processes. A self-governance committee enforces accountability through formal guidelines, including for outdoor seating and store sign installation. Violations can result in the loss of outdoor seating privileges, while serious or repeated infractions may lead to non-renewal of business leases. The 700-metre street now hosts nearly 80 speciality merchants.[4]

Public service policies provide supporting infrastructure, with 39.8 per cent of policies containing public service content. Multiple cities extended metro and bus operating hours, with Shanghai and Guangzhou metros running until after midnight on weekends. Tianjin requires designated night-time economy zones to add temporary parking spaces.

Regional characteristics

Different regions have developed distinctive policy approaches reflecting local conditions:

North China leads in policy quantity and innovation intensity, with Tianjin's comprehensive policy system spanning municipal-level coordination to district-level implementation. Beijing focusses on brand building, with 'Night Beijing' becoming a nationally influential night-time economy brand.

East China demonstrates outstanding policy quality and innovation, with Shanghai's night mayor system influencing local policies nationwide. Jiangsu and Zhejiang provinces emphasise deep integration of the night-time economy with cultural tourism, creating numerous culturally distinctive night-time consumption venues.

Western regions are starting to catch up with other areas. Xi'an leveraged its deep historical heritage to create the 'Great Tang Never Sleeps City' tourism brand, becoming a viral destination. Chengdu capitalises on its culinary heritage and boasts a flourishing night-time dining economy. Chongqing utilises its unique mountain scenery to promote night tourism, with three-dimensional night markets featuring platforms at different elevations that form layered night-time landscapes.

Northeast China faces economic transformation pressures and treats the night-time economy as a crucial lever for stimulating urban vitality. Jilin Province's three policies demonstrate high regard for the night-time economy, particularly in exploring the integration of ice and snow tourism with the night-time economy.

How European companies can participate

European companies are well positioned to capitalise on China's night-time economy by leveraging their expertise, brand reputation and unique cultural assets. Practical approaches include:

Food and beverage: European restaurant and bar concepts can capitalise on Chinese consumers' appetite for authentic international experiences. Premium positioning and extended operating hours can differentiate offerings in a market where traditional formats dominate.

Retail and experiential commerce: European fashion, cosmetics, and lifestyle brands can help to develop night-time shopping events, pop-up experiences, and late-night retail programming that align with the peak consumption window between 7 PM and 11 PM.

Cultural and entertainment programming: European cultural institutions, entertainment companies, and event organisers can partner with Chinese venues to develop night-time cultural offerings, from late-night museum exhibitions to evening performance series. Global brands have demonstrated this potential: AB InBev successfully introduced Tomorrowland, the

[4] *Shanghai further optimizes the management of stall establishment and improves the city's "fireworks" to balance vitality and order*, Shanghai Municipal Government, 31st May 2025, viewed 12th January 2026, <https://www.shanghai.gov.cn/nw4411/20250531/ef7317bd6c664cc7b84ef70a1bb08b17.html>

world's premier electronic music festival, creating immersive night-time experiences that showcase European cultural exports.

Digital and delivery integration: Social media can be utilised to market night-time offerings and integrate with delivery platforms to extend reach beyond physical locations.

Urban design and lighting: European expertise in urban planning, lighting design, and public space activation is highly relevant as Chinese cities invest in night-time infrastructure and ambience. Beijing has converted air-raid shelters into underground bar streets; Chongqing has developed multi-level night markets – such projects represent partnership opportunities.

Market access considerations

Despite promising opportunities, several challenges require attention:

Regulatory complexity: Establishing a single night market requires approvals from commerce, public security, urban management, transportation, health, environmental protection, and fire safety departments, each with different standards and overlapping jurisdictions. Innovative formats like mobile food trucks and pop-up stores often cannot find applicable approval categories.

Infrastructure gaps: Public transit operating hours may be misaligned with night-time economic activity, parking facilities face supply-demand imbalances, and medical emergency resources are inadequately distributed for night-time needs.

Noise and neighbour relations: Noise issues have become a significant constraint, involving conflicts among businesses seeking vibrant atmospheres, consumers seeking entertainment, and residents requiring a quiet environment. Understanding local regulations and community expectations is essential.

> **"China's night-time economy stands at a critical juncture, transitioning from exploratory pilots to comprehensive development."**

Format homogenisation: Night-time economic offerings across cities show high similarity, mainly concentrated in traditional formats like barbecue restaurants and food stalls. Consumption activity is excessively concentrated between 7 PM and 11 PM. European companies offering differentiated, high-quality experiences may find competitive advantages.

Recommended actions

- **Monitor policy developments:** China currently lacks unified national night-time economy guidance, but this is expected to change given the government's consumption priorities. Early engagement positions companies to benefit from forthcoming support.
- **Engage with local night district chiefs and nightlife CEOs** who serve as bridges between government and market – these officials are tasked explicitly with supporting night-time economy development.
- **Partner with established local operators** who understand regulatory requirements and community relationships.
- **Develop offerings for the 7 PM to 11 PM peak window** while exploring opportunities in underserved time periods.
- **Leverage digital platforms** for marketing and delivery integration.

Looking ahead

China's night-time economy stands at a critical juncture, transitioning from exploratory pilots to comprehensive development. There is enormous, untapped potential alongside significant institutional, infrastructural and market challenges. Local policy systems have achieved substantial scale, though regional imbalances persist. Local innovations—particularly Shanghai's night mayor system and outdoor seating regulations—have accumulated valuable experience for national promotion.

For European companies, the sector offers genuine opportunities, but success requires understanding local governance structures, regulatory requirements and consumer preferences. Those who invest in local partnerships and adapt their offerings to Chinese night-time consumption patterns can capture a meaningful share of this expanding market. EB

Yacheng Sun is professor of marketing at Tsinghua University's School of Economics and Management.

Maggie Wenjing Liu is associate professor of marketing at Tsinghua University's School of Economics and Management.

Lesley Luyang Song is associate professor of marketing at Tsinghua University's School of Management.

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

NAVIGATING AI INNOVATION AND LEGAL RISKS

What international businesses in China need to know

As artificial intelligence (AI) continues to transform industries worldwide, **Alex Roberts** and **Yang Fan** argue that international companies operating in China face a rapidly evolving landscape of technological innovation and legal complexity. Recent developments highlight both the opportunities and the risks associated with deploying AI-driven solutions across sectors such as finance, marketing and compliance.

Global AI regulation: China's distinct approach

While the European Union advances its comprehensive AI Act and the United States pursues a fragmented regulatory path, China has emerged as a leader in both AI regulation and innovation. The country's 'AI Plus' strategy and targeted regulations, such as those governing deepfakes and content labelling, set it apart as a jurisdiction with unique compliance challenges for multinational organisations.

Key technological developments in the Asia-Pacific

China and the broader Asia-Pacific region are at the forefront of AI-driven advancements, including:

- Efficient AI models e.g., DeepSeek and Qwen
- Advanced semiconductor development, such as Huawei chips
- Drone-enabled logistics that allow autonomous drone delivery e.g. Meituan drones
- Major investments in data centre infrastructure, notably in Malaysia, Singapore and the Philippines

Legal risks in AI deployment

Content creation and marketing

In the realm of content creation and marketing, AI is enabling companies to generate images, advertising copy, and videos with unprecedented speed and efficiency. However, this innovation comes with significant legal risks. One major concern is intellectual property infringement, as AI models trained

> **There is the phenomenon of 'hallucination', where AI produces factual errors that pose reputational risks and could result in misleading advertising or breaches of consumer protection laws.**

on vast datasets may inadvertently reproduce copyrighted material, leading to potential legal claims – an issue that has already been the subject of several Chinese court cases. Additionally, there is the phenomenon of 'hallucination', where AI produces factual errors that pose reputational risks and could result in misleading advertising or breaches of consumer protection laws. The rise of deepfakes—realistic but fake videos or audio—has prompted China to introduce specific regulations to protect brand integrity and prevent unauthorised impersonations. Furthermore, content labelling laws in China require careful navigation, as multinational teams must comply with a dual-track regulatory regime that is not yet harmonised across jurisdictions.

Communication and transcription

When it comes to communication and transcription, many platforms now offer real-time AI transcription and translation services to automate meeting minutes and enhance accessibility for global teams. While these tools are valuable, they introduce legal complexities around confidentiality and legal privilege. Using third-party AI transcription services for privileged conversations could risk waiving that privilege unless the provider is clearly acting as an agent of the principal. Financial institutions, in particular, must also manage record-keeping obligations, ensuring compliance without inadvertently creating excessive records. Data privacy is another critical issue, as transcribing conversations involves processing personal data, which requires a legal basis and transparency under data protection laws. Recent regulatory actions in Europe and Asia underscore the importance of obtaining valid consent and maintaining clear data processing policies.

Customer profiling and automated decision-making

AI's role in customer profiling and automated decision-making is expanding rapidly, with models analysing transaction histories and social media activity to assess creditworthiness or profile customers. This brings the risk of discrimination and bias, as models trained on historical data can perpetuate or even amplify unfair treatment based on societal stereotypes resulting from characteristics such as race or gender. The complexity of some AI models also makes it challenging to explain decisions, which can conflict with individuals' 'right to an explanation' under laws like the EU's General Data Protection Regulation and China's Personal Information Protection Law. Moreover, using personal data collected for one purpose, such as social media activity, for another, like credit scoring, may violate the principle of purpose limitation. Regulators in Hong Kong and elsewhere are strengthening the rules in this area, and Asia is seeing a trend toward standardised data-sharing frameworks –

though approaches vary between market-driven and regulation-led models.

