

Ticker

German Chamber

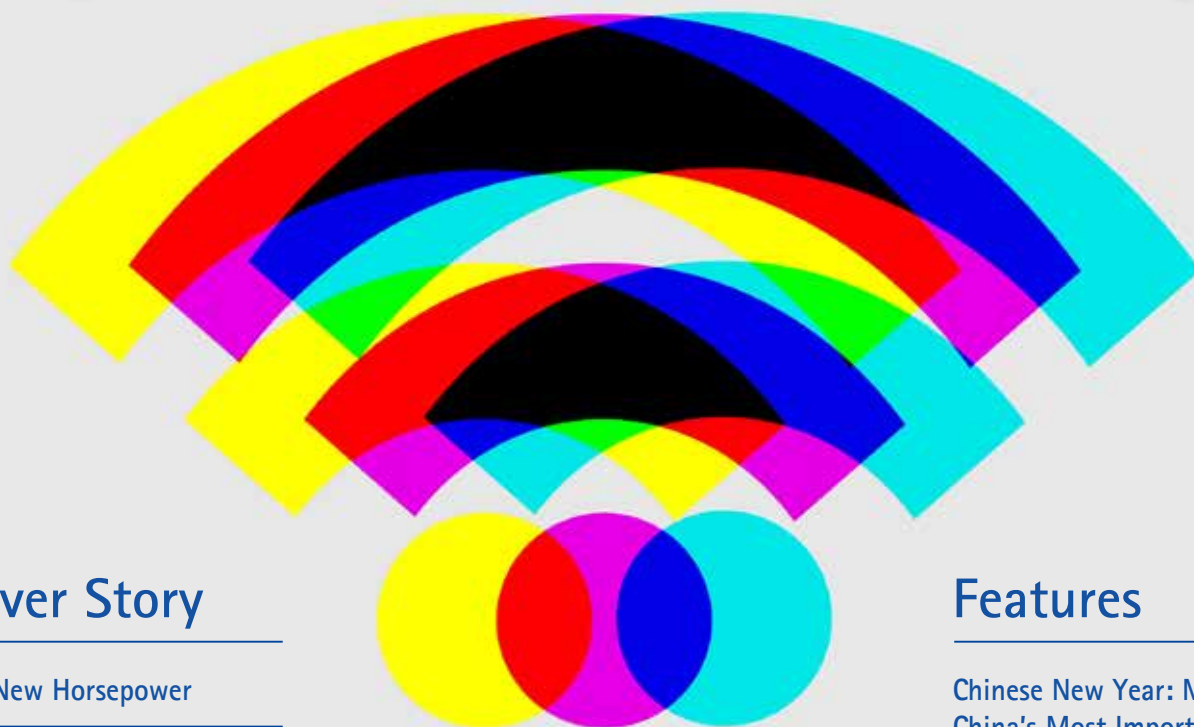
01 | Spring 2019

Business Journal of the German Chamber of Commerce in China

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SMART CHINA



Cover Story

The New Horsepower

China's Race to Smart Cities

Value Creation Approach in
Smart Manufacturing

Features

Chinese New Year: Mastering
China's Most Important Sales
Festival

Dispute Resolution in China:
Developments Impacting
Foreign Business

China Industry Report: Increasing Awareness and Growing Demands for Health
Food Drive Food Imports



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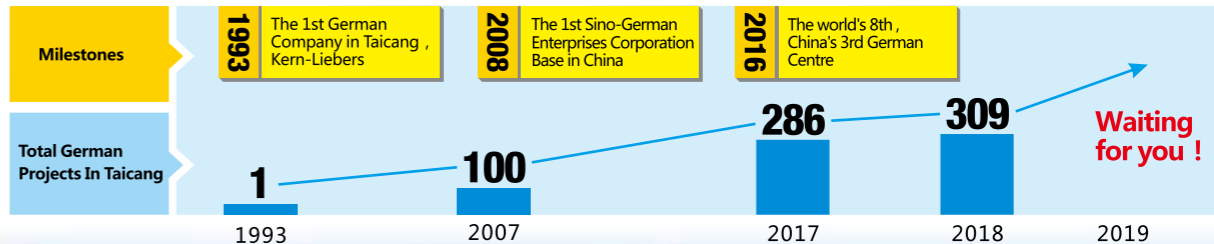
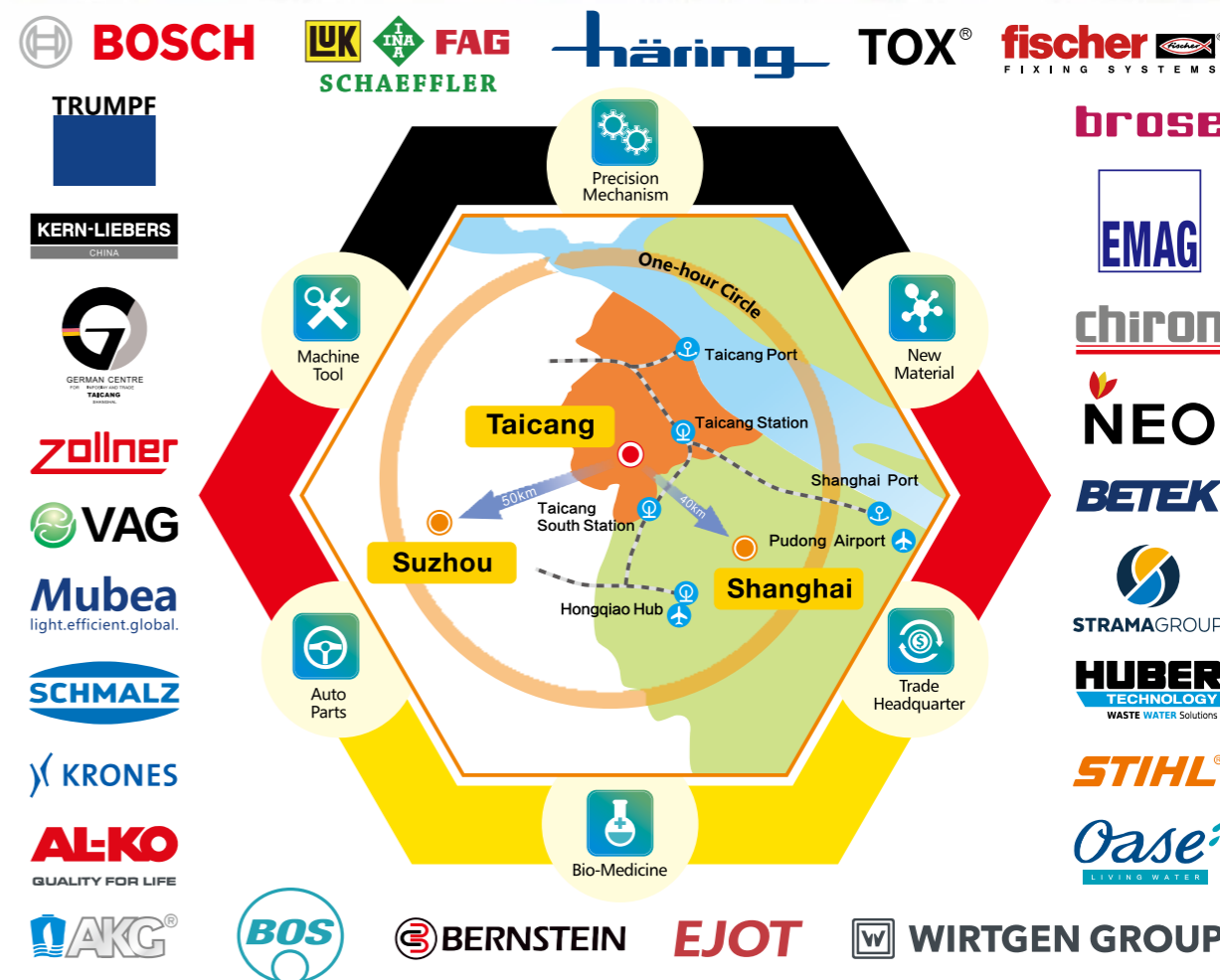
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Mr. Jens Hildebrandt
GCC | North China
Executive Director
Delegation of German Industry & Commerce Beijing
Delegate and Chief Representative

Building Towards a Smarter World in China

The invention of the telephone aroused mistrust in the 18th century; in 1995, Bill Gates predicted the internet may only be a hype. However, today we know these predictions have not come to fruition. Future concepts and innovations have often been subject to the connotation of "mission impossible". But, if digitalization is seen as a threat, opportunities may remain undiscovered. It is ideas and technology that are changing the future and contribute to new, high-scale growth. Today, nine of the world's most valuable high-tech companies originate from China, eleven are from the United States, but (unfortunately) not even one is European. Entire industries are being put to the test of digitization and many are already undergoing transformation.

Smart technology might soon embrace everyone's life: From autonomous driving in electric vehicles over to smart homes, smart working places, and smart cities. Industrie 4.0 will create the jobs of tomorrow, new alliances will push forward connectivity. Smart ports and smart manufacturing might become more efficient, faster and cost effective. In order to enhance city residents' quality of life, digital savvy, smart metropolises are creating networks to integrate the areas of energy, mobility, urbanization, administration and communication.

The key to all this is a virtually unlimited raw material: Data. Data offers a myriad of opportunities to provide intelligent solutions for any problems. Whether in autonomous mobility, healthcare, energy supply or trade: Artificial Intelligence (AI) can help transforming traditional industry to next level. And data is critical to AI; it's at the heart of it, and it could simply be used to help understand the world better, offer customized solutions, and answers on the questions of tomorrow.

In this issue of the German Chamber Ticker, we will offer insights on how consumer behavior might disrupt the automotive industry and take a closer look at the development of 5G and how the Internet of Things (IoT) will shape China in the next few years. Furthermore, we will provide you with information on China's desire to top the list for the smartest cities globally and much more.

We hope that you enjoy reading!

Yours Sincerely,
Jens Hildebrandt



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Airport	Distance	Time
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Hangzhou Xiaoshan	120km	90min

Seaport	Distance
Yangshan Port	40 Sea miles
Zhoushan Port	70 Sea miles

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China News

A Prosperous Year for Chinese Start-ups

In retrospect, China's year of the dog could rather be called 'year of the unicorn'. Almost 100 start-ups valued at a minimum USD 1 billion, so-called unicorns, were created in 2018. The total 186 Chinese unicorn start-ups had a combined value of RMB 5 trillion (approximately USD 736 billion), contributing to a new rise of the Chinese billionaires, which has been witnessed in 2018.

According to Hurun Report, a research firm based in Shanghai, the list of start-ups was topped by Alipay operator Ant Financial Services, which – valued at RMB 1 trillion – accounted for 1/5 of the total valuation. Other high-listed unicorns included news aggregator Jinri Toutiao, valued over RMB 500 billion, ride-hailing app Didi Chuxing and electric car-startup Leap Motor. The industry hence continues to be led by internet finance as much as internet service unicorns which operate in a fast-paced business environment. As innovative hubs, Beijing, Shanghai and Hangzhou thereby counted the most unicorns created in 2018.

As 24 of the new unicorns, about a fourth of the total number, went IPO in 2018, investors raised concerns about their potential overvaluation and low trading prices. Yet, in contrast to weakened confidence, over two thirds of unicorns beat their pre-IPO valuation, leading to an overall successful year of start-up ventures in China.

Longer Weekends to Boost Local Consumption in Hebei

Long working days and often times unpaid extra hours have long been part of the Chinese working culture. Yet, local governments, such as officials in northern Hebei province, have come up with various suggestions to cut working hours – not necessarily with attention to workers' wellbeing and productivity, but rather with a focus on economic growth and consumption.

In January 2019, the Hebei provincial government introduced their two-year plan to boost the local economy and stipulate private spending. One of the report's most discussed suggestions was the implementation of two and a half-day weekends granted to workers in "areas where conditions allow" for such a measure. Whilst workers are invited to adopt more flexible work hours, take vacations and most notably get Friday afternoons off, shops

are meanwhile urged to extend their opening hours to boost consumption and facilitate shopping.

Having received lots of media attention, the report was also discussed by the Chinese public. Due to widely-spread customs of working overtime and search for higher wages, many workers are skeptical about the two and a half-day weekend. Although all employees in certain regions of the province are invited to Friday afternoon off, the actual pay-off may vary between civil servants and private employees, as high stress level and expected working overtime at private firms make it unlikely that the latter would benefit from such scheme.

China to Become Largest Economy in the World by 2020

Despite its recent slowdown in terms of growth rates, the Chinese market share of world GDP is nonetheless continuously increasing. According to a recent report published by Standard Chartered Bank, China is likely to become the world's largest economy by 2020. Whilst such measurement is based on PPP exchange rates and nominal GDP, China has already overtaken the US as largest economy in terms of PPP only: Data by the IMF state point at a share of 18.72% of world GDP based on PPP held by the Chinese econo-

my in 2018, whereas the US share accounted for only 15.17%.

In contrast to the Chinese economy's development towards a 'new normal' and shrinking growth rates, economic observers predict its Asian neighbor India to become the region's new economic driver, as Indian GDP growth is expected to accelerate from 6% to 8% in the near future. The country is thus set to overtake the American economy within the next decade. By 2030, total Asian GDP could then account for more than a third (35%) of global GDP.

These developments, which Standard Charter mostly associates with a rising middle class in Asia, make Asian economic output eventually match the region's 4.5 billion-strong population. In China, consumer spending is forecasted to grow by 7.5% to USD 5.6 trillion and surpass the US total retail sales in 2019, according to a recent eMarketer report.

Chinese E-Commerce Market Catering to Customers in Africa

Rapidly growing within the past few years, the African e-commerce market is attracting more and more interest from Chinese investors and businesses alike. Through platforms such as the first China-Africa E-commerce Industrial Development Forum, held in November 2018, as well various joint ventures and agreements

on cross-border trade, Sino-African trade, business cooperation and digital infrastructure support increasingly gain center stage of various bilateral relations.

Beyond state policies, it is more Chinese business leaders who aim at entering the emerging African market and start initiatives for new business models, as Alibaba's Jack Ma has proven with his USD 10 million annual price scheme introduced in last August to foster a future generation of entrepreneurs.

The African e-commerce market is expected to hit USD 29 million by 2022 and, according to research by McKinsey, able to reach a worth of USD 75 million online revenue by 2025. Alibaba is thereby already benefitting from its four million customers in Africa, with current key markets located in the more developed regions of South Africa, Nigeria and Kenya.

Whilst Chinese technology corporations have already ridden on the wave of China's mobile phone revolution – currently Africa's top smartphone manufacturer is presented by Chinese hi-tech conglomerate Transsion Holdings – and Huawei and ZTE have crucially supported the set-up of mobile networks across the continent, a number of challenges remain. Key to success for foreign investors lies in the provision of

tailor-made services fitting local demands, dealing with poor infrastructure and logistics issues, and overcoming language and culture barriers.

Investment Opportunities in Renewable Energy Industry

It was not the least at the 2019 World Economic Forum held this January in Davos that climate action, a pressing issue which does not leave much room to act, presented a key topic of discussion within business circles and well-beyond. Whilst countries across the globe continue to commit to standards of environmental protection and the reduction of carbon footprints, China has increasingly set the tone for joint efforts of climate change mitigation and adaptation.

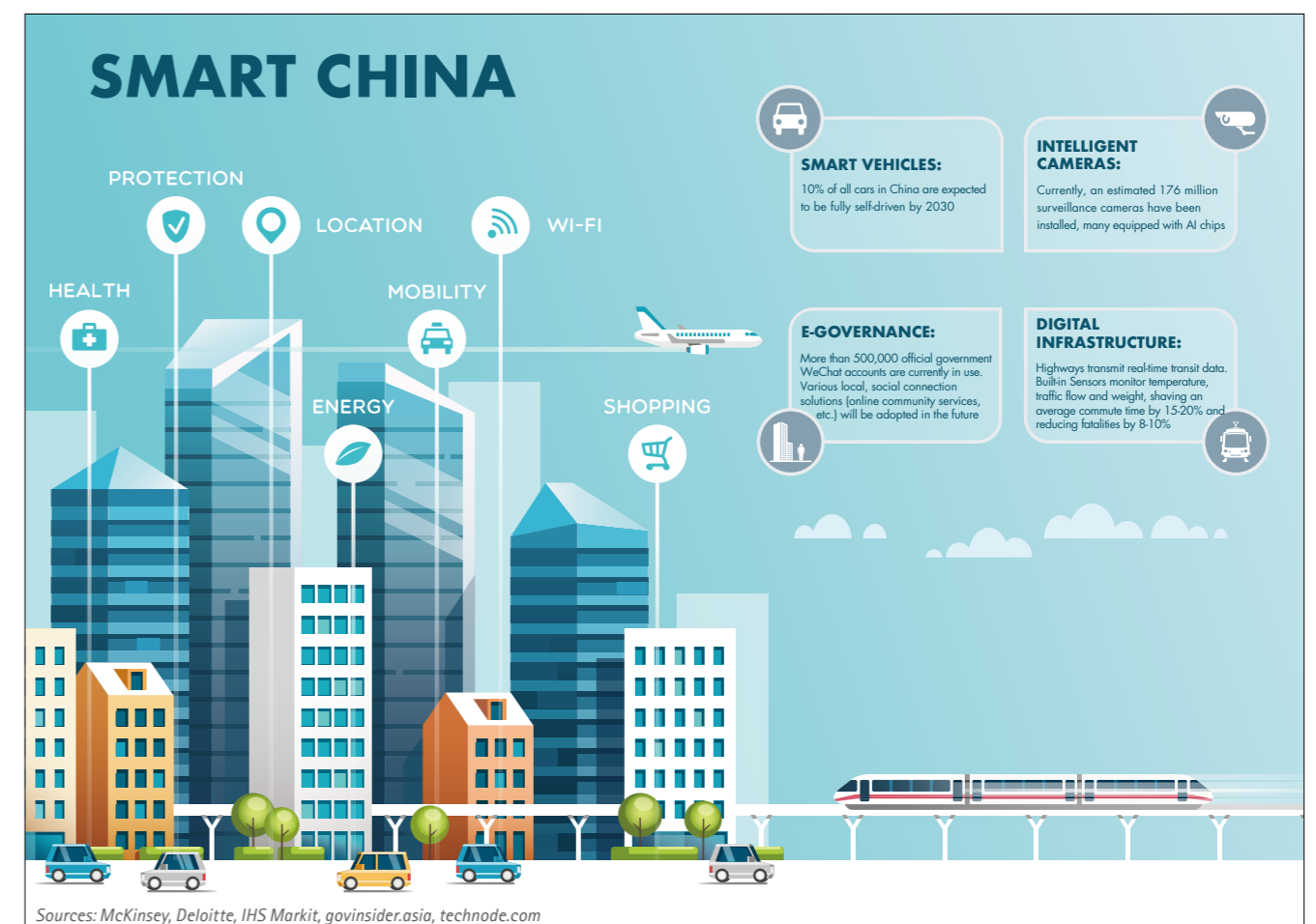
Realizing the urgency of decreasing its carbon emissions and having started the "war on pollution" back in 2014, the Chinese government has heavily subsidized its renewable energy market. In the year ahead, market analysts see further opportunities for foreign investors in the related industries.

Bearing the largest share of global carbon dioxide emissions, China has at the same time become the world's top importer of natural gas, mostly relying on imports from Australia. A dual development of high investment put into renewable energies, adding up to USD 126 billion and accounting for 45% of total investment in 2017, and generally falling costs for material supply make investment in related companies especially attractive.

Although the Chinese government has recently withdrawn subsidies for production and development of renewable energy technology to reduce state debt, potential for investment especially remains in the field of electrification and e-vehicles. In the "smart future" Chinese leaders envision for their country, traffic should not only become automated (see infographic); its electrification of all vehicles is already well along the way.



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The New Horsepower:

How Consumer Preferences Will Disrupt the Automotive Industry

There are still many obstacles - of technical, ethical, and regulatory nature - for autonomous vehicles to be used in everyday life. The energy that is injected into autonomous driving technology proves that there is a future as the benefits seem to far outweigh the risks.

By RAINER BECKER

In the 90's of the last century, if you had a Nokia mobile phone in the Western world, you were someone in a corporate organization. Later on, a Blackberry device became that status symbol. Nobody could imagine how Nokia's or Blackberry's position could be challenged – until the iPhone disrupted the market in 2007. The first iPhone wasn't lighter or offered better battery longevity or more options than a Blackberry. Instead, it offered a better connectivity, usability, and intuitive surface. It changed the way we use smart phones forever. Within a few years, Nokia and RIM, the producer of Blackberry phones, became a shadow of their former selves. This development opened the way for a set of new competitors who entered the market using new skill sets, such as Samsung, Huawei, or Xiaomi.

Today, the story might repeat itself – in the automotive industry, an industry that rarely saw successful new entrants in the last several decades. The hurdles to enter this business used to be high due to the complexity of engineering efficient combustion engine drivetrains, high necessary upfront investments in assets, and the need for an extensive dealer network. This is changing. Soon competition will not be about more horsepower, better acceleration, a more fuel-efficient engine, or a more interesting choice of options and packages. Instead, data power will become the new horsepower. Better living will replace better driving and handling. The significance of performance will be replaced by the significance of connectivity. To compete in this changed automotive world, different skill sets and experiences will be required to what is existing in the traditional automotive industry.

New automotive startups are utilizing this situation to challenge the incumbents. The gate opener for this development is the rise of the electric vehicle. The chance to succeed is bigger than ever: one of the main hurdles to enter the industry, the complexity of designing a vehicle's combustion engine and drivetrain, has been largely reduced by the rise of the electric drivetrain. The electric vehicle industry is in full swing, kickstarted by a company called Tesla, supported by stricter emission regulations worldwide, and a push from regulators, especially in China. Several new entrants are exploiting this opportunity, most of them from China, some of them from the US, and a couple of them from Europe. Companies like BYTON or Lucid Motors are challenging the automotive giants with their electric, connected, and smart vehicles. They call their cars 'smartphones on wheels'. The vehicles' smart features are more important than their original features. The possibility to seamlessly continue your digital life from outside the car inside of it make a smart vehicle even more relevant. Thus, the new challengers impress with large screens, like BYTON's 48-inch coast-to-coast shared experience display, not only with large rims.

Displays are one thing, making them relevant is another one. The vehicles will support data transmission between vehicles and a cloud platform and sync passenger settings and user preferences. This will help the vehicles' operators cater to individualized services inside the car, enhanced with artificial intelligence. Cars always have been and still are driver centric. In future smart cars, all passengers will be users that will be able to seamlessly enjoy their individual settings inside the car: their favorite temperature, seat and light setting, and their favorite digital contents.

Autonomous vehicles will disrupt the automotive industry to the same extent that automotive disrupted the horse cart transportation system

The next step for smart cars will be to drive themselves. Self-driving cars are still perceived controversially. This isn't new. At the beginning of the 20th century, especially the educated middle class among the European population was skeptical of an assumed velocity inebriation from the upcoming internal combustion engine cars that they assumed would harm their health. The same technology still dominated for the rest of the century, because it was superior to the horse cart system that existed before. So will autonomous vehicle technology. At the same time, it will change our life, society, and many industries. Traffic police? Speed cameras? Vehicle insurances? Parking structures? All unnecessary. Most striking: the decreased need for ambulances. Autonomous cars will dramatically improve safety on the road: no drunk or texting drivers, nobody falling asleep behind the steering wheel. We often push aside the fact that humans behind steering wheels are one of the biggest dangers of today's world.

There are still many obstacles – of technical, ethical, and regulatory nature – for autonomous vehicles to be used in everyday life. The energy that is injected into autonomous driving technology proves that there is a future as the benefits seem to far outweigh the risks. Subsequently, in December 2018, Waymo started a first commercial autonomous ride hailing operation in Phoenix, AZ, USA. Waymo is a subsidiary of Alphabet, and a sister company of Google. The skills needed for offering autonomous vehicle services rather seem to be in the data processing and internet connectivity world than on the vehicle design and manufacturing side. This is another hint that the nature of the industry players is going to change. As a result of this, the new automotive challengers not only focus on electric vehicles, they also employ a large share of software and data engineers in their organizations. They aim to be digital companies, rather than mechanically driven companies.

Changes coming with autonomous vehicles go beyond technology. This development will go hand in hand with a change of consumer behavior that will reshape the way how cars are distributed.

When will you buy your last car?

'The Economist' stated it already in 2012: "The buzz, status and implicit sexuality of car ownership has been taken up, even displaced, by other products and lifestyles, and not just among the young." Seven years later we see the strong emergence of increasingly convenient, flexible, and more affordable mobility services. There is still a lot to do, more powerful technology, more mindset change, more integration, more operational excellence. It is clear though: these services will dominate our mobility behavior soon. And the private car will be a less likely choice.

Smart devices have opened up a new world. They deliver a new dimension of transparency, communication, and consumption. Maps, timetables, pictures, service descriptions, payment services are now at the tip of our fingers. All known disadvantages of public transport, unreadable schedules displayed at the bus stop, complex tariff structures, the unreliability of taxi drivers on the way to us, or the need to find the right coins in the wallet – replaced by real-time information and electronic services. We now follow 'our' bus or taxi on the way to us, and we pay both with a swipe on our mobile phone. This will become even more

convenient. There are still more data to be shared, more features to be released, and more services to be bundled.

On the other hand, owning vehicles has become more of a struggle. It is expensive. Think of parking cost in major cities. Driving private cars is increasingly restricted, like in Chinese Tier 1 and 2 cities, like Beijing, Tianjin, Guangzhou, or Chengdu. Western cities introduced city tolls, such as London, or they restrict traffic, such as some Italian cities. Driving by yourself is increasingly time consuming, not only when sitting in traffic jams. As long as we are driving by ourselves, we can be on the phone or listen to books, news, and music. No reading, no e-mailing, no texting. Ride-for-hire services, such as Uber or taxis, or public transport allow us to get our stuff done while we move.

Changing consumption habits are another strong trend. Chinese often don't walk to Starbucks anymore. They press a button on their phone and the coffee is delivered. Our kids internalize shopping as pressing a button on their phone. While in the 1990's we walked to the CD shop to buy whole CDs because we liked one song, today we ask Siri which song it is and tell it to get it right away.

One day we will want to order mobility with the press of a button, because this is how we consume, because this is what technology enables, and because this is what saves us time, trouble, and cost. The variety of mobility offers out there that currently operate independently of each other will be integrated into one mobility system that will always have the right service available for our current needs. The own car: too much hustle.

The race to play a role in this future mobility world has started already. Most recently China is playing an increasingly important role, e.g. with its bicycle sharing brands like Mobike. The strong, determined government push for use of electric vehicles is putting China at the forefront of this new technology. One of the challengers, BYTON's Chairman of the Board and Co-founder Dr. Carsten Breitfeld predicted in an interview with Fortune magazine that ten years from now more than 50% of BYTON's revenue would come from mobility services. In several years from now new players will emerge and traditional players will have to deal with their outdated business models.

An article in one of Germany's national newspapers, Frankfurter Allgemeine Zeitung, on 5 February 2017 about these upcoming challenges ends with an anecdote between Daimler CEO Dieter Zetsche and a Silicon Valley startup. On his way out from the visit, he wished them good luck – and was met with surprise: "Good luck? You will need it if you want to survive."



