

Ticker

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MADE IN CHINA

STARTUPS AND
INNOVATION

Beyond Business and Trade
Interview with Consul General
Dr. Christine Althausen

Sino-German Innovation by the Numbers
Taking Stock of German Innovation in the
People's Republic

Make the People Hear You
Public Perception of CSR and
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New Understanding of "Made in China"

The development of the Chinese start-up scene shows substantial progress. Based on research done by UHY, a network of independent accounting and consulting firms, the number of new businesses in China between 2010 and 2014 has grown by nearly 100% to 1.61 million start-ups. This makes China the new leader in overall growth numbers, surpassing Western countries. Furthermore, according to KPMG's Venture Pulse Report, in 2016, venture capital in China reached USD 31 billion. Therefore, China became the second biggest venture capital market in the world. Many different factors have led to this steady and fast-paced rise of the Chinese start-up industry. This includes a well-connected investor network, co-working spaces, presence in the media, accelerator programs, and the general acceptance of the Chinese consumers to adapt new products, services and technologies very quickly.

Along with the Chinese start-up scene establishing itself to an innovative and competitive hub, the process of internationalization continues to move on. Entrepreneurs and young founders from all over the world have been expanding from their home countries to China because they see the multiple opportunities of the country's huge consumer market, as well as several attractive factors like reduced administrative burden, cheaper and quick production of hardware, and the chance to connect with Chinese investors. Foreign venture capitalists increasingly seek investment opportunities in Chinese start-ups. Even multi-national companies observe the innovation level and ideas of young Chinese entrepreneurs to potentially build long-term cooperation.

Besides the rapid globalization of the Chinese start-up industry, we are now witnessing another milestone development. Well-known Chinese IT companies with innovative products, services, as well as modern technology are the reason that the term "Made in China" has taken on a whole new meaning. New and innovative business models and concepts primary created for regional use also have the potential for international expansion. Foreign and Chinese companies alike are waiting to see how "Industrie 4.0" and "Made in China 2025" will synergize. Since China is one of the biggest and most important markets for foreign companies and customer spending of the growing Chinese middle class has increased, these companies have been forced to adapt their products and services to local preferences and Chinese consumer habits in the past few years. Therefore, the new saying "Made for China" has gained importance and is becoming reality in China today.

In this issue of the German Chamber Ticker, we will offer insights on the current development of the booming start-up scene in China and take a closer look on the reasons for the fast globalization of the industry. This edition will also include advice for foreign companies interested in acquiring Chinese start-ups as well as suggestions for Chinese start-ups to expand globally. Furthermore, we will provide you with interesting insights on China's e-commerce market and the unique characteristics of Chinese companies and their global expansion.

We hope that you enjoy reading!

Yours Sincerely,
Lothar Herrmann



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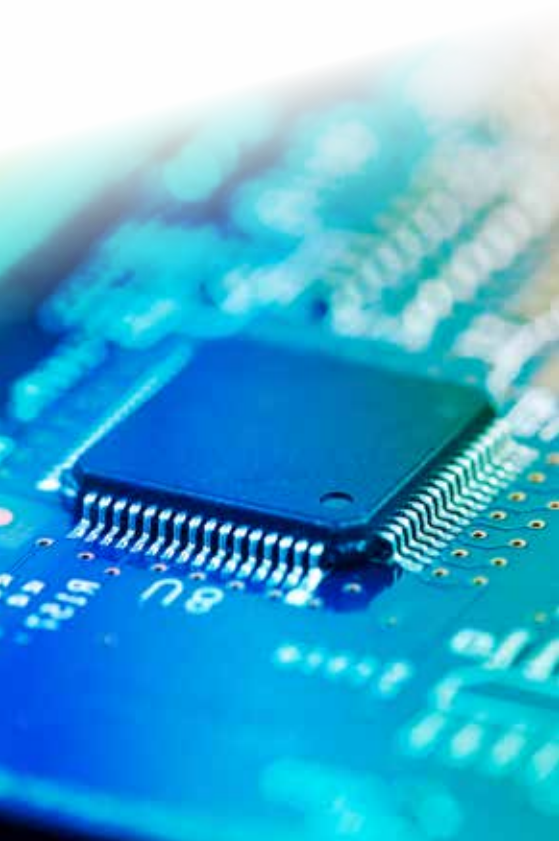
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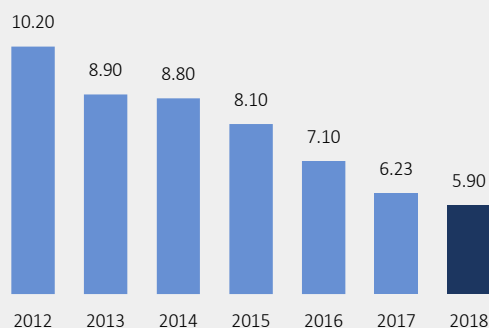
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Solutions for People Who Forget Umbrellas During Downpours



The sharing economy in China has gone from bicycles to umbrellas. With Shanghai's weather unpredictable at times, this new way of making sure Shanghai city dwellers stay dry is popping up in metros, firstly with line 2. Like the bike sharing companies, users who want to use an umbrella must scan the QR code within the app to release the umbrella from a storage box. Once used, the user can return it to another box in a different part of the city. Currently the storage boxes hold up to 49 umbrellas and can dry wet umbrellas. Monsun, the company behind these shared umbrellas plan to release more than 50,000 shared umbrellas with 1,000 storage boxes throughout metro stations. They also plan to get contracts with major shopping malls and office buildings. Users will be charged a deposit of 39 RMB to use the umbrellas, then are able to use it for free. If the umbrella isn't returned in 24 hours then users are charged 2 RMB per day. After seven days, if the umbrella still isn't returned, then the user bought a new umbrella.

Tourism into China on the Rise

Tourists from around the world has had an increasing interest in China as that the country has been receiving more cash from tourists visiting from abroad than Chinese travelers going abroad. According to the China National Tourism Administration or CNTA, Travelers coming from abroad has increased in the past few years, following the global financial crisis. The revenue for inbound



tourism rose 5.6 percent year on year to USD 120 billion. This is opposed to the Chinese tourist going abroad, which has been growing

slowly. Outbound tourism spending was about USD 109.8 billion in 2016. Included in all of China's plan for economic growth, they have promised to make tourism a major driver in this growth and plan to upgrade by 2020. According to a prediction by the CNTA, direct investment into tourism will jump more than 20 percent from 2016 to RMB 1.5 trillion. Revenue from tourism in China contributed to around 11 percent of the national economy, with about RMB 4.69 trillion.

Chinese Consumers Willing to Spend More Money, According to Report



Chinese consumers are more confident about their ability to earn more, which is leading to a willingness to spend more money. According to the Nielsen CCI or China's Consumer Confidence Index for the second quarter of 2017, consumer confidence is up to 112 points. This number is two points up from last quarter and the highest it's been since the fourth quarter of 2013. Some items that have led to this increase in points includes the Belt and Road Initiative, the development of the Beijing, Tianjin, and Hebei regions, and any other development processes that are lending a hand to China's increasing development. In terms of personal finance and perceptions about local job prospects, the report shows that it grew from 66 to 69 and from 66 to 68 respectively.

A Boom in China Health Services in the Future



According to the National Health and Family Planning Commission, China plans to boost health-related industries. The market will reach RMB 16 trillion by 2030. According to an official at the National Health and Family Planning Commission, China will continue to integrate health related industries with

elder care, tourism, fitness, Internet, and food. There are currently 17,000 private hospitals, which accounts for 57.5 percent of the total amount of hospitals in China in May 2017. From January until May, private hospitals received 180 million medical visits, which is up 13 percent year on year. This boost goes in accordance to China's blueprint for public health, medical, food and drug etc. called "Healthy China 2030".

China is Crazy for Apps

In the first half of 2017, China's mobile app market had over an astounding 4.02 million mobile apps, according to a report by the Chinese Ministry of Industry and Information technology. Companies active in the Internet sector as well as related industries brought in about RMB 284.3 billion in the first half of 2017, which is up 24.9 percent year on year. According to the China Internet Network Information Center, China has about 751 million people active on the internet. In the breakdown of the types of apps Chinese consumers would see when they visit the app store, mobile games had the largest number with 1.17 million apps at the end of June. After mobile apps, followed daily life services apps and e-commerce apps. mobile system tools were the most downloaded apps, followed by games and video-playing and audio-playing applications. E-commerce apps were the most lucrative, which had a revenue of RMB 107.4 billion.

China Once Again Largest Foreign Holder of US Treasuries



As of June, China replaced Japan as the largest foreign holder of US Treasuries. Unlike Japan country increased its holdings consecutively from November 2016. China's holdings of US bonds, notes, and bills increased to USD 1.15 trillion. This is following the buying of USD 44.3 billion dollars of Treasuries during June of 2017. This increase was partly because of strong trade flows between China and the USA. Japan had sold USD 20.5 billion US dollars of Treasuries and took holdings of USD 1.09 billion within the same month. The China foreign exchange reserve saw an increase to USD 3.08 trillion in July of 2017, which is a consecutive increase from the past five months.

BRICS Summit Gets Presidents Together for Future Growth

The presidents of Brazil, Russia, India, China, and South Africa attended the BRICS Leader's Summit in Fujian Province. At this summit, President Xi Jinping announced that China will give USD 80 million in funding for BRICS cooperation. This funding will go towards an economic and technology cooperation plan. The presidents agreed that their respective countries should increase cooperation in sectors like trade, investment, monetary policy, finance and sustainable development. The summit was held in order to establish the



course for the BRICS countries. The BRICS economies accounts for 43 percent of the world's population and has contributed more than half of the global economic growth over the past decade.

Bitcoin Banned by People's Bank

As declared by the People's Bank of China, initial coin offerings or ICOs are illegal. They would like these ICOs like Bitcoin transactions to cease immediately. The reason for this ban is mostly to protect investors and dealing with risks properly, as mentioned in a joint statement from the People's Bank of China, securities and banking regulators, and other government organizations. This is disappointing to many tech companies who opt to use bitcoin for transactions because the process is quick and unregulated. With this declaration, bitcoin fell USD 200. China investors has invested USD 395 million into issuing ICOs this year alone. With the ban, authorities have called on anyone who received

investments from investors to refund their money, if raised through ICOs.

R&D on China's Own Hyperloop

In August of 2017, China Aerospace Science and Industry Corp. announced in Hubei province that it has started research and development in the well talked about hyperloop, the fastest mode of transport for the future. The China Aerospace Science and Industry Corp or CASIC is the first Chinese enterprise to start developing a hyperloop system. CASIC core competencies comes in system engineering and supersonic vehicles. CASIC plans to make their hyperloop a maglev line with an engineless, streamlined train that will traveling along elevated tunnels at a speed that reaches 1,000 kilometers per hour. This compared with China's fastest bullet train for passengers which travels at about 350 kilometers per hour, with a top speed of 400 kilometers per hour.

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The Stir on Start-Ups:

GERMANY AND CHINA

Industries of start-ups

2017
CHINA



63% TECHNOLOGY
4.4% CONSULTANCY, AGENCY
32.6% OTHER



2016
GERMANY



69% TECHNOLOGY
15% HEALTH CARE
16% OTHER

Average age of start-ups founders

2013
CHINA



36 years



2016
GERMANY



36.3 years

Number of patent applications by residents

2015
CHINA



968,252



2015
GERMANY



72,217

Funding sources of start-ups in Germany (2015)



79.9% Own savings
32% Friends and family
29.7% Business angel capital
29.4% State subsidy
20% Venture capital

Largest concentration of start-ups

CHINA

39% Beijing
20% Shanghai
17% Guangdong
7% Zhejiang
4% Jiangsu
4% Sichuan



GERMANY

17% Berlin
14.8% Nordrhein-Westfalen/
Rhein-Ruhr region
8.9% Stuttgart/Karlsruhe region
7% Munich
6.9% Hannover/Oldenburg region
6.4% Hamburg



2014
Start-ups founded by
women in Germany

13%



2016
760,000
\$11-12

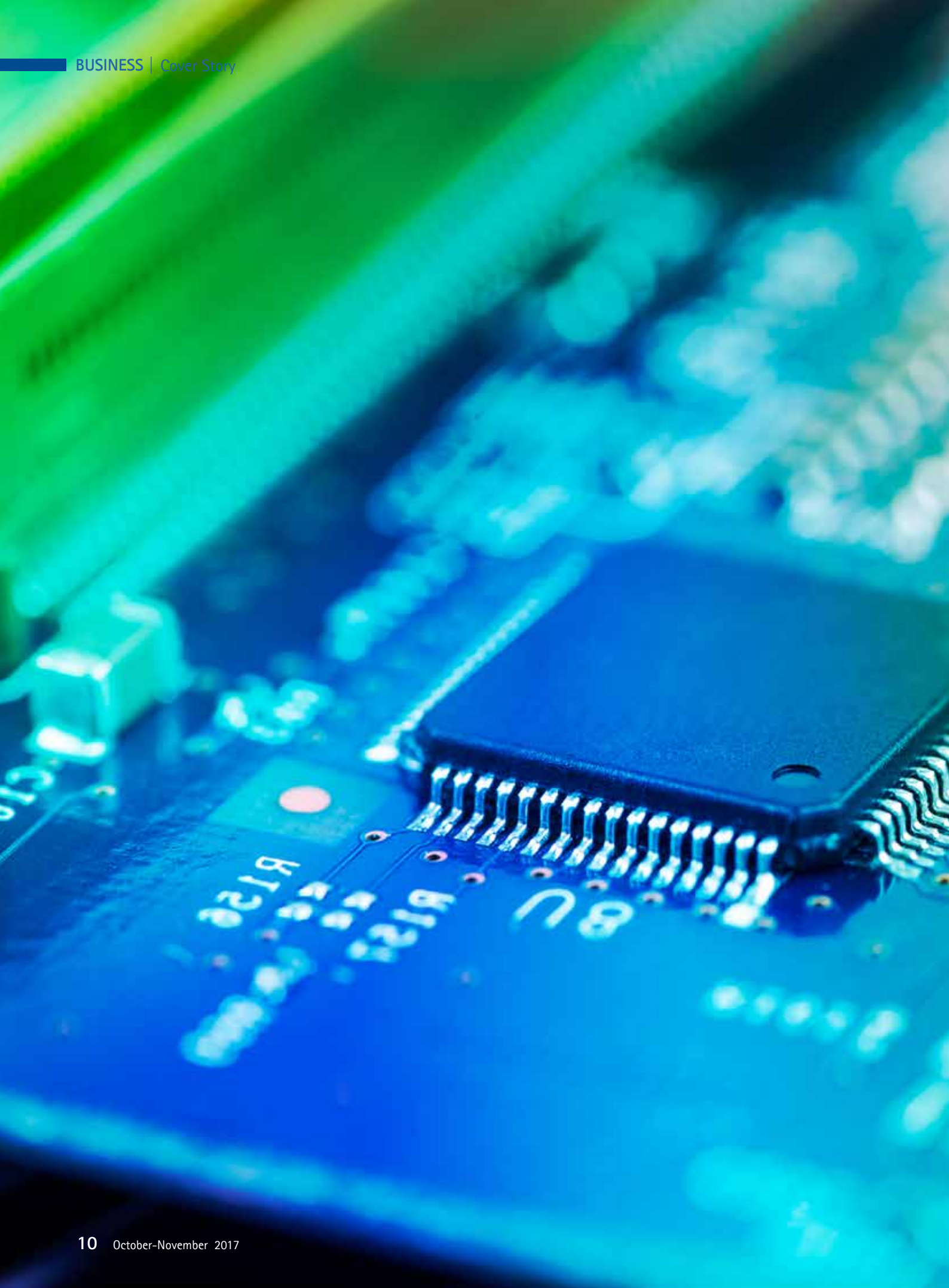
Start-ups incorporated in Germany
each year.
Billion invested



2016
12,000
\$31

Start-ups incorporated per day in China
Billion invested

*Sources: statista.com, svb.com, deutscherstartupmonitor.de, trak.in, wipo.int, medium.com, capital.de, technode.com, welt.de, chinadaily.com



Designed in China

The Rise of Chinese Innovation

By SEBASTIAN MUELLER

For many, China is still synonymous with the copying or stealing of ideas and the production of low cost alternatives. Those living in the country or following it closely know this to be an outdated view. "Made in China" used to mean cheap labor, cheap production, and bad quality. Chinese clones of Western innovation used to be infamous all over the world. Those days are starting to seem like a distant memory.

With the creation of a large middle class with disposable income and desires, it has long moved on to the "Made for China" era. For a majority of MNCs, China is one of the biggest markets and one of great importance. In order to win a bigger share of Chinese consumer's wallets, local tastes and preferences are being taken into serious consideration. From F&B, to fashion, electronics, and even automobiles, "Made for China" is a reality today, as consumption in the country remains steadily on the rise.

Following the shift from being the world's workbench to becoming one of the world's most important economies, the next change is on the horizon. As China and its companies continue to look for growth, their gaze is landing on global markets, where some of China's most valuable companies (Alibaba, Tencent, etc.) are making their presence known. But, these companies have yet to prove their ability to compete with the incumbents. The next big shift will be dubbed "Designed in China".

Why Adoption Rates Matter

To understand how local companies made the shift from copying to innovating, one needs to look no further than WeChat. Having started its existence as a crossover of QQ,

WhatsApp, and similar existing products, many deemed it a copycat. But, fast release cycles and a willingness to solicit, listen, and react to market response has turned WeChat into Tencent's arguably most valuable property. It has been adopted so widely and is used so frequently by its community that Western companies are watching in awe and are looking to learn from and copy it.

Success stories like WeChat are possible in China because of the general willingness, across generations, social groups, and geographies to adopt new technologies quickly. With China's incredible rise over the past decades, life has looked completely different for hundreds of millions of people year after year. Change has been ever-present; in lifestyle, affluence, infrastructure, and opportunity, amongst other related fields. Continuous change and adaptation to new circumstances is the norm for Chinese citizens, a factor that has been crucial to driving their rapid adoption of new technologies.

As a rule of thumb in China: If there is potential benefit, a chance for gain, and if it is interesting, people will give it a try without hesitation, regardless of how small it might be. They will also immediately abandon the product in the case that it does not satisfy them. Within such a fast-response live-or-die framework, Chinese products evolve and adapt to the market more quickly than in other markets. Hence innovation, both incremental and disruptive, has the right breeding grounds to accelerate at unprecedented levels.

In many Western countries, the standard of living is high and fairly stable. Everything new

is first doubted, inspected, and undergoes long cycles of consideration. Market response and adoption is slow, and hence the ability for a company to iterate on market feedback is hampered.

Within the frames of such an economic environment, and after copying and catching up to global standards, it is easy to see why China's companies are in the pole position for creating the next big wave of innovation. And they are already doing it, yet much of their progress has remained invisible to outsiders until now.

Designed in China

For veteran foreign professionals living in China, the degree of innovation becomes most apparent when contrasted with one's own country during a visit home. Where most would have considered without a doubt that their home countries were more advanced than China ten years ago, this is no longer the case. From ubiquitous mobile payments through WeChat, very affordable high-quality mobile devices from Xiaomi, to well-designed electric scooters from Niu; China is living in the future.

In addition to the millions of merchants and shoppers in China that are seeing their everyday lives continuously shaped and changed by Alibaba, one can see the enormous ways in which social technology giants are connecting people through text, voice, video, and live stream. These factors, together with the impeding eMobility revolution that is being pushed forward by a plethora of new local entrants and government policy, will most likely make China the global frontrunner in the space.

The products that Chinese innovators are creating are no longer like the ones people used to scoff at a decade ago. No more banner-laden, unusable web applications. No more clunky, ugly electronics. No one-on-one knock-offs. The new products being created in China today are rife with ingenious features, pleasant user experiences and strong value propositions. Design is becoming an important consideration in Chinese fashion, hardware and software; all catered to global modern tastes.

Conquering the World

There are still many hurdles for Chinese companies in global markets. The lingering negative perception of Chinese companies as copycats is surely still one of those. Yet, there are other factors that pose greater challenges. Among them is their general understanding of other markets, or the lack thereof. Many of their first moves in entering

new markets have made it quite apparent that their traditional approaches are not working extremely well. The playbooks that were created, tried, and executed many times over are good for conquering a large unified market with 1.3 billion people, but seem to fail when applied to more fragmented geographies outside of China.

Companies looking to enter Southeast Asia, which is geographically and culturally the lowest-hanging fruit, are looking at a market size of about 640 million people in 11 countries. Every country has its own rules, system, agendas, language and local players. Every country is fundamentally different, yet rather small as a single market when compared to China. Similar situations exist in Europe, the Middle-East, Africa and South America. When being used to dominating a large unified market, these fragmented small markets, as high-value as they may be, are difficult to conquer.

On the surface, the strongest progress has been made by Alibaba, using a mixed strategy of acquisitions, building new local properties and pushing its underlying platforms. In Southeast Asia alone, it has acquired popular portals such as e-commerce company Lazada (and indirectly Singaporean online supermarket RedMart), while building an international version of Taobao. It is further pushing Alipay, its payments business, and Cainiao, its logistics platform into Southeast Asian markets so that everything can run on the existing infrastructure they have created in China.

On the other hand, WeChat continues to struggle with global adoption. While being used mostly by the Chinese diaspora in overseas markets, attempts have been made to promote the product using star power (e.g. Messi or Neymar). Those tactics have largely failed so far. International expansion efforts are now focused on offering the app as a convenient tool for Chinese tourists, rather than on acquiring foreign users. Another cautionary tale involves the US launch of consumer electronics company LeEco, which ended rather disastrously. In trying to use the same playbook they used in China, LeEco tried to launch its smartphones via flash sales, a tactic which is widely accepted in China, but unpopular in Western markets. The new entrant bore the brunt of consumer skepticism, the flash sale did not pan out, and LeEco failed to capture any significant market share using the tried-and-true methods it learned in China.

Cooperate and Prosper

Learning from its past failures, Chinese companies are getting smarter about their international strategies. This is a fact underlined by companies like Indiegogo, whose main business today in China is Chinese companies seeking crowdfunding in Western markets, in order to gauge demand and gather quick feedback on their ideas and offerings. Just as Western companies had to fail and iterate to finally see success in the Chinese market, Chinese companies are now going through the same struggle. Products cannot be simply exported, they need to be designed for their respective target markets. Herein lies the next big opportunity for Western companies to engage with the continuing Chinese expansion. While many feel the Chinese market saturating for their products and services, the next wave will be to help Chinese companies succeed globally.

For those based in China, this means that you need to be a partner or guide to these companies' international expansion. This includes helping to shape products that will gain acceptance in their home market, helping to make the right connections and helping to put winning strategies in place. Foreign agencies and consultancies are in prime positions to take over this business, while their traditional market share and hold on MNCs is quickly eroding in the face of local competition. For those based in Chinese companies' desired target markets, that means opening channels and helping them to place their products in the hands of the consumers. Big retail chains, online retailers, and other players can anticipate a new wave of supply that, if certain exclusivity is retained, could push them far ahead in the stalling battle for market share over static markets.

In closing, it is fair to say that companies are just at the cusp of what will be the next big wave of growth for China and its companies. After having been a manufacturing hub, followed by its evolution into a consumer society, Chinese companies are now out-innovating their Western counterparts and are pushing into other markets quickly. Large opportunities are available to those who can be a good partner and seize the reins at the seat of this seismic shift.

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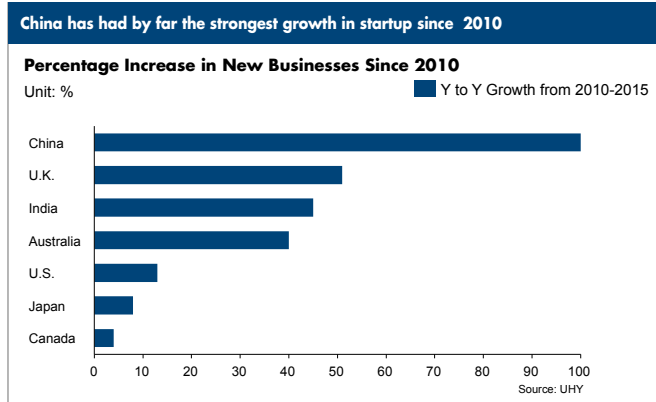


Starting Up

Startup Culture and Innovation in China

By JIAWEI ZHAO

Business forecasters had been waiting for this for quite some time and it finally happened in 2016: For the first time China is the country with the largest number of startups, edging out the United Kingdom and the United States. The latest research by London Consulting shows that there are more than 1.61 million startups in China. That means that there was an estimated 100% year-on-year growth since 2010. In 2016 alone, over 20 billion dollars in Venture Capital funds were injected into sectors such as Fintech, Virtual Reality, Robotics, Artificial Intelligence or Autonomous driving. Moreover, China came in fifth in the global startup environment survey. 85% of Chinese respondents expressed a strong interest in setting up their own companies according to an entrepreneurial attitude survey by UHY international which covers nearly 50,000 citizens in 44 countries.



China has had by far the strongest growth in startups since 2010 compared to other countries around the globe. The number of new businesses in China is almost twice as high as in the U.K., which holds the second place in this comparison.

A recent analysis conducted by the management consultancy Porsche Consulting China identified four factors that are driving the virtuous cycle of success in China's startup community:

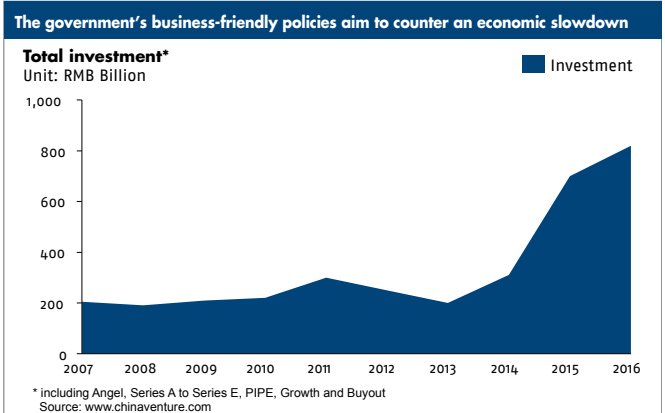
Vast and diverse talent pool

Between 1978 and 2015 more than 4 million Chinese citizens completed their studies overseas (Chinese student studying abroad report 2016). In the next five years, an 'inflection point' will emerge when Chinese students returning to China will outnumber those

going abroad. This is a boom to startups in China, given that many of these talents have solid backgrounds in Research and Development with high-tech companies. A few stellar examples are Mr. Yanhong Li, who brought search engine technology back to China and established Baidu; Mr. Xing Wang, CEO of a group-buying platforms Meituan.com and Dianping.com; Ms. Qing Liu, CEO of the mobility sharing company Didi and Mr. Ou Chen, founder and CEO of the e-commerce company Jumei.com.

Extremely supportive national and local regulations

To realize its call for "mass entrepreneurship and innovation", the Chinese government has laid out a series of favorable policies to encourage participation with holistic infrastructure to facilitate innovation. For example, rentals, broadband access fees, and the use of public software for makerspace and other innovation incubators are partially subsidized. As a result, many low-cost, fully-equipped, open-concept co-working spaces rapidly sprung up across the country. Furthermore, public classes taught by mentors to share experiences and funds to support campus entrepreneurship have been made readily available. According to the NDRC (National Development and Reform Commission), registered student entrepreneurs reached the number of 615,000 in 2016. And these students are transitioning their idea lab cases into full-fledged startups as they step out of campuses.