Fraud detection and anti-money laundering (AML) compliance

In the field of fraud detection and AML compliance, financial institutions are increasingly deploying AI agents to streamline customer due diligence, document verification and risk assessment. While 61 per cent of banking executives identify fraud detection as the top driver of business value from AI, these systems are also prime targets for cyberattacks.[1] Malicious actors may attempt to manipulate transaction inputs, extract sensitive model data, or poison training data, potentially compromising the integrity of fraud monitoring systems. Algorithmic bias is another concern, as AI models may disproportionately flag legitimate transactions from certain demographic groups or regions, leading to unfair account freezes or enhanced due diligence. The lack of transparency in AI decision-making further complicates matters, as regulators now require financial institutions to provide clear explanations for why transactions are flagged or customers are subjected to increased scrutiny.

Asset management and robo-advisory

Finally, in asset management and robo-advisory services, AI advisers are helping clients select funds and optimise portfolio strategies by analysing both structured and unstructured data. However, financial institutions must ensure that AI tools do not replace their fiduciary responsibilities. Even when AI provides recommendations, the ultimate responsibility remains with the institution, and questions of liability may arise between the institution, the AI developer and individual advisors. Algorithmic failure is a real risk, as biases or errors in large language models can lead to inappropriate investment recommendations or even market disruptions. Additionally, firms must retain records of all communications and the basis for investment recommendations, which can be challenging when dealing with AI-generated content and 'black box' decision-making processes.

Conclusion: Compliance and opportunity

As AI technologies continue to advance at an unprecedented pace, international companies operating in China must navigate a complex intersection of innovation and regulation. The deployment of AI-driven solutions across finance, marketing, compliance, and customer service presents significant opportunities for operational efficiency, competitive advantage, and enhanced customer experiences. However, these benefits must be balanced against a growing array of legal and regulatory obligations that are unique to China's regulatory framework.

Organisations should adopt a proactive compliance posture that integrates legal considerations into the AI development lifecycle from the outset. This includes conducting thorough risk assessments before deploying AI systems, implementing robust data governance frameworks, ensuring transparency in automated decision-making processes and maintaining comprehensive documentation of AI model training, testing and deployment. Particular attention must be paid to China's specific requirements regarding content labelling, deepfake regulations, and the dual-track regulatory regime that may differ from frameworks in other jurisdictions.

Cross-functional collaboration between legal, compliance, technology, and business teams is essential to identify and mitigate risks while maximising the strategic value of AI investments. Regular training and awareness programmes should be implemented to ensure that personnel understand both the capabilities and limitations of AI systems, as well as their legal obligations when deploying such technologies. Furthermore, organisations should establish clear accountability structures that delineate responsibility for AI-related decisions and outcomes, recognising that technological automation does not eliminate institutional liability.

Looking ahead, the regulatory landscape for AI in China is expected to continue evolving rapidly, with authorities demonstrating a willingness to introduce targeted regulations in response to emerging risks and technological developments. International companies that invest in building adaptive compliance frameworks, maintain open dialogue with regulators, and stay informed of regulatory developments will be best positioned to harness AI's transformative potential while managing legal exposure effectively. Eb

Alex Roberts is a partner and head of China technology, media and telecommunications (TMT), and privacy at **Linklaters**. **Yang Fan** is a solicitor specialising in TMT and privacy at the firm.

Linklaters LLP is a leading global law firm, supporting clients in achieving their strategies wherever they do business. The firm uses its expertise and resources to help clients pursue opportunities and manage risk across emerging and developed markets around the world.

Linklaters has a long-established presence in China, with about 50 years of experience advising Chinese and international corporates, Chinese state-owned enterprises and financial institutions on their most important strategic deals. We have a truly integrated team of over 200 lawyers working across China's three major business centres: Beijing, Hong Kong SAR and Shanghai.

1 *Banking in the AI era: The risk management of AI and with AI*, IBM, 23rd June 2025, viewed 9th January 2026, <https://www.ibm.com/thought–leadership/institute–business–value/en–us/report/banking–in–ai–era>

SHANGHAI POSITION PAPER 2025/2026

Executive Summary

Shanghai is China's leading financial and commercial hub and a central actor in global trade. In 2024, it became the first port in the world to process over 50 million twenty-foot equivalent units annually.[1] It is also China's largest city by gross domestic product, surpassing Chinese yuan (CNY) 5 trillion.[2] Guided by its 'Five Centres' strategy—aiming to establish itself as an international hub for the economy, finance, trade, shipping, and innovation—[3]Shanghai continues to attract global attention. Home to more than 80,000 foreign-invested companies (FIEs),[4] Shanghai

To download the *Shanghai Position Paper 2025/2026*, go to:

https://www.europeanchamber.com.cn/documents/download/start/en/pdf/1375

[1] *Quotes from mayor's keynote speech at IBLAC 2025*, International Services Shanghai, 12th October 2025, viewed 16th October 2025, <https://english.shanghai.gov.cn/en–Graphic/20251012/5b729d84602e4339bd3abea164a681bd.html>

[2] *Ibid.*

[3] *General Secretary Xi Jinping went to Shanghai to inspect and presided over a symposium on further promoting the integrated development of the Yangtze River Delta, Xinhua*, 5th December 2023, viewed 20th October 2025, <https://www.gov.cn/yaowen/liebiao/202312/content_6918468.htm>

[4] *Quotes from mayor's keynote speech at IBLAC 2025*, International Services Shanghai, 12th October 2025, viewed 16th October 2025, <https://english.shanghai.gov.cn/en–Graphic/20251012/5b729d84602e4339bd3abea164a681bd.html>

stands as a key hub for international business. This is reflected in the Shanghai Chapter, which represents the organisation's largest membership base with 560 members, accounting for a third of the total membership. The city's appeal to international businesses is echoed by our members' business sentiment: 64 per cent find it easy to do business in Shanghai, 74 per cent view the city as a better location than other Chinese cities for establishing a research and development (R&D) facility, and 38 per cent believe Shanghai holds a significant advantage in its innovation ecosystem.[5]

Yet, several indicators continue to challenge Shanghai's ambition to be the Asia-Pacific's leading international hub. No international companies are directly listed on the Shanghai Stock Exchange,[6] in contrast with regional peers, such as Hong Kong,[7] or Singapore.[8] This underscores a key constraint on Shanghai's aspiration to be an international financial centre: limited capital market access for foreign enterprises.

These constraints affect the confidence of European companies: 68 per cent of our members reported missing business opportunities in the city due to market access restrictions or regulatory barriers – second only to Beijing among the Chamber's seven chapters.[9] Moreover, 76 per cent stated that conducting business became more difficult compared to the previous year.[10]

To address this, the Shanghai Chapter proposes five key recommendations designed to improve European businesses' operations while enhancing the city's internationalisation:

- Implement city-wide, consistent rules for FIEs addressing structural barriers – Make Shanghai a single-entry point for foreign businesses with one set of conditions to operate across districts
- Increase Shanghai's international attractiveness to foreign nationals and businesses – Boost Shanghai's attractiveness for foreign nationals and businesses through more favourable taxation, visa policies, living costs and connectivity
- Support small and medium-sized enterprises' (SMEs') growth – Recognise SMEs as the new growth frontier and enable their scale-up through better access to finance and greater transparency
- Enhance Shanghai's competitiveness by enabling European companies to fully participate in the green transition – Make Shanghai more competitive by supporting companies' access to renewables with improved grid access, fair pricing and incentives
- Strengthen Shanghai's supply chain resilience and leverage Shanghai's coordination role for trade issues, including export controls – Encourage Shanghai to lead, facilitate, expedite, and coordinate on region-wide trade issues, in particular in relation to export controls

"This underscores a key constraint on Shanghai's aspiration to be an international financial centre: limited capital market access for foreign enterprises."

Shanghai's internationalisation depends not only on finance, but also on people. As we are in the last year of the 14th Five-year Plan (FYP), Shanghai is working to restore its reputation as an open, dynamic and connected centre. The foreign resident population has reportedly more than halved since pre-pandemic times.[11] High living costs, limited support services for foreign nationals, and complex administrative procedures continue to hinder the city's ability to attract and retain international talent in the long term.

Shanghai implemented several initiatives to attract more foreign investment. The Shanghai Pilot Free Trade Zone (FTZ)—created in 2013 and expanded in 2018 to include Lin-gang Special Area of China Pilot FTZ—offers incentives to foreign investors, including preferential tax policies and facilitation of cross-border data flows. However, adoption among members remains limited (only five respondents reported operating in Lin gang),[12] and the FTZ does not by itself provide a unified, citywide operating ecosystem across districts. The China International Import Expo (CIIE), which has been taking place annually in Shanghai since 2018, was also aimed at showcasing China's open and

---

5 Unpublished Shanghai–specific data collected for the *European Business in China Business Confidence Survey 2025*.

6 Due to Chinese regulations, foreign companies cannot list directly on the A-share market and typically enter by acquiring a controlling stake in an existing Chinese listed company, as seen with international firms like Groupe SEB and HSBC.