Rainer Becker

Rainer Becker spent his career in the automotive industry. In 2009, he became member of the team that invented free floating car sharing under the brand car2go. He expanded car2go in Europe and in 2016 brought the brand to China. After one year as COO for GM's car sharing brand Maven in Detroit, he is now Senior Director Mobility for BYTON in Shanghai (www.byton.com). <https://www.linkedin.com/in/rainbeck>

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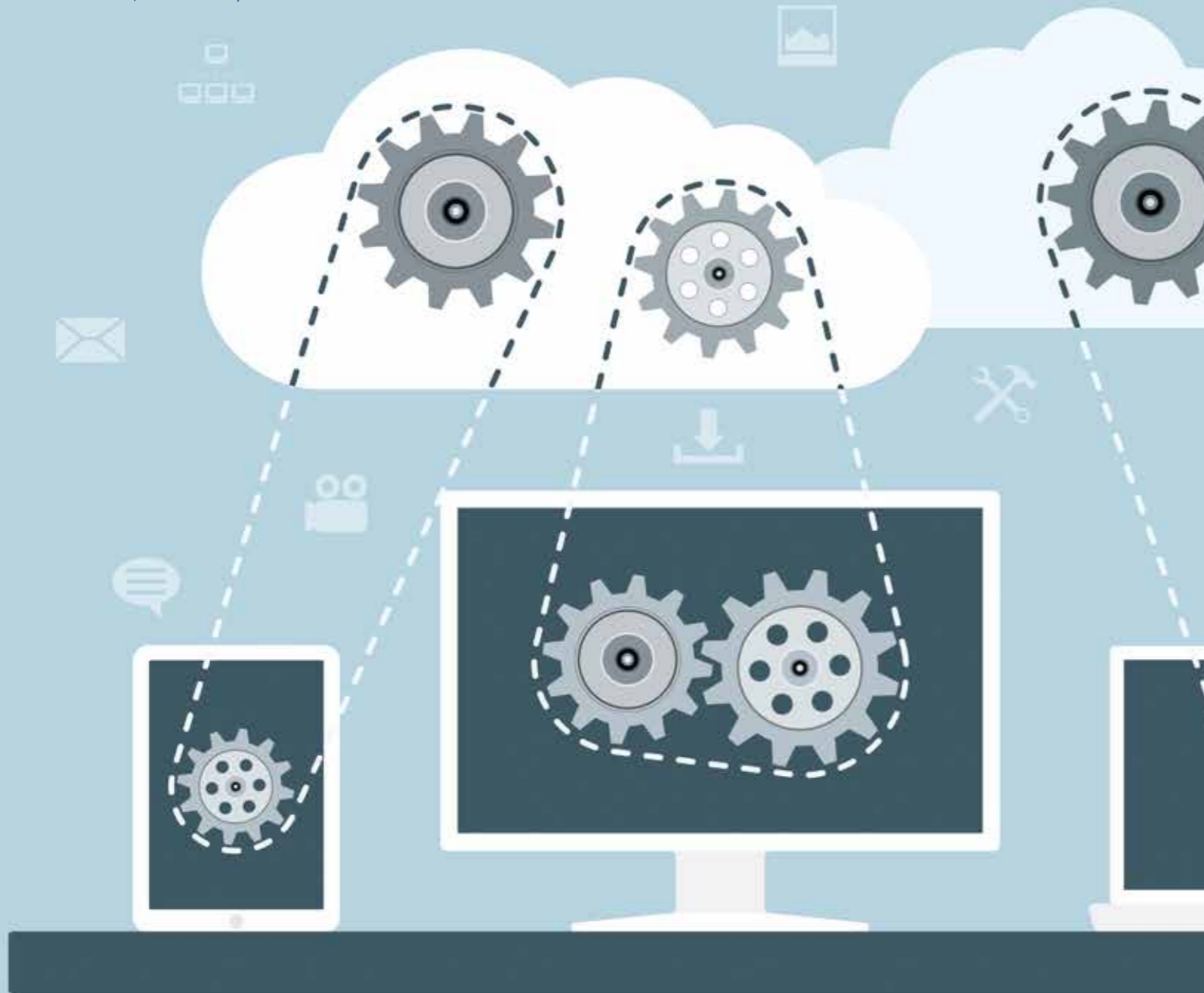


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Blended Reality

How the Convergence of 5G, AI and IoT Will Shape China in the Next Five Years

By SEBASTIAN MUELLER

While there are many potential applications for AI, in the consumer space the main use cases so far are around customization. Using data generation by the usage of services to learn about the consumer, understand the consumer and serve his needs even better the next time around. The holy grail of this customization is to serve every individual exactly according to their needs, as an audience of one.

With over 753 million users, China is home to the largest mobile internet population in the world. People are connected everywhere they go – with the internet for them largely consisting of a few access points, including Tencent's WeChat, Alibaba's eCommerce properties, Baidu's search engine and popular social applications like ByteDance's TikTok.

The smart services that come with that ubiquitous connectedness are changing consumer habits drastically. Digital payments are on the rise, reaching transaction volumes of nearly USD 16 trillion in 2017. The Chinese market is accounting for 68% of the global trips completed with on-demand bike and car sharing services (1). Mobility is always available at the click of a button, without the need to own the asset.

WeChat is now processing over 45 billion messages every single day, with massive adoption across various age groups including the elderly, creating a new social fabric. Traditions are being brought into the digital realm, with 688 million people sending their hong-baos through WeChat on the Chinese New Year's Eve of 2018.

While these numbers are already incomprehensible to most, by all indications the mobile boom in China is just getting started.

The looming 5G revolution

The combination of widescale availability of affordable smartphones, rising incomes and an increasing amount of attractive digital services, has led to an exponential growth in mobile data usage. While the total in 2012 was below 1 Exabyte (1 billion billion Bytes), in 2017 it reached nearly 25 Exabytes. The consumption growth rate is itself accelerating and has reached over 100% year-on-year growth since 2016 (1).

This has been a strain on the countries' infrastructure. It has been a bottleneck both to consumption and also to widespread proliferation of IoT devices and the implementation of even more data intensive services. Life streaming, a very popular activity among the young population, is already data intensive. Yet that is fractional, compared to use cases such as 360° life streaming for Virtual Reality consumption.

This is all about to change, as China is accelerating the timeline on the roll-out of 5G across the country. With the new technology being faster by an order of magnitude, we will see a Cambrian explosion of new services, use cases, IoT penetration and data consumption across the country. With data collection, data streaming and data storage capacity growing at the same exponential rate, it will also be the starting point for a new wave of personalization that we have never seen before.

AI and the audience of one

It is by now well established, that China is taking the lead in AI research and implementation. China is home to the most valuable privately held AI companies globally (Sensetime, Yitu, Face++ and more) and the government and investor scene are eager to fund the technology to even higher degrees.

While there are many potential applications for AI, in the consumer space the main use cases so far are around customization. Using data generation by the usage of services to learn about the consumer, understand the consumer and serve his needs even better the next time around. The holy grail of this customization is to serve every individual exactly according to their needs, as an audience of one.

The effectiveness and efficiency of AI mainly depends on the available computing power and the available datasets. Without enough computing capacity, insights take too long to generate making it inefficient. With too little or badly structured data available, the generated insights are meaningless, making it ineffective. For hyper-customization to be possible, both requirements must be met.

We are on the verge of that happening. There is no lack of computing power, increasing further and further as it keeps doubling every 12 – 18 months. At the same time, datasets are getting richer and richer, with an explosion in available user data on the horizon through the roll-out of 5G services and the increasing capacity to collect, transfer and store anything and everything a company can learn about their customer.

AIoT - When the physical world becomes customized

Xiaomi has recently committed at least RMB 10 billion in investments into AI and smart devices over the next five years. It is no coincidence, that these two technology fields are thrown together in the same sentence. Lei Jun himself, CEO of Xiaomi, mentioned in the same statement, that Xiaomi is "all in on AIoT".

What the convergence of these two technologies means is nothing short of the potential of a hyper-customization of the physical world. IoT devices, also termed cyber-physical systems, serve as the connector between offline and online. They combine the capabilities to act in and onto the physical world, collect data from it and turn that data into insights and instructions, through algorithms running in the digital realm.

Through face and voice recognition, every individual can be clearly identified without the need for passwords, fingerprints or ID. Every device knows exactly with whom it is interacting, can access what is known about that individual, and customize its' services and surroundings in accordance to that information. A personal version of reality, in which bikes pre-adjust their seat and resistance, cars adjust the softness of the seat and the temperature, and restaurants prepare dishes exactly to taste and nutrition needs are all possible.

Smart home device penetration in China is still in its' infancy. Only an estimated 5% of Chinese households did make use of smart home applications in 2018, equaling a market size of just around USD 7 billion. This is estimated to grow fivefold by 2025 to USD 35 billion. And that is a conservative estimation, taking into account the paradigm shifts that are just getting ready to launch and scale.

Qui Bono? Alliances are forming to benefit

As this emerging field is on the intersection of multiple industries, alliances are already forming looking to take advantage of this opportunity. Most are a combination of a traditional household goods player and a technology company, looking to combine the brand strengths and retail channels of the manufacturer with the technical chops of the digital player to bring new propositions to market.

Such combinations include the announced alliance between IKEA and XiaoMi to team up in smart devices for the Chinese market. Other tie-ups that have already formed include Alibaba and Midea, as well as Philipps Lighting and voice-controlled home assistant manufacturer LingLong (itself a joint venture between JD and iFlytek). While initial use cases around remote- or voice-controlled lights, at-home environmental quality and smart fridges seem benign, they are just the starting point for what these companies have in store.

Chinese companies have been great at figuring out business models, where others saw prohibitive entry points. Such as XiaoMi pricing their devices at barely break-even to drive penetration and monetizing through services and advertising or WeChat making digital transfers and payments free for users and only charging merchants. Where traditional business models fail, because the immediate cost-benefit logic does not work for the customer, Chinese technology companies understood the importance of first achieving scale with an entry point and monetizing through ancillaries later.

The smart devices themselves are and will be priced very aggressively, to appeal to as many consumers as possible. Reach is the name of

the game. What comes after that, is a level of unprecedented data gathering and insights on a scale nobody can yet imagine.

The transparent customer

Technology companies such as Alibaba, Facebook, Google or Tencent know a lot about their customers. But all their knowledge is mostly limited to their customer's online activity. Google knows what people search for, click on and which websites they visit, but it does not know how many people are in their house at any time or where they stop by on the way to work. They know a lot by what is revealed online, yet the actual physical world and activity has been barred from their view. Until now.

By introducing smart home devices into customer's homes, the usage data not only allows them to make the device smarter, but also to know a lot more about the consumer. Voice-control means they can listen in and analyze how many different voices (i.e. people) are at home at any time. They know when people are at home. They know when people are on the road and where they stop by. And they can correlate all of those insights into the physical world with their existing data to generate a whole new level of insight.

The ultimate selling point of technology companies has always been about convenience. Making it easy to connect with friends and family. Making it easy to pay. And now making it easy to control every aspect of your home. Not to mention being able to get everything delivered at any time, not having to carry around cash and mobility at your fingertips wherever you are.

The trade-off has always been the same: You pay the economically equivalent price – either in cash or in data. While high convenience is nice to have, the business model behind it needs to be considered. Paying the full price for value in cash, by dealing with companies who are not looking to monetize data to an extreme, might be a good balance to strike. The proliferation of technology is unavoidable, yet how we view it and deal with it is fully in our control.

China is the frontier market for this development, as it has been innovating and adopting in the relevant spaces at an unprecedented pace, and the technological waves of 5G, AI and IoT will crest together here over the next few years in the first nation globally. It will be interesting to see what scenario will unfold and how that will impact the lives of consumers across the country.



Sebastian Mueller

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China's Race to Smart Cities

At the heart of a Smart City are information and communication technology (ICT). China is no longer a follower in these areas and is actively taking a leading role on the international stage.

By DR. YING FENG

If ever a country needed Smart Cities, it is China

The urbanization rate of China hit 58.52% at the end of 2017, according to the National Bureau of Statistics (NBS). The rate, which may not be particularly high compared to other mid-level developing countries, means that more than 810 million Chinese citizens now live in urban areas and cities. In just four decades, the number of cities in China grew by more than 200% and as of 2017, China had 15 megacities with populations exceeding 10 million. Moreover, China's urbanization is far from over and research by Tsinghua University estimates that the rate will reach 75% by 2050.

The unprecedented urbanization in human history poses huge challenges such as air pollution, traffic congestion, crime and waste management, to name just a few. To tackle these issues, the Chinese government has incorporated Smart City notions into national the strategy, and implemented a series of policies to promote the development of Smart Cities.

In the "Guidance on Promoting Healthy Smart City Development" released by the National Development and Reform Com-

mission (NDRC) in 2014, a 'Smart City' is defined as the new philosophy and model that utilize the new generation of information technology, such as Internet of Things (IoT), cloud computing, big data, and geospatial technology to promote smart urban planning, construction, management and public services.

Late comer playing catch-up

The concept of Smart City aims to improve operational, service and energy efficiencies of cities by analyzing and utilizing information collected from different types of electronic sensors. It first gained popularity among European countries in 1990s. Beside Europe, United States, Japan and South Korea are also the "first-mover" in the pursuit of Smart City and have been recognized for their efforts and achievements. Among the world's top 25 Smart Cities in 2018, 12 are from Europe, six are from North America, four are from Asia and three are from Oceania, according to the IESE Cities in Motion Index, a list released by the IESE Business School in Barcelona. The four Asian cities are Tokyo, Singapore, Seoul and Hong Kong, which are all in the top 10. The smartest city in mainland China is Shanghai (ranked 57th), followed by Beijing (78th), Guangzhou (109th) and Shenzhen (115th).

Apparently, China is late to the Smart City party, but it is demonstrating strong ambitions to catch up quickly and there are good reasons to believe that it will. To start, the government is committed to the development of Smart Cities and is willing to pour huge investments into it. Secondly, China now boasts some of the most valued technology companies in the world, such as Alibaba, Tencent and Huawei. These companies have the capital, the technology and the talents to make the development of Smart Cities possible. Additionally, owing to the thriving startup culture in China, there are a large number of small companies that are quick to adapt to new market needs brought by booming Smart City projects. Not to mention that being the largest manufacturer in the world, China has already produced most of the world's electronic sensors, which are central to the notion of Smart City.

Getting smart, the new national strategy

Policy-makers in China are serious about the ambition to get cities smart and their actions are swift. The first 90 pilot Smart City projects were approved in 2012 after the Ministry of Housing and Urban Rural Development (MOHURD) issued the "Notice of carrying out Smart City pilot". By 2018, there were more than five hundred approved Smart Cities pilot projects in China, making it the country with the largest number of Smart City initiatives in the world. In addition, Smart City clusters such as the Pearl River Delta and the Yangtze River Delta, have gradually become key components of national development strategy.

An important sign that Smart City has become a national strategy is that President Xi Jinping mentioned "Smart Society" in his report at the 19th CPC National Congress in 2018. As the more advanced form of Smart City, Smart Society aims to extend the boundary of Smart City initiatives to the whole society and benefit all citizens, while achieving and maintaining sustainable development.

One of the main driving forces behind the rapid development of Smart Cities in China is the government. For years, China has led the world in investing in infrastructure. For example, in the past decade, the length of highways in China grew from 53,900 kilometers to 140,000 kilometers and in 2016 alone, more than 26,100 bridges were built. China has already built the world's largest internet infrastructure system, which enables the number of internet users in China to reach 800 million in 2018. Now China turns its eyes to building network infrastructure of the next generation such as Internet of Things (IoT) and 5G, both are crucial to the implementation of the government's Smart City plans. It is outlined in the 13th Five-year Plan that more than RMB 2 trillion will be invested in building better network infrastructure.

Tech giants' new battleground

At the heart of a Smart City is information and communication technology (ICT). China is no longer a follower in these areas and is actively taking a leading role on the international stage.

Among the ten largest telecommunication equipment companies by revenue, two are from China (Huawei and ZTE). Together with the three major telecom operators (China Mobile, China Telecom and China Unicom), they are engaging in setting the standard, investing in R&D and conducting field tests of 5G.

A report by EY argues that China is on the verge of winning the 5G race, thanks to well-built infrastructure and supportive government. This viewpoint is echoed by many. "We are behind China," acknowledged by John Legere, CEO of T-Mobile US. By August 2018, China had built more than 1.9 million sites for 5G infrastructure, which is more than ten times the US has built, according to a report by Deloitte. It is further pointed out in the report that China has outspent the US by USD 24 billion in 5G since 2015.

China's tech giants BAT (Baidu, Alibaba and Tencent) have shown strong ambitions in developing technology of artificial intelligence (AI), cloud computing and big data by directly competing with western rivals such as Google, Microsoft and Amazon in these realms. They are ready to make the most of their technology and talents to make modern cities smarter and compete to get a share in this growing market. Baidu launched its autonomous driving platform Apollo in April 2017 and recently it announced that Apollo 3.5, the company's latest and open source platform, is capable of handling complex situations in urban areas.

Alibaba and Tencent are now in a tight race to win over different levels of governments to deploy their Smart City solutions after competing with each other in the areas of electronic payment, online retail, cloud computing and social networking. Both companies have partnered with governments to improve administrative efficiency and transparency. Citizens in Shanghai can easily make hospital appointments, pay for utility bills and even checking the status of a lawsuit through Tencent's popular instant messaging app WeChat or Alibaba's mobile payment service app Alipay.

In June 2018, an electronic birth certificate, the first of its kind in China, was issued to parents of a newborn baby in Guangzhou via WeChat. The authorities strive to promote the use of electronic certificates, which are easier to authenticate, cheaper to produce and more secure to hold.

Small companies, big opportunities

While big players like Huawei, BAT and Pingan attract most of the attention, it certainly does not mean that the whole market is taken by them and small companies have no roles to play in developing Smart Cities. On the contrary, the increasing opportunities brought by the development of Smart Cities have driven the births of many small companies.

Take the IoT industry for example. In the China A-share market, there are only around 130 IoT related listed companies. By con-

trast, according to Qichacha, a business data provider, there are more than 73,000 IoT related companies in China. In Shenzhen alone, there are more than 11,000 IoT related companies and more than 75% are registered after 2015.

The significant increase of the number of startups in IoT is a result of the fact that China's IoT industry is also booming: the market grew by more than RMB 1 trillion in less than ten years. A report by China Economic Information Service reveals that the IoT market was worth RMB 1.19 trillion in 2017 and the rapid growth is estimated to continue over the next few years.

Smart Cities in action

For many citizens in China, Smart City is no longer a concept in textbooks. It is ubiquitous in their daily life. One example is that at many bus stops, passengers now can easily check when the next bus is arriving via electronic screens or simply via mobile apps.

Facial recognition technology has been used extensively in many cities' security checks. One famous example is that more than fifty fugitives have been captured by the police at various venues of Jacky Cheung's concerts in 2018. In all the cases, the fugitives were recognized by the cameras as wanted criminals when they attempted to pass the security checks. Some of them had been on the run for years.

An intelligent traffic light system which can detect the road conditions and adjust the signal automatically was deployed in Shanghai in 2018. The system demonstrated strong advantages over the traditional one when it was tested in Puxi Expo Site. On average the travel time was reduced by 8% and the congestion index was reduced by 13%.

Future development of Smart Cities in China

Despite the achievements in the process of building Smart Cities, some problems have been revealed, such as the lack of overall planning, insufficient innovation of institutional mechanisms and weak

protection of internet information. Although solutions may vary from city to city, a successful plan should be implemented with the following goals, according to research by Politecnico di Milano and VC University Amsterdam:

- Improving the citizens' quality of living through building more integrated mechanism of public services.
- Focusing on equality by benefiting all citizens in public services.
- Enhancing collaborations and communications among governments and departments by utilizing networked infrastructure.
- Emphasizing the protection of information security.
- Incorporating social and environmental sustainability into the strategic planning of Smart Cities.

With the goals ahead, Smart Cities in China are still to explore a more efficient and effective model that can help obtain a balance between localization, equality, openness and sustainability in the development.



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Powering NEVs: Excursion Upstream

Chinese battery manufacturers have not only benefitted from institutional support, but also from China's role in strategically securing the battery supply chain in the last decade. According to some estimates, about three quarters of global lithium production and over half of the cobalt production will be geared towards NEV batteries by 2025

By SRINATH RENGARAJAN

There is an increasing global awareness towards the impact of conventional vehicles on the environment and climate, leading to a fundamental shift towards greener transportation. Probably the most salient element of this shift, which is increasingly grabbing public attention, is the adoption of new energy vehicles (NEVs). They are clearly a major part of the future mobility ecosystem globally and a rapidly growing industry segment. Even after discounting for regional differences in market penetration, over 60% of the vehicles sold could be NEVs by 2030 by some estimates.

China is playing a major role in shaping the future of this industry worldwide. China already accounts for over 60% of EVs sold annually. Unlike in the case of conventional vehicles, Chinese firms have parity with Western OEMs in R&D and technology aspects of NEVs. It is well established that they benefit from institutional support, mature industrial ecosystems, and scale effects domestically.

Local players constitute over 90% of the NEV market in China today. However, most of these cars are in the lower market segments and largely propped up by subsidies and incentives. Meanwhile, western OEMs are rallying to scale up their investments to produce NEVs locally. Concurrently, start-ups like NIO and Byton are adding to the premium NEVs options available, given the better business case offered by this segment in the mid-term.

The economics of NEVs is largely determined by the costs of batteries. Consequently, the pace of NEV penetration in the volume car segments will be determined by how the battery production scales up and prices continue to drop. To this end, Chinese battery manufacturers have surpassed their Japanese and Korean counterparts to rapidly ramp up capability and capacity in China and globally. Against this background, battery production and its supply chain, as a key enabler for NEVs, merits a deeper investigation.

The role of batteries

Electric vehicles originally comprised a significant share of vehicle offerings in the early twentieth century. However, the range and convenience offered by internal combustion engine powered cars (ICEs)

led to them losing significance. Further, scale effects enabled by mass production increased the affordability of ICEs for customers. In this time, the powertrain components and their integration have been the key technology differentiators for OEMs. Moreover, regional variations in the emission regulation norms and fuel consumption standards constitute a major entry barrier for new entrants and are a source of competitive advantage for incumbents. The powertrain and its associated components not only constitute 15-20% of the cost of an ICE, they also contribute significantly in terms of after-sales revenues and margins.

In case of NEVs however, the conventional powertrain becomes redundant and batteries become the major differentiator. The key specifications include energy density, operating life between charges, performance over charge-discharge cycles, and thermal management. In a typical NEV today, the batteries account for 40-50% of the costs, with other components of the electric powertrain (such as power electronics, motors, and wiring) contributing another 20%. The battery cell production accounts for about two-thirds of the battery cost itself, with the rest stemming from module and pack assembly. Currently, OEMs seem keen to keep the module and pack assembly in-house. The rationale is that controlling battery pack space and thermal management is critical to NEV range and performance. On the other hand, they seem content to outsource the battery cell production.

Battery costs have dropped from over 900 US\$/kWh in 2010 to below 200 US\$/kWh today. To achieve cost parity with ICEs though, they must sink further to about 80-100 US\$/kWh. Beyond improvements in the manufacturing process, production scales are a major driver for reducing battery costs. Until recently, Panasonic, Samsung SDI and LGChem were the biggest manufacturers of batteries (measured in GWh of installed production capacity). However, Chinese firms such as BYD, CATL, and Lishen are increasingly dominating this space. In fact, they already constitute over two-thirds of the global NEV battery production capacity today. Interestingly, the pipeline of planned battery plants in China is three times more than the rest of the world combined.

There is an argument that if the supply far greater than the demand, we could see a replay of what happened in the solar panels sectors.

However, it is more likely that NEV adoption will gather significant pace as costs drop, supported by measures including incentives (i.e. carrots) and discussions on bans and complete exit from fossil fuels globally (i.e. sticks). Further, China's dominance in the NEV market will continue to grow, with a rising middle class being more sensitive to urban air quality and inclined to purchase more premium products. The domestic NEV market is therefore in sync with the investments of Chinese battery manufacturers to boost production scales.

The materials perspective

Chinese battery manufacturers have not only benefitted from institutional support, but also from China's role in strategically securing the battery supply chain in the last decade. According to some estimates, about three quarters of global lithium production and over half of the cobalt production will be geared towards NEV batteries by 2025. Chinese firms have made massive investments in these crucial materials and consequently control over 60% of the market for cathode materials, about 75% of the market for anode materials, about 7% of the market for electrolyte solution, and about 45% of the market for the separators.

China is home to the world's second largest lithium supplies, though they are expensive to extract - being of lower quality and in remote regions at high-altitudes. Therefore, Chinese firms strategically invested in the last decade in a variety of mines, especially in Australia and Argentina (which have the third and fourth largest global lithium reserves respectively). More recently, Tianqi Lithium bought a stake at a large Chilean mine; Chile accounts for 27% of the global lithium reserves. Taken together, Chinese firms have a stake in about half of the global lithium reserves.

While over 95% of lithium occurs globally as a primary product, over 90% of the global cobalt supply is as a byproduct of copper and nickel mines worldwide. Further, approximately two thirds of the global cobalt production are concentrated in the Democratic Republic of Congo (DRC). Through various arrangements, Chinese firms seem to control about 85% of the global cobalt supply.

The rapid growth in NEV penetration is becoming a cause of concern for battery makers and OEMs. It has prompted fears of a supply crunch since the lead time for increasing production capacity at mines and opening new mines is much longer. The manifestation of this fear is already being observed, with the costs of cobalt and lithium having more than doubled since 2015. Meteoric increase in material price, resource concentration in DRC, and persistent questions regarding ethics and social responsibility in mining activities are pushing companies globally to develop batteries with lower cobalt content - even though the production ramp-up lead to some price decreases recently.

Apart from production scales and manufacturing technology innovations, lower cobalt content is an additional lever for battery cost reduction. From cobalt-heavy chemistries like NMC111, there is already a shift towards an NMC622 chemistry, with an NMC811 chemistry expected to be production-ready soon. Cobalt-free batteries (such as a lithium-iron-phosphate chemistry) however, don't seem to offer

sufficient energy density to be credible alternatives. Alternatives technologies such as solid-state, graphene-based, or metal-air batteries are also too nascent to be a serious challenger to Li-ion batteries with NMC chemistries. Even if one of these technologies does mature sufficiently, a few more years are necessary for realizing commercialization and scaling production. Thus, batteries with significant lithium and cobalt content will continue to be critical for NEVs in the foreseeable future.

Implications

Chinese firms have established a position of dominance over the upstream value chain which primes them to exercise significant control and power over the key differentiator in NEVs. This puts Chinese battery makers in a favorable position in the future NEV constellation globally since they can ensure the affordability of high-quality NEV batteries when manufacturing them at scale. Simultaneously, the access to vast amounts of lithium and cobalt insulates them from potential supply crunches and boosts their bargaining power in terms of favorable pricing. Given the historically close relationships that OEMs share with their suppliers, some of these advantages would also accrue to Chinese OEMs.

Concurrently, western OEMs must rethink the long-term sustainability of outsourcing battery cell production. The German Chancellor voiced this concern recently, questioning the future of car manufacturing in Europe without local cell production. Automotive executives are already overwhelmed with paradigm shifts in the industry and have been focused on building downstream opportunities and engaging technology companies in future mobility ecosystems. It is understandably harder for them to further stretch the limited resources at their disposal to secure key materials or invest in in-house battery production. Against this background, pushing for higher transparency in supply chains and building upstream partnerships is not only a viable strategy, but an increasing necessity for them. This is a crucial cornerstone complementing their efforts to secure partnerships downstream.

How these partnerships play out in the face of increasing product commoditization, and their implications for OEMs in the future electric mobility ecosystems, will remain an intriguing arena in the meantime.



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Value Creation Approach in Smart Manufacturing



Chinese battery manufacturers have not only benefitted from institutional support, but also from China's role in strategically securing the battery supply chain in the last decade. According to some estimates, about three quarters of global lithium production and over half of the cobalt production will be geared towards NEV batteries by 2025.

By LIU HAO

The rise of smart manufacturing

Nowadays, digital technology has begun to infiltrate into various fields of our daily life, from Didi and Uber in the field of daily travel service, to Alibaba and Amazon in the field of general merchandise retail. Even in the fields of car manufacturing and aerospace which have very high entry barriers traditionally, there are competitors such as Google and SpaceX. These new subversives could develop rapidly and become a leader in the respect industry, as long as the right business model is applied.

Digital technology also has significant penetration and impact on industrial manufacturing operations. In recent years, the developed countries already took actions on developing overall digital manufacturing roadmap and building up its knowhow. China, being the largest developing country in the world, has already set smart manufacturing (digital manufacturing) as one of the three major themes in its top-level industrial development design for the next ten years, aiming to overtake other countries at the industrial manufacturing area.

The leading companies of different industries in China have already started exploration and practice on smart manufacturing and some of them have got certain achievements and progresses. But considering the large amount of investment, the medium and short-term investment return is far from satisfactory. In this article, the author intends to summarize the misunderstandings and suggest the key value creation approach in practice for the industry's reference.

Pitfalls of smart manufacturing

In the trend of digitalization, many companies have started smart manufacturing attempts, but few of them have succeeded. According to the author's analysis, companies usually fall into the following three pitfalls at the initial stage.