The total investment to startups boosted since 2013, which was triggered by a series of business-friendly policies from Chinese governments.

Sheer scale and 'forgiving' nature

Chinese consumers are willing to try new things, while accepting that quality may not be 'first time right' for many of these new products. For example, a World Economic Forum report shows that 75% of Chinese correspondents are willing to try a self-driving car, compared to just 56% globally. This 'daring and forgiving' Chinese consumer behavior is transformational: It allows startups to deploy products earlier and get data back faster on what customers want. This helps them to improve on their product design and market positioning. Moreover, this allows startups to start generating revenue faster. The sheer size of Chinese market also bodes well for startups who need the scale effect to be successful.

Entrepreneurs as 'national heroes'

Lastly, media in China are providing a significant amount of positive coverage to the startup culture and entrepreneurs, elevating some of them to "rock star" status. They are portrayed as brave, innovative, brilliant, and mission-driven.

This not only raises awareness and admiration for entrepreneurs, but also inspires a whole new generation to be part of this startup culture.

Suggestions to Chinese startups

In order to succeed in the China startup environment, entrepreneurs should take the following information into consideration:

They should work with the fact that Chinese consumers are 'daring and forgiving'. This enable the companies deploy products early to get market feedback on the product's adoption rate, test sales strategy effectiveness and supply chain robustness. If a small-scale product test turns out to be unsatisfactory, one can use the market data to quickly improve its competitiveness. Conversely, although a positive test result may not guarantee a runaway success upon a full-scale launch, test selling is needed to verify the robustness of the sales channel, supply chain, as well as validating business case projections and assumptions.

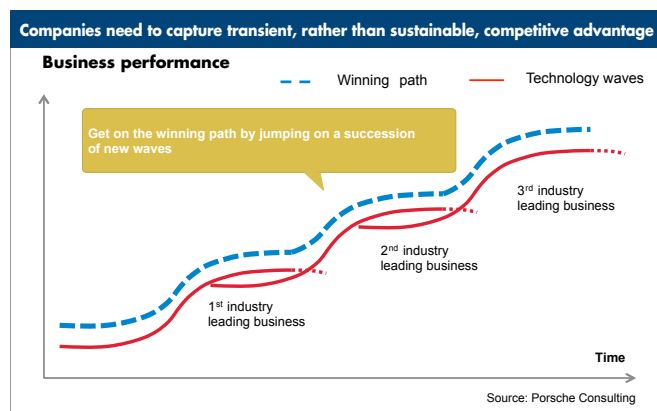
Internally, startups need to walk a fine-line between avoiding 'group thinking' and 'whatever the CEO-says', ensuring decisions are still being made while accommodating ideas coming from a diverse group of talents. Ensuring that the company gets the best ideas out of a 'team of rivals' is vital for a startup to challenge status quo and move up the innovation curve. It is only through deliberate talent and workplace culture management that this balance could be achieved.

Advice for companies interested in acquiring startups

Investors should pick companies that observe Moore's Law; especially for some startups which may not have cost advantages in the beginning. If the startups' businesses are part of an ecosystem with intense competitions that advances the core technologies with wide scale production, this would quickly push down the cost to a breakeven point – and eventually lead to profitability. Examples are cloud computing – with a steady stream of subscription fees, any benefit of decline in storage costs falls straight down to gross

margin. Another example is robotics where the core function is LIDAR (laser radar): if the projected 100 times cost reduction of LIDAR from above 100K US\$ is realized over the next five years, this would mean 50-75% reduction in the unit cost of a robot.

Furthermore, given the rapid diversification of technologies coupled with acceleration of the technology adoption life cycle ('S-Curve'), these evolutions require companies to capture transient, rather than sustainable, competitive advantage. Therefore, both investors as well as startups need to exploit short-lived opportunities with speed and decisiveness, especially in reconfiguring the business strategy and disengaging swiftly with diminishing opportunities. The key is to have the discipline and nimbleness to get on the winning path by jumping on a succession of new waves.



To get on the winning path, companies need to capture transient competitive advantage and swiftly jump on a succession of new waves

Pitfalls to avoid post-M&A

Enabled by Internet of Things, the pace of product diversification and technology advancements is ever accelerating; and the 'new normal' of customer engagement is marked by increasingly individualized solutions that require flexible production. In other words, a 'lot size of 1' is needed. These market forces require startups to have the agility and flexibility to maneuver, or in extreme cases, to pivot, their corporate strategies, product designs and operational models in response to these changes. Furthermore, their organizational structures need to be relatively flat to enable timely decision-making. Therefore, any post-M&A (Mergers & Acquisitions) management should be wary of imposing any process or organizational changes that could jeopardize the agility of the startups. Rather, the focus should be on leveraging scale advantage and other operational synergies to benefit the startups' cost structure and operational efficiencies. any process or organizational changes that could jeopardize the agility of the start-ups. Rather, the focus should be on leveraging scale advantage and other operational synergies to benefit the start-ups' cost structure and operational efficiencies.

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Fast, Innovative, and Globally Connected

Internationalization of the Chinese Start-up Industry

By MAREN PETRY

The development of the Chinese start-up scene is just a recent progression in the last decade. The industry encapsulating young entrepreneurs and their innovative ideas is still in the phase of establishing itself in comparison to advanced start-up hubs globally. Nevertheless, it is a fast-paced and very efficient journey to a competitive and advanced stage, demonstrated among others with the fact that China has, with USD 31 billion in 2016, the second largest venture capital market in the world. This process started to be acknowledged about five to seven years ago and incorporates all the factors which professionally support and foster a flourishing innovative industry for start-ups. This includes a well-connected mentor and investor network, co-working spaces, accelerator programs and incubators, presence in the media, and in the case of China, also an official backing from the government.

As rapid as the industry developed itself, the process of internationalization is taking place, more noticeably in the last couple of years. This development incorporates different factors like foreign, experienced venture capitalists increasingly seek investment opportunities in Chinese start-ups. The number of foreign entrepreneurs who found their own businesses in China or tap into the market as one of their first international expansion moves is rising. Additionally, exchange programs between Chinese and international start-ups are established. All these aspects, as well as the fact that successful Chinese unicorns are conquering international markets emphasize that the start-up industry in China is not just a national development, but a cosmopolitan and interconnected progress. Furthermore, the start-up scene in the biggest consumer market receives increasing attention from international media, politics and from the entrepreneurial side, including famous start-up hubs from all over the world. The "Silicon Valley" of China has been established, even though sources claim this title to Beijing, Shanghai, Shenzhen as well as Hangzhou as the most promising start-up locations. In short, the Chinese start-up scene was born, grew up quickly, and is now connecting with its broader environment as well as exploring the world.

Paths of internationalization

The different concepts that are fostering a more internationally connected start-up scene in China have various reasons doing so. Many

programs emerge with the goal to make the Chinese start-up scene more international as well as globally competitive, especially from Chinese perspective; others, especially foreign entrepreneurs see the huge consumer market or seek potentials within specific industries and aim towards getting a piece of the cake.

One of the first programs supporting the internationalization of the Chinese start-up scene from the Chinese side is the government sponsored Overseas Talent Entrepreneurship Conference (OTEC). OTEC is a program from the local government of the Chaoyang district, Beijing's largest inner-city district. OTEC has two main goals: one is to attract Chinese overseas graduates and their knowledge gained at top universities in the States, Europe or elsewhere to come back to China and establish their own company. With this international mindset and experience they are a welcome asset to further develop the innovative hubs in China. The second ambition is to support and even partly fund foreigners, who strive to establish a new business in the Chaoyang district. They organize internationally-held start-up contests and invite the winners to China and partially even sponsor the costs for setting up a new business in China as well as connecting foreign start-ups to Chinese investors. Additionally, the people behind this government organization host events targeting the international start-up community, offering exchange and explaining the still quite tricky visa regulations for young foreign entrepreneurs in China. The result of just five years since OTEC was established, there are 4,000 start-ups with foreign or overseas returnee founders, which have been established in Beijing's Chaoyang district and 400 start-ups which have been fully or partly funded. These numbers underline the demand of such a service and the progressing internationalization of the Chinese start-up scene.

An exchange project supporting and connecting German and Chinese high-tech start-up entrepreneurs is TIE² International Lab (TUM Tsinghua International Innovation Entrepreneurship Exchange). This program is a cooperation between UnternehmerTUM, the Center for Innovation and Business Creation at the Technical University of Munich and X-Lab connected to the Tsinghua University in Beijing, two of the leading entrepreneurship centers in Germany and China. In a selection process, both entities choose up to ten start-ups that focus on smart city solutions. These teams go on a one-week trip to the partnering country, work in tandem with entrepreneurs to even further advance

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their business concept as well as understand and explore the potential of the foreign market.

Furthermore, they take advantage of the possibilities of globalization for their own enterprises through workshops, events and specific visits in the respective countries. The initial idea of the exchange project was to support the promising high-tech start-ups in their foreign market entry efforts through joint projects and to establish an international innovation network. The first exchange took place in 2016. This year, the visit of Chinese start-ups in Munich took place in July and the entrepreneurs from Germany visited Beijing in mid-September. The program for 2018 is already in preparation due to its great success.

An example of a Chinese start-up growing tremendously fast with an aggressive global expansion plan and spreading innovative concepts from China to the world is Mobike, the bike sharing start-up which has spread across 100 cities in China. In just two years, the colorful Mobikes are present and are used publicly for daily commutes. The company began to expand globally at the beginning of 2017 and expanded into Singapore in March and into Sapporo, Japan in August. As for Europe, Mobike made its debut in Manchester and Salford in June, and Milan and Florence at the end of July. According to the company, Mobike is aiming for 200 cities globally by 2018. Shared bikes with fixed docking stations have existed globally for quite a while. But the system of Mobike and several other Chinese shared bike companies, where the bikes can be placed nearly anywhere, is getting so famous and successful, that this concept is even being copied abroad by foreign companies.

A further example of Chinese start-up industry internationalization is the American co-working space provider WeWork, headquartered in New York. In its rapid expansion into China, just in July of 2017, the company announced that it will invest about USD 500 Million in the Chinese market and found the independent entity WeWork China. At its current state, WeWork runs eight locations in Greater China, including co-working spaces in Beijing, Shanghai as well as Hong Kong. Several national and international experts see a lack of quality in Chinese accelerators, incubator, co-working spaces, and the surrounding programs and services offered. Therefore, the demand for internationally successful programs to further develop Chinese start-up professionalism through their global network's easy access to foreign markets is apparent.

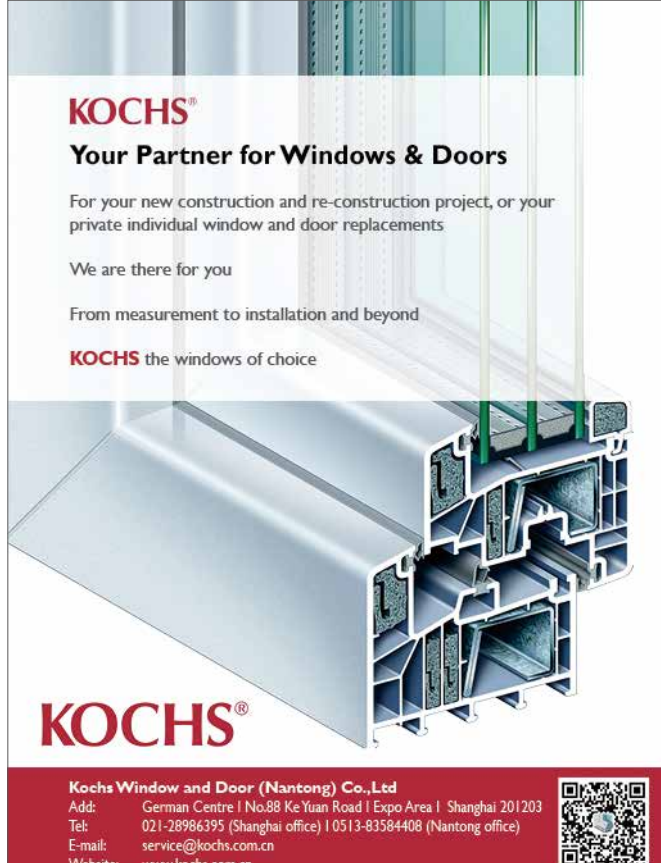
In this regard, both sides can learn from each other: Chinese programs fostering the development of start-ups learn about advanced mentorship programs, sustainable management, growing strategies, as well as change management. Introducing prototypes and improving them based on detailed customer feedback is the standard approach of Chinese start-ups, while this lean management style is still more of a trend abroad. Therefore, there are advantages of international co-working spaces, accelerators etc. entering the Chinese market on both sides.

Re-thinking "Made in China"

The fact that China plays a significant role in the world economy today is evident. Innovative companies, new concepts from the field of shared economy and modern technology that are "Made in China" are still in an early stage, but have a strong potential for sustainable and wide-ranging acknowledgement and success. At this point, the start-up scene in China is still slightly underestimated, but even large Fortune 500 companies, like German car manufacturers consider the

innovative hubs of China, evaluate the innovation level, and seek cooperation with young Chinese entrepreneurs with ideas, products and services. Additionally, many other stakeholders, as outlined above, have recognized the possibilities that lie within the Chinese start-up scene as a supplier for innovation and a market for fostering environments such as accelerators and co-working spaces. In the most recent steps of the internationalization of the Chinese start-up scene, Chinese unicorns and other successful start-ups are reaching for more than just the Chinese market, by expanding globally. With steps of development and acceptance of these concepts, it seems to be that a "re-thinking" and more positive connotation of "Made in China" has taken place.

Maren Petry is Senior Manager at the German Industry & Commerce Greater China Beijing (GIC Beijing). She supports German companies entering the Chinese market and leverages her experience and contacts to support cooperation between Chinese and German start-ups. Before working for GIC, from 2015, Maren worked for a German start-up and has built up a vast network within the German and Chinese start-up scene. Maren sees the potential which lies in the development of the Chinese start-up industry. She can be reached at petry.maren@bj.china.ahk.de



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The China Opportunity

Selling to the Discerning Chinese Middle-Class

By KARL WEHNER

Companies often have just one chance to enter a market. To succeed on the vast Chinese market, it is important to understand the Chinese retail landscape as it differs in many respects from that of the West.

China's place in the world economy has been on the rise since 1978, when the country was opened to foreign investment. That year, China's total imports and exports of USD 20.6 billion ranked 32nd among all nations and accounted for less than one per cent of the global trade. Fast forward to today and China has surged ahead, accounting for 16.32 percent of world GDP, with only the USA ahead and with Germany ranking forth.

Increased purchasing power

This, coupled with the fact that Chinese consumers purchased 172 percent more than US consumers in 2015 in terms of value (USD 589.61 billion vs USD 247 billion), shows that Chinese spending is well and truly outperforming the West. It's no wonder that foreign brands are flocking to the market and wanting to reach China's 1.35 billion consumers. And whilst spending is on the rise, the shape of that spending is changing rapidly. Income of the Chinese population is increasing at a faster rate than inflation and goods and services prices. This means Chinese consumers have more disposable income than ever before. China has 6.9 percent GDP per capita growth rate, compared to 0.7 percent in Germany. This is coupled with the fact that China's consumer class is large and growing – with some experts predicting it to reach 854 million people by 2030.

A demanding and growing consumer base

These impressive figures are due to the growing Chinese middle-class consumer base, as increasingly, consumers are hungry for foreign products and brands. Foreign brands are often perceived to be of superior quality and represent luxury for the Chinese middle-class. A recent report by McKinsey suggested that Chinese consumers are becoming more

selective in how they spend their money, choosing premium over mass products.

The demand for high-quality foreign brands is stronger than ever, evidenced by Alibaba's sales during its 2016 shopping festival Singles' Day, during which a third (37 percent) of items purchased were from international brands. U.S. brands followed by European brands were the beneficiaries. Quality has become more important than ever before, and Chinese consumers are increasingly likely to spend more on a product if it is foreign, as they feel it guarantees a level of quality they might not be able to find in domestic brands.

The world's largest e-commerce market

China now has one of the largest and most prosperous retail markets in the world. The country's retail sales are predicted to reach about RMB 48 trillion (USD 6.99 trillion) by 2020, growing at ten percent a year, whilst e-commerce trade is projected to grow at about 15 percent in the same period. In 2015, Germany's total retail sales of EUR 471.5 billion were just 12 percent of China's RMB 30.1 trillion (EUR 3.83 trillion).

Online shopping festivals – a particular Chinese experience

Adding to this opportunity is something which is unique to the Chinese retail market – the popularity of shopping festivals. These online events now form a vital part of China's retail identity and are huge calendar events which many Chinese online shopping enthusiasts look forward to. They play an integral role in encouraging consumers to experience new products and brands, especially those from overseas, as well as providing businesses with a platform to increase brand exposure and trade.

The best example of one such shopping event is Alibaba's 11.11 Global Shopping Festival, which is now bigger than Black Friday and Cyber Monday combined. The festival originated from the Chinese folk holiday

'Singles' Day', which falls each year on 11th November and was first celebrated at Chinese universities in 1993. This date was adopted by Alibaba in 2009 as a way to invite people to buy themselves gifts in the spirit of an "Anti-Valentine's" Day. It has since evolved into the biggest 24-hour online shopping festival in the world, breaking sales records each year since it began. At the 2016 festival, transactions worth RMB 120.7 billion (USD 17.8 billion) were processed, representing a growth of over 30 percent compared to 2015. At peak periods, staggering 120,000 transactions were processed per second.

Gateway to China

Setting up operations in China can be very challenging and is not without its risks. As a result, many of Western brands use platforms such as Alibaba's Tmall Global, which gives them access to the 466 million annual active consumers on Alibaba's platforms without the need for a physical presence in the country. Tmall Global currently hosts more than 7,700 brands from 53 countries and is used by a growing number of brands from the UK, US, Germany, Australia, New Zealand, South Korea, Japan, Taiwan and Hong Kong as a spring board to China. The opportunity is huge and one that Western businesses ignore at their own peril. Entering this market takes commitment but with perseverance, as many companies are seeing, it can more than pay off and deliver success to brands in an ever-evolving market.

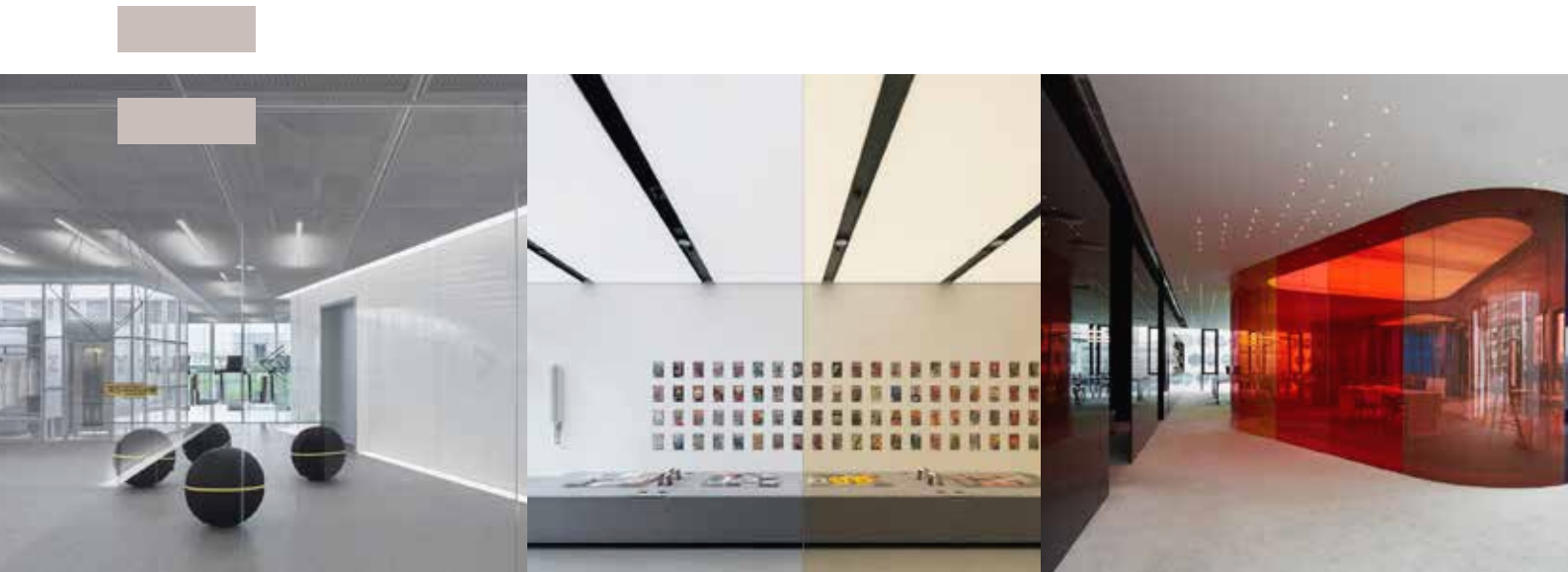
Karl Wehner is Managing Director of Alibaba Germany. He is responsible for driving partnerships in Germany, Austria, Switzerland, Eastern Europe and Turkey. Karl has over 15 years of experience in e-commerce and sales, having started his career in e-commerce at Amazon Germany in 1999.

anySCALE

A multicultural company founded in Hong Kong in 2011, anySCALE soon expanded into the mainland market by opening its offices in Beijing (2012) and Shanghai (2016). Specializing in corporate identity design, the firm mainly handles projects for giants in the automotive, real estate, education, finance, and media industries. anySCALE has also been extensively involved in projects for various valuable Chinese start-ups and premier co-working spaces.

Recognized in the Chinese market and design community for creating innovative interior and architectural solutions, the firm is led by three partners- Karin Hepp (Austria), Tom Chan (China), and Andreas Thomczyk (Germany), together bringing to the table 45 years of cumulative experience.

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Sino-German Innovation by the Numbers

Taking Stock of German Innovation in the People's Republic

By PROF. DR. ZHENG HAN and THOMAS KÖNIG

Innovation made in China on the rise

What do a floating solar power plant, fleets of on-demand bicycle rentals, mobile QR-code payments, 3D-printed houses and the Tianhe-2 33.86-petaflop supercomputer that has topped the world's most powerful computing lists for years all have in common? They are examples of innovation, made in China. The days of "made in China" as a synonym for knockoffs are long over, partly out of sheer economic necessity: as China is transitioning towards a knowledge-based economy, innovation is becoming a government priority, and by extension, the People's Republic's priority.

Moreover, despite ongoing resilient economic growth numbers thus far, China certainly cannot afford to rest on its laurels: a 2015 McKinsey Global Institute (MGI) report stipulates that China must generate two to three percentage points of annual GDP growth through innovation, broadly defined, to maintain the government's lofty economic growth goals. In that case, innovation could contribute as much as USD 3 trillion to USD 5 trillion a year to GDP by 2025.

Initial efforts to promote China's innovation capabilities seem to pay off: in 2016, the Global Innovation Index, which explores a broad vision of innovation, including the political environment, education, and infrastructure and business sophistication, identified China as the first-ever middle-income economy among top 25 innovation performers. In the 2017 ranking China even moved up to rank 22 from rank 25 in 2016.

Challenges in the innovation ecosystem

Despite an increasing number of successful Chinese innovators and China's improving ranking in the Global Innovation Index, China's innovation ecosystem is far from being conducive to innovation. For instance, although the Chinese government has officially made innovation a priority, the sub-index 'Regulatory Environment' of the Global Innovation Index puts China on rank 107 of 127. Similarly, China ranks only 128 among 190 countries in the category "Starting a Business". It appears that China still has a long way to go before it can generate systematic and sustainable innovation. What one can see so far among Chinese innovators is opportunity and market-driven innovation with an initial focus on quantity before quality. Mobility service provider Didi, for instance, was initially very much oriented towards its US role model Uber. But in contrast to Uber, the Chinese company quickly broadened its range of services to win more customers: today, you can use the service to order normal taxis, chauffeurs, a limousine service, or even to look for carpooling options. Didi was pragmatic, following the principle: "Is that what customers want? Then we'll provide it as quickly as possible before another

company does and we'll take care of the details later". Business model innovation and quick trial-and-error cycles are the hobbyhorse of many successful Chinese start-ups. This all fits in well with the fact that Chinese consumers are very open to take risks and are quick to adopt new products, services, and business models.

While China's macro-ecosystem may not yet be optimal for innovation, Chinese start-ups provide successful examples of innovation-conducive organizational behavior. Managing innovation is not only about managing stages of the innovation funnel, but also the creation of an innovation-fostering ecosystem. It should become a strategic priority for companies in the near future. Your competitor can copy one or two of your products, but can hardly imitate a sustainable innovation ecosystem in your organization.

German innovation activity in the People's Republic

With more than 5,000 German companies active in China for decades, China's focus on innovation offers untapped potential for Sino-German cooperation but also, naturally, for competition. Beyond buzzwords such as "Industry 4.0" and "Made in China 2025", the German Chamber of Commerce in Shanghai, in cooperation with Tongji University and goetzpartners Management Consultants, decided to shed light on how German companies are coping in the Chinese innovation ecosystem and how they are measuring up with their Chinese counterparts – in other words, to what extent are German businesses in China ready to innovate with, for and in China?

In early 2017, responses were assembled from a carefully selected group of German key industry representatives in China, mainly comprised of senior executives. Two thirds of surveyed companies have been in China for more than ten years. The results are in and they speak a clear language:

- Innovation in all its forms will be a key driver of business activities in China.
- Market forces, i.e. the needs to differentiate from competition, to attract new customers, and meet current customer needs, are the driving force behind their innovation activity.
- Within the next three years, companies are expected to engage less in product innovation and move to business model innovation instead.
- While the majority of companies still limits its R&D activities to global-to-local and local-to-local innovation, local-to-global innovation should be the next strategic priority for companies – a quarter of companies already engages in relevant research and this development is likely to gain momentum in the mid-term.

Barriers to innovation in Germany companies

At the same time, German companies in China see themselves confronted with several barriers in their efforts to drive innovation. Beyond ongoing concerns regarding the ability to find and bind qualified personnel as well as intellectual property concerns, the third largest barrier perceived by companies might also be the most surprising: Influence from headquarters in Germany is identified as a significant barrier to innovation, with 71% of respondents indicating it to be a barrier to a very large, large or moderate extent. Only 14% do not perceive headquarter influence as an impediment to innovation. Headquarter influence as a barrier to innovation may be rooted in a lack of autonomy for the China-based subsidiary. When it comes to market and product range decisions, 33% and 42% of surveyed companies respectively report to have relatively little autonomy. Around 20% of respondents claim to have high autonomy, i.e. freedom to make decisions about the market they serve and the product range they supply without consulting with headquarters. These companies also show higher innovativeness than their less autonomous peers. The subsidiary-headquarters relationship is undoubtedly a complicated one, but the results underline the inherent day-to-day challenge between (German) headquarters and their subsidiaries in China – the key question being: How much freedom will the Chinese entity enjoy localizing innovation decisions?