7 Hong Kong Exchange, HKEX, viewed 20th October 2025, <https://www.hkex.com.hk/?sc_lang=en>

8 Singapore Exchange, Asean Exchange, viewed 20th October 2025, <https://www.aseanexchanges.org/market/singapore–exchange>

9 Unpublished Shanghai-specific data collected for the *European Union Chamber of Commerce Business Confidence Survey 2025*.

10 This may seem counterintuitive, as 64 per cent of our members consider doing business in Shanghai to be 'easy'. However, these figures measure different aspects of the business environment. The 64 per cent reflects the local ease of doing business—such as paying taxes, relocating, registering a business, or accessing utilities—while the 76 per cent who reported a deterioration in China's overall business environment were referring to broader, national-level factors, including geopolitical tensions and ambiguous security-focussed regulations affecting their operations across China.

11 Chen, L, *Why China's big cities are losing foreign workers even as post–Covid travel picks up, South China Morning Post*, 17th November 2024, viewed 29th September 2025, <https://www.scmp.com/news/china/politics/article/3286717/why–chinas–big–cities–are–losing–foreign–workers–even–post–covid–travel–picks>

12 Unpublished Shanghai-specific data collected for the *European Business in China Business Confidence Survey 2025*.

liberalised market, a welcome signal given the stagnating EU exports to China and growing trade imbalances between China and the EU. Yet, only 13 per cent of our members joined the CIIE for the first time in 2023, and a third of potential newcomers were indifferent.[13] The CIIE would generate greater value by remaining aligned with its initial purpose to encourage increased imports. Although EU exports to China have risen slightly since 2018, they have declined over the past two years, and still lag behind the global average.[14] More importantly, these efforts have not addressed the growing trade imbalance, which reached euro (EUR) 304.5 billion in 2024.[15] As a result, these initiatives appear more like minor adjustments rather than meaningful structural reforms that can attract additional foreign investment.

Underlying barriers persist. Market access restrictions, a lack of a level playing field vis-à-vis domestic competitors, and the absence of a unified city-wide business framework prevent European companies from realising their full investment potential. Low domestic consumption exacerbates these challenges, and some recent national policies—such as lowering the luxury car tax threshold from Chinese yuan (CNY) 1.3 million to CNY 900,000—[16] further discourage spending rather than stimulate it, particularly affecting European manufacturers in Shanghai, a major hub for high-income consumption. Local policies in Shanghai also contribute, such as the high cost of new motorbike plates, which limits the purchase and registration of premium bikes. Introducing a special category of plates or exemptions for collectable and luxury motorcycles and removing the national 13-year motorcycle scrapping policy could help support this segment and open a market where there is considerable potential.

Consequently, almost half of our members in Shanghai reported they would reinvest less than their historic average, while more than half would likely increase their investments in China if greater market access were granted.[17] Barriers are particularly high for small and medium-sized enterprises (SMEs),[18] which lack the resources of large multinational companies and face structural issues, such as limited access to finance or a lack of transparency in processes. An ecosystem in which only large or state-favoured enterprises thrive—while SMEs struggle—is not sustainable and prevents the city from fully harnessing its innovative capacity.

In April 2025, China announced export restrictions on key components, destabilising supply chains and placing additional strain on the EU-China trade relationship. Many of our members have since faced difficulties in obtaining applications and experienced delays in their processes, which further increases administrative complexity, resulting in reduced economic efficiency and, in some cases, production stoppages.[19] Given Shanghai's role as a gateway for China, the city could play a crucial mediating role with the central government to expedite procedures, while providing guidance and policy interpretation at the local level.

Shanghai has set ambitious goals for the coming years to become a globally influential leader in six core industries by 2030: future manufacturing, future information, future materials, future energy, future space and future health.[20] The Shanghai Chapter is ready to help achieve these goals, and European companies can make a significant contribution to this effort. However, they are hindered from playing a role in several of these sectors. In the energy sector, limited access to renewable energy, the absence of subsidies and weak price signals reduce the business case for corporate procurement of green power. In the information and communication technologies sector, the market share of European companies decreased from 30 per cent in 4G to only three per cent in 5G, a sharp decline that cannot be explained solely by commercial reasons.[21]

The Fourth Plenum of the 20th Central Committee of the Communist Party of China convened in October 2025 to discuss the 15th FYP, emphasising the pursuit of a high level of technological self-reliance in strategic sectors and maintaining the country's leadership in global manufacturing. To ensure that Shanghai maintains and enhances its global appeal, we encourage the local government to actively include European companies in the implementation process. The recommendations outlined in the *Shanghai Position Paper 2025/2026* provide concrete measures to improve both the living environment for foreign nationals and the overall business climate for foreign enterprises, thereby further advancing Shanghai's internationalisation.

---

[13] *European Chamber China International Import Expo (CIIE) Flash Survey 2023*, European Union Chamber of Commerce in China, 3rd November 2023, viewed 29th September 2025, <https://www.europeanchamber.com.cn/upload/medianews/attachments/CIIE_Survey_2023_FINAL_VERSION%5B116%5D.pdf>

[14] Sandkamp, A, *EU-China Trade Relations: Where Do We Stand, Where Should We Go?*, Kiel Institute for the World Economy, May 2024, viewed 21st October 2025, <https://www.kielinstitut.de/fileadmin/Dateiverwaltung/IfW–Publications/fis–import/f9a2be87–5855–42b5–bb52–79656914e0f8–KPB176.pdf>

[15] *Slight decline in imports and exports from China in 2024*, Eurostat, 4th March 2025, viewed 30th June 2025, <https://ec.europa.eu/eurostat/web/products–eurostat–news/w/ddn–20250304–1>

[16] The Ministry of Finance and the State Taxation Administration issued a policy in July 2025 at very short notice expanding the definition of ultra-luxury vehicles and lowering the taxable price from CNY 1.3 million to CNY 900,000 (ex-VAT), putting additional pressure on European imports and further constraining domestic consumption. Source: *Automotive Working Group Position Paper 2025/2026*, European Union Chamber of Commerce in China, 17th September 2025, viewed 28th October 2025, p. 175, <https://europeanchamber.oss–cn–beijing.aliyuncs.com/upload/documents/documents/2025_Automotive_Working_Group%5b1366%5d.pdf>

[17] Unpublished data from the *European Business in China Business Confidence Survey 2025*.

[18] The divergence between the EU and Chinese definitions of SMEs, with the EU applying a lower size threshold, contributes to ongoing ambiguity.

[19] The European Chamber conducted a survey in August and September 2025, which revealed that there had been several production stoppages. One member, alongside its Chinese subsidiaries, had already suffered losses worth millions of euros

[20] *Shanghai sets ambitious future industry goals for 2030*, International Services Shanghai, 12th October 2025, viewed 26th October 2025, <https://english.shanghai.gov.cn/en–Policies/20251012/d271176fffa54b7aafc41df738f72ef6.html>

[21] *Information and Communication Technology Working Group Position Paper 2025*, European Union Chamber of Commerce in China, 17th September 2025, viewed 3rd November 2025, p. 307, <https://europeanchamber.oss–cn–beijing.aliyuncs.com/upload/documents/documents/2025_Information_and_Communication_Technology_Working_Group[1350].pdf>

From trade secret defence to strategic control

The evolution of European auto manufacturers in China

As leading European car makers opt for Chinese tech firms such as Huawei, CATL and DeepSeek to spearhead their efforts in electrification and smart technology, a major shift in strategic direction has emerged. These companies are evolving from being solely providers of technology to becoming 'technology integrators', and in some cases, even technology recipients. This shift creates a major challenge, explains **Aria Tian**.

The rapid advancement of China's new energy and intelligent connected vehicle (ICV) sectors is prompting European automotive leaders to reassess their investment strategies in the Chinese market. Their priorities are shifting decisively from traditional large-scale manufacturing operations toward high-value research and development activities in areas such as software, algorithms and data analytics. This strategic evolution is leading to a significant redefinition of the principal sources of technological value.

Increasingly, significant competitive advantages are found in software code, algorithmic models, and data assets. These resources exhibit characteristics of confidentiality and ongoing development, which conflict with the patent system's principle of 'disclosure in exchange for protection' and, as such, are more appropriately safeguarded as trade secrets. As a result, the principal intellectual property (IP) concern for European businesses has transitioned from enforcing patents to establishing comprehensive strategies for protecting these highly valuable yet inherently vulnerable assets.

Case study: German car companies and their changing research and development (R&D) strategies

To rapidly adapt to the Chinese market, European automakers are engaging in deep alliances with leading Chinese technology companies possessing mature advantages in specific fields:

- **BMW** has chosen to cooperate with companies like CATL, Alibaba, DeepSeek, Huawei, and Momenta, deeply integrating their battery technologies, AI large language models, HarmonyOS ecosystem, and intelligent driving solutions.[1]
- **Audi** directly equips its Q6L e-tron with Huawei's Qiankun intelligent driving system.[2]
- **Mercedes-Benz** is jointly developing with Momenta, deploying a smart driving assistance system based on Momenta's Flywheel large model in the domestically produced all-electric CLA.[3]

These collaborations go far beyond simple supplier procurement, representing deep integration at the technological architecture level. Their core value lies precisely in the software and data that exist as trade secrets.