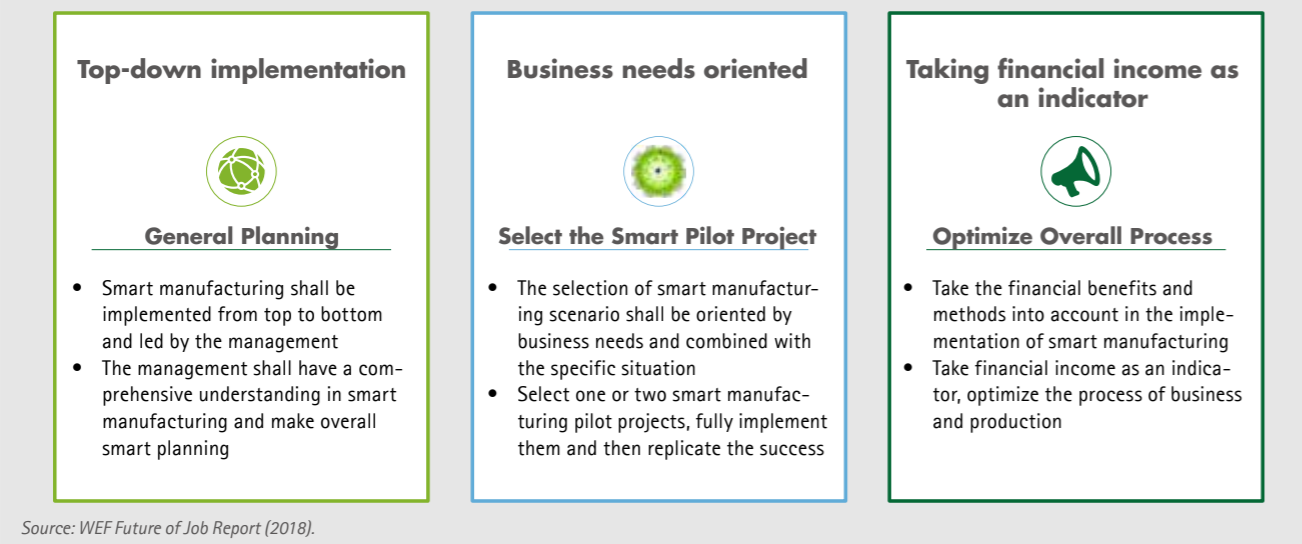
1. **Smart manufacturing equals to automation:** Such companies often chase for automatic equipment that can replace or improve original manufacturing process. However, they ultimately find the improvements to the process have their own limits.

2. **Start smart manufacturing for the sake of smart manufacturing:** Such companies usually invest a lot of resources into the technology which appears to be advanced, but finally find the change in operation does not necessarily link closely with the company's performance.
3. **No clear goal:** In the early stage, such companies do not articulate a specific business problem to be solved; therefore, the results of the project are eventually not directly reflected in the contribution to the business.

To address those pitfalls, three principles that shall be followed in smart manufacturing attempts are: "top-down design", "business-oriented", and "taking financial benefits as the key indicator". Only by following these principles and focusing on the correct value creation methods, companies can avoid the pitfalls and get the most out of the investments.

2. **Improve the Utilization of Smart Assets**
Nowadays, a large number of manufacturing companies purchase smart assets to adapt to the trend and change of the market, such as AGV, 3D warehouse, RFID tags, etc. The management believes that the assets, once acquired, will be automatically made full use. They do not fully explore the efficiency and utilization of the smart assets, so the benefits of the assets are not maximized. Through standardization and overall planning, we should integrate the isolated smart assets into the ecosystem of smart manufacturing and increase the return of smart assets comprehensively by keeping a clear information flow, establishing digital indicators and on-site promotion.
3. **Speed up the Transformation of the Process and Business**
Some local companies usually focus on introducing some digital tools and systems when implementing smart manufacturing, so that staff capability and production performance are improved

We find that Chinese companies have walked through many detours in the process of digital smart manufacturing, but these problems can actually be avoided in the early stage of implementation



The value creation approach of smart manufacturing

At this stage, the author believes that smart manufacturing can create value mainly through three dimensions: the full utilization of digital data, the effective use of intelligent assets and the acceleration of process and business transformation.

1. Make Full Use of Digital Data

Along with digital investment, many companies have actually had a pile of data. However, the author finds that manufacturing companies often lack experience in using digital data, especially when faced with massive data. The problems usually arise from a few aspects: Where are the data to be extracted; How to use the data; What value the data can bring. In fact, through systematic planning large amounts of effective and actionable data from system such as MES (Manufacturing Execution System) or manufacturing equipment, redefine data structure via screening and analysis to transform the unordered data into effective guidance application, and establish specific user case applications for the effective data model can be obtained.

initially. However, it often runs into bottlenecks in the medium stage and cannot continue to meet the expectations of the plan. In order to ensure continuous improvement and fundamental change, companies need to set clear transformation goals, reorganize and optimize the existing production process and production method, and establish a precise operational system along with, if not early than, the implementation of manufacturing transformation.

Case studies

A leading solar system manufacturing company is implementing a smart manufacturing pilot. The company actually started with a manufacturing transformation effort before they implement smart manufacturing effort. And the pilot focuses on digital data utilization and productivity improvement of digital assets.

1. Lead of Manufacturing Transformation

One year before the implementation of smart manufacturing pilot, the company started the work of manufacturing transformation, mainly focused on optimize and standardize the manufacturing process and improved staff capability.

2. Intelligent Management Decision

The company makes full use of the underlying production data obtained and screened through the MES system, and establishes application scenarios, such as process-oriented personnel capability matrix and performance appraisal methodology. Through real time data, field managers can quickly deploy team members based on their know-how, thus greatly reducing decision cycles and costs.

3. Improvement of Asset Efficiency

For the newly invested AGV (Automatic Guided Vehicle), the company develops a new working process by establishing performance indicators of asset efficiency and effectively distinguishing the definition of the effective working time and availability of the AGV. The highly efficient data-feedback solves the on-site operation problem. Focusing on the use efficiency of automation equipment helps clients greatly improve the asset efficiency of automation equipment which leads to cost reduction.

2. Start Small

Establish an "action team" to open up subversive innovation in a mature organization beyond the core business; select only one or two possible strategies and application scenarios and immediately implement them, verify business logic in practice and cultivate organizational skills

3. Act Quickly

Transform the strategy to implementation as quickly as possible with agile and iterative methods - from "fast failure" to rapid success, and replicate the method and the results. With these factors in mind, companies should clearly identify the right value creation application for their own and act immediately to start enjoying the true benefits of smart manufacturing.

How to start the smart manufacturing journey?

Smart manufacturing is the exploration to the unknown. It requires companies to be more positive in mentality and more active in manner to respond. Successful companies tend to take full consideration of the flowing three important factors when starting smart manufacturing:

1. Have Long-term Vision

Embrace innovation, explore the "possible art", inspire the concept of intelligence and cultivate innovation culture; set the vision, form a basic consensus on the future state within the organization and formulate a high-level smart manufacturing implementation roadmap



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The advertisement is for the Entrepreneurial Leadership Program (ELP) by ESMT Berlin. It features a large title "ENTREPRENEURIAL LEADERSHIP PROGRAM" and the ESMT Berlin logo. Below the title, it mentions "13th Financial Times Executive Education Ranking 2018 No.1 in Germany". The program is divided into two modules: Module 1: Business Excellence (May 13-17, 2019, Shanghai, China) and Module 2: Leadership Excellence (September 23-27, 2019, ESMT Berlin, Germany). Each module lists several key topics. The advertisement also features a section for the ELS Faculty with portraits of six faculty members: DR. Olaf Plötner, DR. Konstantin K., DR. Kaijun Tan, DR. Jan U. Hagen, DR. Peter Li, and DR. Urs Müller. The tuition is listed as € 9,900. At the bottom, there is a section for Founders & Benefactors with logos of various companies, and a contact section with phone and email information.



Industry Report

Increasing Awareness and Growing Demand for Health Food Drive Food Imports

By VIKTORIA PAUL AND MARCO FÖRSTER

For many international investors, the fast-growing Food and Beverage (F&B) industry in China is an attractive destination. In 2019, the revenue in the F&B segments is expected to amount to USD 22.687 billion, a plus of 22.5% compared to the year before, generating the biggest revenue in a global comparison. With an expected annual growth rate of 12.8%, the market volume is expected to result in USD 36.673 billion by 2023.

With only 11% of the country's land currently arable, China has serious problems to sustainably ensure the food supply for its population. Additionally, up to 40% of China's rivers and 20% of its land are polluted, resulting in a limited ability to produce food products. Accordingly, China has no choice but to import huge amounts of foreign food products to satisfy the needs of its immense population.

Besides soybeans, which account for 40% of the total value of F&B imports to China, meat products, wines, spirits, fish products, confectionary and chocolates, bottled water, dairy products and sugar are the most commonly imported products.

Consumer Trends in China's F&B Industry

To be successful in the market, understanding the objectives and demands of a Chinese consumer as well as regional differences in consumption and the internal dynamics of the market structure is the critical factor. Brands, adopting a uniform strategy across the country, ignore the big differences in regional markets. One example is, that better developed cities with a higher income and a more international lifestyle, such as the first-tier cities along the east coast, have a higher appetite for foreign products than western provinces. However, focusing on less saturated markets may offer a lot more potential, especially considering the smart growth facilitated by many tier 2 areas. To effectively assess the opportunities and risks across the different regions and adopt corresponding strategies, foreign businesses should not only consider partnering with local operators but also invest in research and development to determine the local preferences and offer customized products that suit the local demand.

The biggest trend in the Chinese consumer behavior is their growing awareness to health and consequently the change in their purchasing behavior. 86% of the consumers would consider food safety when buying food and 52% even consider it as the primary factor when buying or choosing food. Accordingly, sales of health foods such as food supplements and premium dairy products booms, while low nutrition food products lose in popularity.

Food and Health

Several factors, both social and economic, are contributing to the rise of the healthy food sector in China. By 2050, it is expected that more than 30% of China's population will be aged 60 and older resulting in a significantly increasing consumption of health food. The awareness for health good products also rises with an increasingly educated and internet savvy Chinese middle class. A growing consumption of organic and healthy food has contributed to a growing trend of healthy lifestyle products and has created a status symbol in the Chinese society. Scoring 12 points above the world's average, Chinese consumers are known as one of the most health-conscious nations worldwide. 73% of Chinese are ready to pay extra for food deemed healthier and 58% of Chinese Middle Class (aged 20-49) agree they are willing to pay more for ethical brands.

Foreign investors willing to sell health food products in China need to pay special attention, as China refuses to recognize international standards for organic food and imposes national standards. To legally sell health products in China, businesses need to obtain the Health Food Approval Certificate, issued by the China Food and Drug Administration (CFDA), for every functional food and nutritional supplement. Many documents such as the products R&D report, products formula and related documents, and the safety and health care evaluation report must be submitted to register a health food product. The process may take between 85 to 95 working days and the certificate is valid for five years.

Sales Channels

Another trend in the Chinese F&B market is the rapidly growing importance of online retail channels. According to the China Household Table Consumption Trends Report, published by Alibaba in 2017, 60.5% of all fresh food available in China is sold online. In first and second tier cities, 82% of the consumers, at least occasionally, buy food and beverages online.

Simply translating the existing website into Chinese is often not enough to attract Chinese consumers. In addition to social media engagement, international brands should tailor their websites to the interests of Chinese customers.

While sales through e-commerce platforms directly owned by the company and through third-party platforms such as Tmall.com and JD.com has become more and more popular in recent years, especially suppliers of health products still resort to direct sales channels supported by interactive events, conference marketing and traditional marketing campaigns through television and

social media in addition to the establishment of their own online platforms. Through the online-to-offline (O2O) model, consumers are encouraged to try the products in the physical stores and place orders online, thus completing the offline experience and online purchasing process.

Regulations

Foreign F&B products entering China meet a multi-layered regulatory system as soon as they reach the country. As these regulations have undergone a rapid development in the last couple of years, foreign investors should use a methodical approach reviewing China's Food Safety Law and preparing for the licensing needed to import their products into China. When exporting food and beverages to China, foreign businesses must register with the State Certification and Accreditation Administration (CAA) in case the food product being exported is on the 'List of Food Imports Subject to Enterprise Registration'. Meat and health products further require a special registration. Once a product is registered, the certificate is valid for four years and renewable. As of October 2015, it is additionally mandatory for exporters to register each shipment of food products online with the Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) for tracking purposes. Import regulations vary with the type of food and may not be consistently applied and enforced by different ports, bureaus and individual officers. If Chinese authorities realize a lack of compliance or irregularity in food quality, the import license may be revoked, and the companies may be barred from future trade.

The 2015 Food Safety Law

The 2015 Food Safety Law was drafted in reaction to a series of food scandals that have afflicted the country. It shows the attempt of China's government to exert pressure on cheap and faulty food procedures and distributors. Amending over 90 percent of previous regulations and adding 49 new ones, the revised Food Safety Law (FSL) focuses especially on quality standards, food production licenses, production and distribution, food-related products, warehousing and logistics, safety of additives and health products.

Among the key changes in the FSL are revised sanctions for varying grades of violations, particular provision for infant formula, requiring that all infant formula products – whether produced in China or imported – be registered with the CFDA, and changes in the traceability and accountability regulations. While, especially for foreign investors, the previous regulatory F&B environment has been found confusing, the new law creates a well-structured environment, in which it is easier to navigate.

Today's Challenges in China's Food and Beverage Industry

The Chinese F&B industry seems to hold vast opportunities for foreign investors. However, the complicated regulatory framework, the stringent food laws, their infrastructure and pricing strate-

gies employed by domestic players pose potential challenges that foreign businesses should be conscious about when entering the Chinese F&B market. Meticulously studying customer behavior through engaging with them on the ground will give foreign investors the chance to receive crucial insights to overcome the challenges caused by sociocultural barriers and other factors.

Another challenge is the fight against counterfeits. Even though the situation seems to have improved over the last several years, China's counterfeit F&B business is still booming. Those counterfeit products often contain industrial and recycled ingredients or even potentially toxic mixtures. As Chinese consumers are particularly sensitive when buying food products, poor quality can permanently damage a brand's reputation. Foreign businesses entering the Chinese F&B market should start early taking all possible measures to protect brand equity in order to prevent their products from being imitated and challenged in the marketplace.

However, these challenges are undoubtedly outweighed by the incredible scale and potential of the Chinese F&B market.

Outlook for Foreign Investors

As Chinese consumers become more urban, wealthy and exposed to foreign cultures and lifestyles, the demand for foreign F&B products is developing rapidly.

After frequent food scandals resulted from pollution, fraud and corruption; consumers of all classes and backgrounds view foreign food and beverage products as safer and healthier. With China relying heavily on food imports, it is additionally to be expected that foreign food imports will further be promoted by the government through favorable regulations and import procedures. This development offers an immense potential for foreign investors, especially those importing healthy and organic products.



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Legal Update

New Provisions on Injunction Relief in IP Disputes in China

By DR. ULRIKE GLUECK, YE HUANG, AND PANPAN TANG

"Injunction", is a hot topic frequently discussed in intellectual property ("IP") disputes in China. In a legal battle between Qualcomm and Apple in China in 2018, Apple was banned to sell most iPhones in China because Qualcomm was granted by the Chinese court an injunction ordering Apple to immediately cease infringing upon two Qualcomm patents through unlicensed importation, sale and offers for sale in China of most types of Apple's phones. The court order in the Qualcomm vs. Apple case is a prohibitory injunction. A prohibitory injunction can stop one party from taking or continuing to take an action that negatively affects another party until the matter can be heard in court. Details of prohibitory injunctions were regulated for the first time in the Provisions on Several Issues Concerning the Application of Law in Examining Cases Involving Prohibitory Injunctions in Intellectual Property Disputes (the "Provisions") issued by the PRC Supreme People's Court ("SPC") on 12 December 2018. The Provisions have taken effect on 1 January 2019. They are widely considered to be a critical step forward to improve the injunction system to protect IP and will have a positive influence on the development and innovation of smart industries in China. Below is an overview of the key aspects.

Background

Prohibitory injunction is not a new concept in China. As early as 2001 and 2002, to implement the provisions on interim measures in the Agreement on Trade-Related Aspects of Intellectual Prop-

erty Rights ("TRIPS"), relevant provisions on stopping infringements of IP rights before initiating a lawsuit have been included in relevant IP laws and interpretations of China. Since then, the courts have accumulated some judicial experience on stopping infringements of IP rights before initiating a lawsuit.

In 2012, the revised PRC Civil Procedure Law included provisions on prohibitory injunctions extending the prohibitory injunction to all kinds of civil cases.

Over the years, there have been increased demands of IP owners for prohibitory injunctions. According to incomplete statistics referred to by Wang Chuang, Vice-Presiding Judge of the SPC's Civil Adjudication Tribunal No. 3 (IP Right Division), in a press conference on the Provisions on 13 December 2018 in Beijing, from 2013 to 2017, Chinese courts received 157 applications for preliminary injunctions and 75 applications for interlocutory injunctions, and the ruling rate granting such injunctions was 98.5% and 64.8% respectively.

Therefore, in order to strengthen the protection of IP rights and further improve the system of prohibitory injunctions, the SPC started drafting the regulations on prohibitory injunctions in IP disputes already in 2013. Prior to the issuance of the Provisions, on 26 February 2015 the SPC had issued the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Review of Cases Involving Prohibitory Injunc-

tions for Intellectual Property Rights and Competition Disputes (Draft for Comment) ("Draft Interpretation") regarding prohibitory injunctions in IP disputes. However, the Draft Interpretation never came into effect. The Provisions are regarded as an updated version of the Draft Interpretation and provide more clarity and practical guidance.

Key Aspects

The Provisions include four key aspects:

- (1) procedural rules, such as who can be the applicant of a prohibitory injunction, the competent court, the application form, the examination procedures and review, etc.;
- (2) substantive rules, such as the considerations of the necessity of the prohibitory injunction, the bond to be provided, the duration of the prohibitory injunction, etc.;
- (3) identification of a wrongfully made application and compensation lawsuit, and the termination of the prohibitory injunction;
- (4) other issues such as application fee, treatment for applying for the different types of injunction / preservation at the same time, five typical prohibitory injunction cases.

Procedural rules

Applicants of Prohibitive Injunctions

The following parties are entitled to apply for a prohibitory injunction:

- (1) The parties of IP and competitions disputes as set forth below can apply for a prohibitory injunction before the judgement, ruling or arbitral decision takes effect:
 - disputes over IP right contracts;
 - disputes over ownership and infringement upon IP rights;
 - disputes over unfair competition; and
 - anti-monopoly disputes.
- (2) The licensee of an IP licensing contract, specifically:
 - the licensee of an exclusive license contract may file an application in its own name;
 - the licensee of a sole license contract may file an application in its own name if the rights owner does not file the application;
 - the licensee of a non-exclusive license contract may file an application in its own name upon express authorization by the rights owner.

Competent Court of Jurisdiction

An applicant shall apply to the People's Court:

- (1) with jurisdiction over an IP dispute at the domicile of the respondent; or
- (2) with jurisdiction over the corresponding disputes between the applicant and the respondent.

Review Procedure

- (1) Prior Inquiry
Since the prohibitory injunction has a great impact on the interests of both parties, before deciding to grant a prohibitory injunction, the People's Court shall make an inquiry with the applicant and the respondent, except where the situation is urgent, or the inquiry may affect the implementation of the prohibitory injunction.

- (2) Application Form and Necessary Evidence
An applicant shall submit an application form and the corresponding evidence to apply to the People's Court for the prohibitory injunction.

Especially if the application is based on a utility model or design patent, the applicant shall submit a search report or a patent evaluation report issued by the China National Intellectual Property Administration ("CNIPA"), or a decision of the Patent Reexamination Board of CNIPA to maintain the patent.

- (3) Review Period
The term of the review period is not stipulated in the Provisions. Thus, Article 101 of the PRC Civil Procedure Law applies, i.e. the People's Court shall decide within 48 hours of receipt of the application.

- (4) Reconsideration
A party concerned who refuses to accept a ruling on prohibitory injunction can apply for reconsideration. The People's Court shall review the application for reconsideration and render a ruling within ten days of receipt of the application.

- (5) Termination of Injunction without Filing an Action for the Case
Also, for prohibitory injunctions, Article 101 of the PRC Civil Procedure Law applies, i.e. where the applicant fails to institute lawsuit or to apply for arbitration within 30 days after the People's Court issued the prohibitory injunction, the People's Court shall terminate the prohibitory injunction.

Substantive Rules

Considerations on the Necessity of Prohibitory Injunction

Before the Provisions were promulgated, Articles 100 and 101 of the PRC Civil Procedure Law stipulate that where a party concerned with whose legitimate rights and interests, due to an urgent situation, would suffer irreparable damage if the party fails to petition for preservation promptly, may apply to the People's Court for preservation measures. The Provisions clearly stipulate the factors to be considered in reviewing an application for prohibitory injunctions, especially further interpretations on how to judge the stability of the validity of the concerned IP, to identify the "urgent situation" and the "irreparable damage", which makes it more operable to decide a prohibitory injunction.

- (1) Factors for Consideration
When reviewing an application for prohibitory injunction, the

People's Court shall comprehensively consider the following factors:

- whether the applicant's request has a factual basis and a legal basis, including the stability of the validity of the IP requested for protection;
- whether failure to issue a prohibitory injunction will cause irreparable damage to the legitimate rights and interests of the applicant, or cause difficulty in the enforcement of the ruling for the case, or cause other damage;
- whether the damage caused by the failure to issue a prohibitory injunction will exceed the damage caused by the prohibitory injunction to the respondent;
- whether issuing the prohibitory injunction will damage public interests; and
- other factors that shall be considered.

(2) Urgent Situation

Under any of the following situations, if failure to issue an immediate prohibitory injunction is serious enough to harm the applicant's interests, such situation shall be considered an urgent situation:

- trade secrets of the applicant are to be illegally disclosed;
- the applicant's right of publication or privacy and other personal rights are to be infringed;
- the IP in dispute is to be illegally disposed of;
- the applicant's IP is being or will be infringed during a time-sensitive occasion such as a trade fair;
- a time-sensitive popular show is being or will be infringed; or
- other situations requiring an immediate prohibitory injunction.

(3) Stability of the Validity of the IP Rights

When reviewing and judging whether the validity of the IP requested by an applicant to be protected is stable, the following factors shall be comprehensively considered:

- the type or nature of the rights involved;
- whether the rights involved have been substantively examined;
- whether the rights involved are in the invalidation or cancellation procedure and declared invalidated or canceled;
- whether there is a dispute over ownership of the rights involved; and
- other factors that may lead to instability of the validity of the rights involved.

(4) Irreparable Damage

Any of the following circumstances shall be deemed to be "irreparable damages":

- the behavior of the respondent will infringe the applicant's rights of goodwill, publication or privacy and other personal rights and cause irreparable damage;
- the behavior of the respondent will lead to uncontrollable infringement and significantly increase the damage to the applicant;
- the respondent's infringement will result in a significant reduction in the relevant market share of the applicant; and
- other irreparable damage caused to the applicant.

Bond

A bond must be provided as security when applying for the prohibitory injunction.

The amount of the bond shall be equivalent to the loss which the respondent may possibly suffer as a result of the execution of the prohibitory injunction, including reasonable loss of sales proceeds and custody expenses of the products involved.

Corresponding bonds will be ordered to be added by the People's Court where during the execution of prohibitory injunction, the respondent may suffer losses exceeding the amount of the applicant's bond. If the applicant refuses to increase or add the bond, he or she may decide to terminate or partially cancel the prohibitory injunction. If the applicant fails to increase or add the bond, a ruling may be rendered to terminate or partially terminate the prohibitory injunction.

The prohibitory injunction issued by a People's Court shall generally not be terminated by the bond provided by the respondent, except where the applicant agrees to the termination.

Duration of Prohibitory Injunction

A prohibitory injunction shall come into force immediately once the application is accepted by the People's Court.

The duration of the prohibitory injunction shall be determined by the People's Court according to the applicant's request or the specific circumstances of the case. The validity of the ruling to stop the infringement shall generally be maintained until the ruling for the case takes effect.

Renewal of the prohibitory injunction may be ruled by the People's Court according to the applicant's request, additional bonds and other situations. The applicant's requests to renew the prohibitory injunction shall be made within seven days upon expiration of the duration.

Wrongfully Made Applications

The Provisions also deal with the situation that an applicant wrongfully makes an application. Article 16 of the Provisions adopts the principle of objective imputation of responsibility for the determination of "wrongfully made applications", regardless of whether the applicant subjectively is at fault or not. This imposes strict liability on the applicant and is aimed to encourage the applicant to act prudently in initiating the injunction procedure and to reduce the damage caused to others due to indiscriminate prosecution.

Circumstance of Wrongfully Made Applications

Any of the following circumstances shall be deemed to be a "wrongfully made application":

- no lawsuit or arbitration is filed by the applicant within 30 days after act preservation measures are taken;
- the IP requested for protection is declared invalid;

- the effective judgment considers that no infringement or unfair competition is constituted; or
- other circumstances where the application is made wrongfully.

Lawsuit for Compensation for Wrongfully Made Applications

If an application is made wrongfully, the applicant shall compensate the respondent for any loss incurred as a result of the wrong injunction.

Where the respondent files a lawsuit for compensation, the case shall fall under the jurisdiction of the People's Court that issued the prohibitory injunction or of the People's Court that accepted the lawsuit.

Termination of Prohibitory Injunctions

If an application is made wrongfully, the party concerned can apply for the termination of prohibitory injunction. The People's Court shall within five days of receipt of the application, terminate such injunction.

Other circumstances under which the prohibitory injunction shall be terminated are as specified in Article 166 of the Interpretation of the Supreme People's Court on the Application of the PRC Civil Procedure Law:

- the applicant revokes the application for injunction;
- the lawsuit or claim of the applicant is overruled by a valid judgment; or
- other circumstances under which the People's Court deems that the injunction shall be removed.

Other issues

- a) The Provisions state that the application fee shall be paid in accordance with the provisions of the Measures for the Payment of Lawsuit Fees on the application for prohibitory injunction. The relevant provisions of the Measures for the Payment of Lawsuit Fees on preservation measures are only provisions on maritime injunction at present, so fees shall be charged in accordance with the provisions on maritime injunction, which are RMB 1,000 to RMB 5,000 for each case.
- b) Where an applicant applies for prohibitory injunction, property preservation or evidence preservation at the same time, the People's Court shall separately examine whether the different types of injunction / preservation applications meet the conditions and may decide the order of execution of different types of injunction / preservation.

Conclusion

The Provisions set up a more practical and operable prohibitory injunction system. On one hand, since even if an IP owner wins a case through litigation, it may have long lost its competitive advantage in the market, the Provisions focus on the convenience and speed of the review process for the prohibitory injunction by clarifying the urgent situations under which the prohibitory injunction shall be granted. On the other hand, in order to prevent applicants from

abusing prohibitory injunctions for unfair competition or affecting the public interest, the Provisions also specify the standards for reviewing applications and the objective imputation of responsibility for wrongfully made applications.

The Provisions are likely to play an important role in preventing infringement of IP rights and obtaining judicial relief.

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/// simply more

Chinese New Year: Mastering China's Most Important Sales Festival

By DR. DR. ANDREAS TANK

Being a consumer in China is a stressful business. Brands frequently use Western as well as Chinese holidays and integrate them into their marketing strategies. These include Christmas, Halloween, Valentine's Day in both cultures, Mother's and Father's Day, Children's Day or the Chinese Mid-Autumn Festival. Those in part traditional and cultural celebrations aside, there are many other sales events that drive consumption, the clear leader being Single's Day on 11.11. started by Alibaba in 2009 – now the world's largest online shopping day. While all this is predominantly about discounts and special offers, one celebration stands out from all the others: the Chinese Spring or New Year Festival.

For this festival, a population of over a billion people travel to their home cities – a travel movement of three billion journeys speaks for itself – and China, usually so fast-paced and busy, comes to rest as families celebrate their reunion and the beginning of the new lunar year.

China's most important holiday is full of symbolism: colors, decorations, customs and, of course, in the spotlight every year one of the twelve animals of the Chinese zodiac in combination with one of the five elements. On 5 February, 2019, the Earth Pig entered the stage for 365 days.

Delving deeper into Chinese culture

By analogy with Western Christmas, the Spring Festival is the peak season for sumptuous meals and gifts. Over the past few decades, and especially in recent years, the number of brands that launch seasonally designed gift boxes and special editions has skyrocketed. The same applies to the intensity with which these products are marketed, and the fight for consumers. Brands are willing to spend more money than ever before and create striking, impressive advertising campaigns and worlds of immersive brand experience. While just a few years ago it was enough to provide some red packaging and to integrate the respective zodiac animal, today one can observe not only an increasingly deeper exploration of the rich treasure trove of Chinese culture, ranging from witty puns to homophones, but also an impressive integration of a multitude of marketing elements. In addition to product and design, there is advertising in all kinds of communication channels, product visibility in the flagship store or in online and brick-and-mortar retail, the integration of influencers and brand ambassadors, cooperation between market players and with designers, new technologies, the parallel implementation of raffles and competitions, and intelligent time management as a maximizing link.