Making Sino-German innovation cooperation sustainable

As Sino-German business relations are entering a new era of innovation cooperation, the time has come to take stock of the current Sino-German business infrastructure to ensure continued success for German companies in China for the decades to come. Business model innovation, in all its forms, seems inevitable. German companies need to start asking how they can maximize their own innovative potential on the Chinese market. The potential for German companies to grow in China and to contribute their know-how to the emerging Chinese "knowledge economy" is unquestionably there. Concurrently, German companies, both at subsidiary level in China and at headquarter level in Germany, start to learn a lot from companies in the Middle Kingdom, particularly when it comes to redesigning value propositions and related business models. Only if wide-reaching protection of intellectual property rights is ensured, learning from each other will not become a zero-sum game and win-win can be sustainable. China and Germany have both proven that they have inherent innovative potential. The big question now is: How will we make the most of that potential? The authors believe that 'coopetition', a portmanteau of cooperation and competition, is the answer. China and Germany are different at many levels but complementary at the same time. Embracing Sino-German diversity can therefore be one of the best sources for innovation.

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Thomas König is the Manager for Strategic Projects and Executive Communications. He has worked with start-ups and has published articles and book chapters about China's innovative capabilities. Contact: koenig.thomas@sh.china.ahk.de

The German Chamber of Commerce Shanghai's Survey on German Business in China: Innovation in the Greater Shanghai Region 2017, in cooperation with CDHK/Tongji University and goetzpartners Management Consultants will be presented at the Industry 4.0. Forum in Shanghai on 25th October 2017. The President of Association of German Chambers of Commerce and Industry (DIHK), Dr. Eric Schweitzer, will also be in attendance and provide a "Berlin perspective", by highlighting the innovative potential of businesses in Germany.



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A Paring of Giants

Industry 4.0. Meets China 2025

By CLAS NEUMANN

Since China wants to become the leading industrial power by its 100th birthday (2049), the "Made in China 2025" plan is seen as a major milestone, if its goals will be achieved. Germany is often seen as an ideal partner for China in the realization of its industrial 2025 ambitions, as the "Industry 4.0" platform is widely recognized as conceptional thought leading on a global scale. Also, it pushed the traditionally highly innovative German industry into the age of digitalization.

Nevertheless, there are controversial discussions on the current stage of the Chinese Industry: its capability to adopt Industry 4.0 concepts, the potential for German industry in these scenarios, and finally, whether it is wise to share the latest ideas and intellectual property with the strongest competitors of the future.

In this article, the author will discuss the strategic implications of a stronger engagement of German industry in the China transformation agenda against the background of the opportunities in Industry 4.0.

What it is "Made in China 2025"?

As part of the broader 2049 goal of the PRC to become the world's most powerful and most modern industrial country, the State Council approved and released in 2015 its ten year horizon plan "Made in China 2025", which is widely recognized as a first important milestone in its 2049 ambition. Key points of the Made in China 2025 plan are enhancement capabilities toward a sustainable production of high quality products. It also focuses specifically on smart production, smart services, and smart processes – establishing China as the digital world in manufacturing. The overarching theme is: Quality first! (Zhiliang xian 质量先!).

As one can expect, the plan is very well structured and detailed into "Three Steps", "Four Principles", "Five Projects", "Eight Reforms", "Nine Tasks", and "Ten Areas". It would lead too far to discuss all these different aspects and areas of the plan. Nevertheless, for any company operating in China, it needs to be mandatory homework to understand those details, as budget allocation can be expected around those focus areas and key industries.

How to engage in China 2025?

Many German companies may wonder, how best to engage in such a broad policy framework. Actually there are two ways to be part of the fourth industrial revolution in China:

1) Thought Leadership in Industry 4.0

One has to understand that China is looking for any solution or product, that makes its manufacturing base more sustainable, intelligent, automated, or otherwise innovative. As the central government publishes favorable policies in this field, many Chinese companies will get pushed to invest in those areas. Or in other words: it's not about making the cheapest product possible at scale but to increase the value to the customer. This will create undoubtedly a strong demand for solutions, whether in equipment, software, or processes, that help in reaching those goals. While most German industrial companies are already present in China through production facilities and/or distribution networks, it will become increasingly important to be recognized as a thought leader in the area of Industry 4.0. This means that one needs to have a credible offer in the smart manufacturing world. Thought leadership needs also to be established by an active presence on relevant conference, contribution to joint-working groups, visibility on industrial & IT fairs, and publications.

2) Joint Pilot Projects

Another opportunity is to participate in joint pilot projects, that are kicked off by the Ministry of Industry and Information Technology (MIIT) or its execution wing, CCID. There are sectors and cities identified that will receive special funds to enable a faster transformation of the industry. The same is true for joint R&D. Of course, one needs a Chinese partner to apply for such funds. This sometimes requires lengthy discussions on IP and contractual negotiations. Nevertheless, there are also significant rewards, from a visibility point of view and, at a later stage, also commercially, once these projects scale.

Currently, there are more delegations than ever from China touring Germany, which is often a first opportunity to get to know each other and to establish a first contact. Another way to enter the field of joint transformation projects are the MIIT offices on a provincial or central level.

Companies like SAP have been engaging in such pilot projects with major players in robotics (Shenyang Institute for Automation), machine building (Xugong), or IT infrastructure (Huawei). Knowledge in Industry 4.0, whether it's process knowledge or leadership in technology elements, will also open doors for many SME companies from Germany – and open doors that may have been closed before.

What are the risks?

Many companies have created mixed experiences by enabling technology transfers during the last decades. Way too often technology was copied, altered, or adapted and used without license agreements. This risk will remain specifically as it is a declared goal of the China government to become a technology leader in the manufacturing sector. But it isn't an option to just bring outdated technology to China or to try working in a "black-box" scenario, by trying to make key components completely non-accessible.

First, it doesn't seem feasible that any Chinese company in the digital transformation would be satisfied with second-grade technology, given the guidance by the government. Second, it also looks unrealistic to protect technology to an extent that cannot be copied at all. A much better way is to stay ahead of the competition by innovating in faster cycles, using global and open networks, and engage deeply into local research.

What are the opportunities?

First and foremost, if Industry 4.0 meets Made in China 2025 becomes a successful scaling model, it can open an unprecedented growth of opportunities for both sides. German companies do have, for the second time since the opening of China through the reform process that started in 1979, the opportunity to be a key partner at the very beginning of an industrial transformation process in China. This time it could be even bigger than three or four decades ago.

Second, China has clearly passed the time where it is eagerly trying to attract foreign direct investments to advance in key industries. Consequently, there are already a few high-tech sectors, where Chinese companies have achieved not only world market leadership, but are also among the technological most advanced companies in the world. Favorable policies have pushed, for example, e-commerce firms into world-leading positions, along with e-mobility companies or network equipment giants like Huawei or ZTE. In many sectors, German companies would find partners on eyesight, ideally with complementary skills and capabilities. Furthermore, these companies have a much better access to relevant policy makers, research funds, and pilot projects, which would be beneficial for German partners.

Third, there are new technologies, which are currently just emerging and which will play a much bigger role in the Industrial Field than they do. The best example is the area of artificial intelligence and machine learning. Artificial intelligence is one of the emerging fields along with renewable energy, robotics, and electric cars where leaders in Beijing hope to take an early lead and help transform China into a technology pioneer. China would like to become a world leader in artificial intelligence by 2030 and one can see lots of activities in this field. These are no timely the giants like Tencent Ltd., Baidu Inc. and Alibaba Group, which are heavily spending to develop artificial intelligence for consumer finance, e-commerce, self-driving cars, and other applications. There are also universities, research institutes, and an increasingly start that invests significant resources in this field. To say it very clearly: Until the year 2025, many technological advances will be made in Germany, Japan, or China alike in smart manufacturing. It would be an act of gross negligence to believe one can remain a world market leader in this field without close collaboration in China.

In summary, there is a serious push in China for higher quality,

sustainability, and individualization of production. Manufacturers are installing robots and other automation to cope with rising labor costs and improve efficiency while looking for even smarter technologies to develop new business processes and new avenues for revenues, specifically on the service side. The German industry needs to be in the driver seat to leverage its excellent reputation and the groundbreaking work, the Industry 4.0 Platform did to give the industry an excellent framework.

China did not reach all its industrial and economic development goals in the past. For example, the goal to sell five million e-cars annually by 2020 seems to be a very far stretch, given that only 300,000 e-cars were sold last year. Nevertheless, China today is the world's largest e-mobility market and there is no reason to doubt that the same will happen in smart manufacturing and its technologies. Made in China 2025 will set the framework for this development and successful companies of the Industry 4.0 area have what it takes to be part of it.

Clas Neumann is responsible for strategy and operations for SAP Global Labs Network and he also leads the orchestration of investments and cross-organization strategy to grow SAP's business in emerging and fast growing markets.

In 2014 he was named "IT Thought Leader" in China for his achievements in the area of smart manufacturing. He holds a MBA degree from INSEAD, Fontainebleau and Singapore.



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Beyond Business and Trade

Interview with Dr. Christine Althaus, Consul General of the Federal Republic of Germany

By SIMONE POHL, OLIVIA HELVADJIAN, and JESSICA DOWNER

Dr. Christine Althaus was appointed as Germany's Consul General in Shanghai at the end of August 2017. She is therefore Germany's highest ranking official representative in Shanghai as well as the Jiangsu, Zhejiang and Anhui provinces. Her task is to further Sino-German relations within the fields of politics, business, research and academia and culture.

The German Chamber Ticker team took the opportunity to speak to her about the constant growth China is enjoying, as well as opportunities for German companies in China and the hurdles women face in politics.

You have just recently arrived in Shanghai, what are your first impressions of the city?

At the end of the 1980s, I was posted to Beijing and to be honest, coming back was like returning to a different country. This time, I arrived at Shanghai's Pudong airport, which had not even been thought of when I visited the city for the first time in 1988. As I only arrived recently, I have not had much time to explore Shanghai so far. At first glance, of course, with the landmark skyline of high-rise buildings and modern architecture, the bright lights and multitudes of sounds, Shanghai is an impressive megacity with a

very modern and international flair. On the other hand, walking through the streets and neighborhoods around Yongfu Lu, where the German Residence is located, I am happy to see that much of the traditional Chinese way of life is still there. I like cycling and try to explore a bit of Shanghai in doing so.

Could you tell us a bit about your background and working experience before you came to Shanghai? How did you become a diplomat and what was your most interesting assignment?

I grew up quite close to the French border. For me, other countries always held a certain magic and I have always been very curious about them. Thus, I decided to study political science and foreign languages in Heidelberg. I chose Russian and Chinese and was often asked: "Why?" My answer was always: "Why not?" I have been working in the Foreign Ministry since 1985.

It is impossible to say what the most interesting assignment was. Let me put it this way: I have worked twice in Moscow, and now I am in China for the second time. I am lucky I can use my background in my professional work. For a diplomat, it is essential to remain curious, to stay interested in different

societies, cultures and languages. Diplomacy is only conceivable through people to people contacts. For me that is the essence of this thrilling profession.

What are the key topics on your agenda as new Consul General in Shanghai?

I am very much looking forward to working with our Chinese counterparts, as well as with the many German companies, institutions, scientists, artists and others who are working in Shanghai, as well as in the Jiangsu, Zhejiang, and Anhui provinces. The needs and interests of German businesses are of great importance to me and my team at the Consulate, and I am glad to have the German Chamber of Commerce among our strong partners here. Enhancing Sino-German cooperation in the areas of science and technology, culture and education as well as between the German and Chinese people will also be on my agenda in the years to come. Last but not least, the Consulate is a service center for German nationals, be they residents or visitors.

You are the second woman to head the German Consulate General in Shanghai since it re-opened in 1982. What is your experience as a woman in a leadership position and what

recommendations or advice can you give to young professional women?"

In 1988, I met the then Consul General Dr. Hannelore Theodor (1985-1991). She was highly respected amongst the Consular Corps. She was nicknamed "Lao Tie" (Old Iron) as a mark of admiration. As for gender equality, I do have advice: stand up for your rights, show ambition and courage.

Most importantly – invest in your networking. I like the title of a German book on that topic: Gute Mädchen kommen in den Himmel, böse überall hin [Good Girls Go To Heaven, Bad Girls Go Everywhere]. There is a lot of truth in that. Never give up, there is still a long way to go, also in my country.

What topics do you find most relevant for German-Chinese bilateral relations, and in what fields do you think that cooperation can and should be intensified?

German-Chinese relations are closer, more intense and varied than ever before. The numerous high-level visits between our two countries in the past two years impressively demonstrate that Germany is a reliable key partner for China. Our bilateral economic relations are also very strong and interlinked. Over the past few years, China has become an increasingly important trading partner for Germany. However, we see shortcomings in the economic sector and welcome the fact that the State Council has recognized these shortcomings and asked ministries to attract more foreign investment and abolish impediments to the business activities of foreign companies.

We agree with the State Council that more has to be done on the ground. Foreign businesses in China still encounter too many arduous and

even frustrating barriers. Take, for example, the 2017 catalogue for foreign investments which has just been published. Our companies have been waiting for years for the removal of investment restrictions such as joint venture obligations, equity caps and in other areas. Although the new measures contain a number of welcome changes, we still see significant room for improvement.

Our cooperation goes well beyond the field of business and trade. From cultural exchange to the long history of fruitful exchanges of scientists and students and a comprehensive bilateral cooperation in various academic fields – not to mention numerous city partnerships – our cooperation is multifaceted and colorful. It is important to keep the high standards we have reached – and of course, where possible, to improve relations further. An area that may allow more cooperation, in my view, is the exchange of young people, students and interns. For personal contacts between our peoples are very important and enriching and will help to improve mutual understanding.

Chinese investments in Germany have been a hot topic again recently, how do you think will this influence the development of our bilateral relations in the near future?

Chinese investment in Germany increased dramatically in 2016 and focused on the acquisition of German high-tech companies, whereas 90% of German investment in China focused on greenfield investments. Access to the German and European markets, a skilled workforce, technology acquisition and the quality of products "Made in Germany" are all important reasons for Chinese investments. Germany is their top choice because it is the gateway to the European market.

At the same time, however, critical voices

have been raised, especially about the volume of Chinese takeovers. So how should we deal with this new trend? Chinese FDIs ensure that Germany and China continue to interlink economically, bring fresh capital to the markets, as well as create and maintain jobs. In addition, Chinese investment can – without any doubt – make sense from a business perspective. Overall, German companies have good experience with their new owners, including a long-term commitment to the location, employment guarantees and improved access to the Chinese market.

However, Chinese acquisitions are also viewed with a critical eye. On the one hand there is the uncertainty about the state's influence: the ownership structures of Chinese companies sometimes lack transparency. Thus, private Chinese companies cannot be unconditionally regarded as economic operators pursuing exclusively economic motives. In addition, Germany offers free market access to Chinese investors and does not have a general protection mechanism for key German technologies. Beijing, on the other hand, continues to protect strategic industries from foreign access. As a result, German and other international companies face numerous formal and informal barriers in China and are often discriminated against in comparison to local companies. The lack of a fair level playing field based on reciprocity is a challenge to our bilateral relations: so far, China is not planning to open its market further to foreign investment. At the same time, with regard to Chinese investment in Germany, there are virtually no restrictions. Therefore, we will continue to address this issue with our Chinese partners.

What new growth opportunities would the Belt and Road Initiative bring for German companies?





China's Belt and Road Initiative has become a cornerstone of Chinese foreign policy as a project of regional integration, intercontinental cooperation and deepened economic relations. Better connectivity is the key word. To ensure that the Belt and Road Initiative and European plans benefit from each other, the two sides decided to create a coordination mechanism that aims to guarantee a rules-based and transparent planning process for projects. During the most recent Chinese state visits to Germany, Chinese leaders underlined that they have identified Germany, being one of its major trading partners, as a major partner at the western end of the "New Silk Road".

We welcome China's efforts to use the Belt and Road Initiative to expand the infrastructure of the countries involved in a way that benefits their economies. As Brigitte Zypries, the Federal Minister for Economic Affairs and Energy, stated on the Belt and Road Forum in Beijing in May: "We know that China has recently spoken out in favor of free trade and against protectionism. In the light of this development, I will be advocating open markets, equal treatment for foreign companies, and the removal of the barriers to trade and investment that still exist."

China is putting a strong focus on its "Made in China 2025" blueprint for upgrading its industrial sector, how can German companies benefit from this transition?

With its "Made in China 2025" strategy, China is increasingly trying to digitalize its industry. In a way, it follows the German "Industrie 4.0" model. China has indeed been catching up technologically. Whereas in former times we saw that the economies of both countries complemented each other very well, there are now new challenges. The said development has led to increased competition between German

companies and their Chinese competitors. That is why the creation of a level playing field, as I mentioned before, has become even more important to us than before. Regarding "Industrie 4.0" in particular, we see a discrepancy between what the digitalization of the economy needs and the new regulations being implemented, especially with regard to China's recent cybersecurity law and plans for further restrictions to virtual private networks (VPNs).

What are the next stages for the Sino-German partnership on innovation?

China and Germany have a long tradition of cooperation in science and technology. Since 2011 this partnership has been strengthened through a process of annual consultations between the two governments. In 2014, German Chancellor Angela Merkel and Chinese Prime Minister Li Keqiang agreed on the establishment of the Sino-German Innovation Partnership and introduced its first program, "Jointly shaping innovation". Since then four Sino-German Innovation Conferences have taken place linking key universities, companies and entrepreneurs from the two countries.

By the end of 2016, a further agreement on deepening scientific cooperation and the exchange of young entrepreneurs from the two countries was reached. Furthermore, as part of the Sino-German Innovation Partnership, the German-Chinese Platform on Innovation was established. It serves as a tool for German and Chinese companies and scientists to enable networking and exchange vis-à-vis the respective innovation systems and technologies. The Innovation Partnership has already lent a great deal of momentum to joint research cooperation. The 5th Sino-German Innovation Conference is scheduled to take place in Beijing in February 2018.

The German Consulate has been a strong partner and supporter of the German Chamber's initiative "More than a Market". How important is corporate social responsibility for doing business (in China)?

Corporate social responsibility (CSR) is a way for companies to benefit themselves while also contributing to society. I am convinced that a strategic approach to CSR is increasingly important to a company's competitiveness, be it in Germany or China. It can supply added value in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. CSR has a long tradition in Germany. And I am glad to hear that more and more companies in China are becoming aware of their social responsibility. It is obvious that Chinese customers are deeply interested in the public image of institutions and I think it is no secret, just common sense, that employees like working for a company that has a good public image.

Dr. Althaus, thank you very much for your time.



Dr. Christine Althaus, Consul General of the Federal Republic of Germany, speaking with Ms. Simone Pohl, Executive Director of GCC Shanghai

Legal Update

Recent Developments in the PRC Foreign Investment Regime

By Dr. ULRIKE GLUECK and MICHAEL MUNZINGER

Lately, there have been quite significant changes to the foreign investment regime of the People's Republic of China ("PRC"). These changes impact all foreign investors intending to engage in the PRC by way of greenfield investments in form of establishing a foreign-invested enterprise ("FIE"), i.e. wholly foreign-owned enterprises ("WFOE"), Sino-foreign equity joint venture enterprises ("EJV") and Sino-foreign cooperative joint venture enterprises ("CJV"), or by way of acquiring shares or assets of already existing FIEs or domestic enterprises. The changes also considerably impact corporate changes of already existing PRC entities.

Establishment and corporate changes of FIEs

Shift from ex-ante approval to (ex-post) record-filing

- Until October 2016, the establishment of as well as the implementation of most corporate changes with regard to FIEs, such as but not limited to changes of registered capital, legal address, company name and business scope as well as changes of the shareholding structure and liquidation, were subject to examination and approval by the competent examination and approval authority, i.e. the competent Bureau of Commerce ("BoC"), and registration with the competent registration authority, i.e. the competent Administration for Industry and Commerce ("AIC"). According to the Provisional Measures on Management of the Establishment and Changes of Foreign Invested Enterprises ("Provisional Measures 2016") which entered into effect on 8 October 2016, the approval and examination procedures regarding FIEs have generally been replaced by much simpler record-filing procedures, if such FIEs are not listed in a so-called Negative List.

- Compared to the examination and approval procedures, the most important new features of the record-filing procedures are as follows:

- In record-filing procedures, most application documents do not need to be submitted to the competent BoC onsite anymore. Instead, the relevant information can be filled in on an online platform and relevant documents can be uploaded and transmitted as scan copies.
- The competent BoC shall not conduct a comprehensive content-related examination of the application documents anymore but only check them for completeness and formal correctness.
- The BoC shall generally complete the record-filing procedures and issue the related recordal certificate within three working days. This is considerably shorter than the duration of examination and approval procedures which usually takes at least around two weeks.
- Issuance of the recordal certificate by the competent BoC is not a precondition for registration with the AIC anymore. Now, the AIC shall generally accept applications for registration without the recordal certificate being submitted. Generally, record-filing with the BoC can be made either before completion of the registration procedures with the competent AIC or within 30 days after completion of the registration procedures with the competent AIC. However, depending on the locality, certain PRC authorities handle this differently in practice. Thus, the practice of the competent authorities should be checked for each case in advance.

Negative List

Decisive for the question whether approval or record-filing is required, is whether the respective entity to be established or subject to corporate changes is listed in a so-called Negative List.

• Until 28 July 2017:

According to Circular (2016) No. 22, from 8 October 2016 on, for the Negative List, reference had to be made to the Guideline Catalogue on Industries for Foreign Investment, 2015 Revision ("Guideline Catalogue 2015"). The Guideline Catalogue 2015 distinguished between industry sectors in which foreign investment is encouraged, restricted or prohibited. According to Circular (2016) No. 22, for those FIEs which did not fall into the prohibited or restricted categories and those FIEs in the encouraged category which were not subject to requirements on the shareholding ratio or senior management, the examination and approval procedures had been replaced by record-filing procedures.

• Since 28 July 2017:

On 28 July 2017, the new Guideline Catalogue on Industries for Foreign Investment (2017 Revision) ("Guideline Catalogue 2017") entered into effect which applies to all foreign investments in the PRC outside of special pilot free trade zones ("FTZs"). In FTZs, the Special Administrative Measures (Negative List) for Foreign Investment Access to Pilot Free Trade Zones, 2017 Revision apply.

The Guideline Catalogue 2017 formally introduced the negative list approach. It distinguishes between industries where foreign investment is encouraged ("Encouraged Category") and a Negative List which refers to industries where foreign investment is restricted or prohibited. Certain industries

are listed in the Encouraged Category and simultaneously in the Negative List, since they are both encouraged, but also subject to certain restrictions, e.g. a maximum shareholding ratio of the foreign investor.

The new Guideline Catalogue 2017, inter alia, includes the following key items:

(1) Encouraged Category

Industries listed in the Encouraged Category may enjoy preferential treatment based on the relevant policies. Compared to the Guideline Catalogue 2015, the total number of encouraged industries has been decreased by one to 348 in total. Seven industries have been removed and six industries have been newly added. Further, 35 industries have been modified.

The following industries have been newly added to the Encouraged Category:

- Certain industries in the field of environmental protection, e.g. manufacturing of flue gas desulfurization equipment as well as flue gas dust removal equipment;
- Certain high-tech manufacturing industries, e.g. research, development and manufacturing regarding virtual reality (VR) and augmented reality (AR) equipment as well as the manufacturing of certain 3D printing components;
- Certain industries regarding special purpose foodstuffs, e.g. the development and manufacturing of infant formula, special medical use formula and health food; and
- Development and manufacturing of smart emergency medical rescue equipment.

(2) Negative List

(a) Restricted Category

The restricted category contains 35 industry sectors which are restricted for foreign investment. Compared to the Guideline Catalogue 2015, the number of industries in the restricted category has been reduced by three. Foreign investments in industries listed in the restricted category may be subject to special requirements on the shareholding ratio of FIEs, special investment methods (e.g. the FIE must be established in the form of a Sino-foreign

equity joint venture or cooperative joint venture), administrative approval or other restrictive measures.

Key changes are, inter alia, as follows:

- The manufacturing of motorcycles is no longer subject to the requirement of having an equity joint venture company and the limitation of having two equity joint ventures at the maximum for the manufacturing of motorcycles has been abolished;
- While the manufacturing of conventional automotive vehicles is still subject to the requirement that at least 50% of the equity interests are held by Chinese investors and the limitation of having two equity joint ventures at the maximum for the manufacturing of the same type of vehicles per foreign investor, the manufacturing of pure electric cars is now exempted from the above limitation to two equity joint ventures at the maximum.

In addition, some restrictions regarding encouraged but restricted industries have been deleted. E.g. the manufacturing of key parts and components of new energy automobiles, such as high energy power batteries (energy density $\geq 110\text{Wh/kg}$, cycle life ≥ 2000 times) is no longer subject to the restriction that the shareholding ratio of foreign investor(s) must not exceed 50%.

(b) Prohibited Category

The number of industries listed in the prohibited category has been reduced from 36 to 28 compared to the Guideline Catalogue 2015. However, especially in cultural and media related industries, certain prohibitions have even been increased. While the Guideline Catalogue 2015 prohibited the publication of books, newspapers, magazines audio-visual products and electronic publications, the Guideline Catalogue 2017 now also prohibits the editing of the aforementioned items. Further, the Guideline Catalogue 2017 now also prohibits foreign investment in radio and television on-demand businesses, installation services regarding ground facilities for receiving satellite TV broadcasts, public internet information services and the establishment and operation of research institutes regarding sociological and social sciences.



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Further Expansion of the Application of Record-filing Procedures

- In the past, the acquisition of shares or assets of a domestic company by foreign investors, i.e. so-called mergers and acquisitions according to the PRC Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors ("M&A Provisions"), has been subject to examination and approval by the competent BoC. Originally, the BoCs at provincial level were in charge. In the past years, gradually the approval competence had been further delegated down to the BoCs on city and even district level. However, contrary to wide spread expectations, merger and acquisition projects were not covered by the first round of regulations which shifted FIEs from ex-ante approval to record-filing, i.e. they remained to be subject to examination and approval procedures.

On 30 July 2017, the PRC Ministry of Commerce further revised the Provisional Measures 2016 and promulgated the Provisional Measures on Management of the Establishment and Changes of Foreign Invested Enterprises, 2017 Revision ("Provisional Measures 2017") which entered into effect on the same day together with the Announcement on Relevant Matters concerning the Filing Administration of Establishment and Changes of Foreign-Invested Enterprises ("Announcement 2017/37").

(1) According to the Provisional Measures 2017 and Announcement 2017/37, now also the transformation of a purely domestic company into a FIE by way of a M&A transaction through merger and acquisition is only subject to the simplified record-filing procedures, if the newly transformed FIE does not fall into the Negative List.

This represents a remarkable change, since the above-mentioned Circular (2016) No. 22 expressly stipulated that the shift from ex-ante approval to (ex-post) record-filing did not apply for M&A projects through merger and acquisition. Since 30 July 2017, now also M&A projects through merger and acquisition are subject to mere record filing, if the to be newly established FIE does not fall into the Negative List.