Role reversal: The new risk paradigm for technology recipients

In the fields of electric vehicles and intelligent driving, European enterprises are transitioning from their traditional role as technology exporters to becoming licensees of technology. This role reversal shifts the focus of risk from technology leakage to a more systemic hollowing out of control.

1. The control risk of data as trade secrets

The massive amounts of data generated by intelligent products are core digital assets for optimising algorithms and shaping business models. The risks manifest as:

- Erosion of usage rights: If contracts are unclear, the technology provider, by virtue of its control over the underlying system, may effectively control the analysis and development of data, causing the European enterprise to lose the substantive power to perform deep data mining.
- Lack of access rights: Without independent data access and audit channels, companies cannot verify data authenticity, losing the ability to make independent judgments based on firsthand information.
- Compliance liability conflicts: Under China's and Europe's strict data regulations, unclear control boundaries can expose European companies, as the legally responsible entities, to significant compliance risks due to their partners' operations.

2. The technological ecosystem: 'Soft lock-in' from deep integration

Introducing Chinese partners' underlying software or core algorithms can lead to a hidden form of ecosystem lock-in:

- Architectural dependency: When core systems are deeply embedded, replacement costs become prohibitively high, causing companies to lose strategic flexibility.
- Knowledge black box: The inability to obtain complete source code and logical reasoning makes it difficult to conduct independent security verification, deep customisation, or meet algorithmic compliance audit requirements.
- Commercial passivity: Future functional upgrades, security patches, and even pricing strategies may be subject to long-term control by the provider, potentially trapping companies in a cycle of continuous payments just to maintain operations.

---

[1] Hao, M, *BMW Group Director Gao Le: Cooperate with CATL, Momenta, Alibaba, Huawei, etc, IT*, 16th October 2025, viewed 5th January 2026, <https://www.ithome.com/0/890/006.htm>

[2] Hu, X, Li,H, and Tai, S, *Breaking the waves and going to sea for a win-win situation – Chinese car companies bring new opportunities to Europe with new technologies, Xinhua,* 10th September 2025, viewed 5th January 2026, <https://www.xinhuanet.com/world/20250910/95dcaf5465fe457a97b95af53d603fbf/c.html>

[3] *Mercedes–Benz's new pure electric CLA will be equipped with the Momenta intelligent driving assistance system, South,* 25th September 2025, viewed 5th January 2026, <https://www.nfnews.com/content/VoQVPVeKy5.html>

In the long term, companies risk gradually losing their ability to define product technology roadmaps and to shape future business models, taking them from being industry leaders to dependents of external ecosystems.

Core defence: Establishing internal and external control baselines through law and technology

Facing these new risks, traditional non-disclosure agreements are insufficient. Companies must build a core control layer based on legal contracts and technological measures, aimed at establishing an unshakeable baseline of rights at the outset of cooperation.

1. Legal architecture control: Anchoring technological sovereignty in agreements

- End-to-end definition of data rights: Contracts must clearly define ownership, control rights, usage rights, and cross-border data transfer mechanisms for all data, from raw and derived data to training data, ensuring the European side has undisputed access and development leadership.

- Business continuity source code escrow: For core software and algorithms, it is essential that the critical code required for ongoing system functionality be held in escrow by an independent third party. Provisions must be established to ensure that the European party has access to this code in circumstances such as the licensor's bankruptcy or a material breach of contract.

- Predefined detailed technology transfer clauses: From the start, the contract should specify the scope, timeline, and support standards for technology transfer upon termination of the agreement, legally ensuring technological substitutability.

2. Technical internal controls and compliance design

- Information classification and minimal disclosure: All technical information that is exchanged must be clearly classified and appropriately labelled, and access should be strictly limited according to the need-to-know principle.

- Dual-regulation compliance design: All data processing activities must fully comply with the core requirements of the Data Security Law and Personal Information Protection Law, as well as the European Union's (EU's) General Data Protection Regulation. The contract should explicitly define compliance responsibilities to ensure clarity and accountability.

Strategic response: Converting local and global advantages into bargaining chips for control

Although legal clauses establish foundational requirements, true security is achieved by transforming commercial strengths into strategic negotiation assets. European enterprises should methodically utilise their market presence in China and the regulatory frameworks in Europe to actively influence collaborative agreements, exchanging these advantages for essential oversight of trade secrets.

From a business perspective, this battle over trade secrets is rooted in the classic principles of resource dependence and bargaining power. When European companies develop a one-way dependence on technology, their core strategy is to leverage their irreplaceable market and compliance resources to reshape the interdependent landscape, shifting the protection of trade secrets from passive defence to the proactive building of bargaining power.

1. Exchanging market depth for technological process transparency

Leading European automakers are leveraging their market scale, data resources and supply chain position in China to promote joint development.

The definitive case is the partnership between Volkswagen and Horizon Robotics. Following a strategic cooperation agreement signed in 2022, their joint venture, CARIZON, was officially established in late 2023. Over 500 engineers are working to create an advanced full-stack autonomous driving solution for China. Crucially, Volkswagen's commitment of capital and future vehicle volumes (including a euro 2.4 billion investment for a 60 per cent stake) was exchanged for co-control over this localised technology stack.[4] CARIZON's L2+ system, based on Horizon's Journey 6 platform, is being road-tested and will debut in 2026 on Volkswagen's new compact electric vehicles.[5]

Volkswagen's strategy is straightforward: its main goal is not to build a universal platform, but rather to ensure short-term competitiveness in its largest market – China. By maintaining majority control, the company leads development and gains in-depth knowledge of the technology, helping to prevent 'black-box' supplier lock-in. Although global strategy may benefit from future insights, this is a longer-term possibility rather than the current focus of the venture.

---

[4] *Volkswagen China CEO Explains the RMB 16.8 Billion New Investment in China in Detail: Horizon Robotics is the Optimal Choice, Economic Observer Online*, 16th October 2022, viewed 5th January 2026, <https://www.eeo.com.cn/2022/1016/562563.shtml>

[5] *A Powerful Alliance: Horizon Robotics and Volkswagen Group Embark on a New Journey of Advanced Intelligent Driving Cooperation*, Horizon Robotics, 7th April 2025, viewed 5th January 2026, <https://www.horizon.auto/news/partnership/347>

Through this model, Volkswagen's direct participation in the local research and development process enables the company to be an active co-owner rather than simply a passive buyer. The approach exchanges market and capital for process transparency and influence over technological evolution, representing a pragmatic strategy to address dependency and reduce risks associated with opacity.

2. Exchanging European regulatory access for technological architecture review rights

The highest level of strategic play is turning regulatory barriers caused by geopolitics into architectural control rights within business partnerships. European companies have a key advantage: their strong grasp of the EU's intricate regulatory frameworks enables them to help partners' products comply and access the European market.

Transforming compliance services into technical audit rights

One European high-end industrial equipment manufacturer, during the procurement of an industrial internet platform from a Chinese cloud service provider, proposed a strategic arrangement: the manufacturer committed to substantial procurement and pledged to leverage its team's expertise to facilitate the cloud platform's attainment of essential EU compliance certifications. In return, the cloud service provider was required to permit an independent third party, approved by the manufacturer, to conduct a source code security audit on the platform's core modules and to implement data encryption and interface standards specified by the manufacturer in future services.

In this scenario, the manufacturer's compliance empowerment was not offered as a complimentary service; instead, it served as a strategic exchange of resources. For the manufacturer, leveraging existing in-house expertise was low-cost; for the supplier, gaining accelerated EU market access was highly valuable. This approach enabled not just access to certain services but also provided valuable insight into the technical framework, along with an ongoing right to veto security decisions. As a result, what started as a one-time purchase developed into lasting, comprehensive control over the technology supply chain.

The highest level of strategic play is turning regulatory barriers caused by geopolitics into architectural control rights within business partnerships.

Often, the strongest protection for trade secrets does not come from restricting access, but from creating complex business relationships that makes a company the crucial ally with authority to review those secrets.

Whether it is trading market access for transparency or compliance for auditing, the strategy aims to move from basic buyer-seller interactions to a value-driven community with shared risks and benefits – such as joint revenue-sharing or multi-platform cooperation.

When interests are closely aligned, partners work together to ensure technology remains open, secure and sustainable, turning one-time transactions into lasting co-governance of trade secrets. This marks a shift from relying solely on contracts to fostering a stable, trustworthy strategic ecosystem for trade secret protection.

Conclusion

European manufacturers are now deeply intertwined with China's innovation system, making separation almost impossible. In this new era of cooperation, defending trade secrets is not about building barriers; it is about having the ongoing ability to foresee risks, adapt proactively, and maintain strategic freedom.

Companies must use a combination of legal agreements, technological safeguards, and strategic leverage: legal contracts set out basic rights, technical tools enable ongoing monitoring, and market or compliance strengths help negotiate vital control during collaboration. Ultimately, the key to protecting trade secrets lies in making it an essential skill across the entire organisation—not just within the legal department—so the business can secure and retain strategic advantages.

Aria Tian brings almost 20 years of experience as a strategic consultant specialising in law, intellectual property, and technology commercialisation. She has worked with top international law firms and a major airline, dedicating her efforts to innovation strategy research and guiding the creation and market launch of sophisticated digital products.

The **Rouse Group** is recognised as a market-leading IP services business. With more than 1,000 people working out of 43 offices in 19 jurisdictions, the Group covers key markets in Europe, the Middle East and Africa, and the Asia Pacific.