Zodiac animals as a central design element

The year's zodiac animal is used in all manner of eye-catching ways. Kinder Chocolate has released a gift box with a fluffy pig and at Coach the displays showed handbags, wallets and purses with pig applications or even in the shape of a pig's head. Starbucks has released the largest New Year's portfolio of all time, offering pink pig mugs, thermos flasks, glass baby bottles and piggy banks in its thousands of stores. The seasonal drink is a New Year Firework Latte. Anyone wanting to use the sign of the pig as a fashion statement could find a selection at Brooks Brothers: their T-shirts feature a pig with a top hat, bow tie and monocle. Swarovski had special pig crystals in their display case and drew attention to them with helium-filled balloons in the shape of a pig. Fluffy pigs were surrounding a pair of pink Gucci glasses, and at Steiff, cuddly toy pigs were at the very front of the display. In cosmetics, SK-II released a special series with curly tails as a central design motif, and Clarins honored the classic Chinese art of silk embroidery, having a golden pig with red wings fly from Paris to Shanghai in a commercial to introduce their special limited edition. Last but not least, Porsche has launched a special WeChat sticker series, which paid tribute to the legendary 917/20 "Pink Pig" design.

Red – the dominant color

Red is the lucky color par excellence in China and plays a central role in Spring Festival communication. Calvin Klein, Schiesser, Triumph or the Chinese brand Aimer – they all offered red underwear, some with golden appliques, the symbols for luck or prosperity, fish, clouds or, of course, pigs. Kate Spade exhibited red dresses and matching handbags, Adidas had red clothing in their stores, featuring the character for skills (能, neng), and Karl Lagerfeld promoted red sweaters and dresses: Karl Holidays. Of course, for the New Year, beauty must not be left behind. Bobbi Brown presented its red lipsticks with the motto "Festival of Luck" while a wheel of red envelopes rotated in the shop window. Sephora started a campaign for the color "New Year's Red" (新年红), in which special editions of popular cosmetics brands were highlighted – and a makeup brush with bristles in the shape of a pig's snout. Consumers wanting to stock up on cooking utensils before the feast were spoiled for choice with numerous red collections: a red WMF pressure cooker, a red Le Creuset set, a red Paul Bocuse steel pot by Staub or a red blender set by Fissler.

Rich treasure trove of Chinese symbols

In addition to the year's zodiac animal and the lucky color red, the symbolism of many other elements was used. For example, the lion which – in the form of dragon dances – is a classic element of the New

Year's celebrations. Evisu had embroidered a lion on its new jacket, and Caishen, the God of Prosperity, on the accompanying pants. Elements with a positive symbolic meaning could also be found on greeting cards, for example from Hallmark: gold bars, paper cut-outs, peonies, vases and Chinese knots. This year Ferrero Rocher was inspired by the latter and designed its new seasonal packaging in the shape of a knot. Nike, Zwilling, and Swatch delved deeply into the world of astrology this year, integrating the characters 己亥 (yi hai) into their product marketing, and even turning them into fashionable design elements. They represent the last of the Twelve Earthly Branches and the 36th year in the traditional 60-year cycle. Among numbers, the one that stood out most frequently is the "8". The positive meaning of the number "8" (八, ba) – it stands for "becoming rich" (发财, facai) – has been used ubiquitously for many years. Häagen-Dazs, for example, launched fortune packages for RMB 688 and 888, Costa Coffee sold its special pig mugs for RMB 198, 288 and 328 as well as a pink lunch box from Monbento for RMB 268.

The Confucian values of family and filial piety

With such a traditionally rooted holiday, it should come as no surprise that Confucian elements also play a role, such as the emphasis on family and respect for one's parents. Nestlé showed a scene in which a son gave his father a box of nutritional supplements. The son was represented by the table tennis star Zhang Jike. The advertisements of Master Kong and Thermomix showed families during the New Year's Eve dinner. Lego went the same way, releasing its very first Chinese Festival Special Edition in 2019 – a Dragon Dance and a Chinese New Year's Eve Dinner – and marketed them for all the family to play with: "Building the taste of the New Year" (年味一起造).

Influencers and collaborations are becoming increasingly important

More and more brands were relying for the marketing of their special editions on the wide reach of stars, personalities and influencers with millions of followers on their social media channels. For example, Longchamp cooperated with Chinese handbag guru Tao Liang, known as Mr. Bags. Swatch relied on its global brand ambassador, Wang Junkai, the 19-year-old singer of Chinese boy band TFBoys, to advertise their new red and gold watch. It was presented in a red box in the form of a pig, which grunted happily when the box was opened. The Alpenliebe brand from Perfetti made use of the actress Dilireba and Lindt of Xin Zhilei. At Borussia Dortmund some star players have diligently learned Chinese and sent a message to their fans – holding a black and yellow pig.

In addition to stars, working with artists and collaborations between brands have increased significantly. Rosenthal engaged the renowned iSHONi designer Manuela-Federica for its porcelain plates and cups, Hugo Boss collaborated with New York artist Jeremyville and Kiehl's had his New Year's products and campaign designed by British illustrator Jonny Wan.

Stimulating purchase through additional incentives

In order to further fuel the market in the face of fierce competition, many brands relied on additional purchase incentives and games. For example, L'Occitane had a wheel of fortune in its boutiques for its "Start a New Year of Beauty" campaign and Paulaner launched a WeChat-based memory game to market its wheat beer gift box, allowing attendees to win beer gifts totaling RMB 5,000. An additional incentive is provided by new technologies. The advertisement of Coca-Cola integrated Augmented Reality features. Consumers scanning them were mesmerized by virtual worlds and received digital red envelopes as a reward.

Use of linguistic means reached unprecedented levels

The Chinese language is known for its wit, which is based on equal-sounding syllables – homophones. This requires strong cultural competence and sensitivity on the side of the advertisers. This year the homophony of the syllable zhu = pig (猪) and zhu = wish (祝) was a welcome coincidence. Tous les Jours therefore called "Happy New Year" "猪"你快乐. Godiva played both visually and linguistically with the symbolism of the fish, on the one hand with the syllable yu, which can mean fish (鱼), cheerfulness (愉) and excess (余) and on the other hand with the syllable li = carp (鲤) and li = advantage (利). Hörmann made use of the wish for a blessed house (wufu linmen, 五福临门), with the last character most appropriately expressing the core competence of the company: men (门) = Gates & Doors.

Spring festival travel as new sales occasion

Another novelty is that the world's largest annual migration is recognized by more and more companies as a gigantic sales opportunity (春运, chunyun). Snickers launched a massive advertising campaign this year in cooperation with China Eastern Airlines, China Railway Corporation, the Shell gas station network and influencer Wang Junkai. The central message: You can reach your destination fully energized, because during this year's Spring Festival travels, you have Snickers to satisfy your hunger: 春运, "饱"你回家.

Chinese New Year – an increasingly global sales event

The Chinese New Year is increasingly becoming a global sales event. More luxury manufacturers than ever before presented their special editions not only in China and Asia but also in other parts of the world, in their boutiques as well as in duty-free stores. Whether in New York, London, Zurich or Bangkok – pigs welcomed you everywhere! In order to increase sales, especially to Chinese consumers, Aveda, for example, emphasized that the products are not available in Mainland China.

Continuously perfecting cultural competence and operational excellence

Ever since Western companies became involved in doing business with China, starting as early as during Imperial China, cultural knowledge has been and will always remain a decisive competitive advantage. Today, more brands than ever fight for the favor of Chinese consumers, whose demands and expectations have risen significantly. The many examples clearly show the intensity with which companies have gone through tremendous learning curves. They have not only accumulated executional competence in regard to Chinese culture, market and consumers, but also operational excellence. Only those brands that master and continuously perfect this interplay will have the best chance of being perceived by consumers as positive and relevant, of gaining a competitive advantage over the competition, and of sustainably expanding their business in China.

The China expert and business consultant **Dr. Dr. Andreas Tank** has nearly 20 years of China expertise. Following the successful establishment of Viessmann and Haribo in China, he founded his own management consultancy and commercial agency China Competence. He is Germany's most widely read author on China marketing topics. www.chinacompetence.eu

Protecting your IP While Transferring Technology to China

Many European Companies are keen to come to China. While in the past, European companies came to China to take advantage of low-cost manufacturing for export, more recently, they have come to enter the Chinese domestic market, establish R&D, engage in cooperative development, take advantage of a skilled work force, establish suppliers, and develop long term partnerships in China. In order to achieve this, they are often willing to 'transfer' their key technology and designs to Chinese subsidiaries of European firms, joint-venture (JV) partners, or Chinese manufacturing and service companies. One of the challenges facing European companies coming to China is devising creative solutions to minimize the risk to their intellectual property (IP) associated with such technology transfers.

A technology transfer happens in a number of different ways. European companies most commonly transfer their technology by licensing their patents, designs, software, trade secrets, and know-how. Ownership of the technology may be transferred, but this type of transfer is less common. A common misconception is that a technology transfer is limited to transfers of high technology. However, many European companies using contract manufacturing to manufacture low technology, consumer, or industrial products, for example based on product designs, must deal with many of the same risks to their IP as their high technology counterparts.

The Chinese government encourages the lawful and legitimate transfer of technology while at the same time supporting innovation by

Chinese companies, otherwise known as 'indigenous innovation'. Over the years, gaining market access in exchange for bringing foreign technology to China has been a successful bargain for many European companies. Unfortunately, some Chinese companies seeking to acquire foreign technology often obtain it from European companies either through inadvertent leakage of IP, or in breach of agreements or Chinese law. Protection of IP through courts and other avenues in China remains mixed as the legal system continues to develop. As a result, European companies who do not think carefully about how to guard against IP risk when transferring technology to China may unwittingly suffer a loss of competitiveness and market share as a result of losing their IP to Chinese competitors.

Thinking of transferring technology? - The first step

SMEs new to China or considering bringing technology to China should first check the Catalogue for Prohibited and Restricted Technology Imports (the 'Technology Import Catalogue'), published by the Ministry of Science and Technology (MOST) and the Foreign Investment Catalogue, jointly published by the Ministry of Commerce (MOFCOM) and the National Development and Reform Commission (NDRC).

Technology imports in China are divided into 'freely importable', 'restricted', and 'prohibited' technology. Restricted and prohibited

technologies are specifically enumerated in the Technology Import Catalogue, while technologies not listed in the Technology Import Catalogue are deemed freely importable. In most cases, technology is deemed freely importable, with only certain technologies related to economic policy development or national security classified as restricted or prohibited. If technology will be later exported, SMEs also need to check the corresponding Catalogue for Prohibited and Restricted Technology Exports (the 'Technology Export Catalogue') and whether there are any relevant regulations in the destination country.

In addition, where the technology is to be brought into China via foreign direct investment (FDI) such as with the establishment of a joint-venture or wholly foreign-owned enterprise, it is important to consider the Foreign Investment Catalogue to determine what restrictions, if any, apply to the establishment of the Chinese entity. For example, the foreign investment in design and manufacturing of civil aircraft equipment is limited to JVs. For technology transfers in the form of a FDI, the permitted form of FDI will be critical in determining what contractual and non-contractual solutions you will need to protect SMEs' IP.

What can companies do to protect themselves?

Picking the Right Partners

It is important to recognize at the outset that part of the motivation for the Chinese company in a technology transfer is obtaining foreign technology and know-how. This fact is not a secret and SMEs should not treat it like one. Consequently, as a first step to protecting IP in a technology transfer, it is important to make sure SMEs choose the right partners. Essentially, the ideal partner will be complementary, but not well-positioned to directly compete with European SMEs' business. However, in order to make an informed decision, SMEs need to take a closer look at your business as well as the potential Chinese partner by following these three-steps:

1. Analyse your strengths. What is it that makes the company competitive? What measures and IPRs are used or can be used to defend Company's competitiveness (e.g. trade secrets, patents, new applications for technology requiring know-how, etc.)? Which IP assets can be transferred to third parties without losing competitiveness or market share in the mid- to long-term?
2. Analyse your competitors and the Chinese market in which your company wishes to operate. Do you know who your competitors in China are? What are their strengths? What is their strategy? This analysis should also include potential and existing partners in China: are you aware of their specific objectives? Are they in a special situation which influences your cooperation? For example, State Owned Enterprises (SOEs) may be obliged to abide by local and State industry policy which requires them to gain more know-how transfer and R&D investment rather than maximising short-term profits.
3. Design your own procedures when dealing with China. They need

to be practical, but also indicate where your company will draw the line when trading off IP protection for operational efficiency. Define your company's limits and vigorously defend your position.

Structure

Once European SMEs have selected the right partner, structuring technology transfer is critical to effectively protecting IP assets. The IP risk associated with a particular technology transfer will vary depending on whether SMEs are licensing, setting up a JV, or setting up a WFOE. In all three of these situations, SMEs need to prevent their IP from being inadvertently leaked or intentionally misappropriated or misused by a related or unrelated Chinese party. However, each situation presents unique opportunities and challenges:

1. Licensing the technology to an unrelated Chinese company (such as in a contract manufacturing context). When licensing to unrelated Chinese companies such as in contract manufacturing, SMEs generally have the least control over their IP, but they have the option to use multiple Chinese suppliers and can use what is known as a 'modular strategy' which basically involves using different Chinese suppliers to source different components of SME's product, so that no single Chinese supplier can make the product. In addition, phased implementation is often used to test out the Chinese partner before transferring additional technology. Both of these strategies are widely used by many European companies.
2. Setting up a Joint Venture. In the context of a JV, modular strategy and phased implementation is limited because typically business efficiency requires the JV to be able to deliver a completed product. In addition, there is the added challenge of transferring technology to the JV while preventing company's IP from leaking to the Chinese JV partner. In such circumstances, it is important to be creative and not let the deal get in the way of protecting company's valuable IP. It is extremely important to define the roles of not just the JV, but also the Chinese JV partner. For example, many companies keep critical design work or the manufacturer of critical components in a separate wholly-owned subsidiary or completely off-shore. A Chinese JV partner with strong local contacts and sales networks can be structured as an authorised distributor of the JV's products, but being otherwise limited in the activities of the JV.
3. Setting up a WFOE. If a WFOE structure is used, IP risk is less because European SMEs have the greatest amount of control over their wholly-owned subsidiary. In these structures, addressing IP risk often means focusing on reducing or preventing IP leakage by employees and business partners. For example, when establish an R&D centre, it is important to ensure that employee-inventors are properly remunerated and developed IP is routinely captured and managed, including filing patents and registering copyrights. Use of confidentiality agreements and non-compete agreements for certain employees who are intimately knowledgeable about the business and technology is strongly recommended.

Contracts

In addition to structure, the other key to successfully protecting IP in technology transfers is to make sure the IP owner has all the relevant contracts in place and that they are airtight. It is recommended that companies use IP licenses with their Chinese partners; in addition to establishing each party's rights, the IP license ensures that the technology transferred is documented in case issues arise later on. This is especially critical when the Chinese party is also contributing technology and IP becomes difficult to identify or differentiate.

Improvements: One of the most negotiated parts of the IP clauses of a technology transfer agreement is the provision for the creation of improvements and the ownership of improvements made by the Chinese party. This is because improvements to the transferred technology are often extremely valuable and form the basis for the cooperation. As a result, the foreign party typically wants to own all improvements to the technology made by the Chinese party. However, there are a couple of important points under Chinese law on improvements SMEs need to know:

1. Commissioned IP belongs to the commissioned party, unless the contract states the commissioning party owns the IP. This means that it is important that the contract states clearly what IP is to be developed and who will own it.
2. Improvements are owned by the party that makes the improvements and cannot be automatically 'granted-back' to the other party without some form of compensation or without reciprocity such as granting a license to the other party's improve-

ments. This means that the typical automatic ownership of improvements being owned by the foreign party will be unenforceable.

3. A Chinese party cannot be restricted from making improvements to transferred technology and using the improvements. This means that a Chinese party can make improvements and any such restrictions will be unenforceable.

The implications of these three rules create many problems for European companies looking to transfer their technology to China. Since the Chinese party is permitted under Chinese law to make and use improvements, European companies have to think twice about what technology they are willing to bring to China and allow the Chinese party to improve on. It is important to discuss the technology transfer with an experienced lawyer who can help IP owners to come up with effective ways to structure the terms of the contract in order to address the development, ownership, and use of improvements.


Confidentiality: It is important to include strong confidentiality provisions in the technology transfer contract. European companies often go to great lengths to protect their confidential information, trade secrets and know-how, including using key-card access, closed-circuit TV, virtual data rooms, and sophisticated document tracking measures. While these measures may be expensive and difficult to administer, they should be seriously considered if critical IP is transferred.

Reverse engineering: In addition to dealing with the issues related to improvements to the technology, European companies must also think about reverse engineering, which is the acquisition of technology by taking apart and studying an existing product in the market. Reverse engineering is permitted under Chinese law and not considered a theft of trade secrets. As a result, well drafted technology transfer contracts should include a provision limiting or prohibiting the Chinese party from engaging in reverse engineering.





Last but not least, here are a few final take away messages. First, European SMEs who do not think carefully about how to guard against IP risk when transferring technology to China may unwillingly suffer a loss of competitiveness and market share. It is therefore quintessential to develop a sound IP portfolio and strategy prior to entering the Chinese market. Second, SMEs should refer to the Catalogue for Prohibited and Restricted Technology Imports (the 'Technology Import Catalogue') and the Foreign Investment Catalogue to make sure that they will be allowed to bring their technology to China. Third, to protect IP in a technology transfer it is important to make sure SMEs choose the right partners at the outset. It is recommended that companies use IP licenses with their Chinese partners. Fourth, the IP risk associated with particular technology transfer will vary depending on whether the SME is licensing, setting up a JV, or setting up a WFOE. However, in all three of these situations, the goal is the same - to prevent IP from being inadvertently leaked or intentionally misappropriated or misused by a related or unrelated Chinese party.

The China IPR SME Helpdesk is co-funded by the European Union. To learn more about the China IPR SME Helpdesk and any aspect of intellectual property rights in China, please visit the online portal at <http://www.ipr-hub.eu/>.

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Dispute Resolution in China: Latest Developments Impacting Foreign Business

By DR. JOACHIM GLATTER

Introduction

The recent past has witnessed several significant developments in the People's Republic of China (PRC) affecting both, the resolution of commercial disputes arising between companies out of their business contracts as well as the settlement of disputes between foreign investors and the State. These developments are often driven by politics or follow international dispute resolution trends. Particularly, the PRC recognizes that a reliable dispute resolution system is an important factor for the success of the Belt and Road Initiative (BRI) and wants to improve legal protection for companies participating in BRI projects. At the same time the weight of Chinese judicial institutions in solving international legal conflicts shall be enhanced. As early as 2015 the Supreme People's Court (SPC) outlined this strategy in its high-level Opinions on Providing Judicial Services and Safeguards for the Construction of the Belt and Road by People's Courts (2015 SPC Opinion).

Commercial disputes

Litigation vs. Arbitration

Traditionally, most cross-border commercial contracts concluded with Chinese counterparts provide for dispute resolution by way of arbitration at a foreign or a Chinese arbitration institution to avoid litigation at national courts. Also, parties to domestic contracts often agree on arbitration which by law (except for disputes between wholly foreign owned enterprises registered in Pilot Free Trade Zones) must be administered by a Chinese arbitration institution. Over the years, China has become a major international arbitration hub. The best-known Chinese arbitration institutions include the China International Economic and Trade Arbitration Commission (CIETAC) and the Beijing and Shanghai International Arbitration Centers (BIAC and SHIAC respectively). In Germany the Chinese European Arbitration Centre (SEAC) seated in Hamburg focusses on China-related arbitration.

Impact of China International Commercial Courts

As a strategic part of the BRI, on 1 July 2018, the SPC established the China International Commercial Courts (CICC). Currently there are two CICC tribunals in Shenzhen and in Xi'an, intended to focus on disputes along the Road and the Belt portion of the BRI respectively. The CICC has jurisdiction over international commercial cases with an amount in dispute of at least RMB 300 million if dispute resolution by the SPC is chosen by the parties. Further, the CICC can e.g. try disputes having a nationwide impact or cases which the SPC considers appropriate to be tried by the CICC. The Procedural Rules for the CICC passed on 5 December 2018 emphasize the possibility of pre-trial mediation. However, if the parties do not agree to mediation, the dispute will be litigated and result in a court judgment. In such case, the concerns compared to arbitration are the same as regards to all court trials: All judges must be Chinese nationals (in arbitral proceedings also foreign arbitrators can be appointed) and the enforcement of CICC judgments abroad is less certain than enforcement of arbitral awards. Therefore, though a welcome additional means to solve international disputes, it remains to be seen whether the CICC will ultimately be able to play a substantial role.

Enforcement of arbitral awards

One decisive factor when choosing between arbitration and litigation is the ability of the winning party to enforce an arbitral award or a court judgment. This is a particular concern if the arbitral award or the court judgment is rendered abroad. Enforcement of arbitral awards rendered outside China against Chinese companies became relatively reliable over the years for two reasons: China is a member state to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (NY Convention) and the SPC has adopted an arbitration-friendly attitude. As early as 1995, a prior reporting system was established: Annulment or refusal to enforce a foreign arbitral award is only permitted upon the ultimate approval by the SPC. As of 2018, new SPC provisions have extended the prior reporting system to arbitral awards rendered in domestic cases. This should improve consistency in court reviews of arbitral awards. To prevent

an overload of the SPC, these cases shall primarily be handled by the Higher People's Courts. The SPC will only get involved if the case concerns parties from different provinces or if the intended annulment or refusal to enforce shall be based on public policy reasons.

Enforcement of court judgments

In contrast to foreign arbitral awards, the enforcement of foreign court judgments in China still is much less predictable and uncertain. There is no multilateral treaty on the recognition and enforcement of foreign court judgments comparable to the NY Convention. Therefore, under the PRC Civil Procedure Law, a foreign party applying for enforcement of a judgment rendered against a Chinese party by a foreign court must either rely on bilateral judicial assistance treaties/arrangements or on the principle of reciprocity (i.e. base its enforcement claim on the argument that a Chinese court judgment would also be enforced in the respective foreign country). Only very few countries/regions (not including Germany) have concluded bilateral judicial assistance treaties/arrangements with the PRC. However, recently some progress has been made: On 31 August 2018, the SPC signed a Memorandum of Guidance on the Recognition and Enforcement of Money Judgments in Commercial Cases with the Supreme Court of Singapore (Singapore MOG). The Singapore MOG provides for recognition and enforcement of commercial money judgments rendered by PRC courts in Singapore and vice versa. Similarly, on 18 January 2019, the SPC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (Hong Kong Arrangement). It is broader in scope than the Singapore MOG because it will cover also non-monetary civil and commercial judgments though not bankruptcy and insolvency, family, inheritance, intellectual property and maritime cases as well as property preservation and interim relief measures. According to the Singapore MOG and the Hong Kong Arrangement, reasons to refuse recognition and enforcement include fundamental procedural defects (example: the respondent was not properly summoned or not given reasonable opportunity to defend itself) and the violation of public policy of the place at which enforcement is sought.

To date only sporadic cases have been reported in which foreign courts (e.g. in the US, Israel, Germany) have enforced PRC court judgments or in which PRC courts enforced foreign court judgments (e.g. made in Singapore, the US and Germany) based on reciprocity. However, it seems that PRC courts cautiously become more flexible: The 2015 SPC Opinion indicates that Chinese courts can consider enforcement of foreign court judgments based on reciprocity without a judicial assistance treaty. Even if a judgment was rendered by a court in a country which has not yet enforced a judgment of a PRC court, the 2015 SPC Opinion permits to consider and does not per se exclude enforcement in the PRC. The SPC is also working on a further Interpretation in this respect.

In summary, it appears likely that in future PRC courts will be more inclined to enforce at least monetary foreign court judgments based on reciprocity. This would improve at the same time the likelihood that foreign courts will enforce PRC court judgments. Whether enforcement of court judgments will be further facilitated because the PRC might enter into judicial assistance treaties with additional countries remains to be seen. In any case, it is noteworthy that the PRC participates in the negotiations of a future Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters. Further, in September 2017 the PRC signed (but has not yet ratified) the Hague Convention on Choice of Court Agreements including its regulations on enforcement. Though in practice the importance of this Convention is limited because it only applies in the rare case that parties agree on dispute resolution

exclusively by a court of a member state, accession to the Convention again signals the general willingness of the PRC to improve mutual enforcement of court judgments.

First emergency arbitration case

Following an international trend, in recent years arbitration institutions such as CIETAC and BIAC introduced regulations on emergency arbitration. Emergency arbitration proceedings shall enable a party to obtain interim measures such as a property preservation even before the arbitral tribunal deciding the case has been constituted. For this purpose, the arbitration institution appoints an emergency arbitrator who shall decide on such measures within 15 days upon accepting his appointment. A much noted first emergency arbitration procedure has been carried out under the BIAC Arbitration Rules. However, the case was special because the measures ordered by the emergency arbitrator were to be taken in Hong Kong and were enforced under applicable law in Hong Kong. It remains doubtful whether a PRC court would enforce interim measures granted by an emergency arbitrator because under PRC law only PRC courts (and not arbitration institutions) can grant interim measures. Arbitration institutions can only forward applications for interim measures to the competent court.

Investor – State disputes

Different from commercial disputes between companies, investor-state disputes relate to claims raised by foreign investors against the State hosting their investment based on multilateral conventions or bilateral investment treaties (BITs) at forums such as the International Centre for Settlement of Investment Disputes (ICSID), an organization of the World Bank. Typical reasons for such claims include measures discriminating the foreign investor in comparison to investors of the host State or expropriations without adequate compensation. Though the PRC has signed more than 130 BITs (including the BIT with Germany), to date only very few foreign investors have filed investor-state proceedings against the PRC. The same applies to investor-state claims of Chinese investors against their host States. However, this is expected to change due to the increase of outbound investments by Chinese companies in Belt and Road countries and elsewhere. Chinese arbitration institutions such as CIETAC and the Shenzhen Court of International Arbitration try to position themselves as forums for investor-state disputes and have issued new or amended arbitration rules offering to administer such proceedings. The immediate impact will be limited because there is no BIT or multilateral treaty providing to investor-state arbitration to be administered by any of these Chinese arbitration institutions. It is also unlikely that parties to a dispute will choose them on an ad hoc basis. However, it can be expected that the PRC will try to change this in future BITs and disputes.

Perspectives

Like in the last decades the PRC will, also in its own interest and in the interest of Chinese companies, continue to open to dispute resolution mechanisms and means customary in cross-border business. Foreign companies should carefully consider how to cope with and maybe even benefit from this approach, e.g. by making use of improved prospects to enforce foreign court judgments in the PRC or (where necessary) by protecting their investments in China in investor-state arbitration proceedings.

Dr. Joachim Glatter is a German Attorney-at-Law and listed as arbitrator on the Panels of Arbitrators of several Chinese arbitration institutions including CIETAC and SHIAC. He can be reached at glatterchina@yahoo.com

10 CSR Trends in China 2019

By ZHAO HANG

"We didn't see this coming". Bill & Melinda Gates's 2019 annual letter listed nine big surprises which include many social/environmental events from devastating natural disasters to sexist data. Although the nine surprises are not focused on China but most of them are worldwide issues and one in particular is about climate change: "By 2060, the number of buildings in the world is expected to double. That means the world will build an entire New York City every month for the next 40 years." This would definitely exacerbate climate change. Climate change was also on a center stage during this year's Davos. The 14th edition of the Global Risks Report examines the evolving macro-level risk landscape and highlights major threats that may disrupt the world in 2019 and over the next decade. The report declared that humanity was 'sleepwalking its way to catastrophe' as extreme weather, failure to act on climate change, and natural disasters topped the list. The report also painted a worrying picture of the deep interconnections between these environmental risks and the level of human health, economic growth, and security.

It seems that 2019 is off to a rocky start. During the China annual Central Economic Work Conference in January, President Xi Jinping said: "The world is facing unprecedented changes in a century, bringing both challenges and opportunities". Companies in China whether SOEs, MNCs or private companies will be having the same challenges. It is often the case that when facing a tough business outlook, companies are less likely to make efforts in CSR. However, it is also essential not to ignore some of the important CSR issues associated with business.

Every year SynTao (a Beijing based CSR consultancy) will make a forecast on CSR Trends and it is to help companies to look at their CSR related issues with more of an understanding of what's going on and to plan their strategies ahead. The following information is based on SynTao Consulting's Top 10 CSR Trends.