However, the Guideline Catalogue 2017 expressly stipulates that so-called roundtrip investments, i.e. an acquisition

of a domestic entity by a domestic entity or individuals using a company legally established overseas or controlled by domestic shareholders as an investment vehicle, shall be handled pursuant to the prevailing provisions. I.e. roundtrip investments are currently still subject to examination and approval procedures.

(2) The Measures 2017 and Announcement 2017/37 also clarify that foreign investors, which make strategic investments to qualified non-foreign-invested listed companies, or to qualified foreign-invested listed companies (i.e. those which do not fall into the Negative List), within the scope prescribed in the Measures 2017, also only have to handle record-filing procedures. According to the Administrative Measures on Strategic Investment in Listed Companies by Foreign Investors, the term "strategic investment" refers to the acquisition of "A" shares in listed companies by foreign investors through medium- and long-term strategic merger and acquisition investments of a certain scale.

The record-filing formalities shall be submitted 30 days before or after registration with the securities registration and clearing organization. Upon completion of filing, where there is a change regarding the filing information regarding strategic investments, change filing formalities shall be submitted within five days from performance of the information disclosure obligations by the information disclosure obligor(s) as required by the PRC Securities Law and the relevant provisions.

(3) While the procedures for M&A projects have generally been simplified, there have also been some additions to the documents to be submitted to the competent PRC authorities. Some examples:

- A shareholding structure chart indicating the ultimate actual controlling party of the FIE has to be submitted, if a FIE or its investors apply for record-filing of the incorporation or corporate changes of such FIE. When there is no change of the ultimate actual controlling party of the FIE, such shareholding structure chart is not required;
- If a foreign investor uses equity interests of an overseas company for payment, i.e. in case of a share swap, the Enterprise Overseas Investment

Certificate of the domestic enterprise which obtains the equity interests in the overseas company shall be provided.

In summary, now, examination and approval is basically only required for M&A transactions and for strategic investments in listed companies within the scope of the Negative List and for roundtrip investments.

The Measures 2017 and Announcement 2017/37 constitute a major breakthrough for M&A projects and for strategic investments in listed companies and considerably simplify and shorten the timeframe for these projects.

Conclusion

The general shift from ex-ante approval to (ex-post) record-filing procedures, if the respective project or entity does not fall within the Negative List, is a major step forward and an improvement for foreign investors since procedures became easier and faster. Thus, the reforms set out above can be described as another landmark on the PRC's long way to decrease investment red tape and further open for foreign investment. However, the respective statutory regulations are still a patchwork of various regulations, interpretations and administrative measures.

It is to be hoped that further adjustments will be made in the near future to provide more clarity and eliminate ambiguities. E.g., the main legal basis for M&A transactions regarding domestic enterprises, i.e. the M&A Provisions, still refer to examination and approval procedures in all cases and are, therefore, now clearly in conflict with the new legal reality. Existing and potential foreign investors in the PRC should, therefore, carefully pay attention to future developments in this field in order to stay up to date.

Dr. Ulrike Glueck is Managing Partner of CMS, China.

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Five Traps to Avoid When Managing Commercial Properties in China

How Some Multinational Firms Lose Millions on their Office and Factory Premises

By BJARNE BAUER

Many multinational corporations fail in China because of poor real estate decisions. Why is easy enough to understand:

- The China commercial property market is still relatively immature, with its legal framework, local zoning and often market supply and demand situations less stable than western Europe or The United States. Less stable, of course, means less predictable.
- The market is also highly opaque. Brokers represent both landlords and tenants at the same time, for example, and invisible relationship networks often influence transaction outcomes.
- Property is often the major capital expenditure of a company; as such, a firm's chances for survival and growth may be largely decided by the real estate decisions of its management.

As getting real estate right is so crucial yet so difficult for companies in China, the author has listed five kinds of mistakes that companies make time and again, as seen in his company's 12 years in the business. All these mistakes are of a fundamental nature and could be made by corporate real estate managers in any country – they just seem to happen to China corporate managers about ten times more frequently.

1) Acquiring real estate with wrong zoning or incomplete property titles

In China, real estate zoning matters tend to be addressed in a dogmatic way, often focusing on letter of the law and not on pragmatic considerations. Incomplete land or property documents can lead to firms losing outright a property they rented or even bought, including the investments they made in refurbishing the property. This typically also entails additional losses due to business interruption.

Zoning and documentation issues include:

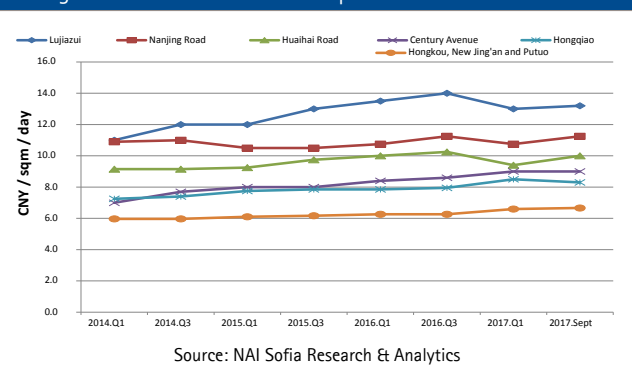
- Properties that do not qualify for certain usages, such as registration by foreign business entities.
- Properties inside of development or business parks which haven't

received complete overall clearance from authorities, for example a fire safety certification that the developer expected to obtain in a few weeks ends up taking half a year.

- Land which is provided by the government with an allocated land-use-right (LUR) instead of a granted LUR; allocated LURs generally come with no guaranteed use period.
- Land or properties with zoning that is different than the needed type, e.g. residential instead of commercial or commercial instead of industrial.

Remember that the wording in the business certificate counts the most, not actual daily operations.

Shanghai Office Rental Rate Development



2) Overpaying

China's commercial real estate market is somewhat notorious for its lack of transparency and inefficiency. Landlords may raise or lower their rates based on reasons that aren't evident to an outsider. Such reasons may include their firm's internal politics, pressure from financing banks, or a personal opinion on the quality of a tenant's brand.

When there are conflicts of interest, the risk of overpaying can become

even greater. Such conflicts of interest may involve own staff who engage friends or family members to handle the real estate acquisition, or may occur when the brokerage firm's main business revolves around assisting landlords achieving a higher income.

Another reason why multinational companies overpay when renting or buying commercial premises is the mistake of focusing on a single property too early. This steers the company into a weaker negotiation position. Basic good practices of procurement shouldn't be forgotten in real estate negotiations.

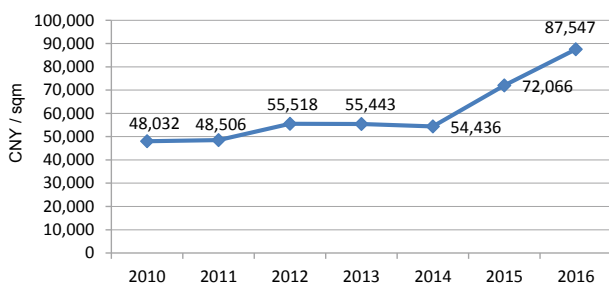
3) Overlooking or spoiling opportunities

Some multinational companies use inappropriate tools or partners to acquire their industrial building or office premises. A typical example is when the firm hires a broker that focuses on residential property. The residential and commercial markets function differently, sometimes in completely opposite ways. If the brokerage firm engaged has residential property as the main business focus, then one shouldn't be surprised if their resources and systems for commercial property are limited. Remember that investigating all opportunities is more crucial in commercial real estate, because within the desired location, budget range and requested size, the number of choices is generally limited in the first place.

Again, it is important to ensure that the service provider one engages isn't partial to certain buildings but is in a position to objectively help the buyer or tenant compare options and assist in negotiating for the best rates possible.

Confusing or upsetting landlords is another way that foreign firms lose opportunities. If a firm tours several properties owned by the same developer with varying agents, the landlord may interpret this as a lack of professionalism and sincerity and refuse to offer the unit to the prospective tenant. It is therefore important to compare service providers at an early stage, and to only start visiting properties once a decision for a preferred partner has been made.

Property Prices Within Shanghai's Inner Ring



Source: Shanghai Municipal Bureau of Statistics

4) Applying wrong comparisons

Real estate information in China, as elsewhere, is often misleading – sometimes purposely so. Always ensure that “apples” are being compared to “apples”, and not apples to bananas. For example: the gross square meter amount stated on the real estate certificate of a certain building may be higher than that of another building, but in reality its net square meter amount is smaller because of a low efficiency rate.

Or you fail to notice that one of the buildings being viewed already has air-conditioning equipment installed while another building does

not. Based on the first look, one may eliminate the first building as too expensive when, the second one will end up costing more. The way that commercial terms are quoted likewise can be misleading. Are rentals quoted as effective rentals or as face rentals? Are there free lease periods and how long are they? Do facility management fees still need to be paid during such free lease periods? Are parking lots included for free or do they come at an extra charge? And so on.

5) Wrong or suboptimal building for company's specific needs

A common and potentially disastrous mistake is choosing a beautiful new building in a location that turns out quite unattractive, for example because of poor public transportation. This can lead to a mass exodus of staff, greatly harming a firm's business. Given size and transport situation of large Chinese cities, it seems that where compromise is needed, staff are willing to cope with older, less attractive facilities as long as they are in a good location, but not the other way around.

Places that are too big in size also tend to work badly. They usually cost more to rent or buy, as well as maintain and operate. A sparsely populated space, moreover, easily gives people the impression of a dull and unsuccessful environment.

Buildings that are overly lavish in appearance can be an issue, too, even when they match the available budget. Depending on your industry and business model, premises that look too luxurious may send wrong signals to clients and suppliers, raising questions as to whether you may be charging them too much and paying them too little.

In the same way, buildings in poor condition may scare away clients and make talent attraction difficult. Public facilities such as washrooms are often seen a reflection of how a company does its homework. Another easily overlooked aspect involves safety; issues may include malfunctioning elevators and poor traffic management. Foundations of Success

Opportunities in the China market are still more abundant than they are in most of the world; just remember that the opportunity surplus comes with a plethora of risk. The five China commercial property traps listed above are easily avoided with just a little attention. It takes more to dodge the market's subtler dangers, and more still to ensure that a substantial corporate property portfolio is optimally aligned for enterprise success. When needed, a firmly established and reputable commercial real estate consultancy with local expertise can provide the guidance, research and intelligence needed for sound decision making.

Bjarne Bauer serves as Managing Partner in China at NAI Sofia Group Shanghai. He has been working in the commercial real estate industry for 17 years: four in Germany and 13 in China. NAI Global is a leading global commercial real estate brokerage firm with more than 400 offices worldwide. Feel free to contact the author with questions or comments, or to receive free checklists for avoiding property related risks and ensuring the value of your China premises. Phone: +86 21 6230 1919 ext. 808, bjarne@sofiagroup.com

Continued Lower Wage Growth Increasingly Aligns Labor Cost with Productivity

Results of the German Chamber of Commerce in China's Labor Market and Salary Report 2017/18

By JOSIPA MARKOVIC and JUANJO CARDONA

China's economy continues to expand, growing at 6.9% in the first half of the year, beating most forecasts as well as the government's annual growth target set at 6.5% for 2017. However, to a considerable extent, the speedy growth was driven by traditional growth drivers – emphasizing China's need to progress in its transition towards a more sustainable consumer driven growth model. In particular, a strong property market and soaring house prices have increased construction investment and stimulated the economy in the first half of the year.

Nevertheless, growth in the world's second largest economy is likely to have peaked for this year, as the positive economic growth figures give authorities more buffer to push for additional regulations – i.e. controlling for financial risk, tackling excessive debt and reducing overcapacity in the manufacturing sector. First approaches of the government on clamping down on risky debt and property speculation have already shown signs, resulting in a slowdown of key growth figures in July.

Urbanization to offset for shrinking labor force

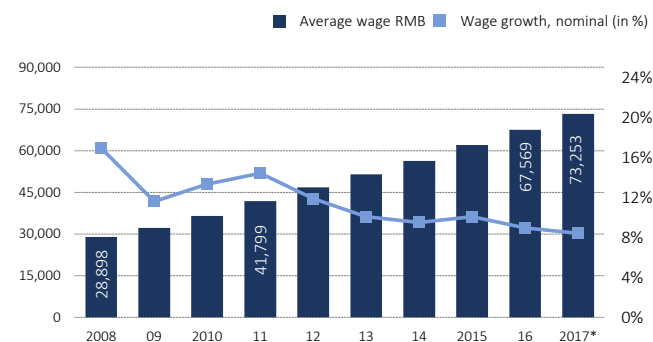
Today, more than half of China's population live in cities. More precisely, as of 2016, China's urban population accounts for 56.8%, approaching the target established in the 13th Five Year Plan of 60% by 2020. Urbanization is an essential part in China's structural reform: On the one hand, urban population triggers consumption, accelerating the service sector's contribution to economic growth. On the other hand, it alleviates China's pressing issue of a shrinking labor force, with China's ageing population reaching 200 million people being 60 today and an estimated 500 million over 60s by 2020. Since 2010, the estimated population at working age has been already diminishing. The latest official figures show a working force of 73.0% of the total population in 2015, estimated to decrease to 70.8% by 2020. The ageing population as well as an improvement in living conditions and higher life expectancy puts pressure on raising the retirement age – currently

being set at 60 for men, 55 for female civil servants, and 50 for female workers. With urbanization expanding, the labor market is also showing resilient growth, with 7.35 million new jobs created in urban areas in the first half of the year, making it likely to achieve the annual target for new urban jobs of 11 million.

Slowdown in national wage growth in order to maintain competitiveness

After a rebound in 2015, where national salaries experienced double-digit growth, wage growth in China slowed down in 2016 to 8.9% year-on-year. The annual average wage in China increased to RMB 67,569, up RMB 5,540 from 2015. According to the German Chamber of Commerce in China's own estimates, based on past GDP, inflation and salary growth, 2017 will close at a similar growth rate (8.4%).

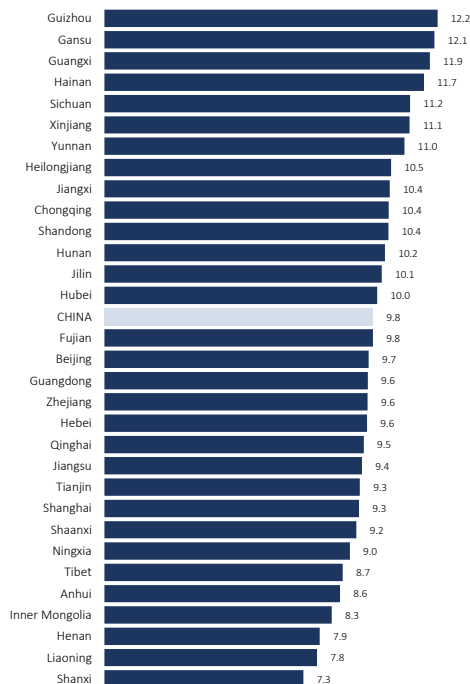
Average Wage and Wage Growth 2008–2017



Compounding our wage growth estimates for 2016 and 2017 with actual average growth from 2012 to 2015, China's average growth rate is expected to be at 9.8% for the six year period. The top three

provinces by wage growth are all located in western China. The least developed provinces in the west have been experiencing the highest growth in an effort to catch up with the more advanced ones, most of them surpassing China's average growth rate (2012-2017).

Average Regional Wage Developments (%) 2012-2017



China's minimum wages are set annually by regional governments based on their local economic conditions. Traditionally, minimum wage adjustments take place in the first semester of the year. However, as of July 2017 only five municipalities or provinces have raised their minimum wages, emphasizing a clear trend: While in 2014 a total of 24 of China's provinces increased the minimum, it was only 19 provinces in 2015 and nine last year. This downward trend suggests that provincial governments are trying to prevent labor costs to rise in the attempt to keep their local economies competitive.

Wage growth at German companies slowing further

German companies in China expect to increase wages in 2018 by an average of 5.90%, 0.33 percentage points (p.p.) down compared to last year. This aligns with the general downward trend the survey has been recording since the Chamber started surveying at China level in 2012. However, it should be noted that this is the lowest year-on-year decrease since 2015.

Because of the correlation between GDP and salary growth rates, the lower decrease of wage growth rates might indicate an expectation of a more moderate decrease of economic growth. While the evolution of wage increases in German companies follows a similar pattern as the wage increases on a national level, wage growth is higher in the latter (on average 1.7 p.p. higher since 2012), partially due the fact that wages at German companies are already at a considerably higher level.



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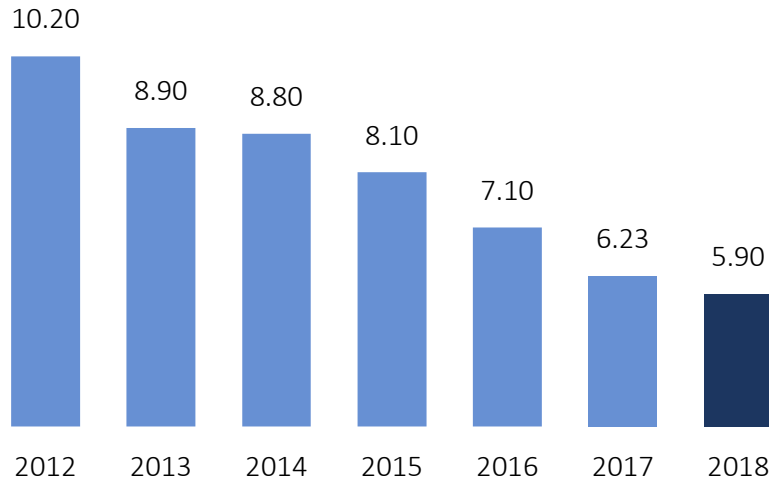
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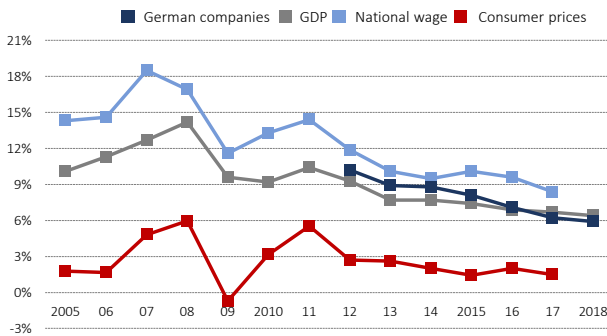


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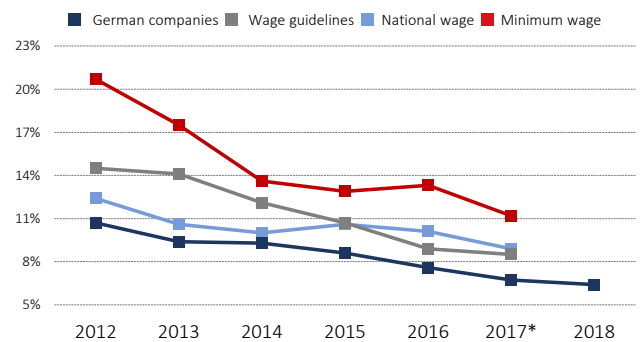
Expected Wage Growth Development at German Companies in China (%) Nominal Growth



GDP, Consumer Price Index and Wage Growth (%)



Wage Growth Indicators (%)



The salary survey evaluates in detail how wage increases in specific functions and regions contributed to the overall expected 5.90% wage increase, the key statements being the following:

Only a few industries – automotive, consulting / legal services, medical supplies and construction – expect to put forward higher wage increases than the overall China average of 5.90%.

By company size the slowdown in wage growth is most notable at smaller companies (less than 50 employees), balancing out a higher than average expected increase in the previous edition. In particular, companies with less than 50 employees expect to put forward an increase of 5.74% – 0.78 p.p. below last year's figure. Larger firms remain fairly stable, giving away just 0.08 p.p. against last year's expected wage increase.

By city tiers, there is a similar pattern to last year's results, with tier-2 cities putting forward the highest wage increases (6.02%) and tier-3 cities presenting the lowest increase (5.74%). However, only tier-3 cities expect to accelerate wage growth compared to last year: +0.15 p.p. above the expected increase for 2017.

Narrowing gap between salaries and productivity

When evaluating salaries taking productivity and qualifications into account, 21.7% of respondents consider wages to be low whereas 28.9% of the companies surveyed consider salaries to be high. No significant changes in comparison with last year results in this regard at China level. Looking in more detail, at tier-1 locations – i.e. the highest paying area – 36.3% of respondents in Shanghai consider wages as high whereas Shenzhen, Guangzhou, and Beijing show a lesser tendency to rate their compensation levels as high: 28.0%, 25.0%

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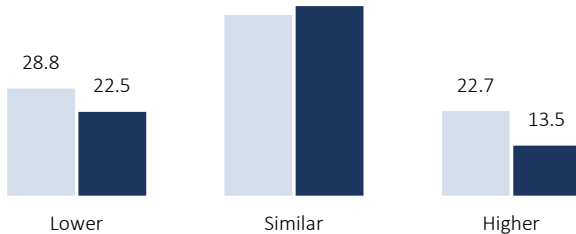
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and 21.3%, respectively – a particularly interesting pattern, given that wages (median value for total cost per employee) in Beijing are 1.17 times higher than those of Shanghai.

However, as German companies continue to put forward lower wage increases, the gap between salaries and productivity narrows, 64.0% of the respondents declare productivity gains have been similar to wage increases (+15.5 p.p. over last year's), while 22.5% finds productivity gains did not make up for the wage increases, 6.3 p.p. down from last year's mark.

Productivity Increase Compared to Wage Increases



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The Labor Market and Salary Report 2017 was conducted in cooperation with Direct HR

Direct HR Group provides best-of-class solutions in managing human capital, by helping organizations to better lead, recruit, assess, develop and inform. With a team of 50 professionals across four cities in China – Beijing, Shanghai, Ningbo and Shenzhen – Direct HR Group is able to speak eye-to-eye with their client partners and execute on the ground. As of 2017 it has served over 800 foreign and Chinese clients, from multinationals to SMEs.

The results of this year's Labor Market & Salary Report were presented by the German Chamber of Commerce in China in Shanghai (15th September 2017), Suzhou (18th September), Taicang (18th September), Beijing (20th September), Shenyang (21st September), Tianjin (22nd September), Shenzhen (26th September) and Guangzhou (27th September). For more information about these events, please visit our events section on our website www.china.ahk.de/chamber/events.

The full report is available for members only free of charge, for more information, please contact your regional Chamber office.



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Cixi Küstenwirtschaftszone befindet sich in den östlichen Küstenregionen Chinas, hat rund 168 km² Grundstück geplant, das Küstenwirtschaftszone für Industrie Bezirk von der Fläche 70 km² wurde aufgebaut. Der Küstenwirtschaftszone liegt in der Zentrum des Yangtze River Delta, ist 60 Kilometer östlich von Ningbo, 148 Kilometer nördlich von Shanghai und 138 Kilometer westlich von Hangzhou.



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Make the People Hear You

Public Perception of CSR and Communication Strategies

By DR. EVELYN ENGESSER and DR. STEFAN JUSTL

75 projects were submitted to win the 2017 More Than a Market Award, a joint initiative by the German Chamber of Commerce together with Bertelsmann Stiftung and the German Consulate General in Shanghai. An analysis of the 67 projects profiled in the booklet "More than a Market 2017" gives insights on the characteristics of these projects, the communication channels used, and the media coverage earned. What stories do companies tell? Which communication strategies are successful? Which storytelling principles help to gain interest?

A systematic content analysis of the 67 CSR-projects shows:

- 1) Target groups:** More than half of all projects were aimed at education, with kindergarten and school kids as the favorite target group. Students, trainees, and apprentices are less often the beneficiaries of CSR-projects. Only three projects targeted elderly people.
- 2) Purpose of the projects:** Besides education, all other areas receive much less attention: Inclusion, environmental protection, health, eldercare, intercultural exchange, and food.
- 3) Duration:** More than half of the projects had been set up in 2014 or before. German companies obviously aim at long-term engagement. The longest-running project, Henkel's "Make an Impact on Tomorrow" (MIT), was established in 1998. One reason for its success is its flexibility. It is a corporate volunteering program that addresses various social needs, including education, science, fitness,

health, arts, culture, and environmental protection. Employees can participate in ongoing projects or propose and lead new ones.

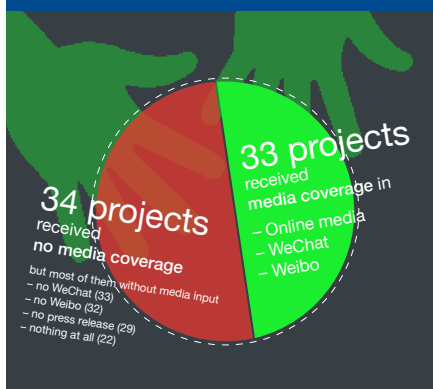
- 4) Involvement:** In two thirds of all projects, the involvement of the company was high. This is indicated by a high participation rate of employees and is typically the case in volunteer campaigns and regular or long-term events. Low involvement is characteristic for donations, one-time events, or projects that are managed by a small task-force only.
- 5) Relation between company and project purpose:** In half of the projects, a strong link between company and project purpose can be seen. A few examples: Adidas established a school football program, BASF teaches children in a kids' lab, ZEISS trains eye doctors, thyssenkrupp started an elevator safety campaign, and METRO initiated a food bank. Projects were related to the company's industry, company products are donated, employees or suppliers targeted. For other projects, the link between project purpose and company purpose was less obvious: MANN+HUMMEL is caring for sick children, Freudenberg has a bookworm program, Continental initiated a forest marathon. The analysis shows that projects for students, trainees/apprentices, employees, and senior citizens were typically related to the company, whereas projects for children were often not related to the company.

Companies who want to establish a new CSR project should ask themselves: Do we want to follow a well-trodden path and engage in an

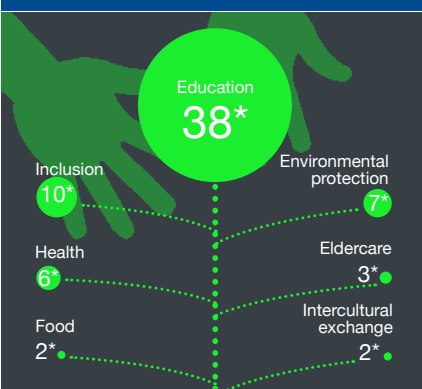
education project for children? Or shall we go off the beaten track? Do we want to present a new project each year, or do we want to tell an ongoing success story? How can we achieve high involvement? And while a strong link between company and project is not a must, it definitely helps the public and the media to recognize and remember.

Which channels are used to tell the story? Firstly, internal communication channels should be considered. These are crucial to communicate the outlines and the success of projects. Each employee should be aware of CSR-activities and should have the chance to participate. Intranet, employee magazines or newsletters, staff meetings, internal social media tools are good ways to keep everybody up to date.

Media coverage on CSR-projects from Jan 1, 2016 – May 31, 2017



Purpose of projects: Follow a well-trodden path or go off the beaten track?



External communication is important to spread the news to the public. An analysis of the external channels used by the participating companies came to astonishing results. About half of the projects did not use WeChat. About half did not use Weibo. And about half did not send out a press release. 22 of the 67 projects did not use any of these popular channels. But is silence really golden? Or wouldn't it be better to do good and talk about it?

