

Ticker

German Chamber

06 | 2017

December

Business Journal of the German Chamber of Commerce in China

www.china.ahk.de



GREEN GROWTH & SUSTAINABILITY

CHANGING BUSINESS, CHANGING ENVIRONMENT

**No Loss of Know-How,
No Job Reductions**

Interview with Mr. Wolfgang Müller of
IG Metall Bavaria District

Investing in Green

How Will Recent Incentives in China's Green
Industry Affect Your Investment Plans?

Buying Health Abroad

Chinese Customer Expectations
Trigger International Patient
Management Industry



PINGHU ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE

bader
gruppe



PRECISION TSUGAMI



Nidre
-All for dreams



posco



中国·平湖

Pinghu is located between Shanghai and Hangzhou
75 km to Shanghai Inner Elevated Ring Road
110 km to Hangzhou city center
100 km to Suzhou

Seaport

Shanghai International Shipping Center: 90km
Zhapu Port: 14km
Shanghai Wusong port: 110km
Ningbo Port: 120km

Highway

G60 Shanghai Hangzhou Expressway
S11 Zhapu-Jiaxing-Suzhou Expressway
G15 Hangzhou-Pudong Expressway
S7/G92 Hangzhou Bay Ring Road Expressway

Railway

Jiashan South High Speed Train Station: 8km

Lisa Zhang (German, English)

Mob: 18268333322

Email: 18268333322@139.com

Steven Si (English, Spanish)

Mob: 18268333355

Email: 18268333355@139.com



MONTFORT ADVERTISING – GLOBAL FULL-SERVICE-
PARTNER FOR B2B-MARKETING AND COMMUNICATION

Experience B2B in New Dimensions



Our new headquarters in Ruggell (Principality of Liechtenstein),
5 branch offices worldwide, 180 employees, 125 international awards.

Follow us on Wechat



MONTFORT  SHANGHAI

Ruggell (FL) | Widnau (CH) | Shanghai (CN) | Tokyo (JP) | Chicago (US)
Room 1101 | 555 West Nanjing Road | 200041 Shanghai | China
Contact: Oliver Lorenz | T +86 (0)21 5213 6600 - 800
B2B@montfortshanghai.com | www.montfortshanghai.com



Ms. Simone Pohl

Delegate and Chief Representative of Delegation of
German Industry and Commerce Shanghai
Executive Director and Board Member of
German Chamber of Commerce in China – Shanghai

China's New and Green Normal

Whether the skies above the bustling metropolises or rolling green hills of China are clear or darkened by pollution, whether we can see them with the naked eye or not: environmental issues are undoubtedly among the biggest issues facing all of us working and living here in China. China's rapid economic growth – with GDP growth averaging ten percentage points for a decade – has taken its toll on the environment. The government, the business community and academia has acknowledged the need to act and address China's environmental degradation.

This drive for green initiatives to tackle the environmental issues of the 21st century is embraced by China's top leadership. As of the writing of this introduction, China is currently introducing and enforcing some of the strongest environmental policies in the world and is more and more driving sustainable, resource-conscious growth. At the same time, we have seen how challenging and demanding this major task can be with companies being shut down and major disruptions of the supply chain especially in the last several months.

This issue of the German Chamber Ticker will be all about facing the reality of environmental degradation and concurrent green initiatives, business ideas and solutions to help your business to emerge from the haze of pollution. We will shed light on how recent incentives in China's green industry will affect your investment plans, we will look into stationary and mobile air purification systems and provide insight into how Beijing's new push for environmental enforcement will impact your day-to-day business in China. And, building on our previous issue about innovation in China, we will also look at how Internet of Things (IoT) technologies are enabling new possibilities for enterprises to achieve cleaner and more efficient operations.

As you can see, there is no shortage of ground to cover when it comes to green growth and sustainability in China. As always, the German Chamber of Commerce in China Shanghai remains committed to helping your business flourish in China, especially in this "new, green normal".

We hope that you will enjoy this month's German Chamber Ticker!

Yours Sincerely,
Simone Pohl



同济经管
TONGJI SEM

MANNHEIM
BUSINESS SCHOOL



Mannheim – Tongji

Dual Degree Executive MBA Program

同济-曼海姆双学位EMBA项目

ONE

Program: Two Prestigious Institutions
Program: Three Different Study Options
Program: Endless Career Opportunities

NO 14

EMBA PROGRAM: GLOBAL JOINT
MANNHEIM - TONGJI EMBA PROGRAM



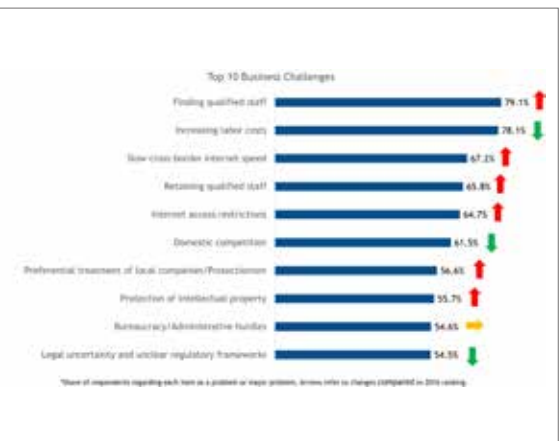
EMBA Center of Tongji University



📍 Add: Rm. 403, Block C, Sino-French Center, No. 1239, Siping Road, Shanghai, 200092, China
☎ Tel: +86-21-65980875 ✉ Email: tjmbsemba@tongji.edu.cn 🌐 Web: <http://emba.tongji.edu.cn>



Cover Story:
A China Carol
p.12



Features:
Business Confidence
Survey 2017/18
p.42



Chamber Affairs:
Press Conference on
the Greater Shanghai
Innovation Survey 2017
p.88

CONTENT

Business

8 China News

Cover Story: Green Growth and Sustainability

- 12 A China Carol
- 16 Green for the Internet of Things
- 20 China's Air Pollution Problem
- 22 Investing in Green
- 24 China's Environmental Enforcement

In the Spotlight

- 26 No Loss of Know-How, No Job Reductions; Interview with Mr. Wolfgang Müller, Senior Advisor of IG Metall Bavaria District

Features

- 32 Legal Update – China amends Regulations on Environmental Protection of Construction and Production Projects
- 36 Buying Health Abroad – Chinese Customer Expectations Trigger International Patient Management Industry
- 38 Smooth Transitions – Employment Issues in China M&A Deals
- 40 Protecting your Property Rights – “Use” in the OEM Business Model According to Chinese Case Law
- 42 German Business in China – Results of the 2017/18 Business Confidence Survey

More than Business

- 46 Sustainable Return on Investment (SROI)

Regional News

North China

- 48 Member Affairs
- 51 Chamber Affairs

Shanghai

- 60 Member Affairs
- 68 Chamber Affairs

South & Southwest China

- 90 Member Affairs
- 92 Chamber Affairs

In Person

- 66 Michael Zhang, CEO, Knauf Greater China
- 70 Alex Cao, Managing Director, Dussmann China
- 73 Winfried Mayer, General Manager, MPS Bauplanung GmbH
- 75 Dr. Volker Seiler, Associate Professor in Accounting and Finance, International Business School Suzhou (IBSS)
- 76 Frank Lorch, VP Sales & Marketing Asia, Lenze Drive Systems (Shanghai) Co., Ltd.
- 80 Ove Nodland, Executive Vice Chairman, Nordic Industrial Park Co. Ltd.
- 84 Günter Strauss, Executive Director, Greater China, Schüco International KG
- 87 Thomas Nürnberger, General Manager, ebm-papst Ventilator (Shanghai) Co., Ltd.