Trend 1: Comprehensive CSR Countermeasures in the Era of Global Conflicts

Global economic progress is facing uncertainty caused by trade

protectionism and political upheaval. When business environment becomes volatile it is more important to look at your CSR issues with caution:

- Strengthen Compliance Management. Identify and evaluate ESG risks, deliver training to enhance employees' awareness and capacity on compliance and risks management, Emphasize internal compliance culture and management.
- Benchmark with SDGs. Expand and upgrade traditional business philosophy - Translate SDGs into corporate goals and actions - Apply SDGs framework for information disclosure
- Focus on Community Development & Gain Social Licenses to Operate. Integrate community development into corporate decision-making and management process - Partner with local associations, media, NGOs, etc. for community development - Community volunteer activities

Trend 2: Chinese Oversea Investment Synergizes with Chinese Development Aid

While China is pouring investment into Belt & Road countries, foreign aid has not been neglected. In 2018, the China International Development Cooperation Agency (CIDCA) was set up to oversee strategic guidelines and policies on foreign aid. This would put more weight on Chinese companies' overseas CSR efforts. When Chinese companies invest abroad, they need to have a mutually beneficial 'win-win' concept. It is also seen that industry associations, business associations and industrial parks will continue to act as bridges to new opportunities, build communication and training platforms. Local community engagement has become more important and prominent for Chinese companies going abroad.

Trend 3: Efficient CSR Strategy under Economic Pressure

According to Reuters, China's economic growth is expected to slow down to 6.3% in 2019, which will be the weakest in 29 years. This calls for a more focused and efficient CSR approach. We have already seen news on companies laying off employees such as Foxconn. Labor intensive companies need to look at labor rights issues carefully:

- Reprioritizing stakeholders and key CSR issues.
- Design CSR programs to fit with business strength. This is the core of strategic CSR which ties with your core business value.
- Use CSR programs to create shared values. This requires cooperation with business units or other functions.

Trend 4: In-depth Poverty Alleviation with Corporate Strength

Needless to say, China's success on poverty reduction has not gone unnoticed. According to world bank, in total, more than 700 million Chinese people have been lifted out of poverty since 1978. Many companies in China, SOEs in particular, would have included poverty reduction as their main CSR efforts since 2015. In 2017, a total of 854 listed companies in the Shanghai and Shenzhen stock exchanges disclosed poverty alleviation information & carried out more than 4,300 industrial poverty alleviation projects with an investment of RMB 20.8 billion.

Trend 5: Strict Pollution Control with Considerate Approaches

Chinese government initiated a national wide inspection on Air, Water and Soil pollution and the inspection will be toughened in the future. Businesses will be facing huge pressure to meet environmental compliances as the war on pollution continues:

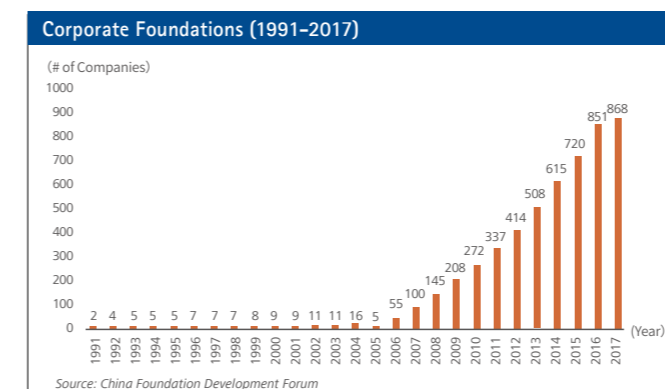
- Companies under ongoing pressure by Air, Water and Soil Pollution Inspection from Government and NGOs
- Coordination of Environmental Protection and Economic Development
- Green Supply Chain Management throughout whole life cycle

Trend 6: ESG Reporting Guide for A Share Listed Companies

China Securities Regulatory Commission (CSRC) proposed "to establish an ESG reporting system for listed companies". The Shanghai Stock Exchange (SSE) has added eight industry information disclosure guidelines, making a total of 28 industry reporting guidelines. SSE also developed five principles for sustainable stock exchanges initiative. This trend will lead to Quantitative CSR Management.

Trend 7: Corporate Foundations Becoming New Force of Philanthropy

In recent years, more and more companies have registered charitable foundations. Although registration thresholds may increase in the future, the increasing trend remains unchanged. We have seen two main reasons for setting up corporate foundations. One is for corporate branding and showing long lasting commitment to the society. Second reason is aiming to achieve a more professional and better outcome.



Trend 8: Double-edged Sword of Internet: Innovation vs. Accountability

AI, VR, 5G, blockchain are not only the buzz word in the world of business, these new technologies have also been used to create innovative philanthropic models by internet companies such as China's big data giants Baidu, Alibaba and Tencent. Ant Financial announced their Environmental "Ant Forest" in 2016 and soon became very popular, according to data from Ant Financial "Until May 2017, there was about two hundred million users in Ant Forest, equivalent to 3% of the world's population. Until August 2017, 1.22 million tons carbon emissions have been reduced totally and 10.25 million entity trees have been planted. While companies are continuing to embrace new technology to create innovative programs they should also be aware of the needs for internet governance & accountability is also rising.

Trend 9: Increasing Trends for Sustainable Lifestyle

We can all agree that consumers have power to influence business, however, to what extent can consumer influence sustainable consumption? 2018 Yili China Sustainable Consumption Report reveals that over 90% of consumers are aware of sustainable consumption and are forming the habits in areas of environmentally-friendly clothing, energy-saving and water-saving appliances, using public transportation, and rejection of disposable tableware. Consumer's awareness in sustainable lifestyle is increasing and in first tier cities like Beijing and Shanghai government is pushing for waste sorting and recycling. Green consumption has become a new lifestyle in big cities.

Trend 10: ESG Fund Products Attracting More Investors

It is clear that with continued crackdown on pollution and SOEs reform, the Environmental, Social and Governance (ESG) factors will play a more important role for investing in China, the Chinese government, financial institutes and publics have been supporting this by introducing financial policies and encouraging product innovation. There are more and more ESG fund products on the market now and even some products for individual investors. According to Mr. Ma Jun, Chairman of Green Finance Committee of China Society for Finance and Banking, China has become a global leader in Green Finance. With more ESG Fund products emerging on the market this would also motivate companies to be more transparent in the area of CSR.

2019 is a key year for China to achieve its goal of building a moderately prosperous society in all respects by 2020. From the CSR trends you can see how private sectors will be influenced during this process.

Zhao Hang is an independent CSR consultant specializing in CSR strategy planning with a systematic approach; designing CSR program with Design Thinking and stakeholder communication. More than 15 years of management experience in CSR and HR with MNCs in Beijing and UK.



MORE THAN A MARKET
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North China

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30 MAY 2019 — SAVE THE DATE!

More than a Market Forum and Awards Gala

The More than a Market Awards Gala will honor exceptional cases of
social engagement by German companies in China with awards in
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projects of German companies all over China.

The awards will be presented on **30 May 2019** at the More than a
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→ www.morethanamarket.cn



There are also plenty of opportunities to contribute to the initiative as
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Tianjin Commission of Commerce Delegation Visited Leybold Tianjin German Headquarters in Cologne



In September 2018, a delegation of the Tianjin Commission of Commerce visited the Headquarters of Leybold in Germany. The delegation was accompanied by Ms. Zhu Xuejun, General Manager of Leybold Tianjin. The visit started off with a warm welcome by Mr. Koen Lauwers, President of the Industrial Vacuum Division. He gave an introduction of the company's history and recent developments as well as Leybold brand development strategy in China. Following

the plant tour, Ms. Gao Lijuan, Tianjin Commission of Commerce Assistant Inspector introduced the roles and responsibilities of the Tianjin Commission of Commerce, the business environment in Tianjin as well as investment incentive policies.

Siemens and Mino Equipment Enter into Global Strategic Cooperation

Siemens signed a global strategic cooperation agreement with Guangzhou Mino Automotive Equipment Co., Ltd. on 11th December 2018, to enhance their partnership in digital business across the world. Both



parties will bond their advantages in their respective fields, joining hands to establish innovation center, promote digital business, and expand global market. The two parties will enter a long-term strategic partnership on the digital business development of equipment manufacturing industry, and jointly enable intelligent equipment manufacturing industry.

New Investment of Bader Group in China

On 8th November 2018, Bader Automobile Interior (Jiangsu) Co., Ltd. held the founding ceremony of its new wholly owned subsid-



iary at Sutong Science and Technology Industrial Park, Nantong. "We [have] work[ed] on producing leather for nearly 150 years, focus on internationalization and keep a close contact with our customers to provide perfect solution for every application. We try our best to make Bader a synonym of high level and quality," says Mr. Bader, President of Bader Group.

TATA Wooden Door Visited Häfele Headquarters in Germany



In November 2018, a delegation of TATA Wooden Door Company visited Häfele headquarters in Nagold, Germany. The delegation was hosted by Ms. Thierier, CEO of Häfele Global and Mr. Huber, General Manager of Häfele Global. The delegation was guided through the Häfele showroom and the Häfele Logistics Center. TATA Wooden Door presented the company's history and development in China. The two companies agreed on further cooperation.

Linde Wins the Golden Chain Award of China Cold Chain Industry

Linde China was invited to participate in the China Cold Chain Industry Annual Meeting, held in Zhengzhou from 28th to 30th November 2018. The award for "Top Ten Warehousing Equipment Suppliers" was received by Ms. Liu Ying, Senior Manager of Industry Development of Linde China. Additionally, she presented the topic "Intelligent and Efficient Cold Chain Material Handling Solution" and introduced Linde's mature cold storage protection technology to the audience.



Airbus Delivers the 400th A320 Family Aircraft



On 18th December 2018, Airbus has delivered the 400th A320 Family aircraft from its Final Assembly Line Asia (FALA) in Tianjin, China. The A320neo was delivered to national flag carrier Air China, based in Beijing. It marks another important milestone; which Airbus Tianjin has reached since its first delivery in 2009. This milestone is also a tribute to the excellent industrial cooperation and partnership between Airbus and the Chinese aviation industry.

Mercedes-Benz' Bespoke Lifestyle Platform to Debut in Southwest China



Following the success of its flagship opening in Beijing and the second debut in Shanghai, Applied Brand Solutions is working closely with Mercedes-Benz to add a third Mercedes me Store to its growing national network. Scheduled to open in spring 2019, the new Mercedes me Store at Taikoo Li, Chengdu will delight customers with new food and beverage concepts. This includes the Brew Haus, an artisanal craft brewery and a multi-purpose social venue called SiFangSanChuan, that will showcase a culinary philosophy incorporating Southwest cuisine styles. The store will also display future concept of Mercedes-Benz car models, with product concierges on hand to facilitate test-drives and enhance product understanding.

Riviera Supports the Marriott. Yao Foundation Charity Gala

In 2018, Riviera proudly introduced Stojan Siljanovski as the new Area Manager in Beijing after launching the Chengdu branch, which he led for three years.



Riviera Beijing was pleased to support a number of client events in and around the city in 2018, including the memorable Marriott. Yao Foundation Charity Gala. Spearheaded by the famous Chinese basketball star player, Yao Ming, the YAO Foundation's mission is to raise funds to support children who are passionate about playing basketball but are unable to financially support their athletic endeavours. The gala welcomed over 300 valued guests and partners who were equally dedicated to the cause. Attendees were thoroughly entertained by a myriad of light performances and live music at the Renaissance Beijing Capital Hotel.

Family Medicine Physician Dr. Christian Lemm Joins Beijing United Family Hospital

In January 2019, family medicine physician Dr. Christian Lemm transferred from the Shunyi Clinic to Beijing United Family Hospital. Dr. Lemm now sees patients at the main Beijing United Family Hospital campus. He earned his medical degree from the Heinrich-Heine University, Düsseldorf. With over 25 years of medical experience in general practice, one of Dr. Lemm's main medical interest is sports medicine.

DBEST Initiated its ISO Certification Process

To strengthen its operation standardization, improve its management efficiency, and increase its market competitiveness, DBEST (Beijing) Facility Technology Management Co., Ltd. applied for ISO integrated certification (ISO9001, ISO14001 and ISO45001) to Tüv Süd (China) in 2018. In June 2018, the first optimized edition of ISO documents was released. In November



2018, Tüv Süd finished the first stage of ISO audit at DBEST with a very positive feedback both in Beijing and Shanghai. The last stage of the audit has begun in January 2019 and DBEST expects the final result with full optimism.

DRÄXLMAIER China Focus on Young Talents



In December 2018, DRÄXLMAIER China and Liaoning Lizhou Commonweal jointly launched the project "Professional Etiquette Training for College Students". Also in 2019, DRÄXLMAIER China continues to shoulder corporate social responsibility with a focus on young talents. Just recently, DRÄXLMAIER China donated 20 computers to Lizhou, to support their migrant children service sites in Liaoning province and Dr. Kian Mossanen, Chief Information Officer of DRÄXLMAIER Group visited a migrant children service site in Shenyang. In order to further support the social development of Liaoning province, a

DRÄXLMAIER computer classroom will also be set up in the National poverty alleviation country-Kazuo in western Liaoning.

Kempinski Concertini Shines its Spotlight on Young Local Artists at Kempinski Hotel Beijing Lufthansa Center

On 11th January 2019, guests and visitors to Kempinski Hotel Beijing could experience beautiful performances from aspiring local young musicians right from the hotel lobby. The young musical talents performed at the hotel in a new mini concert series called *Kempinski Concertini*. The local young and gifted musical stars all reign and thrive in the craft of musical rhythm and precision. The program will continue every last Sunday of the month. The culture initiative is meant to support up-and-coming talented young artists from musical school in the local community. Qualified young artists under the age of 28 are eligible to submit their



portfolio for a chance to be featured in the lobby stage.

Mackevision Creates Asia Pacific Region Led by Beatrix Frisch

Mackevision, the producer of computer-generated imagery (CGI), continues to strengthen its presence in Asia. Mackevision created the Asia Pacific region under a new global organization, consisting of China, South Korea and Japan. The three offices combine over 100 team members who will continue to bring the company's services of data-based product visualization, web configurators, retail and virtual shopping experiences to regional and global clients in Asia. As part of the reorganization, Ms. Beatrix Frisch, Mackevision China General Manager, is promoted to Asia Pacific Regional Director. She will remain based in Beijing and continue to cover the role of General Manager China. Mr. Johannes Rammensee takes over the position of Regional Lead for Delivery, overseeing the overall production of CGI services. The reorganization reflects the next step for integration into the Accenture systems since Mackevision was acquired on global level in February 2018.



New Members North China

For full contact information and company profiles of our new and existing members, please visit www.german-company-directory.com

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Ms. Cynthia Waldorf

Private Membership- Young Professional
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9th

October 2018

Event: Intern's Regulars' Table in Beijing
Venue: Arrow Factory Brewing

11th

October 2018

Event: Seminar in Beijing
Topic: Update on FDI, M&A and Financing Rules
Venue: German Chamber of Commerce in China - North China - Beijing
Speakers: Dr. Falk Lichtenstein | Partner at CMS China

13th

October 2018

Event: Young Professional Event in Beijing [Media Partner]
Topic: Hack the Community HACKATHON
Venue: Innway Beijing

18th

October 2018

Event: Special Event in Beijing
Topic: Oktoberfest
Venue: Paulaner Bräuhaus, Kempinski Hotel Beijing Lufthansa Center **GC DEALS**

18th

October 2018

Event: Seminar in Tianjin
Topic: Data Analysis in The Age of Big Data
Venue: The Astor Hotel Tianjin **GC DEALS**
Speaker: Ms. Yanbin Liu | Microsoft Office Professional Trainer and Microsoft Certified Partner at Eddic Training

19th October 2018 –
11th November 2018

Event: Special Event in Beijing
Topic: Dance Class & Practice
Venue: Ming Wu Hui, Beijing

25th

October 2018

Event: Seminar in Dalian
Topic: Managing China Custom Affairs and International Trade
Venue: Kempinski Hotel Dalian **GC DEALS**
Speakers: Mr. Georgy Ge | Manager at PwC Worldtrade Management Services, Beijing Office; Mr. Ryan Wu | Senior Manager at PwC Worldtrade Management Services, Beijing Office

31st

October 2018

Event: Kammerstammtisch in Tianjin
Venue: Drei Kronen 1308 Brauhaus Tianjin

GC DEALS

12th

October 2018

Event: Member Training in Changchun
Topic: Shop Floor Management
Venue: Brose Changchun Automotive Systems Co., Ltd.
Speaker: Mr. Leo Fang | Project Manager at STAUFEN Academy Shanghai



17th

October 2018

Event: Young Professional Workshop in Beijing
Topic: How to Live a Zero Waste Lifestyle
Venue: German Chamber of Commerce in China - North China - Beijing
Speaker: Mr. Joe Harvey and Ms. Carrie Yu | Founders of THE BULK HOUSE

On 17th October 2018, the German Chamber of Commerce in China - North China organized another successful Young Professional event on the topic of "How to Live a Zero Waste Lifestyle" presented by the founders of THE BULK HOUSE, Joe Harvey and Carrie Yu. They explained the concepts of zero waste as well as minimalism in detail and showed the participants, how to adopt a more sustainable lifestyle with only simple changes. The attendees learned, which tips and tricks they can apply to their own daily life to minimize waste and maximize happiness. THE BULK HOUSE is the first zero-waste store in mainland China.



31st
October 2018
Event: Workshop in Shenyang
Topic: Train the Trainer
Venue: Le Meridien Hotel Shenyang

GC DEALS
Speaker: Ms. Dan Cui | Senior Learning Path Consultant at Shanghai Ruhuo Enterprise Management Consulting

7th
November 2018
Event: Special Event in Beijing
Topic: Socially Responsible Entrepreneurship
Venue: Kempinski Hotel Beijing Lufthansa Center **GC DEALS**
Speaker: Ms. Liz Mohn | Vice-Chair of the Executive Board of Bertelsmann Stiftung

7th
November 2018
Event: Kammerstammtisch in Changchun
Venue: Die Backstube Changchun
GC DEALS

13th
November 2018
Event: Intern's Regulars' Table in Beijing
Venue: Brotzeit

16th
November 2018
Event: Seminar in Tianjin
Topic: 2018 Annual Tax and Regulatory Review
Venue: Hyatt Regency Tianjin East
Speakers: Mr. Nathan Pan | Director of International Trade at PwC
Ms. Sunny Li | Tax and Business Services at Deloitte
Mr. Kenny Wang | Director of Transfer Pricing at KPMG
Ms. Zhanjun Wang | Deputy Director of Tax and Business Services at PwC Tianjin
Ms. Connie Wang | Tax Services Manager at KPMG
Ms. Grace Yang | Senior Manager of Customs and Indirect Tax Services at Deloitte
Mr. Jack Zang | Senior Manager of Transfer Pricing at Deloitte
Mr. Alex Zhang | Partner of Tax Reporting Management System and Tax Strategic at PwC Shanghai
Mr. Lucien Zhao | Senior Customs Manager at KPMG

19th
October 2018
Event: Seminar in Tianjin
Topic: Reforming IIT - Highlights of the Draft Regulation
Venue: Four Seasons Hotel Tianjin
Speaker: Mr. Matthew Yang | Manager of Global Mobility Services at PwC Beijing

On 19th October 2018, the German Chamber of Commerce - North China in Tianjin hosted an informative and interactive seminar on the topic of "Reforming IIT: Highlights of the Draft Regulation" at Four Seasons Hotel, Tianjin.

On 31st August 2018, the "Decision of the Standing Committee of the National People's Congress ("NPC") on Amending the Individual Income Tax Law of the PRC" was finally passed during the Fifth Session of the Standing Committee of the 13th NPC. The amendment involves all major provisions in the IIT Law. In order to have both employer and employee prepared for the upcoming changes, our special seminar featured speakers from PwC to share their interpretations and insights on the new IIT law with topics like: re-definition of Residence and Non-residence and the relevant impact; the potential impact of the new comprehensive filing on the existing tax and remuneration arrangement; and the challenges of the new special deduction items etc. to employer and employee.



23rd
October 2018
Event: Kammerdinner in Beijing
Topic: Welcome to the New German Ambassador to China, Dr. Clemens von Goetze
Venue: Regent Beijing **GC DEALS**



On 23rd October 2018, the German Chamber of Commerce in China - North China cordially invited its members to a Kammerdinner to welcome the new German Ambassador to the German-Chinese business community in Beijing and North China. In September 2018, Dr. Clemens von Goetze was appointed as new German Ambassador to China at the German Embassy in Beijing. He delivered a keynote speech on the Asia policy of the German Federal Government and the role of China, followed by news from the German Chamber. Afterwards, a buffet dinner and drinks were served, and the attendees had the chance, to meet and connect with the new German Ambassador.



24th
October 2018
Event: Seminar in Beijing
Topic: Corruption and Commercial Anti-Bribery
Venue: German Chamber of Commerce in China - North China - Beijing
Speakers: Mr. Lars-Åke Severin | Founder and CEO of Scandinavian Security Consultancy PSU China



25th
October 2018
Event: Young Professional Workshop in Beijing [Media Partner]
Topic: Building Your Personal Brand on a Global Scale
Venue: Inn Cube Coworking Space
Speakers: Ms. Godje Deuchert | Psychologist and Career Coach at ExpatCoach China; Mr. Tyler Dimicco | Manager of Prime Business Planning at Amazon China; Mr. Yiqing He | CEO and Founder of Purpose Plus LLC



17th
November 2018
Event: Special Event in Beijing – German Ball 2018
Venue: Kempinski Hotel Beijing Lufthansa Center

GC DEALS

27th
November 2018
Event: Special Event in Beijing
Topic: Presentation of the Business Confidence Survey
Venue: German Chamber of Commerce in China – North China – Beijing
Speakers: Mr. Jens Hildebrandt | Delegate & Chief Representative of Delegation of German Industry & Commerce Beijing
Ms. Simone Pohl | Delegate & Chief Representative of Delegation of German Industry & Commerce Shanghai

28th
November 2018
Event: Kammerstammtisch in Tianjin
Venue: Drei Kronen 1308 Brauhaus Tianjin

GC DEALS

28th
November 2018
Event: Kammerstammtisch in Shenyang
Venue: Mikey's Diner

GC DEALS

11th
December 2018
Event: Intern's Regulars' Table in Beijing
Venue: The Bookworm

14th
December 2018
Event: Seminar in Tianjin
Topic: Negotiation Skills During Exit Interviews
Venue: GCC Tianjin Office
Speaker: Mr. Puhai Shi | Partner, Executive Director and Minister of HR Department at Yan Ru Ding Law Firm



27th
October 2018
Event: Special Event in Tianjin
Topic: Tianjin Walking Tour – Historic Highlights
Venue: Tianjin City
Speaker: Mr. Michael Hart | Managing Director at JLL Tianjin

Tianjin has a large number of buildings dating from the early 1900s that were built while Tianjin played host to seven European concessions, a Japanese concession and an American contingent. Citizens of these nations lived in Tianjin when it was a bustling trading port and diplomatic outpost. On 27th October 2018, the German Chamber of Commerce in China – North China in Tianjin, in cooperation with AmCham China in Tianjin, invited their friends and partners to experience this history as part of a Tianjin Walking Tour. The tour was led by Michael Hart, a former Chairman of AmCham China, Tianjin's Executive Committee and a property executive who has called Tianjin home for more than ten years.

He took the participants to four former Tianjin concessions: the Austrian-Hungarian, Italian, French and Japanese. Along the way, the participants learnt why Tianjin became home to such a diverse mix of people and why it was unique amongst cities that hosted foreign concessions.



30th
October 2018
Event: Special Event in Beijing
Topic: Tax Seminar with National and Beijing Tax Authorities
Venue: Beijing Marriott Hotel

GC DEALS

On 30th October 2018, the German Chamber of Commerce – North China was honored to be the only foreign chamber to host an information event together with the State Administration of Taxation China (SAT) and the Beijing Municipal Taxation Bureau to present the new tax regulations to foreign companies. More than 50 members and several officials joined the morning seminar.

The participants were informed on the changes in the tax authorities' structure and resulting taxation procedures, temporary waiver for withholding income tax for overseas investors in direct investments with distributed profits, and the Individual Income Tax Reform.

Furthermore, the founding of the new working group German Chamber Finance & Taxation, that aims to shape the exchange between the Taxation Office and Chamber members and to share relevant information, was announced during the seminar.



30th
October 2018
Event: Young Professional Workshop in Beijing
Topic: Learning How to Think 'Chinese' | A Visual Approach
Venue: German Chamber of Commerce in China – North China – Beijing
Speakers: Dr. Alicia Hennig | Associate Professor at Business Ethics at Southeast University, Nanjing

On 30th October the German Chamber of Commerce – North China organized an explorative workshop to gain a deeper understanding of the "Chinese way of thinking" and its implications for management and leadership in today's China. The attendees explored the philosophical background of the "Chinese way of thinking" in a playful, creative way by immersing themselves in the fascinating and poetic motifs of Chinese traditional paintings. Especially shan shui (山水) paintings visualize an essential part of the Chinese value system and the Chinese way of thinking.



31st
October 2018
Event: Kammerstammtisch in Shenyang
Venue: LUCENCY Restaurant & Bar



6th
November 2018
Event: Seminar in Shenyang
Topic: PRC Individual Income Tax Reform (IIT) & Tax Circular for Non-Tax Resident Enterprises
Venue: Le Meridien Hotel Shenyang

GC DEALS

Speakers: Ms. Nicole Wang | Manager Global Mobility at PwC, Dalian Branch
Ms. Sherry Xin | China Tax Advisory Manager at PwC, Dalian Branch



7th
November 2018
Event: Seminar in Changchun
Topic: PRC Individual Income Tax Reform (IIT) & Tax Circular for Non-Tax Resident Enterprises
Venue: Die Backstube Changchun

GC DEALS

Speakers: Ms. Nicole Wang | Manager Global Mobility at PwC, Dalian Branch,
Ms. Sherry Xin | China Tax Advisory Manager at PwC, Dalian Branch



19th Event: Wirtschaftsjuvenen Beijing – Company Visit
November 2018 Venue: Viessmann Heating Technology Beijing
Speaker: Mr. Alexander Ziehe | Director of Business Development Asia-Pacific



21st Event: Member Training in Dalian
Topic: 5S & Visual Management
November 2018 Venue: Liebherr Machinery (Dalian) Co., Ltd.
Speaker: Mr. Qiang Zhao | Senior Consultant at IMIG Shanghai



27th Event: Special Event in Tianjin
Topic: Exclusive Company Tour of TEDA Automotive Industrial Park
November 2018 Venue: TEDA Automotive Industrial Park in Tianjin

The German Chamber of Commerce – North China, the European Chamber and AmCham China in Tianjin organized an exclusive company tour in the TEDA Automotive Industrial Park on Tuesday, 27th November 2018.

The first stop on the tour was the FAW-Volkswagen North China base. With a total investment of nearly RMB 19.5 billion, the FAW-VW factory covers 1.08 millionm² and plans to produce new SUV models such as the A-SUV (TAYRON) and the new Audi Q3. The second stop was Changchun Faway Adient Automotive Systems Co. Ltd., Tianjin Branch. The company invested RMB 210 million to build a 31,784m² branch with a production capacity of 300,000 sets of seats, DP and IP. The close proximity of FAW-Volkswagen and Changchun Faway Adient allows the companies to reduce logistics related costs, increase efficiency and reduce CO₂ emissions related to transportation costs. The tour ended at the TEDA Automotive Industrial Park Information Center.



28th Event: Wirtschaftsjuvenen in Beijing – Seminar
November 2018 Topic: How to use "Social Commerce" to promote your brand in China
Venue: German Centre Beijing

GC DEALS

Speakers: Mr. Pierre Eloy | Managing Director of Sennheiser Greater China
Mr. Paul McNeill | Managing Partner at Resonance



29th Event: Company Visit in Beijing
November 2018 Venue: Beijing Borgward Automotive (Miyun Plant)



On 29th November 2018, the German Chamber of Commerce – North China organized a company visit to Borgward. After bus transfer to the Borgward plant in Shunyi district of Beijing, Borgward representatives welcomed the group of around 35 German Chamber members. After an introduction of the company, the visitors were guided to have a look at the construction of Borgward cars in the plant. Moreover, a test drive was offered to interested visitors. The flexible and intelligent plant in Miyun is built based on Germany's industry 4.0 standard, which covers complete whole vehicle production processes, including stamping, body, painting, general assembly, detection, logistics, IT, etc. It can undertake production tasks of both conventional vehicles and new energy vehicles. It meets the detection and future upgrading requirements for intelligent driving assistance (IDAS) and Telematics set in EU, North America and China standards.



30th Event: Special Event in Shenyang
Topic: Volkswagen SUV Test Drive Challenge
November 2018 Venue: Qipan Mountain Shenyang



On 30th November 2018, the German Chamber of Commerce – North China invited members to take part in a special test drive experience with Volkswagen SUV cars on an off-road test track at Qipan Mountain near Shenyang. Various test drive environments and obstacles were prepared for the participants, in cooperation with Volkswagen Regional Sales Division Northeast, to simulate a realistic cross-country experience with the all-new Volkswagen 4x4 TAYRON SUV. During the test drive all test drivers were able to practice their off-road driving skills and the vehicle's support functions for quick turns, ramp up, bridge crossing as well as driving on unsecured roads in the woods with strong slopes or downhill tracks. Professional driving instructors were present at all time for safety reasons and introduced the participants to the various car's driving and support functions. Finally, all guests were invited to enjoy a coffee break with snacks at the location to get to know each other better and exchange the newly gained experiences.