5TH NOV.
SOUTH CHINA

European Chamber delegation meets Shenzhen Mayor Qin Weizhong

President Jens Eskelund meets Shenzhen Mayor Qin Weizhong
Photo: European Chamber

On 5th November, a European Chamber delegation led by President Jens Eskelund held a meeting with Shenzhen Mayor Qin Weizhong.

Eskelund highlighted topics such as advancing the green transition, data governance and talent attraction, which correspond with Shenzhen's ongoing policy priorities. He commended the government's active engagement with the Chamber since last year's dialogue. Vice President and Chair of the South China Chapter Fabian Blake shared the Chapter's advocacy priorities, including green energy access and implementation of the Greater Bay Area Individual Income Tax policy for foreign employees.

Qin highlighted Shenzhen's economic achievements and reaffirmed the city's commitment to fostering an international business environment, pledging continued support for foreign enterprises and cross-sector collaboration. He welcomed the Chamber's input and expressed hope for deeper engagement with European businesses.

6TH NOV.
SHANGHAI

European Commissioner McGrath meets Chamber delegation

A delegation led by European Chamber Vice President Carlo D'Andrea meets European Commissioner Michael McGrath
Photo: European Chamber

On 6th November, Carlo D'Andrea, vice president of the European Chamber and chair of the Shanghai Chapter, together with representatives of the Chamber's Advisory Council, met with a delegation headed by Michael McGrath, European commissioner for democracy, justice, the rule of law and consumer protection. McGrath is the first European commissioner to visit China since the European Union (EU)-China Summit in July.

During the roundtable, the Chamber delegation raised several concerns with McGrath regarding consumption tax, transparency in logistics policies, consumer protection-related standards and regulations, company classifications, and consolidation in the Chinese market. McGrath responded to the delegation's concerns and provided insights into the European Commission's priorities for the coming years, particularly regarding plans for further integration of the internal market, updates to the EU's customs policies and adjustments to its compliance norms.

19TH NOV.
SOUTHWEST CHINA

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

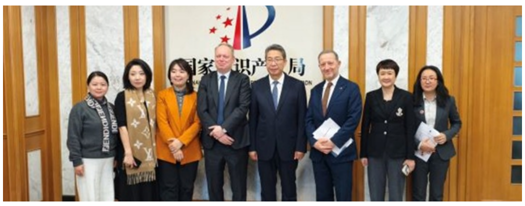
A European Chamber delegation meeting Chongqing Party Secretary Yuan Jiajun and Chongqing Mayor Hu Henghua
Photo: European Chamber

On 18th and 19th November, the European Advanced Manufacturing Enterprises Chongqing Tour was co-hosted by the Chongqing Municipal Commission of Economy and Information Technology and China CITIC Bank Chongqing Branch, in partnership with the European Chamber. The tour, which featured field visits, exchange meetings and conferences, was attended by representatives from 147 European companies and institutions. On 18th November, Chongqing Party Secretary Yuan Jiajun and Chongqing Mayor Hu Henghua met with a delegation from the European Chamber.

The Chamber delegation called for reforms to address regulatory and market access barriers, a dedicated policy mechanism to increase access to sustainable sources of green energy, and greater access for European companies to fully participate in China's digital transition.

27TH NOV.
BEIJING

European Chamber President Jens Eskelund meets CNIPA Commissioner Shen Changyu



A delegation led by President Jens Eskelund meets Commissioner Shen Changyu of the China National Intellectual Property Administration
Photo: European Chamber

On 27th November, European Chamber President Jens Eskelund led a delegation of Advisory Council members in a closed-door meeting with Commissioner Shen Changyu of the China National Intellectual Property Administration (CNIPA), to present the *European Business in China Position Paper 2025/2026*.

The two sides discussed the development of China's intellectual property rights (IPR) protections, with Advisory Council members raising IPR issues their companies face. Senior officials present from the relevant departments provided technical advice and policy interpretation in response to the company-specific issues. Both sides agreed to explore solutions to the cases raised at the meeting and to continue exchanging views on how best to apply global practices in China.

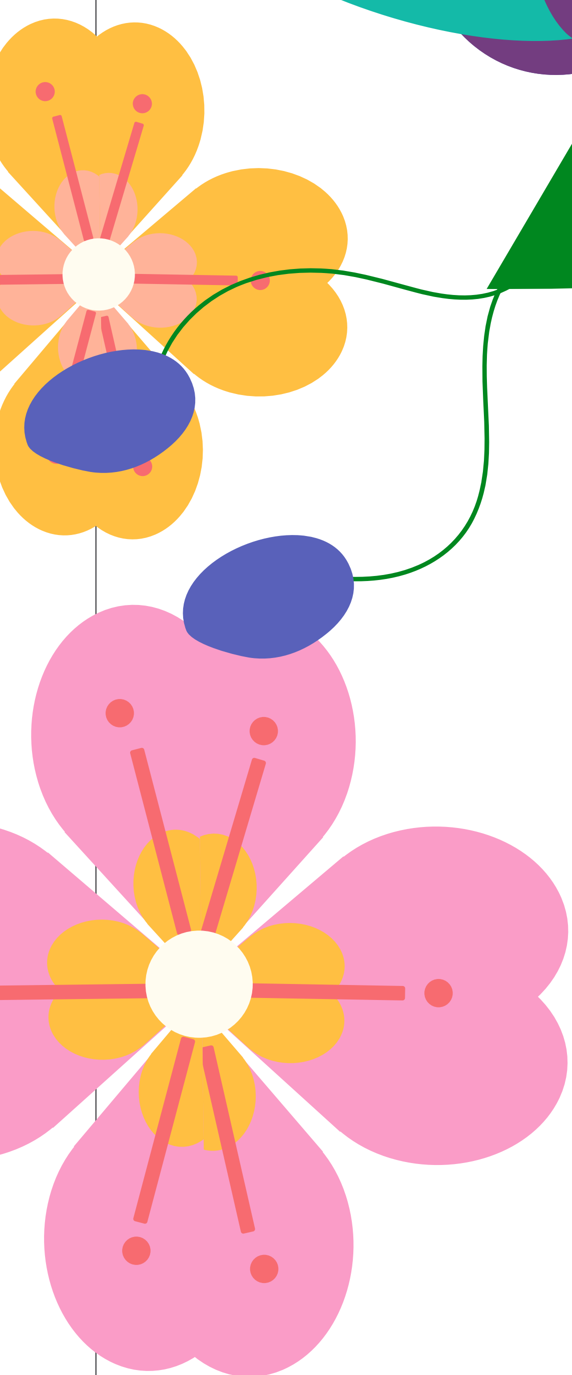
11TH DEC.
BEIJING

European Chamber meets deputy commissioner of the State Taxation Administration

President Jens Eskelund photographed with Deputy Commissioner Wang Daoshu of the State Taxation Administration
Photo: European Chamber

On 11th December, European Chamber President Jens Eskelund, Chamber Vice President Gianni Di Giovanni, and a delegation of Advisory Council members took part in a closed-door meeting with Deputy Commissioner Wang Daoshu of the State Taxation Administration. Eskelund presented the Chamber's *European Business in China Position Paper 2025/2026*.

The two sides discussed value-added tax, consumption tax reform, and individual income tax exemptions for non-cash benefits provided to foreign employees in China. Senior officials from the relevant departments provided technical advice and policy interpretation in response to the company-specific issues raised.



The 12th European Chamber Corporate Social Responsibility Awards

On 19th November 2025, the European Chamber hosted its 12th Corporate Social Responsibility (CSR) Awards in Nanjing. The event was attended by more than 150 participants who gathered to celebrate more than a decade of CSR promotion and advocacy by the European Chamber. In this article, **Chia-Lin Coispeau** explores the challenges facing CSR and sustainability amid geopolitical turbulence.

The start of 2026 has already seen a number of key events that might trigger key questions about the future course of CSR. Some might argue that its relevance could fade in light of recent geopolitical events and ongoing challenges to the international order.

On the international stage, 2025 marked the decisive halfway point toward 2030 for achieving the 17 United Nations (UN) Sustainable Development Goals (SDGs), with climate action one of the key goals. Last year also marked the pivotal 10th anniversary of the Paris Agreement, the world's most important effort to tackle rising temperatures, which was initially signed by 189 countries including the United States (US). Yet in

January 2025, President Donald Trump again vowed to withdraw the US from the landmark agreement.[1] The COP 30, held in November 2025, was also the first international climate conference since the Trump administration abandoned international cooperation on global warming, making it even more challenging to reach a consensus. Although the ambitious climate finance goals agreed at COP 29 in 2024[2]—which agreed to a tripling of annual climate finance for developing countries[3]—was reiterated, the pledge to transition away from fossil fuels made at COP 28 did not appear in the accord.

Furthermore, on January 7th 2026 a White House presidential memorandum was issued by the Trump administration to declare its intention to withdraw from both the United Nations Framework Convention on Climate Change (UNFCCC) and the Intergovernmental Panel on Climate Change (IPCC), the UN body once considered the global authority on climate science.[4]

Are the climate goals still achievable?

Responses to the climate goal vary globally. European Commission President Ursula von der Leyen, restated the European Union's (EU's) commitment to the goal in November 2025.[5] The EU has also committed to carbon neutrality by 2050.