- 100 GCC Boards
- 101 About Us

SINOSERV

– WE ARE COMMITTED TO SERVICE –

- Professional installation and assembly of machines and production equipment
- Machine and plant relocation – on-site / domestic / international
- Turn-key mechanical, electrical and piping installations
- Provision of qualified Personnel, Engineering Services, Project Management
- Delivery and installation of machine parts, accessories and materials



more information: **www.sinoserv.biz**

Contact: Torsten Schermer cell: 0086-15821182563 e-mail: torsten.schermer@sinoserv.biz

Canton Fair Shows Growth in Foreign Trade

According to the China Import and Export Fair or Canton Fair in Guangzhou, foreign trade in China will grow in the upcoming months. Overseas demand for Chinese products have been strengthening steadily. The amount of people attending the bi-yearly Canton Fair is the usual gauge for China's foreign trade, and saw a rise in the foreign visitors in the last three sessions, including the autumn session of 2017. China's trade increased to 20.3 trillion yuan within the first three quarters of 2017, which is 16.6 percent year-on-year. In terms of exports, there was increase of 12.4 percent to 11.2 trillion yuan. Imports, on the other hand went up 22.3 percent to 9.1 trillion dollars. The Canton fair is host to about 25,000 Chinese companies which displays about 160,000 products.

China Hosts 2021 WorldSkills

China won a bid to host the 2021 WorldSkills Competition in Shanghai. The WorldSkills Competition is a competition that China hopes will build up a force of skilled workers and to grow the exchange of vocational skills worldwide. In Abu Dhabi, at the 46th WorldSkills Competition, members voted Shanghai as the city to host the 2021 competition. President Xi Jinping showed his support about the competition and stated that it will promote exchanges between China and other countries and will motivate Chinese citizens, especially young people to build vocational skills and make new opportunities in China and join the world in global skill development. Currently, China has 165 million skilled workers. 47.9 million of these workers are classified as highly skilled. As each year passes, 100 million plus people in China have the opportunity to participate in technical and vocational education and training.

World's Largest Telescope Finds New Pulsars



Using the world's largest telescope, FAST (Five-hundred-meter Aperture Spherical Radio Telescope), scientists from China have found six pulsars. Pulsars are super dense remnants of massive stars, they have great mass, strong magnetic fields and shoot out rays of electromagnetic radiation. The

first two pulsars, which were the first to be discovered by Chinese researchers, were already discovered in August. One of them is 4,100 light years away from earth, the other 16,000 light years away. Studying their interaction with other stars helps answer scientific questions in the areas of the origin and evolution of the universe, gravitational waves and spacecraft navigation. FAST is not out of its testing phase yet and is scheduled to be fully operational by the end of 2019.

China Number One in Renewable Energy for Second Year in a Row



In the Renewable Energy Country Attractiveness Index, which is compiled twice a year by London-based financial services firm EY, China claims the first place for the second year in row. The index emphasizes the high investments -public and private- that flow into renewable power and energy-efficiency policies in China. By 2020 China's National Energy Administration will spend \$363 billion on renewable power capacity development, creating 13 million jobs. Furthermore, China makes up over one third of the global total for new investment in renewable fuel and power and over 40% of global capacity growth in renewable energy 2016, e.g. solar capacity in China has grown by 21 GW in the past half year. All in all, 2016 was the year with the highest growth of global renewable energy capacity so far.

China's Newest Richest Man



Real estate mogul Xu Jiayin, founder of China Evergrande, is now China's richest man and number one on the new Hurun China Rich List thanks to continuously rising property prices. He owns over 70 percent of the company Evergrande. The company's shares have grown by more than 450 percent in value in the last year. Xu's net worth has sharply risen by over 270

percent in the same period and his fortune now amounts to \$43 billion. The booming prices on the property market also enabled China's richest woman, Yang Huiyan, the heiress of property firm Country Garden to grow her wealth by about 300 percent, seeing her net worth grow to \$24 billion and making her number four of the richest people in China. Pony Ma, founder of Tencent and Jack Ma, founder of Alibaba inhabit the second and third spot of the rich list.

Chinese Banks Lent More Money in September



Chinese banks lent more money in September than predicted by forecasts. The total amount of money lent in September was RMB 1.27 trillion, nearly RMB 200 billion more than in August. The central bank data shows that less money was lent from banks to other financial firms, which is the main channel for shadow banking, while more money has been lent to non-financial firms and government institutions. Additionally, the People's Bank of China aims to enhance credit support for small and micro-sized enterprises, startups and agricultural production by offering a targeted reserve requirement ratio reduction, which could grow available liquidity by RMB 800 billion. Outstanding loans amounted to RMB 117.76 trillion by the end of September, a growth of 13 percent compared to last year.

China's 'Sponge Cities' Aim to Use Rainwater Better



China's 'sponge city' initiative was launched 2015 in 16 cities; its objective is to make 80 percent of all urban areas absorb and re-use 70 percent of rainwater by 2020. The initiative addresses the problems of groundwater over-extraction and urban flooding caused by urban development and the use of building material that prevents the soil from absorbing

water. The project seeks to improve absorption capacities and to spread them more evenly in urban areas. This would lead to less flooding and a higher groundwater table, thus improving safety and water supply. The central government carries about 15 to 20 percent of the required investments, the rest is split between private investors and the local governments. Until now, about \$12 billion have already been invested in the initiative.

Delivery Apps Expected to Grow Even Stronger this Winter

Delivery apps now make up ten percent of the catering industry's revenue and are expected to grow even more during the winter months, when more people decide to stay inside due to cold temperatures. During the first six months of 2017 295 million people used app-based delivery, with numbers expected to rise to 350 million by the end of the year, according to the China Internet Network Information Center's China Internet Development Report. The three largest companies of the sector are Ele.me, who had 34.02 million active users this June, Meituan.com (29.89 million) and Baidu Waimai

(17.48 million). The rapid growth of these services can be attributed to the smart use of technology such as the telecom infrastructure, smartphones, apps, mobile payment and enhanced logistics capacity of delivery firms. According to the China Internet Catering Market Report 2017, released by market information firm Analysys, the largest customer group is made up by white-collar workers and professionals with a share of more than 80 percent, while students make up ten percent of the customers. While some problems, such as overspending delivery riders and growing waste from packaging have yet to be solved, the sector keeps on evolving, most recently by widening their service range to supermarkets, fresh food retailers and pharmacies.

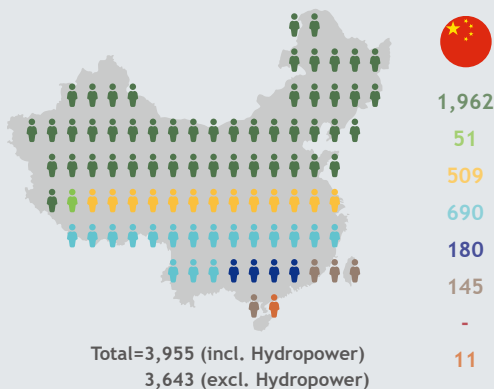


China's First-Tier Cities Still Most Attractive to Overseas Returnees

In 2016, more than 432,000 Chinese people who studied abroad had returned to the country, this is over one and a half times of the number of returnees in 2012. According to a survey by China's major job search websites and a study abroad agency, most of these overseas returnees still choose one of China's first-tier cities as place to work. Beijing, Shanghai, Guangzhou and Shenzhen remain the most popular choices, with respectively 18.6 percent, 15.6 percent, 13.4 percent and 12 percent returnees choosing these first-tier cities. Second-tier cities like Chengdu, Nanjing, Wuhan, Hangzhou and Suzhou are also attractive to young Chinese returnees. There is a strong demand in the internet, real estate, machinery manufacturing, education and finance sectors for overseas returnees, whereas the sectors of electronics, internet, IT, finance, education and telecommunication are the most popular among returnees.