Companies that decided to communicate their efforts most often used a dedicated CSR page on their company website, posted on their official Weibo and WeChat accounts, or sent out a press release. Less often found were mentions in other parts of the company website, CSR annual reports, public events, films, mentions in annual reports, or media partnerships.

As many companies did not or only scarcely use external communication channels, it is no wonder that some projects didn't receive any media attention. A systematic content analysis of media coverage about the 67 CSR projects for the period from January 2016 to May 2017 shows:

1. 33 projects received media coverage in online media, WeChat, and/or Weibo. 34 did not.
2. Two thirds of the 1,615 articles/posts published were on WeChat, one fourth in online news media, and one tenth on Weibo.
3. Big companies make big noise – their stories are more often found in the news. But there are exceptions. Projects from Kaercher, Vaillant, and Shanghai Harmony all made it to the top 10. This shows that successful media activities and good media relations can also be achieved by smaller companies and projects.

But how to attract media attention and engage people for a CSR project? Storytelling can give us some answers here.

What makes stories so powerful?

Stories have an enormous impact. Impact is what is needed to engage people in social projects. What makes stories so powerful? First, entertainment is a deeply rooted need of all humans. From the cave paintings in the Stone Age to the fairy tales of the Brothers Grimm to Hollywood Block Busters, people want to be entertained. Second, stories create pictures in our heads and thus are easier to remember than pure facts. Third, stories create an emotional relationship. According to various findings from the field of neuropsychology, our brain is far more engaged by stories than by facts. Data only activate the language parts of our brains to decode the meaning. Stories activate the same parts of the brain that are active when we experience things. It is not the facts and figures that make people invest time and money into social projects, it is the feeling to do the right thing, because it feels right.

Five elements of a good story

Whether in novels or in movies: five elements of storytelling can be found in most good stories.

1) Reason

A good story starts with a reason why it should be told. The "why" moves people more than the "how". Why is it worth telling the story of a Hobbit trying hard to destroy a ring? Because the story told in the "Lord of the Rings" teaches us that even the supposedly smallest and weakest being can change the course of things. In this case, save the world, or at least Middle Earth. CSR projects cannot save the world. But they show us that we can make the world a better place. This is what Uwe Brutzer from Bach's Bakery tells us, when training and employing deaf

people, bringing them from isolation back to society. We can find this theme also in the E.G.O. Summer Camp, organized by the company so that parents (migrant workers) and their children can live together for six weeks, and not just for a few days over Spring Festival. The reason of CSR stories is to tell that we can make a difference.

2) Hero

A good story needs a hero. However, it is not a super hero with super powers. It is not Gandalf the mighty wizard in The Lord of the Rings. It is Frodo Baggins, an ordinary Hobbit. The charm of the story is that a normal human being becomes a hero. Heroes of CSR stories are the migrant children in the Kids Football Project, who experience not only fun in practicing, but solidarity and team spirit in a group. Heroes are the underprivileged children from rural areas, who with the help of the Rose Plastic online English-teaching program get access to knowledge and education which could spark their future. Companies telling CSR stories should understand: not the company is the hero, it is the people they help. The company should be the helper, not the hero.

3) Conflict

In a good story, there is a conflict that needs to be solved. In classical storytelling, the hero must face a challenge, goes on a journey, crosses obstacles and returns as a new person. Like Frodo, who leaves the Shire, fights his way to Mordor, destroys the ring and returns as a changed being. Parallels to the classic heroic journey in CSR projects are not easy to draw. Nonetheless: in all CSR projects, there are conflicts for the heroes that are solved. The handicapped workers at the Taicang Sino-German Handicapped Workshop, for example. Their conflict is that they struggle to be a part of the community. They start with a disadvantage in the job market, train hard, and emerge as skilled workers.

4) Emotions

Whether joy, anger, grief, surprise, disgust or fear. Emotions are a strong driving force for many of our actions. Compassion is crucial to a story. Compassion for children with cancer or blood diseases certainly was a decisive reason for the employees of MANN+HUMMEL to act as volunteers at the Shanghai Children's Medical Center. Emotions are not triggered by factual descriptions, but by emotions. Stories arouse emotions when they are visual, detailed and easy to grasp.

5) Viral

A good story is viral. It is shared. We retell a story when it has a reason to be told, when there is a hero we can identify with, when the story is about a conflict that needs to be solved, and finally when it touches us emotionally.

These are the ingredients of good storytelling. Applied to telling the stories of CSR projects, they will certainly help to engage people. Engagement is what CSR projects need.

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Innovate in China, For China and the World

Increasing digitization is forcing companies across all industries to rethink their operations. Owners and CEOs will have to be deeply engaged as they make decisions that can radically affect how their companies do business. While in SAP Labs China, as the third largest lab among 19 R&D facilities of SAP in the world, SAP Labs China is the first to start transformation. The first battle of SAP's transformation into "Labs mode" begins here.

As the first enterprise to move into Zuchongzhi Park at Pudong Software Park, SAP Labs China building began operation in the March of 2011. Dr. Ruicheng Li describes the essence of development strategy of SAP Labs China as "Innovate in China, for China and the world".

Dr. Ruicheng Li, the scientist from the Max Planck Institute in Germany, joined SAP's German Headquarter in 1994, is



Dr. Ruicheng Li

Senior Vice President of
SAP, Managing Director
of SAP Labs China

now the Senior Vice President of SAP, Managing Director of SAP Labs China, in charge of over 2,800 employees in six labs in Shanghai, Beijing, Nanjing, Xi'an and Chengdu.

Originally, the innovations of R&D department are based on the ideas of the technical staff. This is like researching in "Ivory Tower". After the "R&D mode reform", SAP Labs China has unimaginable dedication toward the market.

It is never a smooth road transforming from technologies to applications. SAP China Labs has gained much experiences in how to innovate together with customers, therefore the success rate is much higher when converting from researches to results.

Starting from the era to prove that "China can establish its own Lab", SAP Labs China has become an important fulcrum in the SAP R&D Strategy. SAP Labs China is not only dedicated to Chinese market, but also an important component to global solutions, supporting clients in over 150 countries. Dr. Ruicheng Li remarks, SAP has over 40 years' experiences in Enterprise Management, additionally, "We merged our development process of global products with the business practice of the best enterprises in the world, as well as the management experience of Chinese enterprises, combining all of them

together and introducing to the world". This "Reverse Innovation" changes the usual thinking mode that innovation spreads from developed countries to new emerging economies.

"The major task in recent years is the market promotion of Industrie 4.0. We hope SAP Labs China can take the role of thought leadership of Industrie 4.0, co-develop with Chinese customers and industries, co-innovate to work out the solutions focusing on Chinese market."

Industrie 4.0 originated from Germany, has emerged in China quickly. Dr. Ruicheng Li thinks German style of development provides reference for China, but China will not copy it overall. But how does a foreign lab in China promote Industrie 4.0? He said, do it from the consensus of Chinese and German Government. Therefore, SAP Labs China's SUPER program was born. Core idea is first to share SAP strategy with Chinese Industries, customers, partners; secondly, deeply understand Chinese strategy, market and industry; thirdly, promote SAP solutions that are fit for Chinese manufacturing; fourthly, jointly innovate on Industrie 4.0 with Chinese customers; finally, on the basis of these, establish the ecosystem of Industrie 4.0, look for cooperation mode with partners to realize effective practice of innovative technology.

Greater China Day 2017 at the IHK Cologne



Greater China Strategic Partner or Competitor?

On 21st June 2017, more than 300 high-level business representatives from across Germany assembled at the IHK Cologne for the "Greater China Day 2017", the biggest event on business strategies and market intelligence for German companies looking to gain footing in the Chinese market. Speakers included "movers and shakers" from across the world of Sino-German business, politics and journalism and shed light on the underlying question: "Greater China – Strategic Partner or Competitor?".



GCC North Panel: Belt and Road Initiative

Ms. Alexandra Voss, Delegate of German Industry and Commerce Beijing and Executive Director and Board of Director member of the German Chamber of Commerce Beijing, moderated a panel on the **Belt and Road Initiative**. The four panelists: German Chamber of Commerce | North China Chairman and CEO Siemens Greater China and President / CEO Siemens Ltd China, Mr. Lothar Herrmann, Mr. Werner Glatz, Member of the management board, Herrenknecht Tunnelling Equipment Co., Ltd., Mr. Felix Heger, Head of Ocean Freight Europe, DHL Global Forwarding and Freight Division, and Ms. Birgit Stosch, Senior Director Regional Logistic China, Volkswagen (China) Investment Co., Ltd. – focused their lively discussion on the potential business opportunities for German companies.





GCC Shanghai Panel: Industry 4.0 - Status Quo of German Business in Greater China

Delegate and Chief Representative at the Delegation of German Industry and Commerce Shanghai Ms. Simone Pohl prepared and moderated a panel discussion on Industry 4.0- Status Quo of German Business in Greater China with Ms. Bettina Schön-Behanzin, German Chamber of Commerce in Shanghai President and Regional Representative, Asia Freudenberg Group, Managing Director Freudenberg Management (Shanghai) Co., Ltd., Mr. Clas Neumann, Senior Vice President, Global Head of SAP Labs Network, SAP China, Shanghai, Mr. Bernd Reitmeier, Geschäftsführer, Startup-Factory (Kunshan) Co., Ltd. and Mr. Gerald Mies, President BU Milling & Factory Automation, FFG Europe & Americas. The panelists agreed: Industry 4.0 holds a lot of untapped potential for Sino-German cooperation, but it is more important than ever to agree on standards and norms, safeguard data and protect intellectual property rights – at the same time, acknowledging the importance of China as a 'strategic partner', knowledge sharing is key to advancing the interests of both, Germany in China, when it comes to innovation, digitalization and improved automation.



GCC South-Southwest Panel: Sales in China - E-Commerce and Social Media as Drivers of Growth

Mr. Jens Hildebrandt, Chief Representative of Delegation of German Industry and Commerce Guangzhou moderated a panel discussion on Sales in China: E-Commerce and Social Media as Drivers of Growth. In 2016, data has shown that the volume of online-business in the People's Republic of China reached USD 752 billion, thus making China number one worldwide for online business transactions. A rapidly growing middle-class increasingly buys products online and via mobile. Products from abroad are becoming more and more popular with Chinese consumers. The panel discussion asked the questions: How can German companies place themselves in the growing Chinese E-Commerce market and which channels do they use for Marketing and Sales? Which preparations should be made for the access to E-Commerce in China and which role does social-media play for the chances of success? Panel participants included Mr. Hannes Streeck, Chief Executive Officer of Fiege Far East Holding, Ms. Gina Hardenbeck, Director China Storymaker Agentur für Public Relations GmbH and shareholder of Storymaker Public Relations Co., Ltd in Beijing, and Ms. Julia-Caroline Schmidt, Head of China Business, Windeln.de.



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IB Diploma 2017 Results at the International School of Tianjin



In July 2017, the International School of Tianjin (IST) celebrated yet another year of exceptional results of the International Baccalaureate Diploma Programme (IBDP). IST has a 100% pass rate against the global average of 78%, and an average score of 35 points against the global score of 30 points, as well as an average course score of 5.86.

ZF Chassis Systems Beijing Produces 1,000,000 Axle Sets

Since its start of production in February 2013 to June 2017, ZF Chassis Beijing has



successfully shipped 1,000,000 axle sets to BBAC (Beijing Benz). This great milestone was celebrated with all employees. All employees gathered together to sign a banner and to take a group photo. Celebratory gifts were distributed to everyone, together with the reminder "We are only as good as the last axle we built!"

High-frequency Radar Level Technology on the Rise

On the first evening of the POWTECH 2016 trade fair, Vega Grieshaber KG won the Technology Award in the category "MSR (Process Measurement and Control

Technology) / Particle Characterization" with its new radar level sensor for liquids Vegapuls 64. The award was presented by the trade and industry journals PROCESS, PharmaTEC and Schüttgut (Bulk Solids). During evaluation, the categories of innovation, marketability and efficiency in different areas, among others, were taken into consideration.

Hörmann Invests in Third Manufacturing Facility

In order to satisfy the growing demand for high quality door solutions, Hörmann has decided to invest in a third manufacturing facility in Changshu Economic Development Zone, the heart of the Yangtze River Delta. Hörmann acquired land and will build the approx. 14,000 m² within the coming 18 months. The production is planned to start by the end of 2018. The project includes a production floor, a full-size showroom and offices and will also be home to the Hörmann Regional Sales office South-East China. The plant will produce steel hinged

doors and steel tubular doors for multiple applications.

Thyssenkrupp Receives China's Largest TWIN Order

Thyssenkrupp celebrates another addition to its TWIN portfolio, having secured a contract for 41 transportation units, including eight TWIN elevators, for the Sunshine Insurance Group's new headquarters in Beijing, China. This is the largest TWIN order the company received in China.



As one of China's leading insurance companies, Sunshine Insurance is building its 243-meter-high headquarter in Beijing. Space efficiency was the client's key concern.

Thyssenkrupp's innovative TWIN solution, capable of space savings up to 30 percent, offered the required space efficiency along with the benefit of separate elevator cars. The TWIN elevator system enables one cab to be parked while the other stays in operation. When passenger volume is low, no energy is consumed by empty moving cars. Thus, TWIN helps save energy and with two cars in one shaft, can transport up to 40 percent more passengers than conventional elevators.

New Food & Beverage Team at Regent Beijing



Regent Beijing is pleased to announce the arrival of Mr. Christian Casper as new Director of Food & Beverage and Mr. Davide Carboni as Chef de Cuisine of DACCAPÒ Italian Restaurant. Casper joins the hotel from its sister property Regent Berlin and brings with him experience from various Michelin-starred restaurants in London as well, as luxury hotels in Germany. Chef Davide, originally from Rome, most recently worked in Jiangsu province after working for Armani Hotel Dubai. Both are excited to be joining the Regent Team and look forward to welcoming the members of the German Chamber to the hotel.

New Journey & New Future

On 20th June 2017, the automotive leather supplier BADER held the launching ceremony of its new plant in Dalian, China. In total, USD 53 million have been invested in the new factory in north China, which covers an area of 440,000m². Mr. Peter Stache, Vice-Consul General, Consulate General of the Federal Republic of Germany Shenyang, Mr. Thomas Bader, Chairman of BADER Group, Mr. Felix Zhou, CEO of BADER China, and Dalian Government representatives and customer representatives joined the ceremony.



Landmark Hotel of the Year 2017

That's 2017 Hospitality Awards announced that Kempinski Hotel Beijing Lufthansa Center won the "Landmark Hotel of the Year" 2017 which is based on millions of genuine reviews and votes from readers and editors across the country and only given to the four advanced Landmark hotels in China. Kempinski Hotel Beijing Lufthansa Center, was the one and only winner in this category from North China. Mr. Torsten Dressler, Kempinski Hotel Beijing Lufthansa Center's Managing Director, added: "Over the years, Kempinski Hotel Beijing Lufthansa Center is still vibrant and flourishing – a beloved center of luxury in the heart of Beijing's Chaoyang CBD. While we are proud to be Europe's luxury hotel group, and are influenced by our prestigious European legacy, we will never stop pushing boundaries and embracing innovation. We have celebrated many significant milestones along the way to our Remarkable Moments."



Wilo China Fourth Roadshow meets BVB Asia Tour

On 17th July 2017, Wilo China held the fourth stop of its nationwide roadshow in Guangzhou, Guangdong Province. Over 100



customers including experts, designers, consultants, and dealers etc. attended this event. In the same period, German soccer club BVB Dortmund was on its Asia Tour. The appearance of the BVB players Gonzalo Castro and Lukasz Piszczek made this roadshow an unforgettable one, the player Julian Weigl also prepared a welcome speech for all roadshow participants. Guangzhou is currently the third most populous city in mainland China, with a history of over 2200 years and was an important port of China's ancient Silk Road. Wilo is a professional pump expert and system solution provider with German quality and has lots of projects in Guangzhou.

Altendorf F 45 Garners Another iF Product Design Award



Altendorf continues to hit the right notes in design: the new F 45 received the iF Label in the product design category in this year's edition of the iF Design Award. The jury of international experts praised the way it combines functionality with modern materials, design and use of colour in particular and identified the modular nature of the configuration options as epitomising modern pragmatism. The latest achievement means that Altendorf has now won this prestigious design award eight times. One of the most sought-after international accolades for professional product designers, the globally renowned iF Design Award is presented annually. The 2016 edition attracted 5,295 submissions from 2,458 contestants in 53 countries.

New General Management for imat branches in Shanghai and Shenyang

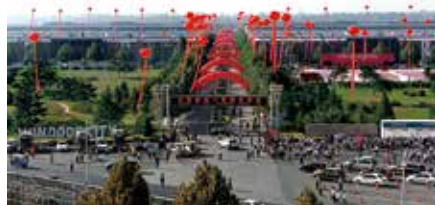
Since 1st July, Arnim Rohns is the new general manager for both imat branches in Shanghai



and Shenyang. He is responsible for all business and sales activities in China. The 57-year old manager has long-term experience in internationally operating companies home and abroad. Arnim Rohns will

strategically advance imat's business development in China. After graduating in business administration, Arnim Rohns has gained over 25 years of experience in executive management positions at various international companies, primarily in chemical, automotive, food and metallurgy industries. Before starting at imat, he served as CFO and member of the management board at EDAG Engineering Services in Shanghai. With his know-how, Arnim Rohns complements the imat team perfectly.

China (Gaobeidian) International Windoor Festival



For the fourth time, from 21st to 23rd of September, China (Gaobeidian) Windoor Festival was held at International Windoor City. It was first established in 2012 and since then is held around every two years, as a platform for international cooperation and business exchange. It carries the theme of "Making building more energy-efficient - making life better" and thereby gathers many international companies, which focus on the doors and windows industry to display new products and technologies and to promote new energy-efficient building ideas. The Windoor Festival also promotes the development of global building energy efficiency.

Anniversary of TZM in Tianjin

Tianjin Zapi Motion (TZM), a member of Zapi group since 2014, with headquarters in Italy, celebrated its third year of manufacturing motor, generators, and controllers in Tianjin this July. Two additional production lines will open soon for Chinese customers, plus there would still be capacity for additional ones. The Tianjin branch established itself as a partner of mobile refrigeration and material handling business. With growth of about 10 percent every year since 2015,

TZM currently employs more than 120 employees.

Seminar on New Fapiao Rules in Tianjin



Recently, China passed several tax reforms that introduced new requirements concerning information which has to be provided to the party that issues a fapiao. This new tax environment may be confusing for entrepreneurs, so on 15th August 2017, Ecovis Beijing participated in a breakfast seminar of the German Chamber, on understanding the new fapiao system at the Westin Hotel in Tianjin, featuring Elizabeth Shi as a speaker. Elizabeth Shi is the Senior Tax Advisor at Ecovis' Beijing office. The seminar included an explanation of the fapiao system in China, with an emphasis on the newest reforms, as well as the issues connected with tax audits and compliance. The presentation also included highlights of The Golden Tax System Phase III.

Raffles Medical Beijing Clinic Voted Best Dental Care 2017



Raffles Medical is proud to have won the award of "Best Dental Care of the Year" in the That's Beijing Lifestyle Awards. The That's Beijing Lifestyle Awards aim to showcase the very best of what the city has to offer by celebrating and giving recognition to those who have made their mark in the capital. Out of ten nominations the Dental Clinic at Raffles Medical came in first.

The Dental Team that consists of Dr Adib Kashani, Dr Sahba Mithaq, Dr Pierre Roux-Levrat and Dr Serena Zhang has also consecutively been voted "Best Dental Clinic in Beijing" at the Expat Life Awards for the past three years.

Hilton Beijing Opens New Restaurant

Hilton Beijing already offers excellent western cuisine at its grill house, One East. Now its second eatery, the exciting Makan Kitchen, opened on 17th August 2017. Makan is the Malay word for "eating". As the name suggests, this new restaurant is dedicated to utilizing a wide selection of fresh and seasonal produce, sourced regionally. The kitchen is hosted by the hotel's Malaysian Executive Chef Kenny Fong.



Marathon Sponsor Beijing United Family Hospital (BJU) Turns 20



Celebrating its 20th anniversary as the main medical sponsor for the Beijing Marathon, Beijing United Family Hospital was on site at the race on September 17 to provide international-standard medical care to any runner who needed it. What started out as a modest maternity clinic has grown and evolved into a multifaceted healthcare system that offers the expertise of over 200 full-time doctors in 20 different departments, including orthopedics and sports medicine.

YCIS Beijing Receives Recognition for Charitable Efforts



Yew Chung International School of Beijing (YCIS Beijing) has recently received a prestigious CSR Award in recognition of the school's contribution to charity in China. The school was selected by a panel of judges

for the efforts of Yew Chung Education Foundation's Seeds of Hope charity, in which a primary school is built in a rural area of China each year to bring hope and education to underprivileged children.

MMU BAU Fenestration Co., Ltd. Officially Established in Beijing



In January 2017, Messe München acquired Fenestration China – Asia's leading exhibition for windows, doors and facades – through its subsidiary Messe Muenchen Shanghai. By merging with BAU Congress China, a new show, Fenestration Bau China (FBC), emerged at the right moment. MMU BAU Fenestration Co., Ltd., as the organizer of FBC was officially established in Beijing, China. FBC is a trade fair, which focuses on high-quality design, planning, and construction. It is a high-quality, business-focused, and industry-wide platform, which provides real solutions and inspiration for global and local professionals bound with

construction industry.

CWS Consulting China Summer Fest BBQ

2017 marks the sixth year for CWS Consulting in China. On 8th July, 2017, the CWS team got together with customers, partners and friends who have been working together with CWS for the past six years, to celebrate the CWS Summer Fest along with them. On the beautiful riverside of Shenyang, the group got close to nature, enjoyed fun games and shared a mouth-watering barbecue. As a consulting company, most of the CWS team works on-site with various clients, so spending time with all the colleagues in a relaxing atmosphere was very special for all.



DBEST and Siemens Support Operations of New International Express and Cargo Hub

In October 2017, the new International

Express and Cargo Hub in Shanghai will go into operations. Established by FedEx Express and the Shanghai Airport (Group) Company Ltd., the new facility will comprise of 170,000 m² building space. Siemens and its joint venture DBEST are jointly supporting the operations with their products, solutions and services. Siemens Logistics Automation Systems (Beijing) Co., Ltd. is providing the process equipment operation, and DBEST (Beijing) Facility Technology Management Co., Ltd is taking the responsibility of the technical facility management. To meet the high demands of technical facility management in logistics industry at the earliest point, DBEST began its ramp-up for the project, including staff on-site training, equipment inventory and management transferring already since April 2017, to ensure a seamless project transition and also the uninterrupted operation in future.



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4th
July 2017

Event: CSR Roundtable

Topic: Policies and Practices towards Workplace Disability Inclusion

Venue: MyDreamPlus Co-Working Space, Beijing

Speakers: Mr. Zhou Haibin | National Consultant, United Nations and International Labor Organization, UN Disability Equality Training (DET) Facilitator

Ms. Wu Di | National Consultant, United Nations Development Programme, UN Disability Equality Training (DET) Facilitator

Which are the best practices of disability inclusion in the world? How does one remove barriers of hiring and retaining persons with disabilities? How can employing persons with disabilities be beneficial for all your employees? Aiming at answering those and many more questions in the field of Workplace Disability Inclusion, the German Chamber of Commerce | North China organized a CSR Roundtable on 4th July in the Co-Working Space MyDreamPlus in Beijing.

The two experts Mr. Zhou Haibin and Ms. Wu Di gave enriching insights on the topic, followed by a training session. Furthermore, they discussed the Legal Framework and Policies on Disability Employment as well as working out an Action Plan provided practical implementation into the workplace for the participants.

7th
July 2017

Event: Alumni Stammtisch Beijing

Venue: Hacker Pschorr Bräuhaus, Beijing

Benefit Partner

11th
July 2017

Event: German Classic Movie Screening: Der ganz große Traum

Venue: Goethe Bookstore, Shenyang

Benefit Partner



11th
July 2017

Event: Praktikantenstammtisch Beijing

Venue: Arrow Factory Brewing, Beijing

13th
July 2017

Event: Kammerstammtisch Shenyang

Venue: Restaurant Grandma's Kitchen

Benefit Partner

17th
July 2017

Event: Young Professional Summer
Networking
Venue: Red Dog Cocktail Bar, Beijing
Benefit Partner



17th
July 2017

Event: Kammerstammtisch Beijing
Venue: Hacker Pschorr Bräuhaus, Beijing
Benefit Partner

18th
July 2017

Event: Seminar
Topic: New Labor Law Regulations in China
and Implications for your Business
Venue: Sofitel Shenyang Lido
Benefit Partner

Speaker: Ms. Susanne Rademacher | Partner
and Head, Beiten Burkhardt Beijing
Mr. Yongxin Wu | Senior Partner, Liaoning
Kaiyu Law Firm



21st
July 2017

Event: Workshop
Topic: Learn to Motivate People Effectively to
Improve Team Performance
Venue: Carnegie Training Facility, Tianjin
Speaker: Mr. Weijun Sun | Senior Lecturer,
Carnegie

On Friday, 21st July, the German Chamber of Commerce in Tianjin hosted an informative and interactive workshop on the topic of "Learn to Motivate People Effectively to Improve Team Performance" at the Carnegie training facility. Motivation is one of the most important core factors on the road to achieve not only personal, but also team success. But how exactly does one encourage people to maximize their enthusiasm and productivity? This topic puzzles many team leaders. During the workshop, Carnegie's senior lecturer Mr. Weijun Sun took attendees on an exploration for the essence of encouragement. Around 20 professionals from different companies gathered on this afternoon in order to further enhance their leadership skills.



25th
July 2017

Event: Interchamber Networking Beijing
Venue: Hilton Hotel, Beijing
Benefit Partner



26th Event: Kammerstammtisch Tianjin
 July 2017 Venue: Bavaria Beer Keller (Italian Town),
 Tianjin **Benefit Partner**

28th Event: Workshop Tianjin
 July 2017 Topic: Excel Workshop – A Button Check and
 Intelligence Monitoring: Advanced Reporting Design
 Venue: The Astor Hotel, Tianjin
Benefit Partner
 Speaker: Mr. Pasta Pei | Microsoft Office
 Professional Trainer and Microsoft Certified
 Partner for Learning Solution Executive
 Coach and CEO, Teamacting Management
 Consulting

On Friday 28th July, the German Chamber of Commerce in Tianjin hosted an Excel Workshop on the topic of "A Button Check and Intelligence Monitoring: Advanced Reporting Design" at the Astor Hotel Tianjin. Very often people underestimate the power of Excel. This powerful program, which is an essential part of everybody's work life, has more to it than one might think at first glance. On this afternoon, over 30 professionals were seeking to explore what Excel could possibly contribute to their daily tasks. Together with an experienced speaker, the first part of the workshop focused on visualizing reports and creating models. These tools make it significantly easier to analyze data and further to present these to fellow colleagues. In the second part of the workshop, participants were taught to create monitoring and alerting systems through Excel which will help them to recognize problems in the future. After more than two hours, the fruitful seminar was rounded off by a Q&A session with the coach.