In China, since President Xi Jinping's 2020 announcement of the dual '30/60 goals'—achieving peak carbon emissions by 2030 and being carbon neutral by 2060—the transition to net zero has become a new driver of China's economic growth. In November 2025, in a UN address, Xi pledged to cut China's greenhouse gas emissions to seven to 10 per cent below peak levels by 2035.[6] However, according to the

However, the actual plans presented at COP 30 fall short of putting the world on a trajectory that would limit warming to 1.5 °C.

Center for Research on Energy and Clean Air, China will miss key energy and emissions targets laid out in its 14th Five-year Plan (FYP), which runs from 2021 to 2025.[7]

Have the previous decades of climate concerns actually lost their acuteness? In its sixth assessment report released in 2023, the IPCC mentioned that the 1.5 °C target limit above pre-industrial levels was still achievable and that the largest gains in well-being could be obtained by focussing actions on lower-income and marginalised communities.[8] However, the actual plans presented at COP 30 fall short of putting the world on a trajectory that would limit warming to 1.5 °C.

CSR and the transition to China's 15th FYP

Under China's 14th FYP, its economy has grown by more than five per cent each year. According to the recommendations adopted at the fourth

1 McGrath, M, *Trump vows to leave Paris climate agreement and 'drill, baby, drill', BBC*, 21st January 2025, viewed 16th January 2026, <https://www.bbc.com/news/articles/c20px1e05w0o>

2 *COP29 UN Climate Conference Agrees to Triple Finance to Developing Countries, Protecting Lives and Livelihoods,* United Nations, 24th November 2024, viewed 16th January 2026, <https://unfccc.int/news/cop29–un–climate–conference–agrees–to–triple–finance–to–developing–countries–protecting–lives–and>

3 Funding to tackle the impacts of climate change and help countries transition to low–carbon economies.

4 Aeberhard, D, Haganand, R, and McGrath, M, *Trump withdraws US from key climate treaty and dozens of other groups, BBC*, 9th January 2026, viewed 16th January 2026, <https://www.bbc.com/news/articles/cp80ln97py5o>

5 *Climate ambition: EU stays the course and sends a strong message ahead of COP 30 in Belém*, European Union, 6th November 2025, viewed 16th January 2026, <https://www.eeas.europa.eu/delegations/china/climate–ambition–eu–stays–course–and–sends–strong–message–ahead–cop–30–bel%C3%A9m_en>

6 *Q&A: What does China's new Paris Agreement pledge mean for climate action?*, Carbon Brief, 25th September 2025, viewed 16th January 2026, <https://www.carbonbrief.org/qa–what–does–chinas–new–paris–agreement–pledge–mean–for–climate–action/>

7 Myllyvirta, L, Schäpe, B, Qin, Q, Qiu, C, and Shen, X, *China's Climate Transition: Outlook 2025*, Centre for Research on Energy and Clean Air, 4th December 2025, viewed 16th January 2026, <https://energyandcleanair.org/publication/china–climate–transition–outlook–2025/>

8 *AR6 Synthesis Report: Climate Change 2023*, Intergovernmental Panel on Climate Change, 20th March 2023, viewed 16th January 2026, <https://www.ipcc.ch/report/sixth–assessment–report–cycle/>

plenary session of the 20th Central Committee of the Communist Party of China, the 15th FYP[9] (2026–2030) will be designed to transform China's economy from being a qualitative manufacturing-orientated economy to one emphasising high-quality development and innovation-driven growth, focussing on technological advancement, sustainability and economic resilience. Environmental sustainability is a defining priority. For example, the 15th FYP is expected to further advance initiatives targeting cleaner air, water and environmental ecosystems, while also strengthening national security.

For companies, this shift will have operational implications. For example, the climate enforcement infrastructure was reinforced, with the expansion of the National Carbon Emissions Trading System (ETS) into heavy industry. In addition, the Shanghai, Shenzhen, and Beijing stock exchanges have issued mandatory sustainability reporting guidelines in 2024, leading to new corporate sustainability disclosure standards. Listed companies will be required to publish their 2025 sustainability reports by the 30th April 2026 deadline.

Does CSR still matter?

Over the years, CSR evolved from being a nice-to-have concept to a business imperative, but faced significant headwinds in 2025. In the US, the Trump administration rolled back federal environmental regulations and other rules imposed on corporate America, while multinationals such as Coca-Cola[10] have decreased their public CSR commitments. Regional environmental, social and governance standards between the US, Europe and China have diverged, creating a pivot for corporate responsibility and

a unique opportunity to strengthen Europe-China cooperation in the field.

Successful CSR strategies deliver competitive advantage as well as environmental, ethical and social progress. The right strategy can achieve economic targets such as a strengthened customer base and loyalty, improved corporate image, increased employee retention and long-term business sustainability. To achieve those targets, companies need to recruit, train and retain bold, responsible leaders – leaders able to lead a company with a triple bottom-line vision: economic, environmental and social.

Some companies have already undertaken bold CSR initiatives, such as the winners of the 12th European Chamber CSR awards. These companies succeed in managing complexity in highly uncertain and turbulent times: they develop and create innovative strategies that will ensure sustainable economic growth, societal progress and the creation of impactful innovation ecosystems. In this regard, European companies operating in China must continue to play a key role. Eb

This article was partly inspired by speeches delivered during the European Chamber 12th CSR Awards.

The European Chamber would like to take this opportunity to thank the judges, winners, applicants and speakers at the 12th CSR Awards for their contribution to the event.

Winners of the 12th CSR Awards

Leadership in CSR & Sustainable Growth

Dekra, BSH China, DSV, Arkema

Green Impact Pioneer Award

Goglio, BASF Coatings

Climate Action Leader Award

Ericsson, Airbus, Schaeffler

Excellence in Gender Equality & Empowerment Award

EY, Tietoevry

Employee Development and Engagement Award

Siemens China, Virtuos, BMW Nanjing

Sustainable Supply Chain Award

SUAPA

NGO/Social Enterprise-Excellence in Social Innovation

NetSpring

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

[9] *Chinese Ambassador to Nigeria Yu Dunhai Publishes Signed Article "Persistent Dedication: China's 15th Five-Year Plan to Continue the Development Miracle"*, Ministry of Foreign Affairs, 9th November 2025, viewed 16th January 2026, <https://www.fmprc.gov.cn/mfa_eng/xw/zwbd/202511/t20251114_11753211.html>

[10] *Coca-Cola's cut on sustainability commitments draws global ire,* ESG Post, 11th December 2024, viewed 16th January 2026, <https://esgpost.com/coca–colas–cut–on–sustainability–commitments–draws–global–ire/>

Media Watch

Chamber's views on CIIE sought by media

The 8th China International Import Expo (CIIE) took place in Shanghai from 5th to 10th November 2025. European Chamber Vice President and Shanghai Chapter Chair Carlo D'Andrea was interviewed live by *Bloomberg* and *CCTV* on the sidelines of the event, during which he outlined the importance of addressing key issues, such as the European Union's growing trade deficit with China.

Interview with Vice President Carlo D'Andrea on the CIIE
Media: *CCTV*
Date: 6th November 2025

Vice President and Shanghai Chapter Chair Carlo D'Andrea is interviewed by *Bloomberg*
Media: *Bloomberg*
Date: 7th November 2025

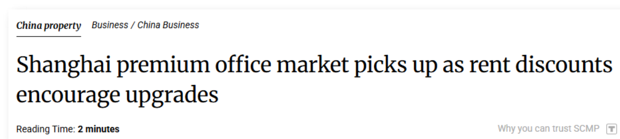
Chamber launches Shanghai Position Paper 2025/2026

On 12th November 2025, the European Chamber's Shanghai Chapter released the *Shanghai Position Paper 2025/2026*. Within 24 hours of its launch, four original articles were published on the report. During a presentation on the publication, European Chamber Vice President Carlo D'Andrea highlighted to media the heightened sense of uncertainty that continues to impact business, with small and medium-sized firms particularly suffering.


Firmas europeas sufren "millones de euros en pérdidas" por controles chinos a la exportación

12 noviembre 2025

EFE article on the *Shanghai Position Paper 2025/2026*
Media: *EFE*
Date: 12th November 2025


China property Business / China Business

Shanghai premium office market picks up as rent discounts encourage upgrades

Reading Time: 2 minutes Why you can trust SCMP

SCMP article on the *Shanghai Position Paper 2025/2026*
Media: *SCMP*
Date: 17th November 2025

CCTV piece on the Chamber's expectations for the fair
Media: *CCTV*
Date: 13th November 2025

人民网 PEOPLE'S DAILY ONLINE

At Chengdu fair, EU businesses see China as a future co-builder

Article by the *People's Daily* on the event
Media: *People's Daily*
Date: 24th November 2025

EU-China relations + Add to myFT

China draws in Europe's businesses despite alarm over competition

Investment in world's second-largest economy helps companies keep pace with Chinese rivals

FT article on the Chamber's flash survey
Media: *FT*
Date: 2nd December 2025

Chamber publishes flash survey on China's export controls

On 1st December, the European Chamber published a press release on the findings of a flash survey on the impact of China's export control regime. Top-tier international media showed a strong interest in the release, with outlets including *Reuters*, *Bloomberg* and the *FT* running articles on the report.