© Imagine China

Green Growth – Germany and China

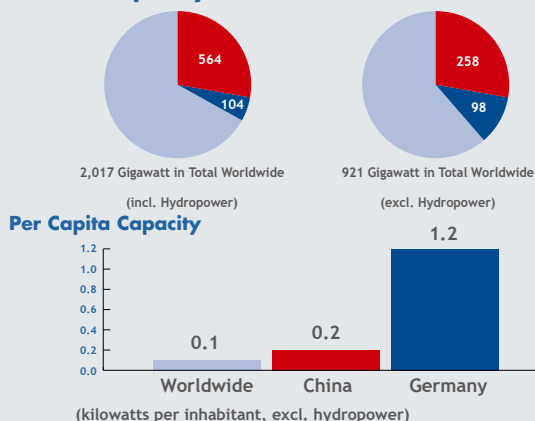


Jobs in Renewable Energy 2016

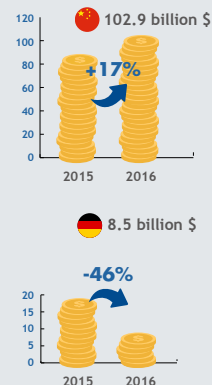
(Unit=1,000)



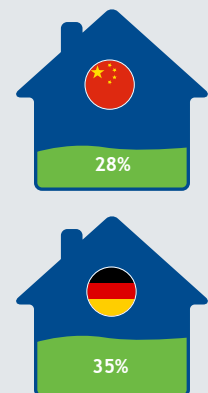
Renewable Electric Power Global Capacity 2016



Global Trends in Renewable Energy Investment 2016



Green Share of Building Project Activity 2015



**SUPPORT.
FACILITATE.
INFORM.
REPRESENT.**

Keeping you ahead of the race.

www.china.ahk.de/chamber



German Chamber of Commerce
in China | North China

0818 Landmark Tower 2,
8 Dongsanhuan (N) Rd.
Chaoyang, Beijing 100004
Tel. +86 10 6539 6688
chamber@bj.china.ahk.de

German Chamber of Commerce
in China | Shanghai

29/F Gopher Center
No. 757 Mengzi Road
Huangpu District | Shanghai 200023
Tel. +86 21 5081 2266
chamber@sh.china.ahk.de

German Chamber of Commerce
in China | South & Southwest China

Room 1903, Leatop Plaza
32 Zhu Jiang East Road
Tianhe District, Guangzhou 510620
Tel. +86 20 8755 2353
chamber@gz.china.ahk.de

NEW MEMBERSHIP FEES FOR 2018

NEW MEMBERSHIP STRUCTURE 2018

Corporate Member "Large"	<ul style="list-style-type: none"> For companies with more than 1,000 employees in their legal business entity in China Membership benefits for all employees of the business entity 20 membership cards 	RMB 11,500 annual fee
Corporate Member "Medium"	<ul style="list-style-type: none"> For companies with 251 to 1,000 employees in their legal business entity in China Membership benefits for all employees of the business entity 15 membership cards 	RMB 7,500 annual fee
Corporate Member "Small"	<ul style="list-style-type: none"> For companies with 11 to 250 employees in their legal business entity in China Membership benefits for all employees of the business entity Up to 10 membership cards 	RMB 4,800 annual fee
Corporate Member "Micro" (new in 2018)	<ul style="list-style-type: none"> For companies with up to 10 employees in their legal business entity in China Membership benefits for all employees of the business entity Membership cards equals to the number of employees 	RMB 4,000 annual fee
Private Member* Young Professionals**	<ul style="list-style-type: none"> Individual membership for non-Chinese citizen Private member over 30 years old* Private member under 30 years old** 	RMB 1,800 annual fee for private member RMB 1,300 annual fee for young professional

As our member you can bring the awareness of your brand to the next level and make your company visible to the large German business community by becoming a member of the German Chamber of Commerce in China.

YOU CAN ENJOY EXCLUSIVE ACCESS OR MEMBER PRICE FOR THE KEY BENEFITS BELOW*

Stay Connected	Stay Visible	Stay Efficient	Stay Informed
<ul style="list-style-type: none"> German Ball Business Events Workshop Series Social Events CSR: More than a Market Access to Directories Summits & Forums Roundtable Events 	<ul style="list-style-type: none"> Sponsorship Opportunities Member News New Members List Advertisement Opportunities Profile in Directories Profile in Publications Website Relaunch New in 2018 Online German Business Directory New in 2018 	<ul style="list-style-type: none"> Fast Track for Visa to Germany Online Job Market Corporate Design Services Website Setup and Hosting German Pavilion at Trade Fairs Job Fairs Credit Reports Marketing Reports Event Registration Tool New 	<ul style="list-style-type: none"> Annual Surveys Benefit Program-GC Deals Newsletter: WIRE-Shanghai Press Monitoring Training Programs Business Magazine (German Chamber Ticker) Economic Outlooks WeChat Platform New in 2018

* Membership benefits may vary slightly throughout the regions

Contact Person for Membership and Marketing:

Shanghai | Ms. Daisy Zhu | Manager Business Development | Tel. +86 21 5081 2266 ext. 1630 | zhu.jingjing@sh.china.ahk.de
North | Ms. Jana Kumpf | Deputy Chamber Manager | Tel. +86 10 6539 6661 | kumpf.jana@bj.china.ahk.de
South & Southwest | Ms. Vanice Du | Membership & Events Manager | Tel. +86 20 8755 2353 ext. 217 | du.vanice@gz.china.ahk.de



A China Carol

The Ghosts of China Past, Present, and Future

By JOHN PABON

The Ghosts of China Past

China has faced an uphill battle shaking off the ghosts of its past. The country is fighting 30 years of unfettered development, lax regulation, and a wild-west attitude towards environmental protection. The result? Images of smog-choked cities, purple-hued rivers, and slave labor etched into the minds of people the world over. Erasing these pictures will be no small feat.

As the world's factory, and with the GDP increasing ten percent year on year, few were willing to rock the boat of progress. By the mid-2000s, Chinese farmers were using 35% of the world's nitrogen fertilizers. The misuse of this and other fertilizers, as well as pesticides, seriously impacted the country's land and water table. The global obsession with the latest electronics meant villages in China's northeast choked by graphite residue, the chief component of lithium-ion batteries. Further south, in China's manufacturing heartland, unscrupulous managers drove employees to suicide through overwork and mistreatment.

In Charles Dickens' holiday classic "A Christmas Carol," Ebenezer Scrooge plays host to three unlikely guests. Transporting Scrooge to a more innocent era, the Ghost of Christmas Past reveals a time where childhood friends and family were more important than money. The Ghost of Christmas Present introduces Tiny Tim, a seriously ill child nonetheless overcome with the joys of Christmas. Looking ahead, the Ghost of Christmas Future paints a lonely death for the miser. With this, Scrooge pledges to change his ways. He undergoes a transformation taking him from despised to revered.

China, too, is presently having to grapple with ghosts of its past in hopes of creating a more sustainable future. A half-century of economic progress at all costs has been replaced with some of the strongest environmental policies in the world. Behind the haze of smog emerges a global leader in sustainability. This new China is investing great sums into green technology, innovation, and a burgeoning service economy. In the spirit of Dickens, let's follow China as it goes through its own cathartic, transformational moment in history.

At the same time, the world also treated China as its personal dumpster. The massive shipping containers filled with cheap goodies from China returned home filled with scrap and recyclables from overseas ports. Over time, this created a €4.2 billion industry. In the United States, for example, scrap is the country's sixth largest export to China. Essentially, China became home to the world's waste. While much of this could be recycled or repurposed, the unsavory conditions for sorters, and lax environmental management, detrimentally impacted the Chinese mainland. Earlier this year, China passed new regulations prohibiting the import of 24 varieties of this foreign solid waste.

Perhaps the biggest tipping point for China came in 2007. This was the year China overtook the United States as the world's largest emitter of carbon dioxide, years ahead of predictions. It was then that the government put real focus on benchmarking the true extent of the environmental situation. By 2014, officials had found 60 percent of the country's groundwater quality to be substandard and 16 percent of the land to be polluted. The British Shadow Minister for the Environment at the time summed attitudes up perfectly. Following a tour with Chinese mayors, she noted. "...they fear that the external world is pointing and laughing at the stage which China's environment has reached – it's a kind of loss of face." This loss of face, more than anything else, has led to a new path for China.