28th Event: Member for Member Training
 July 2017 Topic: LEAN Production
 Venue: Neugart Planetary Gearboxes, Shenyang
 Speakers: Dr. Frank Henze | CEO, IMIG China
 Mr. Jim Fang | Senior Consultant, IMIG Shanghai

On 28th July 2017, the German Chamber of Commerce in Shenyang organized another Member for Member Training on LEAN Production in Shenyang. The training took place at the facilities of Neugart Planetary Gearboxes and focused mainly on an overview of suitable LEAN manufacturing tools to create more efficient production systems and to eliminate waste.

The training was mainly attended by production managers, engineers and shift leaders from local member companies in Shenyang, Dalian, and Liaoyang and was supported by Dr. Frank Henze, CEO of IMIG Shanghai and lead by Mr. Jim Fang, an experienced trainer from IMIG. The highly practical training introduced LEAN principles such as 5S Workplace Organization, JIT/JIS, SMED, Shop Floor Management etc. and illustrated practical cases from various implementation projects that IMIG implemented in this field in China.

During the afternoon session, all participants took part in the hands-on simulation, modeling an entire supply chain from the supplier, to production and finally, to the customer. By experiencing the various stages of the simulation, participants were able to develop an awareness where and how to apply LEAN elements in their own production environment.



8th Event: Praktikantenstammtisch Beijing
August 2017 Venue: Luga's Little Italy, Beijing

10th Event: Kammerstammtisch & German BBQ in
August 2017 Shenyang
Venue: Maple Tea Café, Shenyang

15th Event: Breakfast Seminar
August 2017 Topic: Understanding the Fapiao System and
Related Tax Matters
Venue: Westin Hotel Tianjin
Speakers: Ms. Elizabeth Shi | Senior Tax
Manager, Ecovis Beijing

Recently, China has passed several tax reforms. Since the VAT reform in May 2016, China has not only stepped up tax audits and controls, but has repeatedly adjusted tax rates and tax requirements. Better controlling the authenticity of fapiaos, China also, on 1st July 2017, introduced new requirements with regard to the information which has to be provided to the issuing party. As a result, the flurry of new regulations has left many foreign businesses wondering how to respond to the rapidly changing tax environment. In this seminar, the Ecovis Beijing tax expert, Ms. Elizabeth Shi, introduced the fapiao system and how it is embedded in the Chinese tax system. She also explained how the strengthened enforcement of tax rules and the third phase of the implementation of China's online tax platform "Golden Tax" is directly linked to fapiaos. Last but not least, Ms. Shi gave a brief overview of the most urgent tax risks for foreign companies in China.



15th Event: Automotive Roundtable
August 2017 Topic: Quality Management – How to
Overcome Quality Challenges in China?
Venue: Draexlmaier Automotive Components Co.
Ltd., Shenyang
Speaker: Mr. Michael Hofmeister | Plant
Manager, Draexlmaier Shenyang Automotive
Components
Mr. Andreas Schuster-Woldan | Vice President
Purchasing and QMT, BMW Brilliance
Automotive
Mr. Thomas Roesler | Director Manufacturing
APAC, Shanghai Formel D Technology and
Engineering

On 15th August 2017, the German Chamber of Commerce in Shenyang organized the 7th Automotive Roundtable at the new Draexlmaier Automotive plant in Dadong district, which started production only some months ago. At their new facilities, Draexlmaier is producing state-of-the-art interior parts for automotive OEMs such as BMW Brilliance Automotive and others. Mr. Thomas Rager, COO at Draexlmaier in China, took the opportunity to welcome the guests of mainly general managers and plant managers from local automotive suppliers and related industries. He shortly introduced the current status of Draexlmaier in China and their future strategy, before he handed over to Mr. Michael Hofmeister, Plant Manager at Draexlmaier Shenyang, who then gave an overview on their products, plant structure and local characteristics. Afterwards, Mr. Hofmeister guided the participants through the modern facility on an informative plant tour. The roundtable continued with presentations from Mr. Thomas Roesler, Director Manufacturing APAC at Shanghai Formel D Technology & Engineering, and Mr. Andreas Schuster-Woldan, Vice President Purchasing and QMT at BMW Brilliance Automotive in Shenyang. Both speakers shared experiences from an OEM perspective as well as lessons learned from the supplier side on how to overcome rising quality challenges especially in the Chinese market. The following roundtable discussion outlined that the rapidly growing number of product variants, a rising number of electric and electronic components, as well as more software solutions in vehicles are the main drivers for increasing challenges in quality management of any automotive company.



18th
August 2017

Event: Special Excursion Automotive in Dalian
Topic: Smart Factory and Implementation of Industry 4.0
Venue: Volkswagen FAW Engine (Dalian) Co., Ltd.
Speaker: Prof. Horst-Kersten Gaudlitz | General Manager, Volkswagen FAW Engine Dalian
 Mr. Izzet Oentas | Project Manager Smart Factory, Volkswagen FAW Engine Dalian
 Mr. Rene Galbavy | Senior Consultant, Staufen Shanghai

On 18th August 2017, the German Chamber of Commerce in Shenyang organized a "Special Excursion Automotive" to the Volkswagen FAW Engine Plant in Dalian, which is an important engine production base of the Volkswagen Group and started operations in 2007. With around 40 participants, the excursion was well-attended, mainly by local automotive suppliers and related industries in Dalian and Shenyang. The General Manager of Volkswagen FAW Engine in Dalian, Prof. Horst-Kersten Gaudlitz, took the opportunity to welcome the guests personally and gave a short overview on the plant structure and characteristics of the engine plant. The second presentation from Mr. Izzet Oentas, Project Manager Smart Factory at Volkswagen FAW Engine, was focused on Smart Factory and introduced various Industry 4.0 elements such as 3D-printing, smart glasses and other smart applications, which have already been implemented. During the second part of the event, external guest speaker Mr. Rene Galbavy, Senior Consultant at Staufen Shanghai, presented the elements that are necessary to build a smart factory. He shared his project experiences by giving examples which concrete areas the interested managers should pay particularly attention to and he emphasized, that in a smart factory, people, machines and the logistics-system all need to be well interconnected.

During the highly informative plant tour, Mr. Oentas guided the participants through the modern facility and explained in detail why the rapidly increasing complexity in manufacturing processes is one of the main drivers behind the trend of building smart factories and implementing interconnected systems in any modern production facility. He also made several stops in specific areas of the plant, where the attendees had the chance to actually see examples of smart manufacturing and intelligent connected production processes.



21st
August 2017

Event: Kammerstammtisch Beijing
Venue: Paulaner Bräuhaus, Beijing
Benefit Partner

22nd
August 2017

Event: All-Chamber Summer Welcome Back Networking, Beijing
Venue: R Lounge, Renaissance Beijing Capital Hotel
Benefit Partner



22nd
August 2017

Event: Member for Member Training
Topic: Shop Floor Management
Venue: Dr. Schneider Automotive Parts (Liaoyang) Co., Ltd.
Speaker: Ms. Lucia Liu | Associate, Staufen Shanghai

24th
August 2017

Event: Seminar
Topic: Effectively managing VAT audits, risks and opportunities (in Chinese)
Venue: German Chamber of Commerce Beijing
Speaker: Ms. Amy Mu | Senior Tax Manager, KPMG Beijing

VAT management is a complex topic with many recent changes. Therefore, the German Chamber of Commerce in Beijing invited Ms. Amy Wu to share her knowledge deriving from extensive experience in the field of tax and VAT. Her presentation focused on six major aspects: Understanding the latest developments in VAT management, effectively managing risk, knowing the target areas, responding to tax authority queries, exploring VAT opportunities, and getting prepared for potential VAT audits. The seminar's topic was met with much enthusiasm by German companies and was well-attended. The presentation was rounded off by a Q&A session, providing room for case-specific and applicable advice for the 30 attendees.

25th
August 2017
Event: Special Event
Topic: Interchamber Welcome Back BBQ
Networking
Venue: Four Seasons Hotel, Tianjin

29th
August 2017
Event: Oktoberfest 2017 in Shenyang
Venue: Paulaner Bräuhaus (Kempinski Hotel),
Shenyang **Benefit Partner**

30th
August 2017
Event: Kammerstammtisch Tianjin
Venue: Bavaria Beer Keller (Italian Town),
Tianjin **Benefit Partner**

30th
August 2017
Event: Kammerdinner
Topic: Mit Werten wirtschaften
Venue: Kempinski Hotel Beijing Lufthansa
Center **Benefit Partner**
Speaker: Mr. Franz Herz | Pastor, Katholische
Sankt-Joseph-Freinademetz-Gemeinde
Mr. Ralf Richter | Pastor, Evangelische
Gemeinde Deutscher Sprache Peking

On 30th August 2017, the German Chamber of Commerce in North China invited to a special Kammerdinner on the topic of business ethics. After a warm welcome by the German Chamber of Commerce in North China, Mr. Franz Herz and Mr. Ralf Richter, both pastors in Beijing, shared a vivid dialogue on stage, discussing and emphasizing different aspects of business ethics, such as: In a complex and globalized world, how can value-oriented leadership be realized – and how to succeed

through it? Do the company's interests always have to come first? An exquisite buffet dinner and the opportunity to network and meet new business contacts concluded the evening.



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20 Year Anniversary Gala on October 26

The German Chamber of Commerce in China – North China is celebrating their 20th anniversary. A festive Gala in the exclusive setting of The Peninsula Beijing will take place on 26th October 2017, from 6:00 pm. An exclusive evening program will round off this special occasion. For more information, please visit our website or contact Mr. Sebastian Suciú at suciú.sebastian@bj.china.ahk.de.

German Ball 2017 under preparation

Each year since 2000, the German Chamber of Commerce – North China hosts the largest social event of the German business community in Beijing: The German Ball. The event attracts around 750 guests including business executives and leaders from politics with connections to and interest in Germany. The German Ball will take place on 18th November 2017 at Kempinski Hotel Beijing. For more information or tickets, please contact Ms. Johanna Heinzmann at heinzmann.johanna@bj.china.ahk.de.

Beijing Training Calendar October – November

Date	Event
October 2017	
13 th October, 2017	Six Thinking Hats (CN)
17 th October, 2017	Smart IT Infrastructure (CN/EN)
23 rd – 24 th October, 2017	German Business Culture – Successful Cooperation with German Colleagues and business Partners (CN)
26 th – 27 th October, 2017	Leadership skills for line Managers (CN/EN)
November 2017	
2 nd – 3 rd November, 2017	Creative Problem Solving and Decision Making (CN)
7 th November, 2017	Industry 4.0 Strategy (CN/EN)
15 th November, 2017	E-Commerce: How to sell your products online (EN)
15 th , November, 2017	Inter-Culture Management and Global Leadership (CN/EN)
20 th – 21 st November, 2017	Living working and leading in China (EN)
23 rd – 24 th November, 2017	Leadership Skills in the Changing Era (CN)
30 th November – 1 st December, 2017	Supervisory Management Skills (CN)

Regular Social Events in North China

Beijing:

Kammerstammtisch – every third Monday of the month at 7:00 pm in varying locations (Please visit the event calendar on our website or subscribe to our Newsletters and Invitations)

Praktikantenstammtisch – every second Tuesday of the month at 7:00 pm 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 7:00 pm in varying locations

Note:

Please always find the latest event calendar on our website: china.ahk.de/chamber/events/

New Event Manager at the German Chamber of Commerce in Beijing



On 8th August 2017, Ms. Jessica Huang joined the German Chamber of Commerce – North China as event manager. She holds a master's degree in Convention and Event Management and a graduate diploma in Professional Accounting. She stayed in Malaysia and Australia over a decade and has years of experience in event management with a focus on business events. Ms. Huang will be responsible for chamber events in Beijing, such as workshops, seminars, networking events and special events as well as the monthly events newsletter. She will also support the German Ball organization and other high level events of the German Chamber. Please feel free to contact her in English, Mandarin or Cantonese at huang.jessica@bj.china.ahk.de, 010 – 6539 6663.

New Benefit Partner North China

For a detailed description of our Benefit Partner Program, please visit our website: <http://china.ahk.de/chamber/benefit-partner>

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100020, China
北京市朝阳区日坛路6号新族大厦8层
Contact: Ms. Amanda Li
Phone: 010-65930478-32
Email: amanda.li@em.berlitz.com
Web: www.berlitz.com.cn



Benefit: 10-15 % discount on the whole range of trainings for AHK members. Beijing Berlitz Language Training Co., Ltd provides tailor-made language and cultural trainings for individuals and companies.

Training Highlights

Smart IT Infrastructure

Date: October 17th, 2017

Objectives and Content

Internet of Things finds its way to factory (FAZ)

In a digital, globalized world, the requirements of business models are dynamically evolving. In this context, a factory must create added value for many years, and also stay flexible. This is where innovative planning comes in. It begins with shaping a forward thinking corporate strategy and includes digital planning skills, best-practices, and future knowledge be created, so that process efficiency can be dramatically raised. Therefore, IT (top) managers will not only play a role as business facilitators but, also business drivers. They have to be aware of the challenges and opportunities of a smart IT infrastructure. Other functional leaders and top management should realize the importance of IT and support smart IT infrastructure as a fundamental success factor for future enterprises.

Target Group

- Upper Management
- IT Directors, IT Managers
- Leaders of other enterprise functions

Leadership Skills in the Changing Era

Date: November 23rd – 24th, 2017

Objectives and Content

"Managers are people who do things right, while leaders are people who do the right thing." — Warren Bennis, PhD

In the challenge of today's highly competitive business world, the only way to success is to reshape to the needs of the rapidly changing world. Resistance to change will lead you and your organization to fail ultimately. Customers are demanding much more than excellent service. If you do not supply it, your competitors will. Organizations are reshaping themselves to change quickly in order to meet the needs of their customers. As a leader, you need to emphasize action to make the change as quickly and smoothly as possible.

Target Group

Suitable for those who want to improve their leadership and change management skills in order to achieve performance excellent in their career path.

Contact person:

Mr. Zhuoyi Ji

☎ 010-65396685

✉ ji.zhuoyi@bj.china.ahk.de



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Shanghai Office



BYK to Build New Integrated Site in Shanghai



On 19th July, BYK Additives & Instruments held a groundbreaking ceremony for its new integrated site located in Shanghai Chemical Industry Park. The company is investing over EUR 30 million in the new site, which combines R&D, technical services, logistics, and administrative functions under one roof and forms the basis for the continued expansion of BYK's business operations in Greater China and the whole Asia-Pacific region. The construction of the new site, which covers an area of over 50,000 square meters is scheduled to become operational in the second half of 2018. BYK has recorded a healthy growth in recent years. The company has also enriched its polymer additives production lines through the acquisition of Addcomp Holland BV and PolyAd Services.

JUMO China Celebrates Opening of New Factory in Dalian-Kaifu

JUMO China has celebrated 10 million piece temperature production since the opening of its new factory in October 2015 in Dalian-Kaifu in July 2017. Mr. Dette, president JUMO China, handed the temperature probe over to Mr. Deng, purchase director of Truking Changsha company, in a ceremony. The investment in a new factory has been proven to be the right strategic decision as the Chinese customers are demanding more and more high-quality temperature probes from JUMO.



Capella Welcomes French Chef Pierre Gagnaire

Internationally celebrated French chef Pierre Gagnaire debuted his first culinary concept for Mainland China on 15th July 2017 in the restored shikumen estate, Capella Shanghai, Jian Ye Li. At the heart of the cultural preservation



zone of Xuhui District, the 70-seat restaurant serves Gagnaire's signature brand of French cuisine in a casual chic venue. True to the iconic chef's honest approach, Pierre Gagnaire's menu is a means of expression, replacing words with dishes that touch the heart and soul. Le Comptoir showcases simple, honest and elegant French cuisine, complemented by innovative textures and bold flavors.

Bosch Plans to Build Asia Pacific's First iBooster Plant

The Bosch Group is further extending its manufacturing capacity in China. The supplier of technology and services is investing nearly EUR 100 million in a new plant in Nanjing. Starting in 2019, the plant with a surface of approximately 22,000 square meters will manufacture Bosch's iBooster for customers in Asia Pacific. This vacuum-independent electromechanical brake booster is a key component for electromobility



and driver assistance systems. Bosch's iBooster fulfills all the requirements of a modern braking system. In addition, it is suitable for all powertrain concepts, hybrid and electric vehicles in particular. The iBooster will help promote greater energy efficiency and safety on China's roads.

KUKA Robotics and Volkswagen Intensifies Partnership



Volkswagen Group Research and automation specialist KUKA intensify their strategic partnership in service concepts for vehicles of the future. Joint development of robot-based innovation concepts for vehicles of the future has now been agreed following the signing of a new Cooperation Contract by the Chief Executive Officer of Volkswagen AG, Matthias Müller, Head of Research and Development at the Volkswagen Group Ulrich Eichhorn, and the Chief Executive Officer of KUKA AG, Till Reuter. The new cooperation links up with an existing joint research project looking into collaboration between human and robot. This involves a KUKA robot independently connecting the vehicle with a charging station in a specially

developed application. The driver simply has to position the electrically powered automobile in a designated parking space. The robot takes care of connecting the charging cable for the driver.

Christian Vogt joining Fan, Chan & Dr. Neumann

Starting from January 2017, Mr. Christian Vogt has joined Fan, Chan & Dr. Neumann as a Partner and Senior Consultant. Christian is one of the founding shareholders of Fan, Chan & Dr. Neumann and has more than twenty years of financial and management experience in China and is business fluent in Mandarin Chinese. Until April 2016, he was the General Manager of Deutsche Leasing China. Previously he worked

at Dresdner Bank Shanghai for 14 years, thereof three years as General Manager. Christian has special expertise in cost controlling and budgeting projects and the related data analysis. He has also several years of experience as a consultant and supervised the liquidation of the China subsidiary of renowned German trading company as interim manager.



Great Suzhou Best Employers Award for ruhlamat

On 26th July, at Suzhou Jinji Lake International Conference Center, the "2017 Great Suzhou Best Employers Award Ceremony and Employer Brand Forum" hosted by 2017 Suzhou Best Employer Committee was successfully concluded. ruhlamat was accredited as "2017 Suzhou Best C&B Employers" at the event. Mindy Lee Cho accepted the award on behalf of ruhlamat. ruhlamat has always followed the humanized management, to provide the most competitive salary structure and optimal welfare for employees. ruhlamat employees can enjoy benefits such as annual health check, commercial medical insurance, free gym memberships, annual tourism and so on. This makes the staff turnover rate of ruhlamat far lower than average and provides a solid guarantee for ruhlamat's future development.



FEIN Power Tools Appoints New Sales Director for Asia

To develop the market in China and Asia more fully, Mr. Mika Hamalainen was appointed as the new FEIN Power Tools region sales director for Asia in July 2017. As a result, the sales and Marketing departments are situated at the purchasing and manufacturing company – FEIN Power Tools (Taicang) Co., Ltd. "FEIN will expand the sales channels and continuing to improve the sales support process from Taicang," said Mr. Hamalainen. "The new sales organization



will keep close communication with local market, not only for intensify the customer satisfaction, but also collect first-hand information for market research and analyze." Mr. Hamalainen believes, "2017 is the 150th

anniversary of Fein, and from now on, we will increase the focus on China and Asia market. We will achieve large synergy effects and develop China into an important market for the FEIN group in the near future."

Two Major Appointments by WTS China



WTS China has appointed Ms. Ened Du as the senior manager and Ms. Selina Wang as the manager from 1st July 2017. Ms. Ened Du will assume the responsibility of assisting companies

in assessing and controlling China tax risks in customs, supply chain, permanent establishment (PE) and global staff assignments. Ms. Du has over nine years' experience in tax advisory for companies doing business in China, and is well received by clients as a reliable and quality tax advisor. Ms. Selina Wang, with over ten years of practical experience, will assume the challenging role of leading a team in carrying out finance advisory duties. This includes financial due diligence checks, transforming accounting practice using cloud-based technology, and assuming a prospective role as a virtual CFO for the clients in overseeing GAAP compliance and improving accounting process efficiency.

CEBIT Prepares for the Upcoming 2018 Season



CEBIT is gearing up for the 2018 season with a new theme mix, new event formats and a totally new look & feel. Next year, the CEBIT show's first-ever summer showcase will open on 11th June with a completely new venue layout. "The

innovative power of digitization is transforming companies and the way we engage with technology at work and at home. It is bringing fundamental change to the entire economy and the very fabric of society. From these various aspects and facets of digitization we have distilled our mission for the new CEBIT," Deutsche Messe Managing Board member Oliver Frese commented.

KUKA Industries Automation Participates in Welding & Cutting Exhibition

KUKA Industries Automation(China) Co., Ltd. exhibited a series of products that are close to Industry 4.0 in Essen Beijing Welding & Cutting Exhibition. The latest generation of friction welding machine KUKA Genius was in the spotlight. Visitors could take an interactive look at the machine with the KUKA Genius app to enter a virtual world and view the KUKA Genius from a 360-degree perspective, with other viewing options. The Director Sales AWS Advanced Welding Solutions Asia & Pacific, Mr. Andreas Gist, and Project Manager Mr. Till Maier have also presented how Industry 4.0 could be applied, which attracted plenty of visitors and customers.

ZF Appoints New Head of Communications Asia Pacific.



To deepen its engagement with key Asian markets, and to enhance the visibility of these markets within its global business, ZF appointed its first head of communications for the Asia Pacific

Region, Ms. Joyce Cheng. Assuming her role in July 2017, Cheng is based in Shanghai and is leading ZF's Asia Pacific communications teams in China, India and Japan. She reports to the ZF President for Asia Pacific. Cheng has extensive experience in corporate and marketing communications across Asia. She joins ZF from Nissan China headquartered in Beijing. Born and educated in Hong Kong, Joyce holds an MBA from the Hong Kong University of Science and Technology, and a postgraduate diploma in integrated marketing communication.

Altran Celebrates New Acquisition of IRM

Altran has recently acquired Information Risk Management (IRM), a UK-based company that delivers a complete offering around risk identification, management, and mitigation, with services ranging from strategic information consultancy to software and professional education. IRM has developed an enterprise

solution, SYNERGI, enabling large corporations to manage cyber risk and compliance. The acquisition of IRM will significantly enhance Altran's skills and expertise in cyber security. IRM brings Altran a portfolio of high-profile and long-term clients. The accreditations and certifications of IRM are recognized as best-in-class, and will enable Altran to advise both commercial and governmental entities.

Kosmos Group Awarded at World Hotel Association Conference

On 15th July 2017, at the 5th World Hotel Association Conference and the 10th World Hotel Forum hosted by Pan Tourism Culture Group, Kosmos Group was awarded as The Annual Most Valuable Group for Investing and GreenTree Eastern Hotel was awarded as The Most Valuable Mid-High-end Business Hotel for Investing. Mr. Alex Xu, Chairman & CEO of Kosmos Group, was awarded as Annual Entrepreneurial Meritorious Leaders.

thyssenkrupp Makes the Future a Reality with World's First Ropeless Horizontal-Vertical Elevator System

On 22nd June, thyssenkrupp unveiled one of the most forward-thinking innovations created in the last 150 years: the world's first ropeless and sideways-moving elevator system, MULTI. Instead of one cabin per shaft moving up and down, the MULTI offers multiple cabins operating in loop, like a metro system inside a building. Without the use of cables, MULTI runs on a safe, multi-level brake system and with redundant wireless data and energy management on the cars. The much-anticipated concept now has become a reality, as thyssenkrupp launched the first fully functional unit at its purpose-built innovation test tower in Rottweil, Germany. The world premiere also announced the leading European real estate business OVG Real Estate as MULTI's very first customer. In partnership with thyssenkrupp, various MULTI systems will be installed in the new East Side Tower building in Berlin.

Schüco International Participates in Zak World of Façades

Zak World of Façades, an International forum series on the subject of façade design & engineering, was held in Greater China region for the first time in May. The conference took place at Hong Kong Convention & Exhibition Centre and attracted nearly 300 participants in the construction industry. Dr.-Ing. Winfried Heusler, Senior Vice President Global Building Excellence, Schüco International KG, Germany and Mr. Zhixu Tran, Technical Director Schüco Greater China were invited to the conference to discuss the latest innovations and challenges in the building industry and showcase the latest



technological solutions. As the main presenting partner, Schüco also presented its state-of-the-art system solutions on site.

FORCAM CHINA Moves and Appoints New Managing Director



After moving to a new office, FORCAM CHINA appointed new Managing Director Mr. Bill Sun to be responsible for China business and operations.

FORCAM's new office faces Huangpu River from east part of Lujiazui. Mr. Bill Sun served as Senior Consultant and management role in Siemens, SAP and other companies providing IT infrastructure and smart manufacturing solutions. With profound knowledge and experience in the IT & manufacturing industry, he helped hundreds of manufacturers to improve their efficiency and productivity. FORCAM CHINA welcomes Mr. Bill Sun's onboard and will jointly serve China manufacturing industry.

Continental Launches the 2025 Automated Driving Online Platform

Recently, Continental announced the official launch of www.2025AD.cn, an independent online platform dedicated to automated driving (AD) technology information exchange within China. It has been conceived to keep users abreast of the latest news and insights in the global automated driving industry and initiate discussions around relevant topics.

The website provides users with the opportunity to share publicly opinions, concerns and expectations regarding the development of Automated Driving. The public and other stakeholders should have the opportunity to understand the basic concept of AD and how it will make the future mobility safer, more efficient, and more comfortable. It will foster a transparent environment where users will be able to share their opinions on automated driving and engage in meaningful discussions on the topics that are of interest to them.

EunaCon Consulting Group and MTI China Announce Strategic Partnership

Based on providing consulting services from one hand, EunaCon and MTI China agreed on a strategic cooperation. Both companies bring years of experience in the China business and can successfully build packages of services there. While EunaCon continues to provide consulting services in the areas of law, finance, as well as human resources, MTI's expertise lies for 25 years in personnel and organization development. Moreover, MTI China relocated its China operations to the EunaCon Business Centre at the beginning of June 2017. In order to provide the services from one source, Mr. Sebastian Wegener has been appointed as MTI China representative to develop client relations, while his colleague Mr. John Shi will support the project execution as project manager. To strengthen the internal processes, Ms. Ella Zhang joined EunaCon Consulting Group as Finance Controller in June 2017.

First Anniversary of Brander Urstoff in China

Brander Urstoff is celebrating its first anniversary in China! In 2016, Brander Urstoff's Craft Lager was brewed and introduced in China for the very first time. A bunch of beer lovers urged to bring their German-style Craft Beer to China. Brander Urstoff's beers are brewed by a German beer team, with German ingredients only, in accordance to the German Purity Law and adhering its brewing tradition since 1688. What a glamorous and exciting year for Brander Urstoff to become now a lifestyle Craft Beer that can be found anywhere in Shanghai. Trendy bars, hip hotels and Michelin awarded restaurants.

Lean Management in Knauf China



Knauf China comprehensively runs lean management. To reach their target, all Knauf plants in China fully implement the 5S system via developing red tag activities to ensure production safety, increase efficiency and guarantee product quality. As a company committed to corporate social responsibility, Knauf China is adhering to the conception of lean management and the research and development of solid waste recycling system to achieve 'Zero Discharge' for the solid wastes. Knauf China also holds a reasonable supply chain management and improves customer relationship management. "All in all, we try our best to penetrate lean management into every single detail" emphasized Mr. Michael Zhang, CEO of Knauf Greater China.