Most coverage focussed on the fact that China's export controls have increased the uncertainty felt by European businesses operating in the country, with companies facing the risks of production slowdowns or even stoppages. Many articles also focussed on the general licence mechanism. In an interview with *Bloomberg*, Chamber Vice President Stefan Bernhart said that "introducing a general licensing mechanism in the near future would provide much-needed stability and predictability and could put a floor under the deterioration of business confidence caused by these export controls".

18th Europe-China Business and Technology Cooperation Fair sparks domestic media interest

The 18th Europe-China Business and Technology Cooperation Fair, jointly hosted by the European Chamber and the China Chamber of International Commerce, took place on 20th and 21st November in Chengdu. Chamber Vice President and Southwest China Chapter Chair Raquel Ramirez joined the event, where she was interviewed by media outlets including *CCTV* and the *People's Daily*. She outlined how the fair serves as a platform for European and Chinese businesses to strengthen their trade and investment cooperation.

Chamber launches supply chains report

The European Chamber launched its *Dealing with Supply Chain Dependencies: Challenges and Choices* report on 10th December, with 29 journalists joining the official launch event. Prior to this, two embargoed media roundtables were held on 8th and 9th September. A lunch event with European and international media representatives was hosted by Chamber President Jens Eskelund immediately following the report's official media launch.

International media coverage predominantly focussed on the concerns over the growing trade imbalance between the European Union and China, and how an undervalued renminbi boosts China's exports, with the country achieving a trade surplus of over United States dollar 1 trillion in 2025. Leading media outlets including the *FT* and the *WSJ* both reported on the publication.

Domestic media focussed on the concerns of governments relating to trade dependencies. In its reporting, the *SCMP* stated a need for European companies operating in China to ensure they are not overly reliant on the country as a sourcing destination. *Phoenix TV*'s coverage outlined similar concerns.

China's Trade Surplus Tops $1 Trillion, Underscoring Its Export Dominance

Milestone boosts Chinese economy even as it fuels global trade tensions

WSJ article on China's growing trade surplus with the EU
Media: *WSJ*
Date: 10th December 2025

Events Gallery

BEIJING, 11TH DECEMBER 2025

2025 Geopolitics: Global Executives' Views

- European Union respondents hold milder risk perceptions than their American and Chinese peers, and businesses generally adopt a pragmatic approach to passing on tariff costs.
- Business leaders should focus on controllable factors, accelerate artificial intelligence (AI) adoption for strategic advantage, and follow detailed action plans to help navigate uncertainty.
- AI tools enable real-time monitoring of policy and media developments, helping businesses analyse and act on emerging risks and opportunities.

BEIJING, 12TH DECEMBER 2025

European Chamber Annual Conference 2025: Gearing Up for the 15th Five-year Plan

- The 15th Five-year Plan emphasises self-reliance, failing to ease concerns over one-way trade.
- The European Union (EU)-China relationship faces significant difficulties, with trade tensions having increased and key issues like Ukraine and market access seeing no substantial progress.
- The EU must take action to rebalance the relationship and demand a level playing field.

SHANGHAI, 11TH DECEMBER 2025

2025 Sustainable Business Awards: Conference and Ceremony

- Key discussions highlighted the importance of sustainable supply chains, urging businesses to integrate environmental and social governance (ESG) principles into their entire value chain.
- The conference emphasised that ESG should be viewed as a long-term strategy for sustainable growth and business resilience.
- A total of 25 companies received awards for their outstanding achievements in sustainable business practices, highlighting leadership in ESG governance.

SHANGHAI, 9TH DECEMBER 2025

2026 China Outlook Conference: Rebalancing, Reform and Resilience

- European businesses must adapt their strategies to stay competitive as China enters its 15th Five-year Plan.
- Companies should integrate geopolitical risk into strategy and diversify supply chains to handle external pressures.
- Embracing technological differentiation and artificial-intelligence-driven innovation is key to maintaining competitiveness.

SHANGHAI, 19TH NOVEMBER 2025

Compliance Conference 2025: Navigate Regulatory Complexities, Fortify Business Resilience

- The landscape of compliance is changing rapidly, especially with the rise of artificial intelligence, requiring businesses to stay ahead of emerging regulatory trends and adapt their practices accordingly.
- Developing strong, adaptable compliance structures is crucial for companies to mitigate risks and ensure long-term success in a highly regulated global environment.
- Companies need to continually enhance their internal controls and data protection strategies to address evolving risks, particularly in sensitive areas like trade secrets and intellectual property.

NANJING, 19TH NOVEMBER 2025

12th Corporate Social Responsibility Awards Ceremony

- Corporate social actions risk being merely symbolic unless stakeholders are actively involved in their design.
- Corporate social responsibility (CSR) initiatives can be undermined by moral hazard or offsetting behaviours, so organisations must embed transparency, accountability, and stakeholder engagement throughout their operations to ensure genuine impact.
- CSR initiatives are most effective when a for-profit firm focusses on efforts that align closely with its core business and unique capabilities, as this mitigates inefficiencies.

SOUTH CHINA, 26TH NOVEMBER 2025

The 2025 South China HR Conference - Talent Transformation

- Building organisational resilience requires shifting talent strategy from reactive adaptation to proactive, scenario-based planning.
- The deployment of artificial intelligence and automation must be accompanied by intentional policies that preserve human judgement, encourage interdisciplinary collaboration and integrate the expertise of a multi-generational workforce.
- To attract more talent to the Greater Bay Area, it is important to combine and customise local incentives, such as tax policies and healthcare, to enable employers to offer attractive packages to potential employees.

TIANJIN, 12TH DECEMBER 2025

Exchange on Green Gas and Renewable Energy Application Practice

- Turning industrial-use gas and steam 'green' is widely recognised as one of the final steps for companies aiming to achieve carbon neutrality in Tianjin, given that the green electricity trading mechanism is well-established there.
- Tianjin has witnessed its first successful case of a green gas transaction, with the energy's origin fully verified and recognised by the company's European headquarters.
- Concerns remain regarding the recognition of domestic certification of renewable energy.

Advisory Council News

Pimicotinib approved as systemic treatment in China for tenosynovial giant cell tumour

Merck, a leading science and technology company, announced today that following priority review, the China National Medical Products Administration (NMPA) has approved pimicotinib for the treatment of adult patients with symptomatic tenosynovial giant cell tumor (TGCT) for which surgical resection will potentially cause functional limitation or relatively severe morbidity. Pimicotinib, a colony stimulating factor-1 receptor (CSF-1R) inhibitor developed by Abbisko Therapeutics is the first Chemical Drug Class 1 approved in China for the treatment of TGCT.

TGCT is a rare, locally aggressive tumour of the joint leading to progressive swelling, stiffness and reduced mobility of the affected joint, significantly impacting daily activities and quality of life in the otherwise healthy population that it affects. If left untreated or in recurrent cases, TGCT can result in irreversible damage to the bone, joint and surrounding tissues. Historically TGCT may have been known by several different names, including pigmented villonodular synovitis (PVNS).

"Many people living with TGCT in China have faced a long and difficult journey due to the lack of approved options beyond surgery, which may not address the needs of patients whose tumours recur or are not amenable to resection," said Prof. Niu Xiaohui, director of the Bone and Soft Tissue Tumour Diagnosis and Research Centre at Beijing Jishuitan Hospital. "With the approval of pimicotinib based on the results of the global MANEUVER study, healthcare professionals in China will soon have the opportunity to prescribe their patients an effective and well-tolerated systemic treatment option, offering a much-needed advance in how they manage this challenging condition."

Maersk launches flagship logistics centre in Shanghai Lin-gang

Maersk has recently celebrated the grand opening of its flagship logistics centre in Shanghai's Lin-gang area, marking one of the company's largest warehousing investments globally. Built with an investment of over United States dollar 140 million, the state-of-the-art facility spans 113,000 square meters in size and offers 147,000 square meters of storage space.

Photo: maersk.com.cn

The Lin-gang Flagship Logistics Centre offers a full suite of fulfilment services and is designed to serve customers in China, the Asia-Pacific, and beyond. As part of Maersk's integrated logistics network, the centre aims to empower businesses with greater efficiency, flexibility, and resilience in trade operations.

"Our new state-of-the-art logistics centre in Lin-gang is another milestone in the implementation of Maersk's integrated logistics strategy in the Chinese market. China is not only the world's largest exporter but also a key consumer market. This facility significantly enhances our omnichannel fulfilment capabilities and further strengthens the connection between China and international markets. It's another testament to our commitment towards continuously evolving our logistics solutions, helping customers overcome trade challenges and unlock new growth opportunities," said Vincent Clerc, Maersk's CEO.

Solutions for international omnichannel fulfilment

The logistics centre offers four core capabilities: an export distribution centre, an import distribution centre, a regional/global hub, and cross-border e-commerce. It also provides value-added services such as temperature-controlled storage and customised solutions to meet diverse customer needs.

With Maersk's in-house customs expertise and certifications such as Authorised Economic Operator, the facility delivers fast, cost-efficient customs clearance for international shipments. It also offers the flexibility to handle both bonded and non-bonded goods under one roof, enabling storage and conversion without additional customs processing.

SAP unveils EU AI Cloud: A unified vision for Europe's sovereign AI and cloud future

SAP SE has launched EU AI Cloud, uniting its sovereign cloud and AI initiatives under a single strategic framework to advance European digital sovereignty and provide flexible, compliant solutions for enterprises and public sector organisations.