The Ghosts of China Present

Tiny Tim, an ailing boy from the poorest parts of Industrial Revolution-era Camden Town, embodies the spirit of opportunity through adversity. Once mocked as the sick man of Asia, China has its own vision of opportunity on a cleaner, greener path. Premier Li Keqiang heralded the opening salvos of the country's war against pollution in 2014. He noted ill health and thick smog as "...nature's red-light warning against the model of inefficient and blind development." Unlike Tiny Tim, however, China has been able to invest heavily in making their vision a reality.

Infrastructure and Green Investments

Where this is most apparent is in China's massive investments in infrastructure and green technology. Take, for example, the

country's rail network. China currently has over 121,000 kilometers of rail lines. Over 20,000 of these are high-speed tracks, more than the rest of the world combined. Trains speed through farmland at 350 kilometers an hour, making car and airplane use increasingly obsolete. Not already satisfied with the world's most extensive rail network, China will invest an additional €427 billion by 2020 on expanding service. Bloomberg reports this will connect 80% of the country's cities, bringing inclusive development to often-poorer inland centers.

The efficiency of the network was top of mind as the author sat on a New York City bound train from Boston this past summer. It took almost five hours to go the 346 kilometers between the two cities. Only a week before, the author had traveled the 1,200 kilometers from Shanghai to Beijing in less than four hours. There are now plans to cut this time down even further, widening the gap between rail transport here and the rest of the world.

Investments in clean energy also highlight just how committed China is to change its future for the greener. Since 2005, there has been a 15-fold increase in clean energy investment. In 2015 alone, China spent €86 billion. This was two and a half times more than the entire European Union, which has seen significant decreases in spending over the past five years. By 2020, China will be investing €328 billion annually on clean energy. This will not only significantly green the country, but also add an estimated 13 million jobs to the market.

Regulation and Rule of Law

This war against pollution would not be possible without changes to regulation and the rule of law. For the first time in 25 years, China updated its environmental protection regulations. A central tenet of the new law would be harsh penalties and a naming-and-shaming mechanism for highly polluting companies. Individuals would also face repercussions for their actions. These include management of polluting companies as well as Party leaders.

Since the revisions passed in 2014, the government has levied record-breaking fines on companies throughout the country. To date, over 18,000 companies have been fined a total of €112 million.

Inspections have also led to the discipline of 12,000 officials to varying degrees. Although recent data shows nearly 60 percent of China's companies still fail to meet environmental compliance standards, it's clear this new net will eventually catch them.

Technology and Innovation

To ensure a healthy return on its green investments, China is also encouraging innovative uses of technology. When the author wakes up in the morning, the first thing he checks isn't his Facebook or e-mail. He opens his air quality app to look at pollution levels. And, it's not only air quality that technology is making more transparent. Smartphones now inform people, in real time, the emissions from individual factories, polluted wastewater levels from specific waterways, and labor strikes in every province. A growing awareness of sustainability issues fomented a virtuous cycle of advancement.

China is also doubling down on automation. Xi Jinping has called for a "robot revolution" that will spur domestic productivity. The country is investing billions into increasing China's robot-to-worker ratio as a way to encourage a cleaner, greener supply chain. Guangdong, China's manufacturing center and home to a vast majority of the country's factories, is leading this charge. Between 2016 and 2019, the province will invest €127 billion to subsidize robot purchases at 2,000 of its largest manufacturers. The goal is to automate 80 percent of the province's factories by 2020.

The Ghosts of China Future

Scrooge's most cathartic moment was attending a funeral with the Ghost of Christmas Future. Not only was the poor soul buried alone, but thieves also came to rob the grave. Disgusted by this, Scrooge insists on finding out who this man was and what deeds led to such an undeserving fate. On finding out the man was him Scrooge vowed then and there to change his ways.

For China, the writing was on the proverbial wall a long time ago. Seeing this, they have not only invested heavily into today's China, but have set an innovative vision for the future forward. Made in China 2025 gives us a glimpse of what a future China will

look like. It is one where the world's factory is now the world's premier service provider. This is a China that prides itself on innovation and leading the world in the creation of new ideas. It is a China no longer reliant on the whims of the export market, but one standing on its own two feet.

Made in China 2025 draws inspiration from Germany's Industry 4.0 plan. It rests on the pillars of innovation, quality, and technological advancement to spur domestic competitiveness and intelligent manufacturing. While the goal is to advance the entire country's economy, there is particular emphasis on ten key industries. These include information technology, automated machine tools and robotics, high-tech shipping, agricultural machines and food security, modern rail transport, and new-energy vehicles and equipment. All of this combined, according to Will Knight of the MIT Technology Review, aims to "...overtake Germany, Japan, and the United States in terms of

manufacturing sophistication by 2049, the 100th anniversary of the founding of the People's Republic of China."

In making such public pronouncements and investments into a more sustainable future, China is very much in the middle of a Dickens-like transformational moment. They know where the past leads and are unlikely to go down that same road again. Not only would this run counter to the Government's intended narrative, but also call into question the legitimacy of their intentions. All of this comes at an extremely interesting time for China and indeed the world. Nearly two years after the Paris Accord, with its own legitimacy and long-term sustainability spurious at best, China now has the opportunity to position itself as the de-facto leader in global sustainability. More than moving from the world's factory to a service-oriented economy, perhaps this is the China for which the future should prepare.

John Pabon is the founder of Fulcrum, a strategic consulting firm focused on sustainability in Asia. He has spent the last 15 years promoting sustainable development and stakeholder engagement, including work with the United Nations, McKinsey, and A.C. Nielsen. Over the past six years, he has also chronicled the societal impacts of China's economic rise in his blog, John's Little Green Book, recognized as one of the world's top 100 sites on China. He is a regular contributor to China-based business magazines and speaks to an array of global audiences on issues of sustainability and societal change.

Fulcrum website: www.fulcrum22.com
John's Little Green Book website: www.johnpabon.weebly.com

PREMIUM WORKSHOP & OFFICES FOR RENT IN SHANGHAI AND CHONGQING

- Located in Songjiang Industrial Zone
- Owned by German-invested company
- Good access to traffic
- German and Swiss automation companies as neighbor
- Workshop up to 3500m² installed with 5/10 tons crane
- Office up to 3500m² ready to use
- Premium office up to 300m² in Chongqing Fortune Financial Center
- European automation companies preferred

For more information, please contact:
hr_admin@wm-sh.com (email); 021-61268093 (phone),
we speak Chinese, German and English.