Kerry Hotel Pudong, Shanghai Holds Cocktail Event Entitled "Work & Play"



Kerry Hotel Pudong, Shanghai, which has won five awards this year as "The Best MICE Hotel" from major media and exhibition industry, holds a cocktail event recently to announce the Hotel's new "Work & Play"- themed MICE (Meetings, Incentives, Conferences and Exhibitions) products. The event was held at The Kerry DOME located on the fifth floor of the Hotel, boasts a direct view of the skyscrapers and stunning sceneries of Century Park. Clients can also find "Beauty & Beast"-themed mobile food trucks at meeting, which is a witty display of international culture and serves as a great energy booster for meeting attendees. The emotion coffee cups bring a more fun element into business activities. The wonderful performances from Kerry Sports instructors are a great demonstration of the "Work & Play" vitality, showing that team-building and ice-breaking activity can be in many forms and can be customized to client's specific needs and requests.

NOK-Freudenberg (China) Celebrated Completion of Building B at Its Wuxi Plant 1

On 9th August 2017, NOK-Freudenberg (China) held completion ceremony for Building B of plant 1 at its Wuxi factory (Wuxi NOK-Freudenberg Oil Seal Co., Ltd.). The top management of both shareholders,



NOK Corporation and Freudenberg Sealing Technologies, participated, delivered speeches, and attended the ribbon-cutting ceremony together with employees and the distinguished guests from Wuxi local government. The main product portfolio of Wuxi factory consists of oil seals, applied in engines, transmissions, and other key industrial components, serving Chinese automotive and general industries. The construction of the new building started in April 2016 and was completed in May 2017 with the official operation starting in July 2017. The total floor area of 72,737m² will enhance production capacity, reduce delivery times and enable the development of more diversified product portfolios, so that more value-added business cooperation with the customers can be realized in the future.

New German Speaking Psychiatrist at Shanghai United Family Hospital

Dr. Chirstoph Herda joined Shanghai United Family Hospital in July 2017. Dr. Herda has several areas of specialty, including affective disorders like depression and bipolar disorder, psychoses, addictive disorders, dementia, anxiety disorders, somatoform disorders, borderline personality disorder. He has nearly 20 years of clinical experience and he holds a certification as a Consultant & Medical Specialist for Psychiatry and Psychotherapy. Dr. Herda speaks German and English.

Environmental Technology Award for The Keller Group

Keller Environmental Equipment Ltd. Shanghai is proud to announce that the Keller Group took first place in the Baden-Württemberg environmental technology awards with the HydronPlus 1.5 combined wet- and dry filter. Franz Untersteller, minister for the environment, climate and energy industry of the state of Baden Wuerttemberg presented the award to Horst and Frank Keller, president and owner of the Keller Group. The inovative hybride air filtration system HydronPlus 1.5, which combines the advantages of both dry and wet filter systems, will contribute the efforts of the Chinese industries to increase environmental protection, work safety and explosion protection.

Chiyoda Integre Co., Ltd. Celebrates First Anniversary of Sunfelt Shop



Sunfelt Shop celebrated its first anniversary of Shop Opening on 3rd and 4th August by hosting a felt craft workshop for making flower brooches. Ms. PieniSieni, a well-known felt and embroidery artist has been invited from Japan to host the work shop. Three kinds of methods for making felt corsage have been taught, and the workshops held an average of five participants per session. Sunfelt shop is a DIY shop for crafting, and customers can buy materials as well as learn and make various accessories and felt art in-store.

Bayer Welcomes Four Health Field Startups from Grants4Apps

Bayer Grants4Apps Shanghai 2017 Program Incubator Plan recently released the four selected startups in the health field in China. It's the second round of the open innovation program in China that the Chinese startups whose products and services have the potential for creating value for physicians, patients, and consumers. Over 130 startups applied for this Program and the four selected ones were involved in a 88-day program training in Bayer's Shanghai Lujiazui office from 28th August. Celina Chew, President of Bayer Group Greater China expressed that the Grants4Apps Shanghai Program focused on nurturing start-ups with digital solutions that tackle a wide range of healthcare issues in China, and Bayer believes such collaborations in this vibrant sector will help to contribute solutions for a better life for people in China.

Duravit: Brand-new Plant in Chongqing Unveiled in September 2017

On 27th September, the new Duravit (China) Plant & Innovation Center, which is located at Luohuang Park, Jiangjin district of Chongqing, opened its door officially. This investment marks a new stage in the progress of internationalization and a significant step of the global expansion

of Duravit. The new plant in Chongqing is the most modern ceramic production facility of the group. Flows of goods will be fully automatic, logistics processes will be made leaner, inventories will be reduced, maintenance processes standardized, and 100% traceability guaranteed. Thanks to the location, the factory plant has excellent airport and railway connections to South East Asia and to Germany. This plant will be capable to produce up to 1.5 million sanitary ware pieces with outstanding quality, excellent function, water saving flushing technologies and highest comfort in use for the Chinese customers.



STULZ 2017 Roadshow Successfully Ends

By the curtain fall in Shenzhen Stop on 13th July, the STULZ 2017 roadshow concluded with perfect ending. Starting from 6th June in Shanghai, the roadshow event successively stopped in Nanchang, Wuhan, Guiyang, Kunming, Lanzhou, Urumqi, Qingdao, Tianjin and Shenzhen. Over six hundred customers and distributors in total have been presented. "Your One-Stop Service" first launched in STULZ Dealer Meeting held in May 2017, is the main subject for the roadshow event this year. Over the past years, STULZ keeps working on expanding product chain and perfecting its service range. By the recent acquisition actions, now STULZ is well equipped to offer a complete cooling solution from hardware to software. STULZ introduced this solution in detail to the attendee on the roadshow and presented new products as well as flexible solutions.

Dex Marshall Appointed as Associate Partner of The St. James's Place Wealth Management Group

Mr. Dex Marshall has recently been appointed as Associate Partner of The St. James's Place Wealth Management Group has over 25 years of experience of working in the financial sector. From managing



a team of over 400 professionals to setting up a successful financial protection business in the UK, Mr. Marshall has accomplished much throughout his career. Mr. Marshall is an Associate

Partner of The St. James's Place Wealth Management Group, which specializes in delivering face-to-face wealth management advice to individuals, trustees and businesses. St. James's Place is a FTSE 100 company with over EUR 83 billion of client funds under management.

Storymaker Becomes Marketing Partner of Alipay

Since July 2017, Storymaker is a certified Marketing Partner of the mobile payment app Alipay. The communications agency, with offices in Germany and China, is the first German partner for activities on the app's own marketing platform. The agency has been doing business in China for ten years and as official Alipay partner, the agency is now able to offer its clients marketing options from inside Alipay's "Discover Platform". By clicking on "Discover", consumers can find stores and restaurants nearby that offer an Alipay payment option. They can read other users' recommendations and get navigation to chosen shopping facilities. Businesses can provide coupons and discounts to those consumers. By regularly updating their Discover entries, merchants have a higher chance of being found by prospective customers.

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Ellen McMillan

Company: HARTING (Zhuhai) Sales Ltd

Job Title/Position: General Manager, Greater China

Year of Foundation: Year 1945

HQ (location): Espelkamp, Germany

Main Business: Industrial connectors, PCB connectors, ethernet switches, cable and harness, RFID, current sensor, industrial PC.

Number of Employees (optional): 600+

What is your personal and business background?

Since January 2016, I am General Manager of HARTING China, responsible for the sales, customer technical support, key account management and industry marketing in China.

I have a PhD in chemistry with a speciality in plating, but have been working in the connector industry in different areas covering R&D, industry business development and manufacturing for more than 15 years. Before joining HARTING, I was mainly working in the consumer industry; so, coming to HARTING was quite a change for me with the industrial markets we are serving.

I have spent most of my career in China, so, for my family and I, China is home now. Being here for over 15 years, I am proud to see the developments the country has made. I enjoy working with the people here because of their enthusiasm, willingness to learn, and quick adaptation to changes.

Tell us a little about your company and activities in China.

HARTING is a family-owned and family-run company founded in 1945. Our CEO Philip Harting is now the third generation leading the company. We are one of the world's leading providers of industrial connection technology. The HARTING range of products and solutions comprises of connectors, device connection technology, network components and ready-to-use system cables.

Our major markets are in transportation, machinery and robotics, automation, and wind energy. We are not only providing connectors into this market, but also making value-added products like cable-connector assemblies for our customers.

We have offices all over China with the

main sales offices in Shanghai, Beijing and Guangzhou. We have manufacturing plants in Zhuhai and Beijing.

How long has your company been active in China? Have there been any major shifts in strategy in that time? Why/ why not?

We first entered the China market back in 1988 and established a plant in Zhuhai in 1998. We are the first global connector manufacturer in the Chinese market awarded the CCC (China Compulsory Certification).

HARTING China has offices in Hong Kong, Shenzhen, Guangzhou, Xiamen, Changsha, Wuhan, Hangzhou, Shanghai, Suzhou, Nanjing, Chengdu, Xian, Zhengzhou, Qingdao, Tianjin, Beijing, Shenyang, Changchun and Taipei. HARTING also has manufacturing sites in Zhuhai and Beijing. We also have a field application engineering team close to all our major customers in China.

HARTING opened a new Zhuhai factory in 2007 and started die casting and injection molding plus connector assembly there. Today, the factory has 500 employees and produces more than 50% products for the China market. China is today for HARTING the second biggest market after Germany.

What has been your strategy in terms of localization: of staff, R&D, production, etc.?

We have started localizing R&D in Zhuhai in 2003. The team has grown significantly since then and especially in the last two years. We have been designing more and more customized products for our local customers in China, as the customer requests close cooperation for their new products plus a quick response.

Developing more new products locally is the key to grow in the Chinese market today. Chinese

companies are not followers anymore, in many areas they now lead the technology and it is important that you are close to the customer and understand their special requirements.

What is your competitive advantage/selling point, what kind of benefits can companies using your products/services in China get?

We are number one in China for industrial connectivity. We are well known here for our reliable, high-quality connectors with excellent performance. Plus, our very wide portfolio with solutions for different kind of customer requirements, which means we can develop products and connecting solutions by proprietary technology, according to customer needs. Customers also value our highly technical sales force.

What are your aims and hopes for the future?

Our aim is to further grow with our customers in China and to build a closer cooperation with our key customers in the development of new products. Another focus is our value-added business, where we have aggressive growth targets in the next couple of years. We also want to add value by providing engineering solutions to the customers in this area.

In the long-term, we want to grow in the area of digitization and offer products and services around our MICA (Integrated Industry Computer Modular Industry Computing Architecture) portfolio. With the manufacturing costs increasing in China, analyzing process data helps the customers to improve efficiency and therefore reduce costs.

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如需更多信息，请致电+86 21 3418 9758，或电邮至cn@HARTING.com。



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4th
July 2017
Event: Training Young Leaders
Topic: Agile (Project) Management – Squaring the Circle
Venue: Hyatt Regency Shanghai Global Harbor
Speaker: Mr. Michael Babilon-Teubenbacher | General Manager, CPC Consulting Beijing, Regional Head Asia
Ms. Christina Heinrichs | Senior Consultant, CPC Consulting Beijing, Agile Transformation Practice
Ms. Betty Hou | Consultant, CPC Consulting Beijing
Moderator: Mr. Tobias Pfuetze | Consultant, mediaman Internet Design Consulting (Shanghai) Co, Ltd.

During the Agile Project Management Training for Young Leaders various parts of agile management were covered and practically used in small training sessions. The three trainers from CPC emphasized the below listed aspects:

Project Duration – An agile approach itself does not automatically mean shorter project durations. It enables the team to collect customer feedback early and frequently, to realize additional speed up potential, therefore project success is much more likely.

Project Scope – An agile approach is especially suitable when problems are complex, customer preferences are hard to predict or change frequently and solutions are unknown. The Product Backlog emerges in the course of the process, since it does not require great details of the target solution when starting to work on a problem.

Project Planning – Of course planning is part of an agile project, however the focus always remains on activities. Instead of spending lots of effort at the beginning to work out a detailed plan, agile teams accept uncertainty and even encourage changes.



4th
July 2017
Event: Taicang Stammtisch
Venue: River Side

7th
July 2017
Event: Alumni Stammtisch – Shanghai
Venue: Haxnbauer German Restaurant and Bar

11th
July 2017
Event: Workshop Automotive
Topic: Digital Services in Automotive – New Business Models: Opportunities and Challenges While Engaging with the Consumer
Venue: BMW Experience Center Shanghai
Speaker: Mr. Joseph Zheng | Vice President, Head of Digital Services and Business Models, BMW
Mr. Esteban Remezc | CIO Asia-Pacific, ZF Friedrichshafen AG
Mr. Stephan Melzer | CEO Minnosphere Innovation lab, msg
Moderator: Mr. Peter Bornschein | General Manager China, MSG Systems

According to Mr. Joseph Zheng, a key strategy of BMW is to create seamless integration of customers' digital life with vehicle to increase the life time value of BMW products. BMW is transforming from a product centric to a customer centric, service oriented company by integrating BMW and partners' premium mobility services and increasing interaction with customers through multiple digital touch points. Furthermore, BMW is building up a mobility user base and is developing an omni-channel ecosystem to market BMW products and services.

As Mr. Remezc explained, ZF is in the process of change as well. The company is transforming into a full automotive supplier and is incorporating new business models with digital solutions for consumers. They developed the first ever block chain automated digital wallet in automotive to pay for services on the go. According to Dr. Stephan Melzer, making money out of data driven business models depends on four key success factors: customer interaction, collaboration of domains, data sovereignty and AI based services.



11th
July 2017
Event: Deutscher Stammtisch – Shanghai
Venue: Paulaner @ Xintiandi
Benefit Partner

11th
July 2017
Event: SUZHOU: Deutscher Stammtisch
Venue: LENBACH Restaurant & Bar

13th
July 2017

Event: Workshop Legal & Tax (Chinese)
Topic: "Practice on outbound payment (Non-trade Overseas Payment)"

Venue: Grand Kempinski Hotel Shanghai
Benefit Partner

Speaker: Ms. Beilin Zhou | Head of Cash Management Product, Standard Chartered Bank

Dr. Yunlin Rong | Associate Partner, Roedl & Partner China

Moderator: Ms. Vivian Yao | Partner, Roedl & Partner

The general statement of the workshop was that the cross-border payment, under the non-trading accounts, shall be conducted by Chinese enterprises. Therefore, it is important to consider the current foreign exchange legislation. According to Dr. Yunlin Rong and Ms. Beilun (Sarah) Zhou, in practice, banks will conduct its due diligence to its clients, who intend the payment under the non-trading accounts. In the course of handling payment under the non-trading accounts, banks will also examine the relevant supporting documents in terms of truth and reasonableness of the transactions as basis for the intended payment. The third main statement of the workshop deals with payments of more than USD 50,000. In these cases, the relevant tax registration shall first be completed prior to application for payment with the bank.



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18th **Event:** HANGZHOU German Chamber Corner
Venue: WADE'S Bar & Grill
July 2017

19th **Event:** Young Professionals Stammtisch - Shanghai
July 2017 **Venue:** Paulaner @ Xintiandi
Benefit Partner

26th **Event:** NANJING Stammtisch
July 2017 **Venue:** Secco Restaurant & Bar

1st **Event:** Taicang Stammtisch
August 2017 **Venue:** River Side

8th **Event:** Deutscher Stammtisch - Shanghai
August 2017 **Venue:** Paulaner @ Xintiandi
Benefit Partner

8th **Event:** SUZHOU: Deutscher Stammtisch
August 2017 **Venue:** LENBACH Restaurant & Bar

11th **Event:** Chinese Workshop
August 2017 **Topic:** Self-Disclosure Report on Royalties and Customs Examination
Venue: German Center Taicang
Speaker: Mr. Wang Hua Qiang | Shanghai Customs College, Senior lecturer
Moderator: Ms. Jia Jing | Administration Officer & Marketing Manager, GIC Taicang

15th **Event:** HANGZHOU German Chamber Corner
August 2017 **Venue:** Haxnbauer

16th **Event:** Young Professionals Stammtisch - Shanghai
August 2017 **Venue:** Paulaner @ Xintiandi
Benefit Partner

16th **Event:** Workshop Legal & Tax (Chinese)
August 2017 **Topic:** Commercial Anti-Bribery Risk Assessment
Venue: LeRoyal Meridien Shanghai
Benefit Partner
Speaker: Ms. Frances Shen | Lawyer, Boss & Young Attorneys-At-Law
Moderator: Ms. Vivian Yao | Partner, Roedl & Partner

Ms. Frances Shen introduced the legal definition and criminal constitutive requirements of commercial bribery, the boundary and the differences of legislative direction between commercial bribery and other acts, such as discount or present. She explained the law enforcement of commercial anti-bribery and gave useful examples.



22nd **Event:** [Members Only] Member Reward Social Mixer
August 2017 **Venue:** Hacker-Pschorr Beer Garden

The German Chamber of Commerce in Shanghai invited its members to an exclusive member rewards social mixer to thank them for being active contributors to the network of the German Chamber of Commerce in Shanghai. The newly opened Hacker-Pschorr Bräuhaus hosted over 40 members and provided a delicious selection of Bavarian delicacies.



Harvey, Wang Huawei

Company: Weidmüller Interface (Shanghai) Co., Ltd.

Job Title/Position: President of Greater China

Year of Foundation: 1948 in Germany, 1994 in China

HQ (location): Detmold, Germany

Main Business: Products, solutions and services in the industrial environment of power, signal and data.

What is your personal and business background?

I have been in Weidmüller for more than six years. I began my career as Director of EC&DC Division at Weidmüller. I was responsible for sales and marketing of Greater China as General Manager in 2013. In 2016, I was appointed as the President of Greater China.

Tell us a little about your company and activities in China.

Weidmüller entered China more than 20 years ago, and now we have a wide sales network and complete service system. 16 offices have been set up in China, providing customers with more convenient sales and technical support. Weidmüller has rich product lines and solutions. All our products have been certified by UL, CSA, Lloyd, ATEX etc. These certifications verify

the high quality of our products to be widely used in machinery, power, oil, gas, chemical, transportation, metallurgy, device manufacture and infrastructure etc.

We have a huge Asia-Pacific logistics and assembly center in the Shanghai WGQ Pilot Free Trade Zone, serving the Asian market with sufficient stocks.

In 2010, we set up two R&D Centres in Shanghai (Electronics) and Suzhou (Electrical Connectivity) to get in-depth knowledge of the market.

What are the main challenges you encountered operating an international business in a Chinese environment?

To take root in China, to serve local customers in time and meet the various needs of customers, Weidmüller China, as the pioneer of innovation

and localization, has invested considerable R&D efforts in China. We have R&D centers in both Shanghai and Suzhou. We also received support from our German headquarters from R&D to technology and engineering, to cooperate with local customers. Weidmüller has provided customized services, and achieved good results and positive feedback. In the future, we will actively expand the company's R&D and industry management resources with local industry associations and schools to drive force in our innovation and localization.

What are your aims and hopes for the future?

We want to enable our customers to implement data-driven services based on a platform-independent approach, which allows us to provide our solutions within virtually any cloud service. With our solutions, customers can decide whether they wish to use analytics solutions via the cloud, on site or at field level, meaning they are not restricted to a specific platform.

The aim is always to help our customers reach the next level and generate real added value from their data through a combination of domain and analytics know-how and by using artificial intelligence processes.



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23rd
August 2017 **Event:** [Members Only] Breakfast Meeting with Prof. Dr. Klaus Segbers
Venue: German Chamber of Commerce Office
Speaker: Mr. Prof. Dr. Klaus Segbers | Chair of Political Science, Institute for East European Studies & Professor for International Relations, Otto-Suhr-Institute for Political Science (OSI) at the FU Berlin

For Prof. Dr. Klaus Segbers, the European Union has reached some important achievements, which make life in the EU stable and secure. However, populism remains a challenge, which needs to be addressed.

Globalization and uncertainties resulting from globalization are the main triggers of populism. In his opinion, to address the issue of populism it is important to consider those triggers first since root causes of populism are located therein.

Prof. Dr. Klaus Segbers stated that there is a direct correlation between populism and uncertainties. Populism promises simple answers or solution to challenges, which people face.

Topics most used in populism are transnational trade, the conflict between "elites" vs. "real" people, the credibility of media, unregulated immigration, and the EU and the overall promise is that national borders need to be strengthened to solve other problems.

Prof. Dr. Klaus Segbers concluded that there is no clear way to act against populism. Social networks are important amplifiers that form opinions quickly. Therefore, referenda can be ambivalent. However, focusing on complex explanations to counter the simplistic approach of populism is not a solution. Neither is focusing only on facts (e.g. on economics) and neglecting culture related matters.



24th
August 2017 **Event:** [Members Only] Future Leaders Summer Mixer in Cooperation with AmCham
Venue: Naked Hub Fuxing Road

25th
August 2017 **Event:** Nanjing International Women's Forum
Topic: Experience Sharing, How Does Having Children Influence the Career Developments of Women?
Venue: Dreamespresso
Speakers: Ms. Marijanne Johansson, Clinic Manager at Raffles Medical

The Nanjing International Women's Leadership Forum (NIWLF) is Nanjing's first inter-chamber professional women's network and a collaboration between:

- European Chamber of Commerce in Nanjing
 - German Chamber of Commerce in China
 - American Chamber of Commerce in Shanghai Nanjing Center
- The Nanjing International Women's Forum: "Experience Sharing, How Does Having Children Influence the Career Developments of Women?" was held at Dreamespresso near the Presidential Palace on 25th August from 2:30pm to 4:30pm. Ms. Marijanne Johansson, Clinic Manager at Raffles Medical gave a highly personal, insightful and challenging talk about her experiences on how children influence career developments of women. The Nanjing International Women's Leadership Forum (NIWLF) offers senior female executives in the international business community opportunities to connect with peers in the Nanjing community and broaden business experience across industries and cultures. NIWLF organizes regular events and is jointly organized by the European Chamber of Commerce in Nanjing, German Chamber of Commerce in China and American Chamber of Commerce in Shanghai Nanjing Center.

29th
August 2017 **Event:** [Member Only] Special Excursion: "Plant Visit - Hazardous Waste Management by SITA Waste Services at Shanghai Chemical Industry Park (SCIP)"
Venue: Shanghai Chemical Industry Park (SCIP)
Speakers: Mr. Thierry Beheregaray | General Manager at Suez Recycling & Recovery Asia Incineration Business Unit
Moderator: Mr. Josph van der Elst | Deputy Managing Director, energydesign (Shanghai) Co. Ltd





Dr. Jürgen E.L. Meyer

Company: YanJie-Horizon
Professional Consultancy & Services
Job Title: Managing Partner
Year of Foundation: 2017
HQ: Cologne and Shanghai

Please tell us something about YanJie-Horizon. What is your key business?

"YanJie-Horizon" stands for our approach to "Think Business Beyond the Horizon". We like to tackle challenges in a sustainable way to avoid short-sighted solutions. Our core businesses are the "Virtual CFO" and professional trainings we offer. All our trainings cover finance, accounting, corporate management and SAP applications.

What may I understand by "Virtual CFO"?

The starting point is that every company needs someone with the commercial view on everything. This is normally the CFO. The CFO is in charge of ensuring success in the long run. But not all companies are large enough for an own professional CFO. On the other hand, sometimes additional work capacity is needed

for optimization of processes in the company. The "Virtual CFO" we offer is real as we stipulate presence time in the client's company and is flexible to contribute additionally as needed.

Does that mean you have to travel a lot?



More or less. We are busy with different clients mainly in the larger Shanghai area. And we visit headquarters in Europe to ensure close understanding and good communication. Our role is to be the connector between headquarter and the Chinese entity. A mutual understanding for the Chinese situation and the overseas targets must be achieved to ensure success. We support that proactively.

As results need to be sustainable, we offer trainings for employees to improve their

economic understanding in operations and to promote their commercial view. We change for best practice by improving processes. This includes the optimization of SAP processes if applicable. We have long-term experience in that field and offer a real added value for the clients.

What is your personal background?

After finishing my studies in business administration (Cologne and Münster), I worked for Henkel in IT organization and finance for 10 years. In 1997, I founded Synscience® a consultancy for financials and SAP® products. I had leadership in national and international projects. Additionally, I had university teaching assignments for SAP applications in controlling and IFRS. My partner Michael Detlefs worked in the field of auditing and tax consulting and as head of finance in an international telecommunication company from 1988 till end of 2005. He is busy as a consultant and interim manager in SMEs since 2002 in Germany, then later in China.

Thinking Business Beyond the Horizon

<p>YanJie-Horizon Professional Consultancy & Services</p> <p>Dr. Jürgen E.L. Meyer & Michael Detlefs</p> <p>Cologne - Shanghai www.yanjie-horizon.de</p>	<p>Virtual CFO</p> <p>SAP Financials</p> <p>Professional Training</p> <p>Cost Control and Restructuring</p> <p>Business Processes Optimization</p> <p>Cross Border Investments</p>
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31st

August 2017

Event: August Chamber Meeting
Topic: "Whose Belt, and Which Road?"
Venue: Grand Kempinski Hotel Shanghai
Benefit Partner

Speaker: Ms. Mary Boyd | Director, The Economist

Moderator: Ms. Bettina Schoen |
 Chairwoman at the Board German Chamber
 of Commerce in Shanghai, General Manager
 at Freudenberg Management (Shanghai) Co.,
 Ltd.

The plans of the Belt and Road Initiative China has brought many questions to the minds of business professionals in China. Therefore, The German Chamber of Commerce in China | Shanghai had the privilege of hosting Ms. Mary Boyd, Director of The Economist Shanghai for the August Chamber Meeting. Almost 200 guests attended the event to hear her speech entitled "Whose Belt, and Which Road?"

Ms. Bettina Schoen-Behanzin, Chairwoman of the Board and moderator of the evening, gave a warm welcome speech, especially after the long summer holiday. There were many new faces to introduce to the German community in Shanghai. First, her excellency Dr. Christine Althausen, the newest Consul General of Germany in Shanghai made an introductory speech along with Deputy Consul General Ms. Claudia Spahl. Mr. Jan Jovy, General Manager of the German Industry and Commerce Shanghai followed with some additional remarks. After guests enjoyed a meal, Ms.

Schoen-Behanzin introduced Ms. Boyd and her extensive experience in China and on the topic of the Belt and Road Initiative. Ms. Boyd then started her speech, noting the significance of the timeline of the Belt and Road Initiative, with the idea sprouting in 2013, a year after President Xi Jinping took office. She then went on into the history of the Initiative and how it began to gain interest throughout Chinese political entities. Her speech then talked about how the idea expanded throughout the world and how significant events such as the U.S. withdrawal from the Trans-Pacific Partnership and the One Belt, One Road forum of 2017 furthered this immense concept. Ms. Boyd concluded that in the future there is hope for not only more business opportunities but more clarity and transparency in what One Belt, One Road projects will bring for the future.