4th
December 2018
Event: Special Event in Shenyang
Topic: Presentation of the AHK Business Confidence Survey 2018/19
Venue: Shenyang Liu Hong Dian Museum of Architecture
Speaker: Mr. Jens Hildebrandt | Delegate & Chief Representative at Delegation of German Industry & Commerce Beijing

On 4th December 2018, the German Chamber of Commerce – North China presented its members in Shenyang the results of the annual Business Confidence Survey (BCS) for the first time.



The BCS is a key indicator for the business sentiment of German companies nationwide. This year's survey assessed the impact of the current trade dispute on business operations, changing investment behavior, pressing regulatory and operational business challenges, and German companies' stance on intellectual property rights and technology transfer in China.

The results of the BCS were presented by Mr. Jens Hildebrandt, Delegate & Chief Representative at Delegation of German Industry & Commerce in Beijing and took place at the Liu Hong Dian Museum of Architecture in Shenyang. The local facility was selected due to its interesting history and pleasant atmosphere. As a former district heating plant, the location was closed down in 2012 but reopened in 2017, after extensive renovation and accommodates now a fully equipped design museum. At the time of the event the museum also hosted an exhibition of the German architecture office Nickl & Partner from Munich (HEALING ARCHITECTURE), which has designed various construction projects in China. After the Q&A session the presentation ended with a relaxed get-together and exhibition gallery walk with standing buffet dinner and drinks where all guests took the opportunity to exchange ideas and shared own experiences.



5th
December 2018
Event: Seminar in Dalian
Topic: Effective Hiring – Sourcing & Selecting the Right People for Your Company
Venue: Kempinski Hotel Dalian
GC DEALS
Speaker: Mr. Hsiao J. Chiu | Managing Partner at JP International Search Consultants Shanghai



5th
December 2018
Event: Special Event in Shenyang
Topic: German Christmas Market 2018
Venue: 11 Bar Shenyang **GC DEALS**



The German Christmas Market organized for and attended by the German community in Shenyang at Bar 11 took place on 5th December 2018. This traditional Christmas event organized by volunteers from local German companies and the German Chamber of Commerce North China in Shenyang once again enjoyed greatest popularity among the local community. The event attracted around 350 guests this year to celebrate this beautiful season of the year with family and friends and the traditional German Christmas market atmosphere. German delicacies such as the traditional German 'Glühwein' (hot mulled wine), home-made Christmas cookies, German sausages and other seasonal offerings were available, thus following the tradition of an authentic German Christmas market. Santa Claus came early this year to sing Christmas songs together with students from the German school choir and handed over sweets and presents to the children. As in the years before, all proceeds were donated to support local charity projects.

1st
December 2018
Event: Special Event in Beijing
Topic: German Christmas Market
Venue: German Embassy

At the traditional German Christmas Market at the German Embassy on 1st December 2018, the German Chamber raised more than RMB 6,000 through selling handmade Gingerbread Houses, which are traditionally crafted by the employees and family members of the German Chamber. The Christmas Market is organized by volunteers of the German Community in Beijing.



6th Event: Special Event in Beijing
Topic: Charity Christmas Party 2018
December 2018 Venue: German Centre Beijing
GC DEALS



The German Chamber of Commerce in China - North China together with the German Centre for Industry and Trade Beijing invited their members, tenants, business partners and friends to their annual Charity Christmas Event on 6th December 2018 to celebrate the Christmas season with tasty snacks and various Christmas drinks. An eyecatcher was the "Feuerzangenbowle" which was prepared while the 1944 German classic movie of the same name was shown as one of the evening's highlights creating a perfect Christmas feeling.

The collected donations from this Charity event are going to a charity project that supports migrant workers' children at the Hong Qi primary school in the outskirts of Chaoyang District. This school's dedication is to provide education for migrant workers' children, whose parents are mostly extremely poor and thus struggle to afford the school fee. The total donation amount of this year was RMB 14,339.00. The money will be used to cover the costs for learning materials, food for the children and other school equipment, such as classroom furniture.

Special thanks go to our sponsors: Kempinski Hotel Beijing Lufthansa Center, Wirtschaftsjuvenen Beijing, Home Sick Box, Villa Castanea, Sennheiser and Bodensee Kitchen.

Last but not least, we thank all of our generous guests for joining this great event for a good cause!



10th Event: Kammerdinner in Beijing
Topic: Deutschland und Europa – Wie zukunftsfähig sind wir?
December 2018 Venue: Kempinski Hotel Beijing Lufthansa Center
GC DEALS
Speakers: Dr. Martin Wansleben | General Manager of DIHK (Association of German Chambers of Industry and Commerce)



On 10th December 2018, the German Chamber of Commerce in China - North China hosted a Kammerdinner with Dr. Martin Wansleben, General Manager of DIHK (Association of German Chambers of Industry and Commerce) at Kempinski Hotel, Beijing. All five Delegates from the Greater China area, as well as 60 members and guests attended the event. In his keynote speech, Dr. Wansleben addressed a range of topics such as China-US trade dispute, Brexit and upcoming challenges for Germany and Europe.



12th Event: HR Roundtable in Beijing
Topic: Recruitment in the new era: "Fast, but solid: How to Professionally Judge a Candidate's Job Suitability."
December 2018 Venue: German Chamber of Commerce in China - North China - Beijing
Speakers: Dr. Oliver Prüfer | Deputy General Manager of AHK Beijing
Ms. Maureen Mao | Senior Manager Human Resource at AHK Beijing

This event was the kick-off for a series of HR Roundtables regularly organized by AHK Beijing. It provides the chance for General Managers and HR Leaders in China to not only network but to also exchange ideas and best-practice HR solutions. The first HR Roundtable's topic was recruitment, where everything starts. To hire the right people as quickly as possible decides to a big extent the future success not only of the newly hired colleagues, but of the whole company. Dr. Prüfer and Ms. Mao of AHK Beijing, who have a combined experience of 30 years in HR and recruitment, led this first HR Roundtable, in which job advertisements, candidates' résumés, interview preparations, personality analysis, performance forecast, final assessments and the best use of Social Media, such as WeChat, were discussed.

Regular Social Events in North China

Beijing:
Praktikantenstammtisch – every second Tuesday of the month at 7:00pm in in varying locations (Please visit the event calendar on our website or subscribe to our Newsletters and Invitations)
Tianjin:
Kammerstammtisch – every last Wednesday of the month at Drei Kronen 1308 Brauhaus, Tianjin 7:00pm
Shenyang:
Kammerstammtisch – every second Tuesday of the month at 7:00pm in varying locations

Note: Please always find the latest event calendar on our website: <https://china.ahk.de/membership/north-china/>



Joint Business Confidence Survey Press Conference in Beijing

This year's Business Confidence Survey (BCS) revealed a subdued business outlook and a challenging regulatory environment for surveyed German companies operating in China.

On 27th November 2018, the German Chamber of Commerce presented the findings of the yearly survey at a joint press conference in Beijing with all three Chairpersons: Dr. Stephan Wölkenstein, Chairperson of the German Chamber of Commerce | North China, Ms. Bettina Schön, Chairperson of the German Chamber of Commerce | Shanghai, and Mr. Ulf Reinhardt, Chairperson of the German Chamber of Commerce | South & Southwest, as well as Mr. Jens Hildebrand, Executive Director of the German Chamber of Commerce | North China, Delegate and Chief Representative of the Delegation of German Industry & Commerce Beijing, and Ms. Simone Pohl, Executive Director of the German Chamber of Commerce | Shanghai, Delegate and Chief Representative of the Delegation of German Industry & Commerce Shanghai.

Dr. Clemens von Goetze, Ambassador of the Federal Republic of Germany to China, gave a keynote speech at the opening of the press conference. The event was attended by more than 30 Chinese and German journalists.

The BCS is a key gauge for measuring the business sentiment of German companies operating in China and one of the most relevant tools used for the Chamber's advocacy engagement.

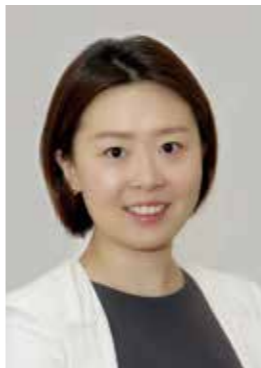


8th German Soccer Championship Beijing, 25th May 2019

The 8th German Soccer Championship under the patronage of the German Embassy will take place at the British School of Beijing in Shunyi on 25th May 2019. The event will feature Sino-German companies competing for the Beijing Cup. Enjoy a great day with colleagues, family and friends with German BBQ and Chinese specialties, exciting kids' program, music and other fun activities. Try your luck at the target shooting competition "Torwandschießen" and win prizes provided by the participating companies and the German Chamber "GC DEALS" partners or let your kids join our soccer school provided by Bayer 04 Leverkusen. Join this all-day soccer tournament, cheer for your favorite team and witness who takes home the trophy this year. Companies interested in sponsoring the event are welcome to contact Ms. Johanna Heinzmann at: heinzmann.johanna@bj.china.ahk.de or +86-10-6539-6664



New Head of Media & Communication at the German Industry & Commerce Greater China | Beijing



As of October 2018, Ms. DU Jing has been appointed as Head of Media & Communication of the German Industry & Commerce Greater China | Beijing. Since joining the AHK in Beijing in 2016 as Sales & Online-Marketing Manager of Media & Communication, Ms. Du has contributed greatly to the optimization of AHK's channels of external communication and has been always consulting clients to their most satisfaction on matters related to marketing and communication. She holds a master's degree in Intercultural German Studies from

Friedrich-Schiller-University Jena and a bachelor's degree in German Studies from Zhejiang University. She also contributes several years of professional experience in the field of marketing. In her new position, Ms. Du will be responsible for overall planning and developing the marketing and PR services for German (and other) companies. Please feel free to contact her at: du.jing@bj.china.ahk.de or +86 - 10 - 6539 6672.

Beijing Training Calendar April – June 2019

4 th April	Tendering Logistics Services (CN/EN)
8 th -9 th April	Advanced Presentations (EN)
11 th -12 th April	Effective Communication (CN)
15 th -16 th April	Creative Problem Solving and Decision Making (CN)
18 th -19 th April	Effective Cross-Functional Cooperation (CN/EN)
22 nd April	5 Charts & 2 Lists to Make Project Planning Easy (CN/EN)
23 rd -24 th April	Professional Recruitment and Interview Skills (EN)
25 th April	Mind Mapping- How to Use This Tool Successfully in Your Work (CN/EN)
6 th May	European Business Etiquette (CN/EN)
7 th May	Emotional Intelligence (EN)
9 th -10 th May	Management Transition & Managing Performance (CN/EN)
14 th -15 th May	Business Writing and Influencing (EN)
16 th -17 th May	Dynamics of Motivation (CN)
20 th -21 st May	Project Management Essentials (CN)
23 rd -24 th May	Empowering Your Support Staff (EN)
3 rd -4 th June	Leading in Different Scenarios (CN)
10 th -11 th June	German Business Culture - Successful Cooperation with German Colleagues & Business Partners (EN)
13 th -14 th June	Supervisory Management Skills (CN)
17 th -18 th June	Intercultural Conflict Management - German & Chinese Perspectives (CN/EN)
20 th -21 st June	Global Leadership & Talent Development (CN/EN)
22 nd -23 rd June	Operation and Decision-making: Sand Table (CN)

5 Charts & 2 Lists to Make Project Planning Easy 22nd April 2019

When it comes to project management, there are plenty of planning tools. Finding a simple tool can be as challenging as coordinating a project. The course will introduce you the five most efficient charts and two lists that will make your project planning easy.

Target Group

All employees who have interests in project management.

Empowering your Support Staff 23rd-24th May 2019

In order to empower your support staff to work independently, this two-day workshop will provide them with the opportunity to improve their skills covering time management, problem-solving, business writing and communication skills. More importantly, they will learn how to deal with challenges in teams. Participants will engage in practical activities and be given tools and templates applicable to their daily jobs to build confidence and to enhance the representation of their organizations.

Target Group

Executive Assistants, Secretaries, Office Managers, Team Assistants.

Beijing contact: Li Xingchen, Human Resources
+86 10 6539 6685 | li.xingchen@bj.china.ahk.de

Thanks to Our Yearly Sponsors 2019

Shanghai Office



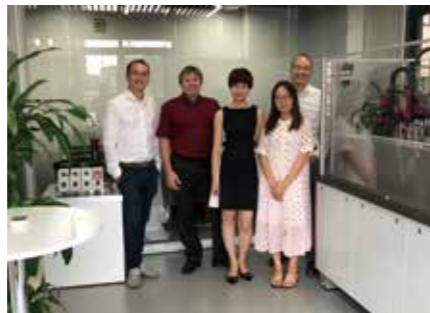
Brueckner Group Workshop and Office Extension



Six years after the inauguration ceremony of Brueckner Group's PRC headquarters in Suzhou / SIP, another milestone was completed by end of 2018: a workshop and office extension of almost 2,000m² was added to the existing building. The new extension will be primarily used by Brueckner Group's Kiefel division, the specialist for thermoforming, lamination and plastic welding technologies. Due to fast growth, the need for a larger assembly and testing area became evident. At the same time, the added space allows the other existing activities like TDO oven production for the Brueckner Maschinenbau division or chain and clip overhaul for the Brueckner Servtec division to keep pace with

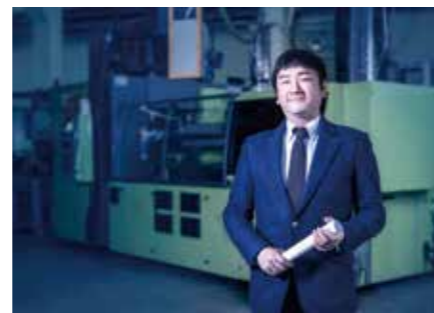
growing market demand. The total workshop and office space have now reached an area of almost 10,000m², offering work for 160 employees currently.

Automation Specialist Afag Opens New Branch in China



In April 2018, Afag opened its latest branch in Shanghai's Pudong district to be closer to the booming Chinese automation market and its customers in China. Afag's showroom for trainings and presentations and the new assembly of handling systems workshop are located between the two airports and the main train station. The new warehouse makes sure Afag customers will get spare parts quickly and efficiently, and a dedicated team of sales and service specialists is a single point of contact for all customer requirements in China.

GAUDLITZ Gets New Management in China



Since mid-2018, GAUDLITZ has appointed a new General Manager in its plant in Wuxi. Hu Bin is in charge of the Coburg-based company subsidiary. After another year of success, Bin is now responsible for the further development in China. "The Chinese and Asian markets are the markets of the future. The infrastructure and framework conditions are excellent."

BYK Relocation to New Home

BYK has relocated its China headquarters to a newly constructed site in the Shanghai Industry Chemical Park on 18 December 2018. The new integrated site combines R&D, technical services, logistics, administrative functions in Phase I and production site in Phase



II. Phase I was successfully completed, and Phase II has already been initiated. This project is the largest investment for BYK or even ALTANA in China mainland so far. It is aimed at consolidating the basis for the continued expansion of BYK's business operations in Greater China.

Hape to Co-Run AIAN Entrusted by Education Bureau



On 13th July, the founder and CEO of the Hape Group, Peter Handstein, and the Director of the Ningbo Beilun Education Bureau, Wang Mingliang, cosigned an agreement on the entrustment of running the Access International Academy Ningbo (AIAN) School, which marks a new beginning for AIAN and a remarkable step for Hape Group in the area of education. As Peter Handstein believes, "Children account for 20% of society today, but they are 100% of the future." Education and care for children is the foundation of future development both for individuals and the whole society. Co-running AIAN and investing in education is the natural result of Peter's aspirations and a remarkable step for Hape. While cooperating with Beilun Education Bureau, the Hape Group will strive to build AIAN as an ideal place for study and growth and open this up to more children.

New Location in Shanghai for Ingenics Consulting (Shanghai) Co. Ltd.

On 1st December 2018, Ingenics Consulting (Shanghai) Co. Ltd relocated its Shanghai office to the sixth floor of the German Centre for Industry and Trade. This new and modern location will place Ingenics closer to the German small and medium enterprises and the

German community in China. It offers the opportunity for exchanging knowledge and experience with customers, industry experts and other institutions.

Fiducia Appoints New Project Manager of Executive Search



Fiducia has appointed Alexander Vnuk as the new Project Manager of Executive Search. In order to further strengthen the support of their German clients, Fiducia has chosen a dedicated

native German speaker to lead the team. Mr. Vnuk has extensive experience in recruitment projects and more than ten years of experience in China. This gives him an excellent understanding of both the Chinese and European business environment and working culture. His outstanding track record in finding highly qualified employees under challenging circumstances will ensure that Fiducia continues to provide a high-quality service to its clients.

New Opportunities in Xi'an for ebm-papst:



With the ability to triple the current rate of production in China, the new production plant in Xi'an will help to meet the growing demand for ebm-papst products in Asia. ebm-papst's new production site, opening in late summer 2019, is the largest single investment to occur outside of Germany for the company.

With the Government-supported "One Belt, One Road Initiative", Xi'an is a prime location to be able to support current and existing customers across Asia, Europe and Africa. With increased production and product development capabilities, the new facility will allow ebm-papst to further implement their "Local for Local" strategy within China.

Review of 2018- MPS Active in Eleven Countries!

According to MPS's motto "We follow our clients around the world!", they ended 2018 being present in a total of eleven countries. In addition to the "classic globalization countries" China, India, Mexico, Poland and Romania, they also planned and built in Bosnia, Serbia, Russia, Switzerland, and the Czech Republic. They are also proud to have realized several construction projects in Germany, which ranged from office modifications to a new logistics center. This year, they are looking forward to new exciting challenges in known and new countries.

Sailing - Busch China Hosts Three Global Meetings



Busch China successfully held three global meetings successfully in October and November 2018: "Asia Pacific Sales Meeting 2018", "Product Development Meeting 2018" and "Medium and High Vacuum Meeting 2018". Mr. Sami Busch and Mr. Kaya Busch, members of the Busch family, were invited to attend the meetings and have a lively discussions with the employees from the Asia Pacific region. The participants highly praised these meetings. Because of the advanced facilities and rapid development of the vacuum industry, Busch China will become the meeting center of the Asia-Pacific region and host more large-scale meetings and events in the future.

MAN Diesel & Turbo Becomes MAN Energy Solutions

Making their strategic and technological transformation tangible and visible, MAN Diesel & Turbo have changed their company name. Whilst the brand part of "MAN" remains unchanged, "Diesel & Turbo" is replaced by the more contemporary and comprehensive part "Energy Solutions". Their promise is that MAN Energy Solutions will remain the same trustworthy business partner that MAN Diesel & Turbo has been in the past.

Asian Tigers Mobility Opens its 11th Office in Mainland China



On August 2018, Asian Tigers Mobility has opened a new office in Nanjing. Nanjing is the eleventh office of Asian Tigers Mobility in mainland China. Asian Tigers Mobility Country Manager for mainland China, Jason Will, commented "Nanjing is increasingly becoming an important destination for our clients, and whilst we have been able to service Nanjing in the past from Shanghai, our volume of business there now justifies that we set up full time presence there. We look forward to providing even higher levels of services to our Nanjing clients by our Nanjing team."

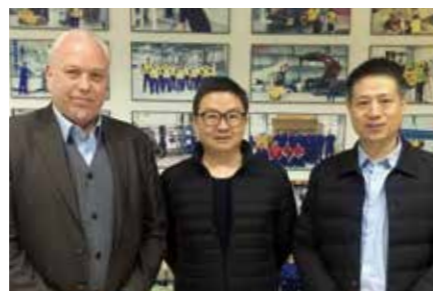
2018 LPKF China "Da Nang" Team Building



LPKF China had a wonderful team building in Da Nang (Vietnam) in November 2018. Employees from four offices all over China participated this exciting annual outing event, which was a lot of fun. Leading by the slogan "Precision is our Passion", all team members shared great experiences and happiness in achieving their 2018 targets. Like in LPKF's real business world, Howard Li, Managing Director of LPKF China continuously incorporated the concept "enjoy fun and win in competition" in the event. Last but not the least, everyone enjoyed the natural and beautiful landscape.

SINOSERV Welcomes Mr. Adson Wang as Technical Director for its New Automation Services

In order to enhance their portfolio for industrial service, SINOSERV is pleased to announce that Mr. Adson Wang is now part of the SINOSERV-team. Mr. Wang's future position will be Technical Director and with his help, SINOSERV will now be able to provide new services in the field of automation. "As we have high demand from customers asking for our support in the fast-growing automation area, we believe that providing these new services offers a tremendous growth opportunity" Mr. Torsten Schermer, Managing Director of SINOSERV, explains. "We are very excited to have Adson on our team. He is a very experienced Senior Manager, reinforcing our role as a reliable partner and enable us to offer better solutions for complex machine installations" Mr. Steven Chen, General Manager of SINOSERV, added.



Pixida Wins No.1 Consulting Company in Germany Award

The year 2018 was significant for Pixida: The company is proud to be the No. 1 Consulting Company in Germany - awarded by Focus magazine. In the same year, the international company won the "Grand Prix of Small and Medium-Sized Businesses" in a nationwide competition where more than 4,500 companies were nominated in Germany. The Oskar Patzelt Foundation has been awarding this prize for more than twenty years. A jury of scientists and economists examine the contestants' overall corporate development, creation and protection of jobs, service, customer focus and marketing strategy, social responsibility, innovation and modernization. According to a study made by the Institute for Structural Policy and Economic Development, the Grand Prix is the most important German prize in the economic sector.



Joint Forces of Transport Logistic China and LogiMAT China from 2019 in Shanghai



Messe Muenchen Shanghai Co., Ltd., the organizer of transport logistic China, has achieved important strategic cooperation with EUROEXPO Messe-und Kongress-GmbH and Landesmesse Stuttgart GmbH, the organizers of LogiMAT China. From 2019, LogiMAT China will move to Shanghai and be held together with transport logistic China. The two trade shows be held together will establish a new one-stop B2B platform of intra-logistics solutions and logistic services. And the first "together" show will be on the same stage in Shanghai New International Expo Centre on 15th-17th April 2019, with 40,000m² exhibition space.

Nord-Lock: New Office/Warehouse in North China



In order to provide better services to our customers located in the North-East region of the country, Nord-Lock China has now set up a new office with a warehouse facility in Northern China. This new facility will be mainly serving our key customers of transportation industry as well as other customers located in this region.

KUKA Systems China Wins Global Volvo Quality Excellence Award

On 23rd November 2018, KUKA Systems China was presented with the Volvo Cars Quality Excellence (VQE) Award at a dedicated ceremony held at the Sanya, Hainan province site.

Every year the Volvo Cars Group presents the Volvo Cars Quality Excellence Award to



Systems China was recognized for its high level in quality management, design process, and project management, product quality and other aspects.

"The two international premium brands KUKA and Volvo can look back on a long tradition of cooperation. Thanks to Volvo for many years of trust in KUKA. I hope that we will continue to achieve even more success together in the future." Jiangbing Wang, CEO KUKA China said.

Gustav Wolf Suzhou Awarded Plant of the Year - 2018



ceremony in Germany by CEO Dr. - Ing. Ernst Wolf.

"Winning Plant of the Year Award is a great recognition for our work. The award shows that we are overcoming the obstacles, moving in the right direction and improving continuously to a higher next level. This award is a clear confirmation that each one of us here in this family is making a lot of efforts and doing many things right," says Mr. Scholz on the employee meeting to announce the exciting news. The honor is a great incentive for the employees. The award motivates the company to achieve more and support our staff through the development of the factory.

Suzhou DOLD Automotive Components Now Part of the WALOR Group

In 2018, WALOR Suzhou became a member of WALOR International and changed its name in 2018 from DOLD. Located near Shanghai,

its best partners and suppliers worldwide. The VQE-Award goes to those companies which best fulfill the high demands of Volvo in terms of quality standards and outstanding services. KUKA

the plant can easily supply parts to customers such as SNOP in Guangzhou, Bosch Huayu Steering Systems, or BMW in the Northeast region. With a continuous transfer of know-how and an international project team, the Suzhou plant manufactures high-precision machined and cold forged automotive components used in steering systems, engine timing cases and parts for new electric cars. WALOR Suzhou's production process follows the WALOR group's standards to provide ready-to-assemble components.

New Partner Joins CMS, China



CMS, China Shanghai Office has strengthened its Real Estate Sector Group with new partner Dr. Oliver Maaz. As an experienced China expert, Dr. Maaz specializes in real estate, corporate

law and commercial law. He has been providing comprehensive legal advice to foreign companies in China for more than 12 years.

Direct Billing with DDS Dental Care in Shanghai



Volkswagen Group Services GmbH and DDS Dental Care have signed a direct billing agreement which will be effectuated from January 2019 on. Members of Volkswagen Group Services can now join the advantages of direct billing in five DDS clinics in Shanghai. Caregroup members only need to show their insurance card and a valid photo ID when coming to an appointment. For fully covered treatments within the range of the insurance plan it is no longer necessary to pay upfront. Policy holders just need to cover the co-payment or deductible.

Clyde & Co's China IP Practice Continues to Grow

Clyde & Co's Beijing Office welcomed intellectual property lawyer Ms. Yan Gong as a Local Partner and Head of Trade Mark Prac-



tice into the firm's Chinese Joint Law Venture (JLV) Clyde & Co Westlink. Yan joined from a well-regarded Beijing IP specialist firm. Yan, who is a licensed Chinese lawyer, specializes in all

aspects of trade mark prosecution, including recovery / invalidation of trade marks filed in 'bad faith', as well as administrative- and other trade mark- litigation before China's courts. Yan gained her considerable experience while working with a number of renowned local and international firms.

The expansion of this experienced and well-regarded IP team led by Clyde & Co Partner and Head of the China IP Practice Elliot Pappageorgiou, who joined Clyde & Co in 2017, reflects the continued strategic expansion of Clyde & Co's IP practice in China and in key locations around the Globe.

NYC's Pier 17 Rooftop Winter Wonderland from RÖDER MODULAR STRUCTURES



The "Winter Wonderland" on Pier 17 takes the ice-skating experience to a whole new level, with views of the Brooklyn Bridge, East River and Lower Manhattan skyline. The entire "Village" used RÖDER aluminum structures tents as it was required to be modular so that it could be dismantled quickly before summer. No drilling or nails were allowed! The heart-shaped ice rink is just a bit smaller than the one at Rockefeller Center. The village has an event hall with floor to ceiling glass walls, skate rental area, restaurants, coffee shop and other recreational areas. The entire project literally "lies" on top of the roof. A ballast system was used to fix all the structures. No damage to the roof was allowed. Everything from the ballast system, structures, ice rink, to the decking was pre-engineered to fit perfectly.

New Future Strategy ICU2025

As of 1st January 2019, ICUnet.AG has become the ICUnet Group AG. The ICUnet Group AG now has two independent GmbHs: ICU (Business) Consulting GmbH, specialist provider of Intercultural Qualifications & Business Consulting; and ICU Global Mobility Services GmbH. New offices have also opened in Atlanta in the US, as well as a new Global Mobility services center in Hautzenberg, Bavaria.

MULTIVAC China Celebrates Relocation of New Office to Shanghai Ali Center



On 18th January, MULTIVAC China officially inaugurated their new office, relocated to the Ali Center. This location is approximately 1,000m² and will respond to the appeals of Shanghai government about policies regarding the Hongqiao central business district. The ribbon-cutting ceremony was attended by Jens Richter, Managing Director of China, Hong Kong, Taiwan & Mongolia, Steven Shen, Technical Director, Alessandro Chen, Sales Director Key Account & Partner, Ben Zhou, Sales Director China Mainland, and Julia Wu, Director Marketing & Sales Support. The annual dinner party 2019 of MULTIVAC China team was also held on the same day.

TRUMPF Invests in Smart Factory Solutions

With core business in the fields of laser technology and sheet metal processing equipment, TRUMPF has put a strong focus on offering integrated manufacturing solutions for its Chinese customers. Part of its strategy which connects German industry 4.0 initiative with Made in China 2025 program is the creation of a dedicated organization for serving customers wishing to build up their own smart factories.

Also, at its China headquarter in Taicang, a cutting-edge smart factory, featuring fully automated processing equipment, advanced production management software and a paperless intralogistics concept has gone into operation already in early 2018. Currently preparations are being made for further steps towards an even more intelligent production



through introduction of TRUMPF's first self-learning machine, increased transparency on the shop floor through full equipment connectivity and digital shop floor management.