Office ready to use



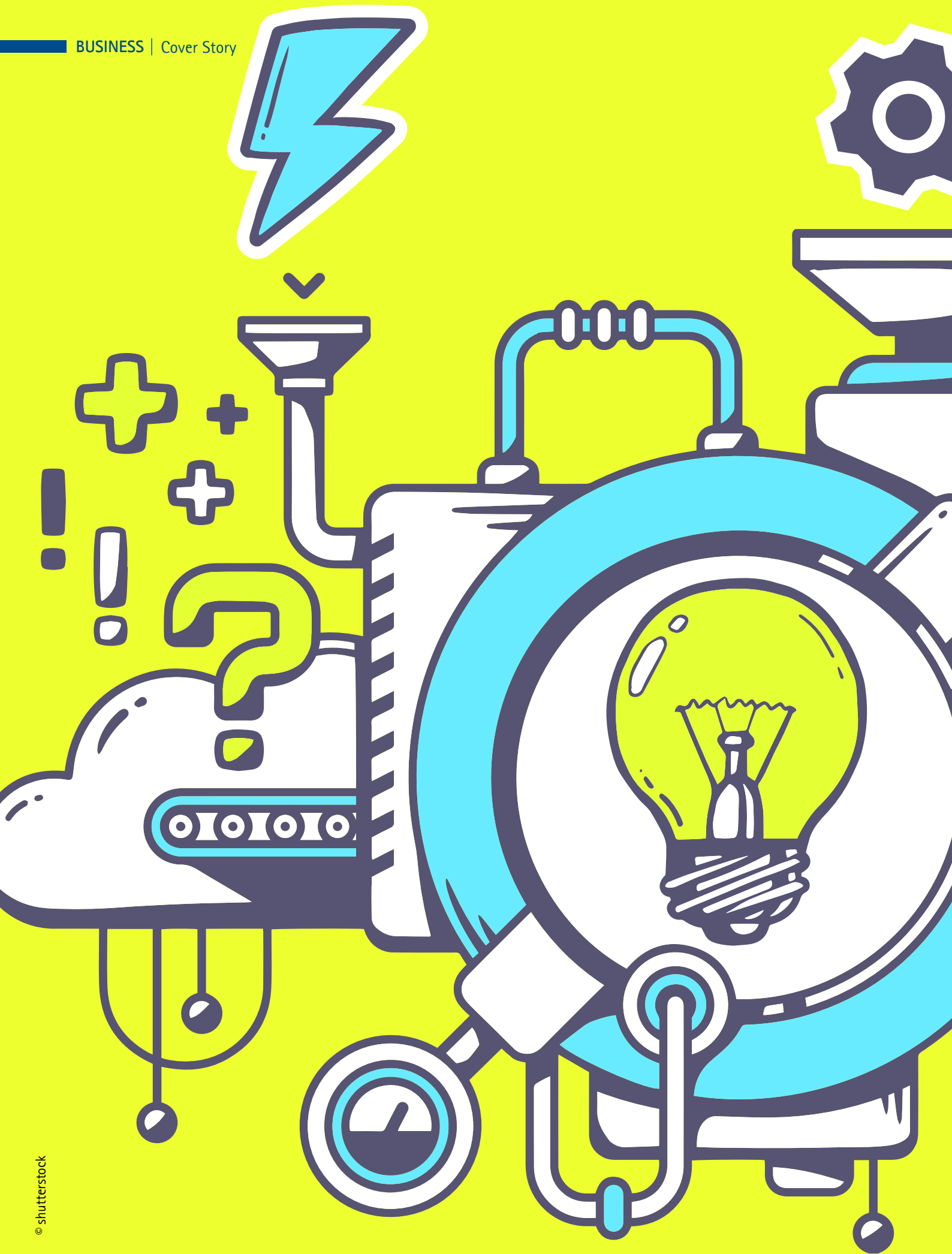
Premium Workshop



Chongqing FFC



WMT Industrial Park



Green for the Internet of Things

Global Imperative for Climate Actions

By JIAWEI ZHAO

The 2016 Environmental Performance Index from Yale University showed that over 3.5 billion people, or about half of the world's population are living in countries with unsafe air. 10% of the world's deaths are caused by air pollution. This environmental crisis will likely be exacerbated by another 30% increase in energy demand by 2040, with a corresponding 35% increasing in carbon dioxide emissions, as projected by the International Energy Agency.

Given the severity of the issue, environment protection has become a key concern for China. At the 2015 Paris climate summit, China's President Xi Jinping pledged to cut the country's carbon emissions per unit of GDP by 60–65 percent from the 2015 levels by 2030.

Specifically, the 13th Five-Year Plan targets a 15 percent reduction in energy intensity, and 10–15 percent reduction in emissions of toxic gases and volatile organic compounds from the 2015 levels by 2020. Furthermore, the government's "Made in China 2025" also laid out Green manufacturing initiatives. Manufacturers are expected to reduce their industrial energy consumption, carbon dioxide emissions, and water consumption per unit of industrial value added by 34, 40, and 41 percent respectively, and increase utilization rate of industrial solid waste by 79% (all from 2015 levels).

Previously, green initiatives often required fundamental changes in both operational and management processes to realize the impact. However, the advent of the Internet of Things (IoT) technologies is enabling new possibilities for enterprises to achieve cleaner and more efficient operations.

Internet of Things (IOT) as an Enabler for Green Industries

The internet of things (IoT) is the system created by connecting physical devices to the internet (also known as the 'cloud'). IoT's power to enable green operations lies in its ability to gather precise data needed to run analytics for actionable information serves to drive smarter decisions to optimize business processes, operational efficiency, and resource utilization. Global e-Sustainability Initiative (GeSI), a global advocate for the use of technology to drive a sustainable future, estimated that digital solutions could cut 12.1 gigatons of carbon dioxide equivalent from global emissions per year by 2030, holding emissions at today's levels.

As industry experts are forecasting 50 to 200 billion devices will be internet-enabled by 2020, the sheer scale and ubiquity of IoT has the potential to have a transformative effect on many different industry sectors. According to SAP, one of the world's largest

software companies, manufacturing, and logistics and transportation are the two industries that could enjoy massive emissions cuts by digitizing their business processes and applying data to optimize resource use.

Digital Factory

Manufacturing in China has transformed the country — and the world economy with it. Today, this sector is continuing its dramatic evolution into 'smart factories' by integrating manufacturing technologies with information technologies enabled by IoT. In fact, so transformational is the expected impact of IoT on the factories that some are predicting a fourth industrial revolution ('Industry 4.0') to spring from its use. The German National Institute of Science and Engineering estimates that Industry 4.0 can help factories improve energy efficiency by at least 30 percent.

An example of energy saving opportunities is in the behavioral control of the fleet of interconnected robots by algorithms. In 2016, Lennartson & Bengtsson found that the robot fleet's energy consumption can be reduced by up to 30 percent without jeopardizing the overall production time, just by minimizing their acceleration.

Such optimization algorithms are also applied to yield improvement. By collecting massive production data and using artificial intelligence to find correlations between input and output parameters, production conditions can be adjusted based on variable changes to achieve optimal output in real time. This allows manufacturers to get more output from the same unit of input and resource efficiency.

By marrying connectivity and new manufacturing technologies (3D printing or additive-layer manufacturing) and the production of prototypes or products with small lot sizes, rapid prototyping technologies can be much cheaper, quicker and more energy-efficient. Furthermore, factory equipment maintenance management is also revolutionized. Equipment monitoring and self-diagnosis will trigger accurate and effective predictive maintenance, while some spare parts are printed as needed by accessing drawings off the cloud. This would reduce wastage in the form of defective products from faulty equipment, or even spare parts inventory obsolescence.

An even bigger game-changing potential is to address end-to-end business processes. The digitization of the entire value creation ecosystem enables direct link to the customer. By integrating user

experience into new product or service development, on-demand customized products become technologically feasible. The reduction to customer-requested features will help save resources, versus today's 'all-inclusive' default option. Furthermore, connecting data from the factory with the wider business can optimize production and productivity to deliver what customers need, when they need it. This elimination of 'over-production' and 'over-spec' can further reduce waste.

Connected Logistics and Transportation

In China, logistics activities account for 14.9 percent of gross domestic product according to the 2016 Commerce Logistics Operations Report. In addition to being economically significant, logistics is also emission intensive. CDP – the NGO holding the most comprehensive set of global corporate environmental data – reported that supply chains can be responsible for up to four times the greenhouse gas emissions of a company's direct operations. However, the good news is, virtually all the activities in logistics and transportation can leverage IoT and big data to drive operational improvements.

IoT can improve visibility of products along the supply chain: from data of packages leaving the factory or warehouse, materials handling equipment, delivery vehicles, up to the end customer. China's leading e-commerce and technology companies are leveraging IoT to drive warehouse and factory management improvements. Alibaba and JD.com have constructed massive warehouses fully-operated by IoT. Huawei and DHL are piloting a cross-functional IoT system for inbound deliveries to automotive factory. With these 'intra-location' visibility, businesses are able to predict, correct, and even prevent problems such as inventory outages, failed equipment, poor delivery conditions, and safety hazards before they occur, keeping their supply chains running efficiently. This additional visibility would further create fleet efficiencies, improve fuel economy and reduce deadhead miles, which account for up to 10 percent of truck miles, according to the global logistics provider, DHL.