The Chamber Meeting ended with a Q & A session, where the audience voiced skepticism towards the project and its completion. From the speech and the questions answered, it is clear that the Belt and Road Initiative has many moving parts involving many international agencies working together to bring business globally.





Jiangbing Wang

Company: KUKA Systems China
Job Title/Position: CEO of KUKA Systems China
Year of Foundation: 2000
HQ (location): Augsburg, Germany
Main Business: Industrial automation solutions

What is your personal and business background?

In last 27 years, I was mainly working for German companies with diverse commercial and management function. I joined KUKA Systems China three years ago and could further develop our business rapidly with our well specified strategy and business models.

Tell us a little about your company and activities in China.

KUKA Systems (China) Co., Ltd. (hereafter as KSC) provides automation solutions for automobile industry, especially in body-in-white business as well as powertrain solutions. Many international and Chinese car makers are our customers. We commit to provide state-of-art automation solutions to the Chinese market with ideal combination of advanced technology

from Germany and competitive local resources and efficient logistic concepts. Our company's revenue has seen a significant growth in recent years.

Why did your company choose to locate to where it did?

We are an engineering company having high demand on talented employee with technical and management competence. Shanghai is the economic center of China, gathers numbers of talent from all over the world. As a hi-tech company, we also received valuable support from local government. Our new plant in Shanghai Songjiang district will be put into operation at end of 2017. The new production hall will provide sufficient space for our operation and improve our efficiency.

What is your competitive advantage/selling point? What kind of benefits can companies using your products/services in China get?

Our company has been settled nearly 20 years ago in Shanghai/China. We have successfully transferred technical know-how and management competence to our local team, which enables us to have better understanding about the demand and technical specification of our international customers based on our cooperation with them in Europe and America, so that we are able to provide our customers comprehensive automation solutions. Our performance covers project design, simulation, virtual commissioning, supply chain management, installation & commissioning project management, as well as after sales. With our localization progress, we have been continuously optimizing our cost structure to make us more competitive on Chinese market and benefit our customers. Our customer base has been expanded to leading Chinese car makers with multi-beneficial effect: state-of-art technology and solution with competitive price. Furthermore, we are achieving synergy with our HQs in Germany in the way that we are getting full technical support from our HQs anytime we need, and we are sharing the most updated R&D result from our global resources.

KUKA

Intelligent automation solutions in networked industrial manufacturing

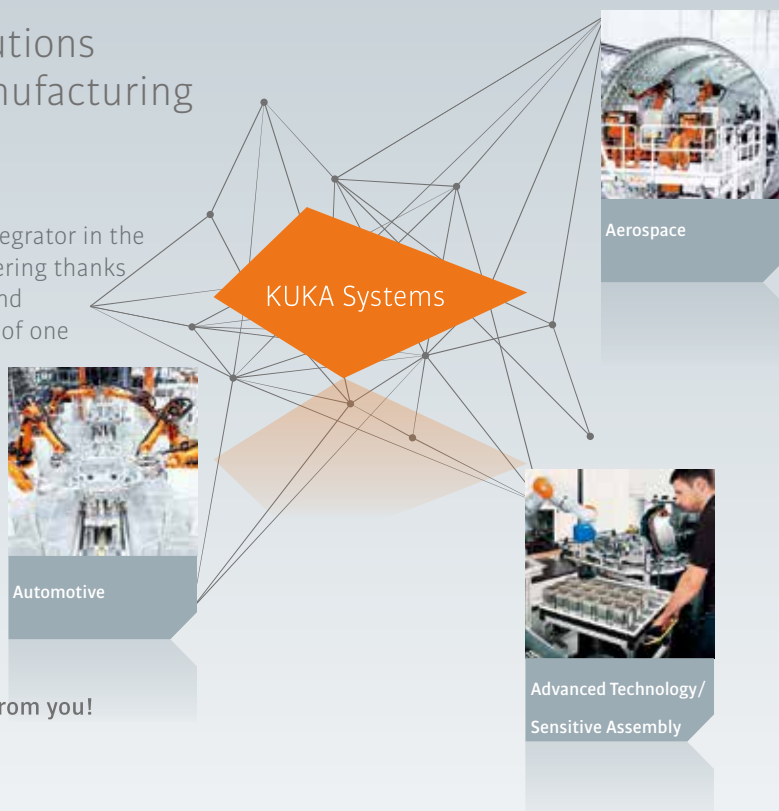
We stand out as the international systems integrator in the fields of systems and special-machine engineering thanks to customer focus, technological leadership and superior solutions. Benefit from the expertise of one of the world's leading suppliers of automated production and assembly solutions for industrial manufacturing.

For the implementation of custom-tailored complete solutions that cover the entire value chain of your production operations.

Productivity begins with the right connection.

KUKA Systems – We look forward to hearing from you!

www.kuka.com



Training Calendar Shanghai

10 th - 13 th October	High Voltage Safety of Electrical Vehicles LV2A new	21 st - 22 nd November	Essential AutoCAD Skills: 2D Drawing Intermediate
13 th October	Preventive Quality Assurance – Design and Process FMEA	21 st - 22 nd November	Working with Excel Macro & VBA
16 th October	SHOP FLOOR MANAGEMENT	21 st - 23 rd November	ISO 26262 Functional Safety Certification Program new
16 th - 17 th October	Crash Course Controlling for Non-Financial Managers & Professionals	23 rd - 24 th November	Customs Clearance Efficiency and Cost Control
16 th - 17 th October	MS Office Advanced Skills for HR	24 th November	Systematic Approach to Failure Prevention - Poka-Yoke
16 th - 18 th October	Design of Experiment (DOE) new	27 th November	Managing Emails and Schedules Using Microsoft Outlook
17 th October	Excel Data Management and Analysis	28 th November	Improvement of Production Quality new
17 th - 18 th October	German Business Culture		
17 th - 18 th October	Excellence in Customer Service		
18 th - 20 th October	Controlling in 5 Stages: Stage 5 "Presentation and Moderation"		
19 th - 20 th October	Creative Problem Solving & Decision Making		
23 rd - 24 th October	MS Excel Advanced Skills for Finance		
23 rd - 24 th October	Convincing & Influential Power – Persuade Others and Sustain Impact new		
23 rd - 25 th October	Essential AutoCAD Skills: 2D Drawing Basics		
24 th - 26 th October	BRC – Food (British Retail Consortium – Food Technical Standard) (7th edition) Internal Auditor new		
25 th October	High Voltage Safety of Electrical Vehicles LV1 new		
26 th October	Selecting the Right People for Your Team new		
26 th - 27 th October	Lean Production Enabled by Industry 4.0		
2 nd November	Expatriate Employment – Dealing with New Legal Challenges		
2 nd - 3 rd November	Key Account Management Workshop		
2 nd - 3 rd November	Working Smart with Word		
3 rd November	How to Design Your Production Line Lean and Intelligent?		
3 rd - 4 th November	Building High Performance EA / PA / Assistants Training		
6 th November	Fundamentals of Access Database		
6 th November	SHOP FLOOR MANAGEMENT		
7 th - 8 th November	Cross-Cultural Training-Virtual Communication		
7 th - 8 th November	Leadership Coaching Skill (LCS)		
7 th - 8 th November	Advanced Application of Access Database		
9 th - 10 th November	Strategic Thinking		
10 th November	Flexible Production Planning: The Key to Competitive Edge		
13 rd - 14 th November	Working Smart with PowerPoint		
14 th - 15 th November	Bridging the Culture Gap-Living, Working and Leading in China		
15 th November	Successful Design with PowerPoint		
16 th November	Chinese Labor Law in a Nutshell – Explained to Foreigners		
16 th - 17 th November	Project Management		
17 th November	Application of 5S Principle and Visual Management into Demonstration Line of Industry 4.0		
20 th November	Unveiling the Secret of Data: PivotTable in Depth		
21 st - 22 nd November	EQ Coaching new		

Training Highlights - Shanghai

Convincing & Influential Power – Persuade Others and Sustain Impact **new**

In today's ever changing and challenging work environment, your managers strongly rely on your ideas and input as an experienced employee to drive the business. Nevertheless, many well-trained experts of all industries are rich in creative ideas but lacking of influence and the power and abilities to push for them and persuade others. In this workshop you will gain core insights and learn on how to access and evaluate the main motives and triggers, that in the best way will support your new ideas, concepts, and plans etc. Subsequently, you will learn and train essential skills to organize, design and deliver them in way that is easy for your managers to grasp and comprehend the core issues in a very time efficient way. By applying these "best-own-practices", you can make sure your lasting impact.

Expatriate Employment – Dealing with New Legal Challenges

Hiring expatriates in China is becoming increasingly complex. Recent developments in the legal and economic environment have profound implications on choosing the right employment structure. Drafting appropriate contracts depends on a whole range of aspect, including employment law, social insurance, tax, immigration in addition to general HR considerations.

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New Benefit Partner Shanghai

For a detailed description of our Benefit Partner Program, please visit our website: <http://china.ahk.de/chamber/benefit-partner>

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Benefit: 12% discount every Wednesday. Order before 16:00 and enjoy same day delivery. Free delivery for orders over RMB 200. To receive your voucher code, please email marine.l-herrou@fieldschina.com. Please be sure to include a picture of your German Chamber Membership Card.

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 Changle Studio: 1219 Changle Road, 14th Floor, Xuhui, Shanghai
 长乐店: 上海徐汇区长乐路1219号长鑫大厦14楼
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 Email: travel@okdealclub.com
 Wechat: okdealclub
 Wechat: www.okdealclub.com



Benefit: 10% off all travel packages

New Economic Analyst at the German Chamber Shanghai



In mid-July 2017, Ms. Josipa Markovic joined the German Chamber of Commerce in China | Shanghai as its new Economic Analyst. Ms. Markovic holds a Master's degree in Business and Economics from the University of Basel. Prior to her move to Shanghai she worked in multiple economic and financial departments within the banking industry in Switzerland. Ms. Markovic can be reached via phone at +86 (0)21 -5081 2266*1647 or via email at markovic.josipa@sh.china.ahk.de

New Project Manager for Special Projects



On 7th August 2017, Ms. Jueye Liu joined the German Chamber of Commerce | Shanghai as its new project manager for special events. In this position, her responsibilities include organizing large-scale events such as The German Ball, The Welcome Back Party as well as different workshops and roundtables. She received her bachelor's degree in German language and literature from Fudan University.

Afterwards, she spent two and a half years at the University of Heidelberg in Germany and graduated from the master program of "German in Cultural Comparison" in literature studies. From 2014 to 2015, she worked as program coordinator for educational events at the Shanghai office of Austrian exchange services (OeAD). Then she joined the German academic exchange service (DAAD) from 2015 to July 2017. She is excited to join the professional team at the GCC. She can be reached at 5081- 2266 Ext. 1850 and liu.jueye@sh.china.ahk.de in Chinese, German, and English.

German Chamber Shanghai Engages University Students in CSR Challenge at Global Politics Summer School



As an outreach event to engage young talents in CSR, the German Chamber of Commerce | Shanghai was invited to co-host a CSR seminar and a students' competition on CSR projects at the Global Politics Summer School China on 24th and 30th August 2017, a cooperation between Freie Universität Berlin and Fudan University Shanghai.

In the spirit of the CSR initiative "More than a Market", 25 students from Shanghai's leading universities together with German students learned about CSR approaches in German companies in China. After a key note speech by Dr. Sigrid Winkler, Executive Chamber Manager, German Chamber of Commerce China | Shanghai, Ms. Aoshuang Xiao from "More than a Market" award-winning company LANXESS Chemical (China) gave first-hand insights into LANXESS' CSR strategy and projects. The students then designed their own CSR projects and engaged in vivid discussions with Ms. Ines Sieckmann who is responsible for the Chamber's own CSR initiative "More than a Market". They discussed the challenges of different industries – such as textile, ship-building, electronics etc. – for good CSR management across each industry's value chain. A jury including Weiguo Wang (Siemens), Tim Wenniges (Konrad-Adenauer-Stiftung), Prof. Klaus Segbers from FU Berlin, Prof. Bo Yan (Fudan University) and Ines Sieckmann (German Chamber) awarded first prize to a student project proposing empowerment of young mothers to increase postpartum mental health in China, where many mothers are traditionally kept inside the house for several weeks after giving birth. The second prize winning project idea tackled the growing problem of e-waste in China by replacing traditional selling with leasing and recollecting, refurbishing or recycling of e-products.



Thanks to Our Yearly Sponsors 2017/18

Guangzhou Office



Shenzhen & West PRD Office



European Buyers Council Co-Organizes EeIE



The largest and most influential exhibition in the field of intelligent manufacturing – the 3rd Shenzhen International Intelligent Equipment Industry Exhibition & the 6th Shenzhen International Electronic Equipment Industry Exhibition was held successfully in Shenzhen Convention and Exhibition Center on 27th – 29th of July 2017. European Buyers Council, as a co-organizer of EeIE, was responsible for the exhibition and organization of the German Manufacturing Pavilion. Around the theme of "Collaboration between Industry 4.0 and Chinese Manufacturing 2025", EBC invited nine German companies from Germany, Austria and Switzerland to participate in the exhibition, showing the audience and the full range of result of European advanced manufacturing and service industry. Furthermore, EBC reached a cooperation intention with a number of domestic enterprises during the exhibition. Exhibitors included SICK

AG, TÜV Rheinland AG, Dr. Escherich GmbH, Schneider-Kreuznach, Active Solution AG, TR Electronic GmbH, Prohmex GmbH, and Rey E-Technik GmbH.

2017 Haufe China "Prairie Trip" Team Building

On 12th August 2017, Haufe China's family went to Inner Mongolia to get in touch with nature, and have an opportunity to have fun with all co-workers. During this activity, Jochen Schultz, Haufe Business Development China Director, announced the company's goal, "As a leading corporate business training in China, we hope to spread the world's advanced management concepts and practical knowledge to the enterprises around China." This outing strengthened the intimacy between employees. There was nothing except fresh air, beautiful views, tasty food and lots of laughter.



Maxmore Open's New Injection Shop



Maxmore is pleased to announce that its Injection shop at its Dongguan Facility is now completely operational. The fully air-conditioned Injection Molding Shop consists of fully electric machines from 60 – 150t clamping force with fully automatic part and material handling to ensures all-year round, consistent, high quality parts. In addition to this, Maxmore is proud to be the first in China to take delivery of the new Dr Boy XXS 6t Micro Injection Molding machine to produce parts with shot weights as small as 0.1g. Technik Shenzhen. He thanked politicians, administrators, the company's customers and his team for fifteen years of excellent teamwork, "such successful cooperation is based on high esteem and mutual trust."

New Managing Director for Melchers (Guangzhou) Ltd.

Stefan Woditsch was newly appointed Managing Director of Melchers (Guangzhou) Ltd. in July 2017. Before joining Melchers, Mr. Woditsch held management positions in the freight forwarding



and logistics industry in Singapore. In China since 1866, Melchers is a leading service provider supporting companies to gain a foothold on the markets of the future. Mr. Woditsch is looking forward to leading Melchers (Guangzhou) Ltd. to the next steps of the trading business in South and Southwest China.

Innovations and Expansion Made by Rehm China

Rehm Thermal Systems, headquartered in Blaubeuren, Germany, is a specialist for thermal system solutions and produces innovative manufacturing equipment for the electronics and solar industries. In 2004, China offers opportunities for innovation and allows new markets to be conquered, a new subsidiary in Shenzhen was founded. Soon then after a rapid expansion, Rehm moved to Guangdong, Dongguan in 2007 to meet with the growth requirements. Now after ten years of success and more than 250 employees at Rehm in China with a 7000m² facility, Rehm decided to expand from China to Taiwan, Thailand, South-Korea and India within 2017 to ensure direct support for sales and service and technology centers to be close to customers and to continue Rehm's Thermal Systems success story.



Dual-way Vocational Education Project

Shunde Kautex has launched its Vocational Education and Training project, which allows students to train to the standards used in Germany. To start the project, which will initially run for three years, the company joined forces with the government of Guangdong and the local Light Industrial Technology School. Additional support will be provided by the German Chamber of Commerce. To date, Shunde Kautex has signed a cooperative agreement with the school. As a



next step, practical training will be implemented at Shunde Kautex. The project benefits students by allowing them to expand their practical skills and prepare for entering the job market. The company will benefit in recruiting qualified staff by supporting education and training in China. Because of this outstanding project, Shunde Kautex therefore has got a trophy of Award 2017 in recognition of the commitment at growing roots in Chinese Society from the "More than a Market" initiative.

New CFO for SSMR



Harald Schmitt was newly appointed CFO of Siemens Shenzhen Magnetic Resonance Ltd. (SSMR), a wholly owned subsidiary of Siemens Ltd., China and rooted in China since 2002. He completed his studies at Friedrich-Alexander-University in International Law and Economics. During that time, he joined one semester abroad at the Qingdao Ocean University. Since joining the company in 2006, he held various positions within Siemens. Prior to his current position, he was working in the United States as Senior Director Controlling & Marketing within Siemens Molecular Imaging in Hoffman Estates, IL. SSMR serves global customers in the field of MRI systems by consolidating R&D, manufacturing, logistics, marketing, technical support and comprehensive services under one roof. SSMR strictly follows Siemens' global quality standard throughout whole product lifecycle and offers a broad product portfolio.

New Project Collaboration: SSGKC



SSGKC is one of the iconic projects of Sino-Singapore collaboration, which was jointly initiated by Guangdong and Singapore after the Suzhou Industrial Park and Tianjin Eco City projects. With the emphasis to draw talents and high-value industries, SSGKC aims to be a key driver for Guangdong's economic transformation to develop and accelerate the clusters of knowledge-based industries such as New Generation ICT, Medical & Biotechnology, Intellectual Property Protection & Service, New Energy & Clean Technology, Digital & Creative, Advanced Manufacturing and Operational HQ

economy. To date, it has successfully attracted merely 500 international and local investors with a total registered capital of RMB 82.4 billion including Ascendas OneHub GKC, P&G, GE, Bei Gene, Sun Yat-sen University Cancer Centre, Hengjiang Proton Therapy Center, SIPO Patent Examination Cooperation Guangdong Centre, Alpha Silicon Valley Project, China Telecom South Innovation Incubation Base, China Unicom Mobile Internet Innovation Base; among others.

uvex Participates in National Distributor Conference



Only those with the best up-to-date PPE knowledge can competently protect others – our mission of protecting people is more than a mere marketing slogan. The uvex China National Distributor Conference was held from 12th to 14th July 2017 with the subject – New Journey · Win Together. The uvex group and uvex China both achieved their fiscal year's target and expressed their thanks to all those involved for their excellent cooperation. During the event, 44 guests from 21 cities of China mainland were trained in uvex portfolio, shared strategies and lesson learned. What an exciting event at the National Distributor Conference and uvex would like to thank their clients and all participants!

KK Mold (Shenzhen) Co., Ltd. Celebrates 13 Years

KK Mold celebrated 13 years in China. KK mold was founded on 1st September, 2004 and has more than 450 battle companions, occupied 20,000 square meters factory area, and has 1000 set mold production capacity annually. Over the years, they have been excited to serve world famous brands with interior and exterior accessory needs. During these past 13 years, KK Mold has expanded their business and built two companies, KK Mold for molds manufacturing and KK Tech for mass productions. KK Mold would like to take this opportunity to thank their customers for their ongoing support over the years. They will make their best effort to better serve their customers all over the world.



The First Discover Germany Festival in Guangzhou



With this year marking the 45th year of establishment of a diplomatic relationship between Germany and China, the German Chamber of Commerce in China | South & Southwest China together with General Consulate of Germany in Guangzhou and Kingold Century held the first "Discover Germany" festival in Guangzhou on 30th June to 1st July 2017. The festival attracted more than 30 sponsors and partners to participate to the "Discover Germany".

Festival Commencement by Acting Consul General of German Consulate

The opening ceremony was held at 5:30pm with a speech by acting Consul General of German in Guangzhou, Mr. Dirk Lechelt, wishing for great success and bringing the German culture and experience to Guangzhou. Afterwards, Mr. Ulf Reinhardt, treasurer of the board of director for German Chamber of Commerce in China | South & Southwest China and Mr. Jens Hildebrandt, delegate & chief representative for Delegation of German Industry & Commerce in Guangzhou expressed their appreciation to all sponsors, co-organizers, as well as all the Chinese authorities including the Guangdong Foreign Affairs Office, Tianhe and Xiancun Police Station, the Xiancun Street Committee, and the Xiancun



City Management Office. After the opening ceremony photo was taken, the festival officially started.

A Festival for the Whole Family

With the hot summer breeze but various and exciting presentations and entertainments, over 1,500 visitors, foreign and local alike, came to the festival to have a wide range of experiences of Germany, from advanced technology, latest trendy cars, user-friendly home products to refreshing imported beer, traditional food, and large collection of sweets. Visitors tried their luck at the lucky draw section of festival and won special prizes sponsored by airline, restaurants, medical institutions, education institutions, participating sponsors, specially thanks to Turkish Airlines. Children had fun at the kid section, organized by Guangdong TV Station. In the tents of Brez'n, Paulaner, WineSpace, Teekanne and Trolli, various caterers provided western food, beer, wine, tea, fresh juice, and even sweets to the visitors.

The Discover Germany Festival was more than just a festival. It also offered the perfect opportunity for an intercultural exchange between Chinese and German spectators outside the office in a pleasant and relaxed atmosphere, complimented by a beautiful, sunny day. Families gathered together and new friendships were made.

Entertainment from the festival

After a great day of experiencing German Culture, the festival continued with a lively performance by the ROYAL'S live band when night fell. They entertained the audience with their impressive yodelling skills, playing an array of German, English, Chinese and even Cantonese songs. They also played their version of modern pop songs. The highlights of the evening were yet again the active participation of the audience going on stage dancing along with the music and the mascot of FC Bayern Munich Football club, Berni. Visitors even got the opportunity to take pictures with the mascots from Trolli and Bayern Munich Football club, participate in variety interactive games, competitions, and dancing under instructions of the host. Besides the entertainment, guests enjoyed a traditional German dinner and imported German Paulaner beer in Brez'n with the German Chamber of Commerce in China | South & Southwest China and General Consulate of Germany in Guangzhou.

The German Chamber of Commerce in China | South & Southwest China would like to thank all spectators of the Discover Germany. A special thank you goes to the co-organizers: General Consulate of Germany in Guangzhou, Kingold Century and That's PRD, and the patron of the Guangdong Foreign Affairs Office. Furthermore, the German Chamber would like to thank all the sponsors of Discover Germany who provided great support and played a big part in the success of this event, including Diamond sponsors: Borgward, Denza,



FAW-Volkswagen, Paulmann & Zhongde Metal Group, Gold Sponsors: Brez'n, ETS Lighting, Herrenknecht, Faber-Castell, Paulaner and Silver Sponsors: Duravit, DS German Lifestyle, German Tourism Board, Haufe, IQAir, JJB International Montessori AMI Centre, Lufthansa, Teekanne, Trolli, WineSpace, and WMF.



New Members South & Southwest 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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New Project Manager in Chengdu



The German Chamber of Commerce in China | South & Southwest China is glad to introduce Ms. Stephanie Wang who has taken on the Project Manager position in Chengdu on 22nd May. Ms. Wang completed her bachelor's degree in German philology in Xi'an International Studies University and a dual bachelor's degree in tourism management & business studies in Hochschule Konstanz University of Applied Sciences (HTWG). With her three years of experience in living, studying, and working in Germany, The German Chamber of Commerce in China | South & Southwest China believes that she will be a reliable right hand of team in Chengdu. A successful start to Ms. Wang in her new position. You can connect Ms. Wang via E-mail at wang.yingyue@gz.china.ahk.de or tel. 028-8533 6841.

New Benefit Partners South & Southwest China

For a detailed description about our Benefit Partner Program, please visit our website: <http://china.ahk.de/chamber/benefit-partner>

DeYing Wine Trading Co.Ltd.
广州德鹰酒业有限公司
NO.13, Nimble Shangpin Mansion, Xingxue Road, Panyu District, Guangzhou
广州市番禺区市桥东环街兴学路敏捷上品公馆13号
Tel: 185 2033 0744
Tel: 020 3114-6069
Email: joerg.guenther.neumann@gmail.com
Benefit: 15% discount on the shelf price for all our imported Wines from Germany Italy and France.

South & Southwest China Training Highlights

12th – 13th October 2017 (SZ): Supervisory Management Skills

The objective of management is to achieve results through people. As a supervisory staff, do you know how to get things done through others effectively? Do you understand the role, responsibilities, and skills needed for being a successful manager? This training program will not only provide you with the answer to the above questions but also lead you to walk through the latest management topics/tools which are tailored for newly or ready to be promoted team leaders and supervisors. Training Language: Chinese

8th – 9th November 2017 (GZ): Leadership Skills for Advanced Managers

This training helps you increase awareness of personal effectiveness as a manager and execute advanced leadership performance. You will learn how to build up team with diversity, how to delegate effectively, and how to solve conflicts that may happen in your team. After the training, you will be able to ensure high performance by motivating and monitoring your subordinates. Training Language: English

30th November – 1st December 2017 (GZ): Develop Employees' Potential -Leadership Coaching Skills

The course aims to provide organizations the ability to invest in their own people by training leaders as coaches to work directly with employees. It will equip leaders with the key coaching skills of "listening-asking-discerning-feedback" rather than giving direct instructions, helping staff optimize their ability of independent thinking and judgment to gain maximum efficiency at work while enhancing greater organizational performance.

Training Language: Chinese

14th December 2017 (CD): Creative Problem Solving & Decision Making

Faced with complex, open-ended, and ever-changing challenges, organizations need to realize that constant innovation is critical to stay ahead of the competition. As a leader, how effective do you manage these business difficulties? Can you break thought patterns and think differently? This workshop will teach you how to utilize tools to spark creativity, and enable you to develop comprehensive approaches to solve problems with fresh ideas and make high-quality decisions

Training Language: Chinese

Chamber Event Calendar

Date	Event
12 th October	German Wine Tasting
24 th October	Manufacturing Roundtable
30 th October	Roundtable: Opportunities & Risks of Investing in Vietnam
31 st October	Roundtable: Opportunities & Risks of Investing in Vietnam
End of October	Oktoberfest Shenzhen
18 th November	Guangzhou German Chamber 2017 Football Tournament
10 th November	Shenzhen HR Summit
14 th November	Shenzhen German Chamber Kammerdinner
14 th November	AHK Smart City Forum
9 th December	Guangzhou German Chamber 2017 Christmas Market
Beginning of December	Interchamber Christmas Dinner Guangzhou
Beginning of December	Interchamber Christmas Dinner Shenzhen

Training Calendar October – December 2017

Date	Training
12 th – 13 th October 2017	Supervisory Management Skills
17 th October 2017	Business Email Writing
19 th October 2017	Equipment & Facility Safety Audit
26 th October 2017	Project Management Essentials
8 th – 9 th November 2017	Leadership Skills for Advanced Managers
17 th November 2017	Difficult Customers & Complaint Resolution
24 th November 2017	Effective Retention of Talented Employees
30 th November – 1 st December 2017	Develop Employees' Potential - Leadership Coaching Skills
14 th December 2017	Creative Problem Solving & Decision Making

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