Mubea Opens TRB Plant in China

On 11th June 2018, Mubea Group further expanded its footprint in China with the strategic development of a new plant. Mubea China held opening ceremony of its Tailor Rolled Blanks plant. The company started construction in February 2017 with the production area of 14,000m² and achieved mass production in July 2018.



Vorwerk's Temial Participates in the 10th China International Architectural Decoration and Design Fair

On 30th December 2018, Vorwerk's new brand Temial participated in the 10th China International Architectural Decoration and Design Fair in Beijing. Ting Gao, Head of Temial China, gave a speech at the product launch session and shared with the audience the German design principles by quoting Vorwerk's chief designer as sayings, "Nice design should not follow fashionable but short-live



trends. It's about striking a balance between traditional values and future opportunities. "The design idea is perfectly realized in Vorwerk's newest product Temial, the tea brewing machine. Combining German technology with Chinese tea culture, Temial guarantees a good cup of tea in customer's daily life.

4flow and AGCO Win China Automotive Logistics Innovation Award

4flow, and AGCO were named joint winners of the China Automotive Logistics Innovation Award 2018. The China Federation of Logistics and Purchasing selected this year's winners for their successful, ongoing collaboration in digitizing AGCO's supply chain in China. Since 2016, AGCO has benefitted from centralized, transparent, and sustainable inbound supply chain management in China, with 4flow responsible for planning and managing AGCO's inbound material flows. AGCO previously worked with 4flow to redesign its European inbound transportation network using 4flow's cloud-based integrated transportation management management system (iTMS). Operational in China since 2016, the AGCO Smart Logistics initiative – of which 4flow's iTMS is a critical component – also won the BVL German Award for Supply Chain Management 2016 and the European Logistics Association Project of the Year Award 2017.

Huber & Ranner Helps Build Boeing's First Overseas Factory

On 28th October 2017, the first overseas factory of Boeing company was announced to be settled in Zhoushan. Huber & Ranner is very honored to be involved in this project. The painting hangar is the most important part of the project. Huber & Ranner provides all AHUs for the painting hangar of Boeing 737 completion and delivery center project. The total air volume is as high as 2880,000 m³/h. Each unit has large air supply and exhaust, and the whole machine is explosion-proof. All materials and accessories do not contain silicone and can resist high temperature. The units are equipped with energy-saving activated carbon VOC treatment



equipment. The technical requirements of this project are extremely strict, and the standard reaches the same level as the American factory.

Ceremony for the 25th Anniversary of Sino-German Cooperation in Taicang and the 25th Anniversary of KERN-LIEBERS China.



For a triple event at the end of November 2018, KERN-LIEBERS China received around 300 distinguished guests for the ground-breaking ceremony of its new plant, the 25th anniversary of the presence of KERN-LIEBERS in China, and the "Sino-German Concert" on the 25th anniversary of the Sino-German partnership in Taicang, in which 30 players of the KERN-LIEBERS Orchestra took part. The new plant of KERN-LIEBERS in Taicang contains two new facilities – one will be dedicated exclusively to the Joint Venture Brand-KERN-LIEBERS. Another facility will be reserved for additional production space for current products and new energy vehicle components in the future. KERN-LIEBERS plans to invest EUR 15 million. Additional machinery investments will also be required. The Taicang operation base is aimed to be further developed as the most important production hub and China headquarter, apart from its Tianjin and Guangzhou locations.

2018 Kärcher China Professional Dealer Meeting in Changshu, China



On 20th December 2018, Kärcher Professional Dealer Meeting was successfully held in Changshu. Dealers from all over China attended this important meeting. On the first day, Markus Asch, Deputy Chief Executive Officer & Deputy Chairman of the Board of

Management and Aaron Tang, Managing Director Greater China delivered speeches on Kärcher's global and China strategy. A variety of prizes were announced during the award ceremony that night. The second day featured product experience. Dealers actively participated in the session and were guided by product managers to know more about product features. A reciprocal banquet was held that night.

tesa Plant Suzhou "Hu Yue" Project Ground Breaking



On 11th January 2019, tesa Plant Suzhou held a Ground-Breaking Ceremony for its expansion project "Hu Yue". Around 100 guests joined this ceremony at the tesa Plant Suzhou. Within the "Hu Yue" project, tesa aims to strengthen its footprint in Asia by implementing clean room production lines. The expansion project will cover additional 15,000m² built up area at the tesa premise located in the Suzhou Industrial Park. "The continuous investment in Suzhou is a strong commitment of tesa SE towards the China market and our broad customer base.", said Mr. Frank Kolmorgen, President of tesa tape (Shanghai) Co., Ltd.

German School Shanghai Celebrates Topping Out Ceremony in Yangpu

In 2019, German School Shanghai's Pudong campus will relocate to a new campus in Yangpu district to open a second Euro-Campus together with the French school. This concept has already been proven to be a success at the Hongqiao campus. The cutting-edge school complex will ensure the



highest teaching standards in the long run and further build on the excellent German education system. Held under the auspices of Consul General Dr. Christine Althausen, the school hosted the new campus' topping out ceremony in Yangpu on 20th January 2019. At the event, the school communities from both campuses celebrated with families and staff and enjoyed German style food, music and games.

ZF First Board of Management Member Based in China



ZF has appointed Dr. Holger Klein to its Board of Management, effective from October 2018. Following his responsibilities to lead ZF's growth in Asia Pacific including China, he has relocated to Shanghai working from ZF's Asia Pacific headquarters. Dr. Klein joined ZF in 2014 as Head of Integration Management. In this function, the 48-year-old contributed significantly to the successful acquisition and integration of TRW Automotive. He also played an active part in the strategic repositioning of ZF and the expansion of its international activities. This relocation of the Board function's headquarters to Shanghai represents an important step toward further internationalizing the Friedrichshafen-based technology company.

Henkel Named 2018 Excellent Supplier for NEV Industry



On 29th November 2018, The China Association of Automobile Manufacturers (CAAM), in cooperation with other automotive industry organizations, recognized Henkel's Adhesive Electronics business with the 2018 "Excellent Supplier for the New Energy Vehicle Industry" award in Shanghai. Henkel was honored for its broad automotive and new energy vehicle solutions. Pankaj Arora, Henkel Asia Pacific

Head of Automotive Electronics & Global Market Segment Head of E-Mobility, accepted the award on behalf of Henkel: "The automotive industry is quickly progressing toward electrification, intelligent technology, networking and shared mobility; enabling these developments with advanced components requires high-performance electronic and thermal interface materials. With China leading the word in NEV production and sales, Henkel, with its state-of-the-art R&D capabilities, unmatched services, and strong regional partnerships, is committed to serving the local market by providing competitive solutions, driving automotive innovation and enabling industrial upgrading in global production networks."

40 Years of Technology Leadership
HEUFT SYSTEMS TECHNOLOGY (Shanghai) Co. Ltd. celebrated its 15th anniversary in 2018 and now HEUFT SYSTEMTECHNIK GMBH (German headquarters and exclusive production site) will be 40! The family business rapidly



grew since its founding in Burgbrohl in April 1979. Bernhard Heuft already created control devices as a physics student – and the first fully automatic high-speed fault rejection ever. Now the company has over a thousand patents, 18 locations exceeding 1,200 employees and customers worldwide.

Vöhringer Holds Product Release Event and Strategic Cooperation with TOPPAN
On 28th December 2018, Vöhringer held a new 2019 new product release event at the

Chengdu global center. During the event, Vöhringer reached a strategic cooperation with TOPPAN Printing Co., Ltd. Vöhringer R&D Vice President Mr. Futang Ji and Mr. Koichi Sakai, Senior General Manager of TOPPAN Environmental Design Subdivision & Global Sales Department, jointly released new products of ξ series "zero formaldehyde added" composite wood flooring, for a more environment-friendly and healthy home.



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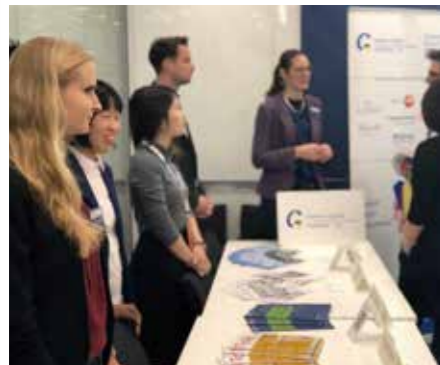
15th
November 2018

Event: Special Event
Topic: German Chamber Members' Day
Venue: German Chamber Office
Speakers: Ms. Simone Pohl | Delegate and Chief Representative of Delegation of German Industry and Commerce Shanghai & Executive Director and Board Member of German Chamber of Commerce in China – Shanghai.
Mr. Jan Jovy | General Manager German Industry and Commerce Shanghai
Ms. Daisy Zhu | Regional Manager Shanghai, German Chamber of Commerce in China, Shanghai



On 15th November 2018, the German Chamber of Commerce in Shanghai hosted their second Members' Day event in 2018, which attracted more than 40 new. Ms. Simone Pohl first gave the attendees an introduction of the three pillars of the organization: The Delegation Office, German Industry & Commerce (GIC) and German Chamber of Commerce (GCC). Then it was Mr. Jan Jovy's turn to introduce the GIC, the service provider that supports companies with

their business development in China and Germany. The last speaker was Ms. Daisy Zhu representing the GCC, the membership organization for German companies in China, which provides up to-date market intelligence, and organizes up to 160 events per year in Shanghai and neighboring provinces. After the speeches, all guests were then invited to have an office tour led by Ms. Zhu and network with other attendees.



29th
November 2018

Event: Special Event
Topic: [Changzhou] Special Event: The upcoming Chinese Individual Income Tax Regime – how does this affect you and your company?
Venue: Sheraton Changzhou Xinbei Hotel
Moderator: Ms. Johanna Spee | Regional Manager Neighboring Provinces at German Chamber of Commerce | Shanghai
Speaker: Mr. Alexander Prautzsch | Tax Director of PwC Shanghai Office

During the span of the year 2018, there have been a lot of changes to Individual Income Tax regulations in China. All these changes have made it difficult for people to understand the current regulations and makes it almost impossible for foreigners to grasp their rights. At the event, the highly experienced speaker, Mr. Alexander Prautzsch, Tax Director of PwC Shanghai, explained the new Individual Income Taxes to all participants. Mr. Prautzsch started this workshop by showing the timeline of the changes to the taxes. To show the differences between the old regulations and the 2019 regulations, many explanations and examples relevant to different income groups (e.g. Chinese citizens and non-Chinese citizens) were illustrated during the session and enabled the participants to get a better understanding on the impact on their income taxes.



22nd
October 2018

Event: Special Event
Topic: Special Event: Präsentation des EU Handelskammer,, Positionspapiers 2018/2019"
Venue: German Chamber of Commerce Shanghai Office
Speakers: Ms. Joana Kraft | General Manager at European Union Chamber of Commerce in China, Shanghai Chapter
Mr. Marcus Wassmuth | UniCredit S.p.A. Shanghai Branch
Moderator: Brigitte Wolff | President at EIM Executive Interim Management Ltd.

23rd
October 2018

Event: Special Event
Topic: [Suzhou][Members Only] Special Event: "PRC Labor and Social Insurance Law – An In-Depth Introduction"
Venue: Modern Media Plaza, Suzhou
Speaker: Mr. Ralph Koppitz | Partner, Chief Representative at Taylor Wessing Shanghai

7th
November 2018

Event: Workshop
Topic: Workshop Women in Business: Mindfulness at Work for Leaders
Venue: German Chamber of Commerce in Shanghai
Speaker: Mr. Brandon Mehrgut | Senior Trainer and Facilitator at Potential Project China
Moderator: Ms. Doris Ratgeber | Doctor of Traditional Chinese Medicine, Founder and General Manager at Body & Soul- Medical Clinics

On 12th December 2018, a Workshop Young Leaders "PROTO: a gamified workshop for entrepreneurs and business leaders" took place at German Chamber Office, which attracted around 40 people. At the beginning of the workshop, Mr. Tam introduced his start-up team and today's game "PROTO". To get the participants more involved, Mr. Tam asked everyone the



29th
November 2018

Event: Workshop Legal & Tax
Topic: Royalties – Navigation needed under China taxation climate
Venue: German Chamber Office
Speakers: Mr. Martin Ng | Managing Partner of Greater China at WTS China Co., Ltd.
Ms. Connie Li | Associate Partner of Greater China at WTS China Co., Ltd.
Moderator: Ms. Roger Haynaly | Partner at Rödl & Partner Management Consulting (Shanghai) Co., Ltd.

In this workshop, speakers Mr. Ng and Ms. Li first illustrated what royalties are under China's tax with one case. Then they introduced the general rules of royalties and transfer pricing and listed five key risk areas in China tax authority's eyes. The China Customs' view on royalties were also presented with two cases. Companies should not underestimate customs' radar capability. Therefore, the speakers put emphasis on how to mitigate the risk and gave recommendations accordingly.



12th
December 2018

Event: Workshop Young Leaders
Topic: PROTO: a gamified workshop for entrepreneurs and business leaders
Venue: German Chamber Office
Speaker: Mr. Brian Tam | CEO of Creativity Consultant, Let's Make Great!
Moderator: Mr. Jean-Luc Duong | Radeberger Gruppe Representative Office Shanghai

question, "What is innovation?" and let the attendees share their opinions. After the introduction of the function and rules of the card game "PROTO", all the guests were divided into eight groups and then played with the assistance of Mr. Tam and his colleagues. In the game, every participant owned a startup and to gain more users, sold their products and experienced virtual challenges.



13th
December 2018

Event: Weihnachtskammertreffen 2018
Topic: Virtuell oder wahr: Wie viel Mensch braucht das Halleluja?
Venue: Grand Hyatt Jin Mao Tower
Speakers: Dr. Michael Bauer | Priest at DCGS, Dr. Annette Mehlhorn | Pastor at DCGS
Moderator: Mr. Lothar Grad | General Manager at Schletter (Shanghai) Solar Technology Co.Ltd.



The Chamber's traditional Christmas Chamber Meeting, held on 13th December welcomed guests with festive decoration, music by the Shanghai German Christian Association in Shanghai (DCGS) trombone choir and a rich menu, which all contributed to the special Christmas atmosphere. Protestant Pastor Dr. Annette Mehlhorn and Catholic Priest Dr. Michael Bauer of the DCGS were welcomed to talk about the impact of the digital age on religious traditions and beliefs.

After a warm welcome of all guests, by Mr. Lothar Grad, the Chamber's More than a Market Initiative, held for the third time in 2018, was introduced by Dr. Sigrid Winkler. As a flagship project, The Kids Football Project, initiated by the German business community in Shanghai, was presented by Mr. Stefan Ahrens. Having won the More Than a Market Award 2017 in the category Collaborative Projects, the initiative offers underprivileged migrant children in Shanghai the opportunity to take part in soccer training. In the following More Than a Market lucky draw, participants who had already handed in their CSR projects for the 2019 Awards could win various prizes, including tickets for the German Ball 2019.



In their engaging speeches, Dr. Mehlhorn and Dr. Bauer then reflected on new ways of practicing beliefs and rituals in an age of digitalization, the risk of "losing touch" but equally opportunities and wide reach provided by new technologies and forums such as virtual masses. Like every year, the Pfrang foundation was also presented with a donation check for RMB 100,000, by Dr. Winkler on behalf the German Chamber | Shanghai. This donation supports their work with underprivileged adolescents. The event brought the Christmas spirit, and was a great start for the holiday season.



14th & 15th
January 2019

Event: Special Event
Topic: 2018/19 German Business in China Innovation Workshop
Venue: German Chamber Office
Speakers: Mr. Yukai Chen | Partner at Götzpartners
Mr. Götz v. Steynitz | Partner at Götzpartners
Moderator: Prof. Zheng Han | Professor at CDHK, Tongji University

The main goal of this workshop was to exchange experiences and innovation ideas in China. Dr. Zhang Han from Tongji University and speakers from Götzpartners started the workshop with following question: "How can you be successful as an international company in China." To answer this question, the concept of "what innovation is" and "what it deals with" were presented. Examples were also given for a better understanding throughout the event. Tasks were also distributed to participants to enhance their learning experience.



16th
January 2019

Event: Wirtschaftsjuvenen | Young Leaders Workshop
Topic: "Lead Happily"
Venue: MAYA Mexican Restaurant & Bar
Speaker: Mr. Albin Warin | Happiness Architect

According to the speaker, Mr. Albin Warin, "Being a leader is not a rank or a position but a choice to take care of the person sitting next to you." In this event, the importance of emotional intelligence was explained, and some case studies were given as examples to show the attendees the five components of E.Q.

Our minds are composed of emotions, and our E.Q. is defined by our ability to manage our emotions. Some suggestions towards solving leadership problems such as communication problems, unfulfilled expectations, and emotional ups and downs in management were shared during networking



24th
January 2019

Event: Chamber Meeting
Topic: Deutschland und China – Eine komplexe Partnerschaft in einem herausfordernden internationalen Umfeld
Venue: Intercontinental Pudong, Shanghai
Speaker: Dr. Christine Althausen | Consul General of the Federal Republic of Germany
Moderator: Ms. Bettina Schön | Chairwoman at the German Chamber of Commerce in China – Shanghai



Which strategy does Germany pursue in its interaction with China? What about the so-called "China competency" German experts call for? At the first Chamber Meeting in 2019, Dr. Christine Althausen, Consul General of the Federal Republic of Germany, discussed some of the hot topics driving Sino-German relations in current times.

In the beginning of the evening, all new members of the Chamber were warmly welcomed by Ms. Bettina Schön, and the event participants enjoyed a delicious buffet dinner. Dr. Althausen then began her speech by thanking the AHK for good cooperation in the past year and reviewing the Consulate's work in 2018, and highlighting the impressive visa statistics, with more than 180,000 visas processed in Shanghai making the location the second-largest of all German visa-issuing centers worldwide.



In the frame of current international relations, the Consul General described the negative perception of globalization, rising nationalism and centrifugal tendencies dividing the EU as challenges which should be addressed through cooperation and multilateralism. In spite of witnessing an overall weakening of international organizations, Dr. Althausen pointed at positive developments, notably the renewal of the Franco-German Elysee Treaty, the Aachen Treaty, as motors of European unity. Well attended by almost 150 participants, the event marked the successful start of a series of Chamber events in the new year.



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The 20th German Business Community - Get Together in Qingdao



On 11th January 2019, the German Industry & Commerce Qingdao Office held an information evening about *Profit Repatriation – How to bring home your profits legally and smoothly* at the Lenbach Beer House in Qingdao.

China's regulations for transferring company profits out of China are strict and not always easy to navigate. Different options have different advantages and disadvantages. In this month's presentation, Mr. Christopher Liptau, Head of the German Desk at Dezan Shira & Associates, introduced and compared classic options. An update regarding the new IIT law concluded the presentation.

Any interest in this gathering in Qingdao, which is held every two months? Please contact Ms. Yunlin Shi via shi.yunlin@sh.ahk.china.de



Major exhibitions from March-June 2019 2019 in Shanghai:

- 20.03.-22.03 Vision China–LASER PHOTONICS CHINA–International Trade Show for Optical Technologies in China 20.03.–22.03.2019 at SNIEC (this fair will be supported by AHK/GIC Shanghai)
- 20.03.-22.03 electronica China – International Trade Fair for Electronic Components, Systems and Applications incl. LASER World of PHOTONICS CHINA incl. productronica China 20.03.–22.03.2019 at SNIEC
- 20.03.-22.03 Semicon China – Semiconductor Equipment & Materials Exhibition 20.03.–22.03.2019 at SNIEC
- productronica China – International Trade Fair for Electronics Development and Production 20.03.–22.03.2019 at SNIEC
- FPD CHINA – International Flat Panel Display Trade Show 20.03.–22.03.2019 at SNIEC
- 09.04.-11.04 CHINA REFRIGERATION/CR EXPO – International Exhibition for Refrigeration, Air-Conditioning, Heating and Ventilation, Frozen Food Processing, Packaging and Storage 09.04.–11.04.2019 at SNIEC
- 18.04.-25.04 Auto Shanghai – Shanghai International Automobile Industry Exhibition 18.04.–25.04.2019 at NECC
- 21.04.-24.03 CHINAPLAS – International Exhibition on Plastics and Rubber Industries 21.04.–24.03.2019 at NECC
- 22.05.-25.05 CHINA GLASS – China International Glass Industrial Technical Exhibition 22.05.–25.05.2019 at SNIEC
- 06.05.-09.05 Bakery China – International Trade Fair for the Baking and Confectionery Industry 06.05.–09.05.2019 at SNIEC
- 14.05.-16.05 SIAL CHINA – International Food Product Trade Show 14.05.–16.05.2019 at SNIEC
- 20.05.-22.05 CHINA BEAUTY EXPO – International Beauty & Cosmetics Expo 20.05.–22.05.2019 at SNIEC
- 27.05.-30.05 KBC – Kitchen & Bath China – Fachmesse für Küchen- und Badausstattung 27.05.–30.05.2019 at SNIEC
- 11.06.-15.06 DMC – DIE & MOULD CHINA – International Exhibition on Die & Mould Technology & Equipment 11.06.–15.06.2019 at SNIEC (this fair will be supported by AHK/GIC Shanghai)
- 25.06.-28.06 Beijing Essen Welding & Cutting – International Trade Fair Joining, Cutting, Surfacing 25.06.–28.06.2019 at SNIEC

*NECC –National Expo & Convention Center
*SNIEC –Shanghai New International Expo Center

For more information on Trade Fairs in China, please contact us directly:
Ms. Dong Wen | Tel. 021 3858 5052 | dong.wen@sh.china.ahk.de

Training Calendar Shanghai

- 8 April Excel Data Management and Analysis
- 9 April Say It with Charts: Presenting Data Graphically in Excel
- 9-10 April Effective Communication and Presentation Skills
- 11-12 April How Team Leader Build High Performance & Cohesive Teams?
- 11-12 April Creative Problem Solving and Decision Making
- 11-12 April Lean & Smart Internal Logistics Management
- 11-12 April Introduction to Effective Facilitation (NEW)
- 15 April Fundamentals of Access Database
- 15-17 April Controlling in 5 Stages: Stage 1 "Controlling & Controller"
- 16-17 April Advanced Application of Access Database
- 16-17 April Leader as Coach (NEW)
- 18-19 April Industry 4.0: From Roadmap to Realization
- 18-19 April German Business Culture
- 19 April Wege und Verfahrensweise zu Antraege fuer Deutschland und Schengenvisa (NEW)
- 22-23 April MS Excel Advanced Skills for Finance
- 22-24 April Controlling in 5 Stages: Stage 5 "Presentation and Moderation" (Suzhou)
- 23 April How to be a Professional Receptionist
- 23-24 April Leading with Global Perspective
- 23-26 April ISO 14001&ISO 45001 Internal Auditor
- 24 April Office 365/2019: Improved Experience in Desktop Productivity
- 25-26 April Developing Sales Strategy
- 25-26April Conflict Management
- 29-30 April Working with Excel Macro & VBA
- 7 May Say It with Charts: Business Diagrams with MS Office
- 7-8 May Cross-Cultural Training-Virtual Communication
- 9 May INDUSTRY 4.0 Solutions and Implementation Approach
- 9-10 May "Strategic Thinking" in Digital Disruption Age (VUCA Environment)
- 9-10 May Interpretation of New Customs Policy and HS Code, Royalties for Customs Inspection under New Situation
- 9-10 May Working Smart with MS Project
- 10 May Digital Shopfloor Management
- 10 May Dangerous Goods Transportation How to Deal With Lithium Batteries
- 13-14 May Working Smart with PowerPoint
- 13-14 May Controlling for Non-Financial Managers & Professionals
- 14-15 May Project Management
- 15-17 May Controlling in 5 Stages: Stage 1 "Controlling & Controller" (Suzhou)
- 16 May How Team Leader Can Give and Received Effective Feedback? (NEW)
- 16 May Understanding and Complying the Increasingly Important Regulations on Data Protection and Cybersecurity in Mainland China (NEW)
- 16-17 May The Heart of Coaching (NEW)
- 17 May Changeable Manufacturing: Enabler for Meeting New Challenges
- 20-21 May Analysing and Visualising Business Data with Power BI (NEW)
- 20-22 May Controlling in 5 Stages: Stage 2 "Controlling Toolbox"
- 20-24 May Five Core Tools Interpretation for Automotive Industry
- 21-23 May Dangerous Goods Transportation Regulations Concerning Road Transportation of Dangerous Goods
- 21-22 May Basic Management Skills
- 22 May Working with Excel Functions
- 22-23 May Convincing & Influential Power – Persuade Others and Sustain Impact
- 23-24 May EHS- Product Safety Regulatory Compliance Training of China GHS, Chemical Safety Data Sheet and Label
- 24 May Business Models in the Era of Intelligent Manufacturing
- 28 May Expatriate Employment – Dealing with Legal Challenges

Training Highlight - Shanghai

"Strategic Thinking" in Digital Disruption Age

Most organizations go through some form of strategic planning cycles. Essentially, this may involve two broad phases: the formulation and the execution. As strategy reflects the collective wisdom of the organization, it is imperative that it is designed and executed well. It is expected that participants who attend workshop are highly engaged and interactive as "strategy is dead" without active dialogue and sharing of experiences.

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- 28-29 May DiSC Effective Influence & Communications Skill (NEW)
- 30 May Compliance Risk HR – Chinese Employment and HR Law in a Nutshell
- 30-31 May Production Management Skills for Front Line Supervisor
- 31 May Data Analysis in Production
- 4-5 June Excellence in Customer Service
- 5-6 June Essential Leadership Module 1
- 11-12 June Coaching Propels Successful Change NEW
- 12-14 June Controlling in 5 Stages: Stage 3 "Controlling Implementation"
- 13-14 June Key Account Management Workshop
- 14 June Successful Design with PowerPoint
- 14 –June Design Your Production Line Lean and Intelligent
- 18 June Effective Meeting Management
- 17-19 June IATF 16949:2016 Internal Auditor Course
- 17-19 June Controlling in 5 Stages: Stage 1 "Controlling & Controller"
- 17-20 June Six Sigma Green-Belt Training
- 17-20 June Lean Trainer
- 19 June How to Apply for a Foreigner's Work Permit and Residence Permit (NEW)
- 19-21 June ISO 9001:2015 Internal Auditor Course
- 20 June Handling Antitrust Investigation and Establishing Compliance Policy (NEW)
- 20-21 June Based on a DiSC Model: What is a Behavioral Interview?
- 20-21 June Working Smart with Excel
- 21 June Preventive Quality Assurance – Design and Process FMEA
- 24 June Unveiling the Secret of Data: PivotTable in Depth
- 24-26 June Controlling in 5 Stages: Stage 2 "Controlling Toolbox" (Suzhou)
- 25 June Say It with Charts: Presenting Data Graphically in Excel
- 25-26 June "Power of Habit" in Digital Disruption Age & VUCA Environment (NEW)
- 26 June Managing Emails and Schedules Using Outlook
- 27-28 June Essential AutoCAD Skills: 2-D Drawing Basics
- 28 June 7 Steps to Effective Problem Solving for a High-Performance Team

Thanks to Our Yearly Sponsors 2019

Guangzhou Office



Shenzhen Office



Chengdu Office



New Head of Laboratory Operations of VDE GSCS Shenzhen Co., Ltd.



VDE is pleased to announce the appointment of Mr. Boris Thelen from his position as Product Manager Luminaires in VDE Institute Offenbach, Germany to his new position Head of Laboratory Light and Consumer Electronics in Shenzhen. Mr. Thelen worked for VDE in Germany for more than five years and has extensive knowledge for testing luminaires, components, lamps and establishing new services and procedures. He and his team will continue to develop and grow testing and certification business for local and overseas customers. Through his technical expertise and experience, VDE Shenzhen will enhance their services and advance their position in the market. VDE Shenzhen congratulates Mr. Boris Thelen on his appointment and wishes him continued success.

Lufthansa Group Set New Passenger Record

In 2018, the airlines of the Lufthansa Group

carried a total of 142 million passengers, setting a new passenger record and being leading in Europe. With more than 1.2 million flights and a seat load factor of 81.4%, the aircraft load factor was higher than ever before.

The growth drivers for the network airlines were the Zurich hub as well as the Munich and Vienna hubs, with passenger growth of 9.5%, 9.3% and 8.5% respectively. The number of passengers at the Frankfurt hub grew by 4.7% in 2018. Eurowings also contributed to the Lufthansa Group's new passenger record in 2018 with growth of 18%.



IKA Dealer Conference 2019 Successfully Held in Sanya

With the vision "to be better" IKA 12th Greater China Dealer Conference has been successfully held in Sanya from 9th January to 12th January.