Real time insights also allow logistics operators to optimize delivery routing. The global package delivery company UPS has designed their vehicle routing software to eliminate as many left-hand turns as possible. This resulted in a reduction of 10 million gallons fuel consumption while delivering 350,000 more packages every year. Predictive indicators from platform analytics can further optimize delivery decisions in real time. Hundreds of thousands of data points can be analyzed at each moment – tweets about labor strikes; potential congestion caused by natural or man-made disasters; correlation of shipping path and speed with weather forecasts – to arrive at the optimal delivery routes.

IoT also allows operators to effectively track and manage their fleet remotely, and provide need-based instructions. Saia, an American trucking company, leveraged IoT to track the vehicle's maintenance needs, driver safety, fuel usage and several other metrics in real-time. The program led to a 6% decrease in fuel consumption. With IoT, fleet operators can also assemble trucks into platoons along delivery routes to achieve aerodynamic efficiency that can save up to 20% on fuel costs (Massachusetts Institute of Technology, 2016).

Addressing the Challenges of IoT Deployment

While IoT has demonstrated its green credentials, it's worth acknowledging there are potential challenges in its implementation.

Cost of technical integration: Adoption of advanced computer-controlled operations and automation could be daunting and costly. Costs of IoT hardware, infrastructure, and applications can vary widely depending on a multitude of factors, making it difficult to accurately capture the costs. Given the iterative nature of IoT deployment, a three-phase integration approach can be considered: prototyping, learning, and scaling. Interfacing off-the-shelf solution to an existing industrial setup to pull metrics and experimenting with data flows can be a no regret first step. With the learning of the systemic implications enabled by prototyping, firms can then model costs and business case behind their IoT strategies. On this basis, firms can tackle the incremental complexity of adding more connectivity and operational implications such as network communications, administrative labor, and technical support.

Industry standards around IoT: There are many competing connectivity standards today, with no real oversight over protocol development. Nevertheless, rather than waiting around for standards to coalesce, firms setting out to add IoT to their business today should approach the decision-making based on business needs. That is, clearly defining the business requirements, and then looking for a standard that will enable them.

Security and privacy risks: Malicious hackings on enterprise networks are increasing in rate and scale. For that reason, IoT systems must include security features in both the software and hardware, including processors, chips, and sensors embedded in all areas of the IoT. Furthermore, lesson learnt from the ransomware attack on Britain's National Health Service is that the 'deploy and forget' approach is dangerous. All IoT devices must be managed over their lifetime so they can be updated with patches to deal with new threats.

Lack of required skillsets: Implementation of IoT requires not only technical integration but also a shift in culture and capabilities. Many traditional industries have workforce that in many cases is simply not trained in software and analytics. To ramp up this core competence, enterprises are hiring talent with IoT capabilities in order to use the IoT more extensively. Even more are providing workforce with training to work with the IoT. Some are adopting operational systems already infused with IoT features to reduce the implementation hurdle rate.

Jiawei Zhao is the Managing Director of Porsche Consulting, China. He has been actively engaged in the energy sector for more than a decade and is well known as an renewable expert in China and US. His recent development and research focus is on the adoption and promotion of advanced technologies such as Artificial Intelligence in the energy industry. He can be contacted at jiawei.zhao@porsche.cn.



METRO
麦德龙

Welcome to METRO

Enjoy Food Safety and High Quality Products

As one of the top retailers worldwide, METRO China has 90 stores in 58 cities. We pride ourselves on providing our customers with a wide variety of high-quality products at competitive prices.

Wide Assortment and Imports

We offer over 25,000 products. More than 4,000 products are directly imported or sourced from more than 50 countries and regions.

Transparency and High Quality

Thanks to the STAR FARM Traceability System, more than 3,000 of our fresh products are fully traceable from farm to market.

Great Shopping Experience

With continuous store upgrades across the country, you can learn and be inspired by our chefs with new cooking techniques and innovative ideas in the Inspiration Corner, find customized solutions in the Welfare & Gifting Showroom and relax at METRO Café.

METRO Online Store

Our wide assortment and exciting promotions are all one click away at WWW.METROMALL.CN!



 **METRO Wechat**



Visit us at WWW.METRO.CN



China's Air Pollution Problem

Background and Solutions for Stationary and Mobile Air Purification

By ROBERT F. WOLF

In September 2017, a scientific research was published which revealed that more than 1.1 million people in China die due to the massive air pollution per year. As shocking as this number is alone, a further finding of this study showed that in the People's Republic, air pollution causes a shorter lifespan of three years in average. Only a mere 1% of China's urban population is surrounded by air which is considered safe by the standards of the European Union. But the air pollution problem of China is not only limited to the nation itself. It also affects neighboring countries like South Korea, Japan and is even noticeable all way across the vast Pacific Ocean on the west coast of the USA.

Since China's economic reforms and the opening policy in 1978, the country's GDP nominally grew to second place internationally, just behind the USA, surpassing Germany in 2008 and Japan in 2010. China's impressive economic miracle unparalleled in human history in such a short time, has lifted hundreds of millions of people out of poverty in only one generation. But this economic miracle came at a high cost – the air pollution in many Chinese cities is among the highest in the entire world and many Chinese are exposed to heavily polluted air and above that also to undrinkable water and contaminated food. Seasonality also plays an important role in the pollution situation in China. Especially during the winter months between October and March, heavy concentrations of micro particles in the air are a severe threat to the health of hundreds of millions of people all over the country.

The reasons for this problem are various. Among the most influential ones is the burning of coal for heating, which explains the extraordinary high air pollution during the colder winter months. Further important factors include industrial pollution, car emissions or agricultural emissions among others.

Among the most dangerous of the pollution particles floating in China's air are those below the size of 2.5 micrometers (PM 2.5). These reach deep into the body and are causing sore throats, cough, breathing problems, asthma, bronchitis and in the long run even cardiovascular diseases like heart attacks, strokes and neurological problems or even various forms of cancer. Accord-

ing to the Chinese Ministry of Health, industrial pollution has made cancer the leading cause of death in China. A shortened lifespan of three years in average in China due to air pollution as mentioned before, is a costly charge for the economic rise of the Chinese dragon. In northern China, where it is more heavily polluted, the lifespan is even shortened by a staggering five and a half years.

The World Health Organization (WHO) considers a concentration of more than ten micrograms of PM2.5 particles per cubic meter air in annual mean as a danger to health. In previous years, measurements in several northern Chinese cities in the winter months showed recorded levels of PM2.5 nearly or even above 1,000 micrograms per cubic meter. On a yearly average, Beijing's PM2.5 air concentration was 73 micrograms per cubic meter in 2016, which showed a gradual improvement compared to the previous years. In all of 2016, Beijing had 39 highly polluted days with levels above 200 micrograms of PM2.5 per cubic meter, which represented a decline by 10% compared to the previous year. The Chinese central government has acknowledged the problem and is acting swiftly.

To fight the dangerous effects of air pollution, the Chinese central government has implemented far reaching policies to lower pollution to acceptable standards and improve the livelihood of its citizens. Among these policies are massive investments in renewable energy sources like wind farms to reduce the country's reliance on coal-fired power plants, reducing the use of fossil fuels, and subsidizing electric vehicles. The heavy industry is also at the center of attention. The decision to close 103 coal-fired power plants was made in March 2017, and the steel production capacity will be cut by another 50 million tons. A strict implementation of anti-pollution laws upon the private sector forced factories to be shuttered, relocated, to partly downscale production or to install expensive air scrubbers. Chinese cities encouraged its residents to replace coal stoves and furnaces at home to contribute to the national goal of cleaner air. On top of that, heavy investments were undertaken by the Chinese government to switch from coal burning to the usage of – compared to the latter – cleaner natural gas. This is producing water and carbon

dioxide when burnt, instead of the dust and smoke that coal produces during the burning process. Of course, also the emissions of the growing number of private cars on China's streets are in focus and strict emission standards which are comparable to those in Europe will be implemented by 2020.