The full-stack offering ensures EU data residency and customisable levels of sovereignty, allowing customers to deploy solutions in SAP's own European data centres, on trusted partner infrastructure or as fully managed on-site services. This enables organisations to meet stringent regulatory and operational requirements without compromising on innovation or performance.

A key highlight is the partnership with Cohere to integrate Cohere North—delivering advanced agentic and multimodal AI capabilities—directly into SAP Business Technology Platform (SAP BTP). This empowers customers with data residency constraints to embed production-ready AI into core business processes for enhanced insights, decision support and automation.

EU AI Cloud is backed by a growing ecosystem of partners, including Cohere, Mistral AI and OpenAI, with models and applications as

Photo: maersk.com.cn

consumable as SaaS, PaaS or IaaS. Deployment options include SAP Sovereign Cloud on open-source infrastructure in EU data centres, on-site managed solutions for maximum control, market-specific hyperscalers with sovereignty features and specialised offerings like Delos Cloud for the German public sector.

By running AI models on SAP's software abstraction layer independent of U.S. hyperscalers, EU AI Cloud ensures compliance with European standards while delivering the latest AI innovations securely and flexibly to drive Europe's sovereign AI and cloud future.

Veolia's AHEAD system wins FCC Innovation Award

From 3rd to 5th December 2025, Estelle Brachlianoff, CEO of Veolia Group, participated in a series of events in China as a representative of the French business delegation accompanying French President Emmanuel Macron's visit.

On 4th December, Brachlianoff attended the Sino-French Corporate Innovation and Internationalization Cross-Perspective Innovation Summit and the 11th FCC Innovation Awards Ceremony, where she joined a roundtable discussion, exchanging insights with multiple stakeholders on corporate innovation and internationalisation.

At the event, Veolia's AHEAD system received the FCC Innovation Award, presented by Roland Lescure, France's minister for the economy, finance, industry, energy, and digital sovereignty. As a result of joint Sino-French research and development innovation, the project highlights Veolia's leading capabilities in smart, low-carbon heating.

Facing severe winter heating challenges in Heilongjiang Province due to extreme cold, Veolia's AHEAD (Advanced Heating Distribution) system integrates artificial intelligence and IoT technologies, treating building thermal mass as a 'virtual energy storage battery'. Using predictive optimisation algorithms, the system intelligently adjusts district heating dispatch over the next 24 hours by analysing weather conditions, indoor temperature requirements, and building thermal storage capacity, enabling automatic optimisation of secondary network temperature (TT21) control to improve energy efficiency and comfort.

After two generations of development and pilot testing across more than 150 units, the AHEAD system was officially deployed in Harbin's heating project in October 2025. Leveraging data from hundreds of thousands of indoor temperature sensors and the group's advanced algorithm models, the system delivers smart, green heating services to approximately 700,000 residents across 40 million square meters of heated area in Harbin. Each heating season, it is expected to save around two per cent in energy and reduce CO_2 emissions by approximately 60,000 tons annually.

Executive Committee of the European Chamber

PRESIDENT

Jens Eskelund
Maersk

VICE PRESIDENTS

Stefan Bernhart
Volkswagen

Fabian Blake
AMS Products Assembly (Foshan) Co Ltd

Carlo D'Andrea
D'Andrea & Partners

Gianni Di Giovanni
Eni

Raquel Ramirez Alexander
Pacific Trade Partners

Kitty Xueying Xia
Schneider Electric

TREASURER

Su Gao
Landesbank Baden-Wuerttemberg Beijing Office / German Centre Beijing

STATES' REPRESENTATIVES

Massimo Bagnasco
Progetto CMR (Beijing) Architectural Design Consultants

Simon Lichtenberg
Trayton Group

Bruno Weill
BNP Paribas

BOARD MEMBER

Markus Borchert
Nokia

Erik Buschmann
Airbus

SECRETARY GENERAL

Adam Dunnett

Nanjing Board

CHAIR

Jianhua Shan
BASF-YPC Co Ltd

VICE CHAIR

Andreas Risch
Fette Compacting (China) Co Ltd

BOARD MEMBERS

Florian Hobelsberger
Diehl Controls (Nanjing) Co Ltd

Baocheng Jiang
Arkema Changshu Specialty Polyamides Plant and Zhangjiagang Plant

Linda Rutkovska
Tietoevry China

Shanghai Board

CHAIR

Carlo D'Andrea
D'Andrea & Partners

VICE CHAIRS

Jens Ewert
Deloitte

Holly Lei
Covestro China

BOARD MEMBERS

Felix Hess
Siemens China

Christophe Lauras
ACCOR Group

Marc Horn
Merck China

Jessica Vilhelmsson
H&M Group

Shenyang Board

CHAIR

Erich Kaiserseder
Conrad Hotel Shenyang

BOARD MEMBERS

Sebastian Bittner
GG Cables and Wires

Stephane Gonnetand
Dalian ODC Marine Manufacture

Michele Melchiorre
BMW Brilliance Automotive

Matt Sullivan
Trench High Voltage Products Ltd, Shenyang

South China Board

CHAIR

Fabian Blake
AMS Products Assembly (Foshan) Co Ltd

VICE CHAIRS

Blandine Cressard
Residence G Shenzhen

Joanna Ye
Forvis Mazars Guangzhou

BOARD MEMBERS

Christian Gassner
SZMuri

Gianluca Giorgi
ES Automation Consulting Ltd

Rita Giménez i Jiménez
Dynamic Public Diplomacy

Klaus Zenkel
Imedco Technology (Shenzhen) Co Ltd

Southwest China Board

CHAIR

Raquel Ramirez Alexander
Pacific Trade Partners

VICE CHAIR

He Donglin
Siemens Ltd China Chengdu Branch

VICE CHAIR & CHONGQING REPRESENTATIVE

Leo Zhang
Sika (China) Ltd

BOARD MEMBERS

Praveen Bezawada
Freyr (Chengdu) Technology Co Ltd

Janelle Chen
Yew Chung International School

Tang Mingfeng
Sino-French Innovation Research Center

Vicky Yang
Primcasa Chengdu

Tianjin Board

CHAIR

Mirko Turrina
Goglio (Tianjin) Packaging Co., Ltd

VICE CHAIR

Christoph Schrempp
Airbus (Tianjin) Delivery Centre Ltd

BOARD MEMBERS

Fabio Antonello
Regina (Tianjin) Chain & Belt Co Ltd

Julian Kierst
Volkswagen Automatic Transmission Tianjin

Li Xuehai
Benchmark

Overseas Representatives

BRUSSELS

Davide Cucino
Fincantieri

PARIS

Charlotte Roule
ENGIE

European Chamber Office Team

BEIJING

Carl Hayward
General Manager

NANJING

Haiyan You
General Manager

SHANGHAI

Steven Basart
General Manager

SHENYANG

Fiona Yu
Office Manager

SOUTH CHINA

Angel Zhang
General Manager

SW CHINA

Sally Huang
General Manager

TIANJIN

Lorraine Zhang
General Manager

SECRETARY GENERAL

Adam Dunnett

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
Jiafeng Wu

Auto Components National Chair
Jiang Lingling

Automotive National Chair
Xiaolu Chen

Aviation & Aerospace National Chair
Remi Paul

Carbon Market National Chair
Boyang Jin

Compliance & Business Ethics National Chair
Victor Shen

Cosmetics National Chair
Jacky Zhang

Energy National Chair
Zhonghua Xu

Environment National Chair
Jet Chang

Finance & Taxation National Chair
Alexander Prautzsch

Financial Services National Chair
Bruno Weill

Healthcare Equipment National Chair
Annie Yin

Human Resources National Chair
Ioana Kraft

Information & Communication Technology National Chair
Michael Chang

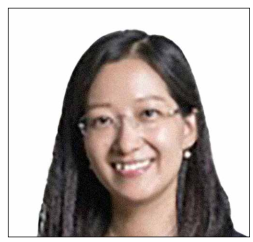
Intellectual Property Rights National Chair
Min Gao

Legal & Competition National Chair
Adrian Emch

Logistics National Chair
Elaine Chen

Maritime Manufacturing & Industrial Services National Chair
Adnan Ezzarhouni

Petrochemicals, Chemicals & Refining National Chair
Kenny Zhao



Pharmaceutical National Chair
Carol Liu

Rail National Chair
Michelle Zhang

Research & Development National Chair
Kris Van Gasse

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.

ABB
Boehringer Ingelheim
DANONE ONE PLANET. ONE HEALTH
eni
infineon 英飞凌
MAERSK
PHILIPS
SAP
thyssenkrupp
VOLKSWAGEN GROUP CHINA

Atlas Copco Group
Budweiser BUDWEISER BREWING COMPANY APAC 百威亚太控股有限公司
Deutsche Bank 德意志银行
FRESENIUS KABI
KNORR-BREMSE
MERCK
Roche
Schneider Electric
TotalEnergies
WACKER

Bayer
BUREAU VERITAS 1828
DHL
GSK
KPMG
MICHELIN 米其林
Roland Berger
snam energy to inspire the world
Unilever

BNP PARIBAS 法国巴黎银行
covestro
DSV
H&M
欧莱雅中国 L'ORÉAL CHINA
NOKIA
sanofi
法兴银行 SOCIETE GENERALE
VEOLIA