The meeting with IKA's dealers started with Managing Director Greater China Mr. Klaus Jacuk's opening remarks. He expressed his thanks to the partners for their long-term supporting of IKA's business. IKA promised to keep investing in innovation to provide the best solution on the market. IKA Group global Vice President Mr. Erhard Eble, on behalf of the family Stiegelmann, the owners of the IKA Group, expressed his greetings to the partners. The management team from China shared insights in Sales, Marketing, Product and Channel strategy, to further strengthen the dealers' confidence in a good cooperation in 2019, to win a better market position and "to be better" together.

Mr. Wencai Zhu Awarded with "2018 China Economic Outstanding Figure Award"

On 29th December 2018, Mr. Zhu Wencai, Se-



nior Vice President of TÜV SÜD Greater China and Managing Director of TÜV SÜD Greater China North Region received an outstanding figure award at a selection event in Beijing due to his contributions to the Chinese economy in 2018. The selection event was co-hosted by Xinhuanet.com, Global Times and the China-Asia Economic Development Association. Mr. Zhu, who joined TÜV SÜD in 1999, is a facilitator of the company's local development as well as a witness of China's manufacturing development.

uvex China National Distributor Conference Held



The uvex China National Distributor Conference was held from 19th to 21st September 2018, with the subject "Continue working together, Create greater glories!" The uvex group and uvex China both achieved their fiscal year's target and expressed their thanks to all those involved for their excellent co-operation. During the course of the event, 40 guests from 19 cities in Mainland China were trained in uvex portfolio and shared strategies and lessons learned.

Shekou International School Cooperates with TÜV Rheinland



By providing authentic opportunities to enrich student learning programs, SIS is developing experiences for their students to connect with industry experts through mentorships, internships, factory and company visits, professional-led workshops and guest speaking opportunities throughout the Shenzhen community. "We want to prepare our students to become

active global citizens, principled leaders, creative thinkers, team members and problem solvers", said Head of School, Greg Smith, acknowledging that the learning of the students' needs to go beyond the traditional sense. Grade 12 student, Emile Hadjisotiriou, was one of the first high school students to experience real-world business operations during an internship opportunity in the German third party certification organization, TÜV Rheinland Shenzhen.

Successful FAT for Heinkel (Foshan)



In January 2019, Heinkel (Foshan) Drying and Separation Co., Ltd. made a successful FAT with one set of 2.5m² filter dryers for the customer Novartis. This is significant for Heinkel (Foshan) since it is the first filter dryer which is made in China. It showed to the customer that Heinkel (Foshan) has the technology to expand local operations in China.

Hanover Coffee Celebrates Opening of New Location in Shenzhen



Hanover Coffee Manufactory, a German specialty coffee roastery that provides freshly roasted beans and coffee solutions to restaurants, offices and private customers, has opened a coffee shop location under the brand name Fast Lane Coffee in high-tech park Shenzhen.

This location was chosen as it aligns with Hanover Coffee's business strategy to provide freshly roasted and brewed, high quality specialty coffee beans to the emerging, sophisticated coffee-drinking community in China. Surrounded by tech- and IT-giants such as Tencent, Alibaba and Baidu in the Silicon Valley of China, this coffee shop aims to sup-

ply delicious coffee drinks in a fast manner, using Hanover Coffee's premium beans and only professional German coffee machines such as Mahlkönig grinders and ECM espresso machines. Fast Lane serves a wide range of coffee drinks and is also available for office coffee caterings or events in Shenzhen.

Mazars Global CEO Hervé Hélias Named Chairman of the Board



Mazars announced the effective transition of Hervé Hélias to the role of Global Chairman of the Board. Hélias was appointed Group CEO in 2016 and is now succeeding Philippe Castagnac, who suc-

cessfully held the post of Executive Chairman for the past seven years and the post of Group CEO from 2011 to 2016.

Hélias brings more than thirty years of audit and advisory services experience. As signing partner for some of Mazars' largest clients, including BNP Paribas from 2000 to 2009, he has served as the leader of the audit service line Global Business Unit PIE, as well as Managing Partner of Mazars in France, combined with the role of Group co-CEO since 2012. This move marks the third transfer of power since Mazars founding and comes at a time when the firm's global expansion is accelerating.

Successful Kautex Blow Molding Roadshow in China

On 27th and 28th November, the Kautex Blow Molding Roadshow was attended by more than 100 visitors from eastern and northern China. This year, the roadshow took place in Suzhou and Tianjin. "Our objective is easy to understand" explained Geoffrey Chan, CEO of Shunde Kautex. "We want to be closer to the customers". The advantage is, that customers do not have to travel long distances and can have face-to-face communication with German and Chinese blow molding experts. Another benefit is that the roadshow not only shows the latest Kautex innovations, but also provides insights on how production performance can be increased or problems in daily production solved.



New Members South & Southwest China

Mr. Joergen Schoppe

Managing Director
APEC-QM limited
✉ joergen-dg@apec-qm.com.hk

Mr Sascha Rensen

Deputy General Manager
PRIVATE MEMBER
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Mr. Alexandre Beaudoux

Financial advisor
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Mr. Benjamin Christian Ludwig

CEO and Founder
PRIVATE MEMBER
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Mr. Manfred Appel

Director/Owner
PRIVATE MEMBER
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Ms. CUI Yijin

Head of Branch
HANNOVER MILANO FAIRS SHANGHAI LTD
GUANGZHOU BRANCH
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2nd

November 2018

Location: Shenzhen

Event: 2nd HR Summit

Venue: Hyatt Regency

13th

November 2018

Location: Shenzhen

Event: General Manager Roundtable

Venue: GCC Office

22nd

November 2018

Location: Shenzhen

Event: Stammtisch

Venue: Baia Burger Concept

30th November –

2nd December 2018

Location: Chengdu

Event: 2nd Discover Germany Festival in Chengdu

Venue: Fusen Nobel No.1 Shop

6th – 7th

November 2018

Location: Shenzhen

Event: Greater Bay Area Conference

Venue: Wuzhou Guest House

Speakers: Dr. Eric Schweitzer | President, Association of German Chambers of Commerce and Industry; Mr. Massimo Bagnasco | Vice President, European Chamber of Commerce in China; Mr. Wang Weizhong | Party Secretary, Shenzhen City



8th

November 2018

Location: Guangzhou

Event: Stammtisch

Event: Morgan's

The opening of the Hong Kong–Macau–Zuhai Bridge marked a new chapter of the Greater Bay Area plan to create one of three city clusters in China. Ready to support the take-off, AHK Greater China cooperated with Guangdong Provincial People's Government and the European Union Chamber of Commerce in China and held the "2018 China (Guangdong) –European Investment Cooperation (Greater Bay Area Conference)" at Shenzhen Wuzhou Guest House from 6th to 7th November.

The President of the DIHK (Association of German Chambers of Commerce and Industry), Dr. Eric Schweitzer, and Party Secretary of Shenzhen City, Mr. Wang Weizhong gave unique insights on the latest projects. Development opportunities were highlighted and connections between high-level stakeholders from politics and businesses established. More than 900 participants attended, including representatives from about 100 German companies, such as Siemens, Lufthansa, TÜV, KfW Development Bank, and Linde, as well as hidden champions like Herrenknecht, Rehm, Alba and Viessmann, which gained practical insights while visiting renowned companies located in the Greater Bay Area.

On 8th November, in cooperation with the German Consulate General, the German Chamber of Commerce | South & Southwest hosted its bi-monthly Stammtisch at Morgan's in Guangzhou. The Stammtisch gave 80 participants of the German community, students, and young professionals a special Thursday night to enjoy delicious food and drinks provided by the restaurant, with everyone networking and chatting freely.

An alluring part of the event happened during the "How much do you know about Germany" quiz competition. At the end of the 30 minutes quiz, the winning team received a free round of beers, while the team with the "Funniest Group Name" won German postcards provided by the German Chamber.

15th

November 2018

Location: Hong Kong

Event: Facility Tour

Venue: Alba WEEE-PARK

Speakers: Mr. Nigel Mattravers | Director and General Manager, ALBA IWS

Mr. Tobias Huinink | Business Director Asia, ALBA Group Asia

Mr. Eberhard Brodhage | President of GCC Hong Kong

On 15th November 2018, German Chamber South & Southwest took part in a tour, organized by the German Chamber in Hong Kong within WEEE-PARK, to a treatment and recycling facility for waste electrical & electronic equipment, operated by ALBA Integrated Waste Solutions (HK) Limited.



15th

November 2018

Location: Hong Kong

Event: Post Delegation Networking

Venue: The Pond

Following a warm welcome by Tobias Huinink, Business Director Asia of ALBA Group Asia, & Eberhard Brodhage, President of GCC Hong Kong, the delegation received a highly insightful briefing by Nigel Mattravers, Director and General Manager of ALBA IWS, on the recycling solutions developed by ALBA IWS to combat the large volume of Waste Electrical and Electronic Equipment (WEEE) generated in Hong Kong each year.

During an exclusive tour, Mr. Mattravers illustrated how different types of household equipment are collected, sorted, dismantled and separated into their various components using state-of-the-art technology. Toxic substances such as refrigerants & mercury are removed, whereas reusable plastics & metals are redistributed for further recycling. ALBA IWS currently runs the only government-licensed treatment facility for refrigerants in Hong Kong.

The day was rounded off by a networking event with members of GCC South & Southwest China and GCC Hong Kong at The Pond, West Kowloon.

20th

November 2018

Location: Shenzhen

Event: Manufacturing & HR Roundtable

Venue: Testo Instruments (Shenzhen) Co., Ltd.

Speaker: Mr. Axel Strittmatter | Managing Director, Testo Instruments & Team
Topic: Lean Leadership Training



On Tuesday, 20th November 2018, Testo Instruments (Shenzhen) hosted the manufacturing roundtable with the German Chamber of Commerce and gave insights into their implementation of Lean Leadership at seven stations throughout the facility. The 20 participants from various industries exchanged about the current implementation of lean and lean leadership in their companies. Especially, the management of their trusted system was a topic for General Managers, Production Managers and HR Directors alike that got discussed lively at the following networking lunch. A great thanks to the Testo team for the invitation, excellent execution and valuable input.

29th Location: Guangzhou
Event: Seminar
November 2018 Venue: The Executive Centre, CTF Finance Centre
Speaker: Mr. Neal Beatty | General Manager Hong Kong and South China, Control Risks
Topic: Future Proofing Your China Strategy and Business Operation

Held on Thursday, 29th November, the lecture entitled "Future-proofing Your China Strategy and Business Operation" brought together attendees from business, trade and education to discuss about the China strategy.

During the lecture, Control Risks' Partner and General Manager, Neal Beatty explained the steps companies need to take in order to future-proof their China strategy and business operations in this 'new era'.

11th Location: Chengdu
Event: Christmas Dinner
December 2018 Venue: Kempinski Hotel **GC DEALS**

To celebrate the successful year of 2018 and to share the outlook with members and partners, the German Chamber of Commerce in Chengdu invited members and partners to the annual Christmas Dinner in the Kempinski Hotel on the 11th of December, as an opportunity to connect and reconnect as the year was coming to an end.

The event started with some time for networking, followed by Mr. Wen Xiaofei, Regional Manager of German Chamber of Commerce in Southwest China, giving a summary of the past twelve months to look back and remember the successful work and projects carried out, as well as presenting future plans for the German Chamber in Chengdu and its targets for the upcoming year of 2019. The Christmas Dinner was an opportunity to try German food with a mixture of local Chinese specialties.



6th Location: Guangzhou
Event: German & French Christmas Dinner
December 2018 Venue: Slow Life Kitchen Elite

On 6th December, the German Chamber of Commerce South & Southwest China hosted its Christmas Dinner in Slow Life Kitchen Elite Guangzhou, in cooperation with CCI France Chine South China. The evening, attended by 110 guests, started with social networking where guests enjoyed diverse choices of fine wine and exquisite French desserts. Afterwards, a warm welcoming speech was given by Mr. Ulf Reinhardt, the Chairman of the Board of German Chamber of Commerce South & Southwest China and Mr. Herve Lambelin, CCI FRANCE CHINE South China Branch Director. They introduced their Christmas traditions in France and Germany and wished everyone a Merry Christmas and a wonderful evening. Following the opening speech, all guests started enjoying special Christmas cuisine and Glühwein. During the dinner, two rounds of lucky draw were held. Lucky guests won a broad range of prizes, including Brandy sponsored by Asbach, Glaciers Water Package by Ech2o and RMB 1,000 Cash by Hi Touch.

The German Chamber would like to thank all sponsor partners: Asbach, Guangzhou Easy Cellar Wine & Spirit Co., Ltd., Ludwig's Schnäpse Gallery, FB Solution, Ech2o, Trolli, LN Hotel Five and Hitouch. Many thanks to the media partners: That's PRD and Delta Bridge. Also, special thanks to the venue partner Slow Life Kitchen Elite.



12th Location: Shenzhen
Event: AHK Innovation Night
December 2018 Venue: Bee+ Coworking Space **GC DEALS**

On 12th December, the German Chamber of Commerce South & Southwest China and the German Industry and Commerce Shenzhen hosted the first ever AHK Innovation Night at Bee+ co-working space in Shekou, Shenzhen. The new event format "AHK Innovation Night" is designed to bring together the German community in South China and local startup ecosystem. Since moving to a new office in Shenzhen last year and the official inauguration of Innovation Hub by German Chancellor Angela Merkel last year in May, we offer a broader range of services to our members and partners in Shenzhen with a strong focus on startups and innovation. We are working continuously on building up a platform for the German economy to get insights and connections to the local startup scene in the Silicon Valley of China. Over the past twelve months, we guided several delegations from Germany through the innovation ecosystem and supported them in exploring the startup scene and possible technology partnerships. The AHK Innovation Night was the perfect end of an exciting year and a chance to invite our members, partners and local startups to a networking evening in the creative work space of Bee+. We were honored to have the Deputy Chief Executive of DIHK, Dr. Achim Dercks and Managing Director AHK, Mr. Benjamin Leipold, flying in for this event from our headquarters in Germany as well as colleagues from AHK Greater China.

Training Calendar - Guangzhou

15 th March	Storage Rack Safety & Lifecycle Guarantee (CN)
28 th - 29 th March	Key Account Management Workshop (CN)
12 th April	Psychological Thinking and Application in Talent Management (CN)
18 th - 19 th April	Doing Business in Germany (CN)
8 th - 9 th May	How to be a Coaching Leader (CN)
11 th - 12 th May	Lean Management Practice Training (CN)
24 th May	Effective Time Management (CN)

Training Calendar - Shenzhen

19 th - 20 th April	Plan and Inspection on Tax Payment (CN)
26 th April	Cross Department Communication Skills (CN)
20 th March	Mindful Leadership Experiential Salon (CN or EN)
21 st May	The Power of Inclusion in Diverse Workplaces (EN)
22 nd - 23 rd May	Effective Selling Skills (CN)



15th Location: Guangzhou
Event: Tax/Legal Roundtable
January 2019 Venue: GCC Office
Speaker: Ms. Bolivia Cheung | External Consultant CW CPA
Topic: New IIT Law - How will it affect foreign executives in China?

On 15th January 2019, the German Chamber of Commerce | South & Southwest China invited Ms. Bolivia Cheung, CW CPA's consultant and a member of Board of Advisors, to share how the amended IIT law will affect foreign executives in China.

Ms. Cheung covered the topic of how tax breaks can help avoid China's worldwide tax and why salaries paid by an overseas company can be taxable in China. She also explained the penalties for tax residents who don't report their foreign income. The seminar received good responses from the participants and their awareness of the amended IIT law has been raised. Following the seminar, participants shared ideas and formed new networks.

The German Chamber of Commerce | South & Southwest China would like to thank every participant for their input in the discussion and CW CPA for their excellent presentation.



17th
January 2019

Location: Guangzhou
Event: Seminar
Venue: GCC Office
Speakers: Ms. Fion Fok | General Manager, CRIF Hong Kong; Mr. David Haynes | Senior Director, Head of AML, EKYC, Cyber-Fraud and Financial Crime Solution Sales, LexisNexis Risk Solutions; Mr. Douglas Wolfson | Director, Financial Crime Compliance, LexisNexis Risk Solutions
Topic: Mitigation of Credit & Compliance Risk



On 17th January 2019, the German Chamber of Commerce | South & Southwest China invited experts from CRIF, a global provider of business information and LexisNexis to share the ways of reducing credit risk and compliance risk with business information.

It is always a big challenge for companies to find good business partners, as well as to meet increasingly complex compliance requirements. Hence in the seminar, Ms. Fion Fok from CRIF introduced how to strengthen companies' Know Your Customer (KYC) process by utilizing business information. Mr. Douglas Wolfson from LexisNexis explained the common compliance issues such as sanctions and money laundering risks that companies encounter. He gave the tip to manage compliance risks with the use of financial crime compliance data. From the seminar, the members could learn how to identify and mitigate the potential credit and compliance risks more effectively.

The German Chamber of Commerce | South & Southwest China would like to thank all participants and event partners CRIF and LexisNexis for a memorable seminar.

24th
January 2019

Location: Shenzhen
Event: Post Delegation Networking
Venue: Blue Frog Bar & Grill

24th
January 2019

Location: Shenzhen
Event: GCC Delegation & Company Visit to Greater Bay Area: Shenzhen
Venue: RoboSense, UBTECH, Ping An Cloud Accelerator

On 24th of January, the German Chamber of Commerce in China | South and Southwest organized the third delegation tour to Greater Bay Area with the co-host German Chamber Hong Kong. The group returned to Shenzhen this time with a focus on the innovation and technology hub and technology hub of China. The delegation of 20 members and partners of the German Chambers visited the three companies Robosense, UBTECH and Ping An Cloud Accelerator. Robosense introduced their core technology – LiDar to the delegation, followed by UBTECH's robots dancing and sharing their advanced knowledge of AI and Humanoid Robots. In the end, Ping An Cloud Accelerator, which supports innovative technology start-ups, introduced their program including their 1st and 2nd cohort companies and invited one of the startup company – CTACCEL to share how they benefit from the cooperation with an accelerator. All three companies showed that Shenzhen is an important city fostering on R&D and is dedicated to developing high-end technology. The delegation looks forward to seeing how fast these companies will improve in the coming years. A networking at Blue Frog restaurant rounded off the informative one-day delegation trip in Shenzhen. A total number of 40 participants attended the Post-Delegation Stammtisch to network with the local German business community. Special thanks to Robosense, UBTECH, Ping An Cloud Accelerator and Blue Frog for this successful GCC Delegation & Company Visit in GBA: Shenzhen!



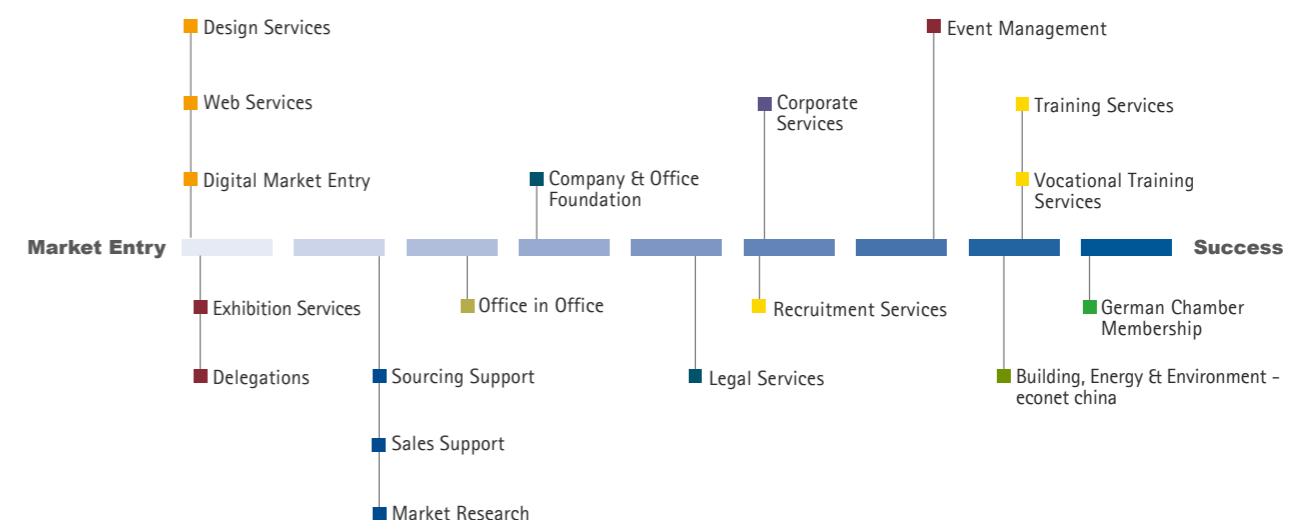
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2nd HR Summit South China in Shenzhen

DirectHRGroup



On 2nd November, German Chamber of Commerce in China | South & Southwest held the 2nd HR Summit South China in Hyatt Regency Airport Hotel Shenzhen. More than 60 people joined the full-day event to learn, share, and network with other HR professionals in South China. The audience was comprised of HR directors and general managers eager to get inspiration from high level speakers, industry practitioners, and service providers.

The event started with the opening speech by Mr. Ralf Mazet, German Chamber board member and was followed by inspiring keynote speeches on corporate culture using the example of Trolli Guangzhou Confectionery, Talent Review at Testo Instruments and Employee Motivation at Mars. The case study on Employee Fluctuation Management spotlighted the achievements of the German company ELRAD Electronics to decrease their annual turnover rate from 34% in the past ten years to a monthly turnover rate of just 3.6% in the past 12 months.

During the workshop session, three parallel workshops gave insights in the developments and trends of learning, the new IIT law and the implications for foreigners as well as performance management under a legal point of view. The activating speech on skill sets for a world in change ended the event leaving the participants with new ideas for the coming year.

Participants took advantage of several networking opportunities and got introduced to the wide range of services of the conference partner DirectHR, sponsors CW CPA and Taylor Wessing and media partner Dezan Shira & Associates.

We thank our event partners and speakers for their great contribution to the success of the event and look forward to next year's HR Summit in Shenzhen.

Speakers:

Mr. Ralf Mazet | Board Member, German Chamber;
Mr. Dong Duong | General Manager, Trolli Guangzhou Confectionery Co., Ltd.;
Ms. Emia Hu | HR Manager, Testo Instruments (Shenzhen) Co., Ltd.;
Ms. Stella Zhang | Senior Consultant Total Rewards Solution, Mars China;
Mr. Trevor Ding | General Manager, ELRAD Electronics Co., Ltd.;
Mr. Geoff Kershler | Business Trainer, Speaking Coach;
Ms. Bolivia Cheung | Consultant, CW CPA;
Mr. Ralph Koppitz | Chief Representative and Partner, Taylor Wessing;
Ms. Mette Pausgaard | Founder and CEO, Mimir Consulting



Stay in Chengdu and "Discover Germany"!



Based on 2017's success, this year's "Discover Germany" was held in Fusen Nobel No.1 Shop, Chengdu from 30th November to 2nd December with more fun and interactive games for families. It was hosted by the German Chamber of Commerce in South & Southwest China and the Consulate General of the Federal Republic of Germany in Chengdu, supported by Chengdu Municipal Foreign and Overseas Chinese Affairs Office. "Discover Germany" is a platform and festival that promotes German brands and products and introduces German economy and culture. The display of German culture from different angles has made Chengdu citizens "Discover Germany" while staying in Chengdu, the cumulative audience reached more than 2,000 people.

Joint opening by the German Chamber & the German Consulate

The opening ceremony was held at 18:30 pm with a speech by Mr. Wen Xiaofei, Regional Manager of German Chamber in Southwest China. He expressed his appreciation to all sponsors, co-organizers, as well as all Chinese authorities. The sponsors included Trolli, Allianz, BMW Motorrad, IQ Air Aura, German Travel Center, NRW. Invest Germany, Kempinski Hotel Chengdu, Schöner Wohnen, Dactsn and Metro. Mr. von Rimscha, the new appointed Consul General of the German Consulate in Chengdu, gave welcome remarks and wished for great success and cultural exchange between Germany and China. Afterwards, Mr. von Rimscha, Mr. Wen and Ms. Wu Zhijuan, Deputy Director of the Chengdu Municipal Foreign and Overseas Chinese Affairs Office and Mr. Wu Baolong, deputy general manager of Chengdu Fusen Nobel Furnishing Co., Ltd., jointly cut the rib-

bon to official open the "2018 Discover Germany" Festival, with more than 300 guests attending the ceremony.

A Sino- German exchange platform in a festival atmosphere

"2018 Discover Germany" paid attention to the display and promotion of the German economy and culture. The audience was able to get in direct contact with German companies to find business opportunities and to get to know the brands and products. Everything from food to wine, from home decoration to electrical appliances, from motorcycles to skin care, from travel to investment - high quality and cost-effective German products could be found at the festival.

"2018 Discover Germany" also brought classic German Christmas customs to Chengdu for the very first time, with creative interactions. Children and adults alike had fun with the exciting "Discover Germany" Adventskalender lucky draw, which not only brought exhibitors and visitors together but also gave visitors the chance to win a variety of prizes.

To further encourage the economic and cultural exchange between China and Germany, the festival also provided an information platform, offering a series of business, tourism and education related discussions and the release of the documentary "Deutschland von oben". The German Chamber of Commerce in China | South & Southwest China would like to thank all who attended the 2018 Discover Germany. A special thank you goes to the co-organizers: The General Consulate of Germany in Chengdu. Furthermore, the German Chamber would like to thank all sponsors of

Discover Germany who provided great support and played a big part in the success of this event.

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中德(慈溪)中小企业合作区

Sino-German(Cixi) SME Cooperation Zone



Introduction

The Sino-German (Cixi) SME Cooperation Zone is a Sino-German economic cooperation zone approved by the Ministry of Industry and Information Technology. The Cooperation Zone is located on the coast of the East China Sea and the south bank of the Hangzhou Bay Bridge. It is the golden node of the Hangzhou Bay Economic Zone. It faces Ningbo to the east, Hangzhou to the west, and Shanghai to the north across the sea. Within 1.5 hours, from the Cooperation Zone, 4 international airports and 2 international deep-water ports can be reached. The soon-to-be-completed Shanghai-Jiaxing-Ningbo High-speed Cross-sea Rail and Hangzhou-Ningbo High-speed Double-track Line will be opened to traffic, and it will be more convenient to travel to and from Shanghai, Hangzhou and Ningbo, with outstanding traffic advantages.



Important Pillar

Industry is an important pillar of Cixi. There are more than 18,000 industrial enterprises in the whole city, and there are 1,401 enterprises with annual sales over 20 million yuan. It is one of the three major home appliances manufacturing centers in the country, with 37 characteristic industrial clusters and more than 10 domestic largest manufacturing centers. There are a number of industry champion companies such as Cixing Group, Bull Group, and the Fotile Group. The developed private economy makes Cixi rank the fifth in the top 100 counties and cities in the overall strength of small and medium-sized cities in the country, and rank the second in the top 100 counties and cities with the most investment potential in China.



Core Area

The core area of Sino-German (Cixi) SME Cooperation Zone is located in the Cixi High-tech Industrial Development Zone, with a planned area of 22 square kilometers. The plan will focus on autos and auto parts, smart equipment, new materials, as well as life and health industries. Gathering high-quality scientific and technological SMEs to form an international industrial agglomeration zone, the Cooperation Zone will be built into an important platform for the introduction of advanced technology, management experience and high-quality talents. It will cooperate fully with Germany in areas such as intelligent manufacturing and industrial internet in connection with the "German Industry 4.0" strategies.



Sino-German(Cixi)SME Cooperation Zone Address: No.8 Cixiao West Road, Cixi City, Zhejiang Province, China Hotline: +86-574-63013333



常州国家高新技术开发区
Changzhou National Hi-Tech District



- 1 hour from Shanghai, 30 minutes from Nanjing.
- State Level High Tech District since 1992.
- Strong industrial clusters with German investment atmosphere.
- International airport, high speed railway, high way, ocean going port within district.
- AHK Dual System Training in vocational schools for German companies, with CNC machining, molding, welding, and related training centers.
- Competitive operation cost among the cities in great Shanghai area.
- Cozy living environment with German community.



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Nach Hangzhou	75km	23min

> Autobahn

Nach Highway Entrance	5km	10min
Nach Shanghai	90km	60min
Nach Hangzhou	85km	60min

> Flughafen

Nach Shanghai Hongqiao Flughafen	90km	60min
Nach Shanghai Pudong Flughafen	120km	75min
To Hangzhou Xiaoshan Flughafen	90km	60min

> Seehafen

Nach Jiaxing Seehafen	30km
Nach Shanghai Seehafen	130km
Nach Ningbo Seehafen	250km
Nach Yangshan Seehafen	70km

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