Still, it will be a perpetuating process that will need time and patience to reduce China's air pollution problem. Other solutions need to be found to bridge the time gap between the current air pollution problem and acceptable and non-health endangering levels.

The industry has developed many innovative products to fight air pollution on a small scale and a private level in the previous years. The most common and best-known are stationary air purifiers that filter the ambient air of a limited and closed area. Many homes and offices have these air purification machines already, yet the market is still further growing. Foreign enterprises have an especially high reputation among this product branch. This goes along with the increasing importance of a healthy lifestyle in urban populations of China in recent years. There is an ascending willingness of Chinese customers to spend money on their quality of life and health.

But people don't spend 24/7 in closed and well air-isolated rooms. They commute to and from work, they go out to exercise and shop. Children go to school, dogs are walked on the streets and simple things like strolling the city sidewalks on a lazy Sunday are avoided due to the air pollution. The most common solution for protection from polluted air while being out on the streets are the well-known air pollution masks. These are ubiquitous available in convenience stores as well as super markets, pharmacies or online shops. Among these are surgical masks, disposable masks and reusable masks where filter change is possible. Despite being unfashionable and uncomfortable, many people wear them to protect their health.

Nowadays, totally new innovations offer attractive solutions for health-conscious customers. Most recently, more and more smaller air purification machines entered the market. These can be put in the car, on the office desk or even used as necklaces. A totally new generation of small and light-weighted electronically driven air purification machines integrated into clothing like fashionable scarfs, combining high-tech with fashion, is available now. These machines are not mere masks, but high-tech miracles and work the same way as the big and heavy stationary air purification machines, yet are smaller and lighter than smart phones. People now can literally wear an air purification machine with motor, filter and pollution detector around their necks. These machines are connected via bluetooth to smartphone apps. German, Japanese and American companies have been driving this development, some of them with a start-up approach. This new generation of mobile air purification devices allows Chinese customers to stop thinking twice about a walk on the streets, a shopping tour in the city with friends, commuting to work, a run along the river or sending their own children out on the way to school on days with high air pollution levels.

These products are also designed to heal the flaws of the only previous ways for mobile air purification - the air pollution masks. To combine high functionality and quality with fine industrial and fashion design, easy usability with a still affordable price is the unique selling proposition of this first generation of

real mobile air purification devices. These do not only filter polluted air but some of the technologically most advanced newcomers to the market even create a bubble of clean air around the head while being integrated in clothing, most recently in scarfs. Especially German companies lead here the way due to their high competence in engineering, environmental technologies and industrial design.

China has shown an impressive ability to change itself for the better of its population's welfare and has grown to be the world's second biggest economic power. The problems that come along with this quick development can not only be found in the People's Republic, but also many other rapidly industrializing nations, including Europe which had similar air pollution problems just a few decades ago. Europe has mostly overcome these issues due to strict policies for the protection of its citizens' health and livelihood and China has also followed these steps. Yet, for the years to come, protection from air pollution for everybody living or visiting China is an investment in a longer and happier life. German companies have identified this market need and bring all their innovation power to the table to better the living conditions of millions.

Robert F. Wolf is the General Manager of De Jie Air Purification Equipment (Shanghai) Co. Ltd., which developed the first Mobile Air Purifier under the brand of Livtech. The company is a start-up of Alfred Kärcher GmbH & Co. KG.

For more information, please visit <http://livtech.cn/en> or contact Mr. Wolf directly at Robert.Wolf@de.kaercher.com



A new dimension of welding
焊接新标尺

MULTIMATRIX®

/// Perfection is the principle
完美创新



Industry 4.0	工业4.0
Quality Made in Germany	德国品质
EN1090 WPQR Package	支持EN1090认证

MULTIMATRIX® is the devised solution for all your current and future welding tasks. ewm further develops welding processes, material characteristics, networking and individual operation on a continuous basis.

The MULTIMATRIX® technology makes it possible to quickly adapt to these new developments or welding tasks using data exchange via a USB flash memory or LAN/Wi-Fi networks.

MULTIMATRIX®是新一代焊接技术的代表，是EWM公司焊接技术持续发展的平台。新型的逆变电源，更精确，快速的数字化控制，更稳定的送丝系统，它不仅是解决现在的焊接任务，也是解决未来焊接任务的有效工具。

MULTIMATRIX®技术还融合了现代化的信息技术，使焊接设备可以通过USB接口或有线/无线网络快速更新焊接工艺参数，电弧特性参数等。

EWM HIGH TECHNOLOGY (Kunshan) Ltd.
10 Yuanshan Road, Kunshan New & High-Tech Industry Development Zone,
Kunshan, Jiangsu, 215300 P.R.China

伊达新技术电源(昆山)有限公司
江苏省昆山市昆山高新技术产业开发园山阳路10号
邮编: 215300

Phone: +86(0) 512 57867188 / Fax: +86(0) 512 57867182 / www.ewm.cn / info@ewm.cn

/// simply more

Investing in Green

How Will Recent Incentives in China's Green Industry Affect Your Investment Plans?

By KRISTINE HORBACH

When planning investment in the green industry in China, it is important to consider not only the current investment climate for renewables, but also the influential financial incentives introduced by the Chinese government.

Rapid economic development has come at a high price. China is internationally renowned as being the world's largest polluter with both air and water pollution reaching alarming levels. In fact, in March of this year, the Ministry of Environmental Protection stated that PM2.5 and PM10 concentrations needed to be reduced by as much as 60 and 50 percent respectively in the Beijing-Tianjin-Hebei area to meet national standards.

Amidst serious health concerns, with international and domestic pressure, this problem cannot be ignored. To improve pollution levels, the Chinese government has begun not only to invest heavily in the green sector but has also started to introduce investment incentives and preferential policies within the sector. Investment in various industries is actively encouraged, meaning that market entry is significantly easier for both domestic and foreign businesses. It is vital to remember however that although there are definite opportunities and advantages for foreign investors, some sectors still remain restricted and protected to guarantee support for local companies who continue to significantly dominate these markets.

Therefore, before making the decision to invest, it is essential to conduct a thorough due diligence and research of your specific sector in order to understand where the potential opportunities, and also challenges, may lie. This article will focus mainly on three sectors within the green industry: solar power, wind power and electric vehicles.

Current Investment Climate: Wind Power, Solar Power & Electric Vehicles – Challenges & Opportunities

Challenges

A significant hurdle facing foreign companies seeking to invest in the green sector is competition from local Chinese companies. Foreign investors should be aware that local enterprises do remain dominant across all three markets: wind power, solar power and electric vehicles. In 2006, approximately 40 percent of the wind power market in China was dominated by local companies. Today this number has risen

to a total of 98 percent of the market. Likewise, out of the world's top ten solar panel producers, six are Chinese according to the New York Times.

The electric vehicle market is even more dominated and protected with Chinese local companies possessing 93 percent of electric vehicle sales, American automaker Tesla controlling a further six percent, which leaves a mere one percent to other investors.

Opportunities

While competition from local companies cannot be denied, investing in China's green industry does come with many opportunities. China is the largest producer of wind turbines, solar panels and electric vehicles in the world, with half of the world's wind turbines and approximately two-thirds of the world's solar panels manufactured in China.

For each of these industries, the country possesses highly ambitious targets and has actively encouraged foreign investment to successfully accomplish this. China hopes to increase wind power capacity by over 30 percent by 2020: from a total of 169 gigawatts at the end of 2016 to 250 gigawatts in 2020, and then to a total capacity of 495 gigawatts by 2030. Regarding solar power, plans are in motion to increase capacity from 77.42 gigawatts at the beginning of this year to 110 gigawatts of solar power capacity by 2020. Targets are high for the electric vehicle industry as well, with Beijing hoping to establish five million charging stations by 2020 and up to 80 million by 2030. Not only does the government look upon help from foreign companies to meet these capacity targets, but foreign investors often have the ability to compete with local companies possessing advanced and experienced technology and expertise in the sectors. In this way, they can be an attractive target for joint ventures. A notable example would be that of Volkswagen and JAC to produce 100,000 electric vehicles a year in China.

In addition to considering general incentives, foreign investors should not neglect to research their target industry for industry specific opportunities. For those considering investment in the auto industry for example, it should be noted that foreign auto brands are regarded as highly prestigious among Chinese consumers, and China still struggles to develop internationally renowned brands. Consequently, foreign companies can lever a certain advantage in recognition, value and reputation. Particularly in targeting the higher-end consumer, foreign companies still play a major role.

Furthermore, it is worthwhile researching specific sectors for financial incentives, such as the introduction of green bonds which can also play a major role in aiding your investment in China.

Investment Incentives: Green Bonds

On 2nd March 2017, the China Securities Regulatory Commission (CSRC) released a new set of guidelines to support the issuance of green bonds to decrease China's pollution levels and to encourage environmental protection. According to the People's Bank of China (PBOC), since public investment is not sufficient to meet funding demands of green initiatives, green bonds have become a powerful supplement. They represent a definitive attraction for foreign companies seeking to invest in the industry, helping green companies to succeed in China and allowing China to alleviate its environmental issues, including air and water pollution, at the same time.

Naturally in this way, not only are green bonds popular at a national level, but also at a regional level. Regional governments contend to receive funding for new projects and initiatives, whilst simultaneously helping China to gain international recognition for its effort in solving the various environmental issues and alleviating concerns. In fact, in 2016, almost 40 percent of the number of green bonds issued that year were released in China, totaling an excess of over RMB 200 billion. While over 80 percent of bonds were issued in Shanghai, Fuzhou and Beijing for projects in sectors such as clean

energy and transport, it is important to note that green bonds are not only issued to green enterprises. Rather, the issuance of green bonds is dependent on the type of project and whether it can be qualified as "green." In June of this year, a power producer in Tianjin succeeded in issuing "green bonds" worth RMB 1 billion to finance a coal-fired power plant.

There are numerous incentives and opportunities available to both foreign and domestic investors considering entering, or already established in, the green sector in China. This coupled with huge support from the Chinese government at a national and regional level makes this an exciting and very much available sector to invest in. As with any investment, this does of course come with challenges and hurdles of domestic competition and various restrictions, but one should not be discouraged. With a clear, well-thought out investment plan, the green sector is one in which foreign investors do have the opportunity to thrive and succeed.

Ms. Kristine Horbach is Head of the German desk at Dezan Shira & Associates. Dezan Shira is a professional services firm, assisting foreign companies with establishing, maintaining and growing their business operations in Asia. She can be contacted at kristine.horbach@dezshira.com.



Fette Compacting China prepared for the future Operation start in new facility with enlarged, enhanced Production and advanced Tableting competence Center in early 2018

With the investment into a new state of the Art facility in Nanjing, Fette Compacting China continues its success story as the leading provider of high efficient Tablet machine technology and respective competence to the Chinese Pharmaceutical market. Since the foundation stone laying ceremony of the new plant on February 22 this year, the new plant site of - Fette Compacting (China) Co., Ltd. is now nearly completed. It is planned that the relocation to the new site will be completed by the end of this year, and it will be formally put into operation at the beginning of 2018 with the production capacity doubled. In addition the new facility will contain a modern, state of the art competence center to further enhance Technology support and consultancy to the Chinese and overseas' customer of Fette Compacting China.

The new plant covers an area of 53,217.54 square meters and a floor area of 21,349.4 square meters, with modern production facilities and an advanced competence center with tablet compacting laboratories. The design of the building is supposed to support communication and exchange. Aside the enhanced working environment for the employee, the large, modern technology & competence center will provide an ideal basis for providing customers with all support, to achieve excellence in their tablet productions. This is accomplished by a dedicated Academy center, that will serve customer seminars or trainings as well as the focus on continuously developing the own personnel's competence.

The production workshop is designed to serve the needs of capacity expansion and application of advanced technologies for high quality machinery production according to the High Fette Compacting standard. As a leading, responsible technological company serving mainly customers from the Pharmaceutical Industry, Fette Compacting continues its focus on the fundamental principles of technological innovation, high accuracy and applying the highest quality as well as safety standard. No need to mention, that the new Fette compacting facility will fulfill high environmental protection requirements, e.g. when it comes to storage or safe handling of hazardous materials or with regard to safe handling and treatment of medical products in the trial laboratories or acceptance areas, which are designed GMP like.

As continuous know how development is a fundamental basis of Fette Compacting's success at the markets, the focus on the personnel competence is crucial. Together with the sister company LMT Tools China, Fette compacting China is continuously driving a personnel development program under the roof of the common LMT Group Academy China. In February 2016, Mr. Olaf Mueller, CEO of LMT Group and President of the Fette Compacting division, and Nanjing's Mayor, Mr. Miao Ruilin, have had a comprehensive conversation on the business development of the LMT Group companies in China and the building of an advanced corporate academy for personnel training. Mr. Olaf Mueller signed an agreement for the establishment of LMT Group Academy China with Mr. Chen Zhilai, director of the Investment Promotion Bureau of Jiangning Economic Development Zone already. In the new plant the ambitious plans are realized. The Academy will combine all required resources and modern teaching equipment to meet the training demand of all staff and customers to underline and support Fette Compacting's target to remain Technology and market leader for efficient solutions in Tablet production.

With the new facility, offering advanced production capabilities and the high focus on Technology, personnel development, competence and consultancy is well prepared for the future and the continuous support of all customers that are striving for excellence in efficient Tablet Production.



China's Environmental Enforcement

Understanding How the Environmental 'New Normal' Will Affect Your Business

By JULIA COYM

Environmental enforcement has become a major business risk for companies operating in China – especially in the manufacturing sector. The fact that China's manufacturing slowed down at the start of the fourth quarter only underscores how serious China's leaders are about enforcement. Additionally, at the 19th Communist Party Congress, Xi Jinping affirmed the party's commitment to the environmental agenda as part of its plan to address social issues resulting from years of rapid growth. The message is clear: Environmental protection now takes precedence over economic growth.

But environmental enforcement has also become more complex – focused on more than emissions or waste management. Environmental enforcement is now an essential tool in executing Beijing's industrial policy agenda, forcing companies to not only review their environmental compliance procedures, but also to adapt their wider stakeholder engagement and risk assessment.

A long time coming

A spate of factory closures in the third quarter of 2017 left many companies in a tailspin trying to understand what sudden development had compelled officials to shut down their operations or the ventures of their suppliers. However, while these shutdowns were unprecedented, they were not unexpected.

In 2015, the then newly installed environmental protection minister Chen Jining said environmental enforcement in China lacked teeth. But with new powers and the top Chinese leadership's political backing, Chen committed the Ministry of Environmental Protection (MEP) to take action to protect the environment. It is a promise that Chen (who was recently promoted to Beijing mayor in May) has executed vigorously; the MEP has proven its bite can be as fierce as its bark.

The entry into force of the Environmental Protection Law (EPL) in 2015 signalled dramatic changes in environmental enforcement. One-off fines for polluters were so low that they disincentivised compliance – after all, it was cheaper to pay the fine and continue polluting. The EPL instead introduced new fines – that would accumulate every day until the violation was resolved – to prompt companies to upgrade their facilities.

An environmental army

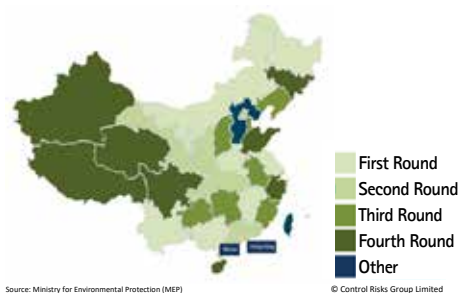
The EPL went further than that, it gave proverbial teeth to a range of actors – from national officials to prosecutors and even to non-governmental organisations – to go after polluting companies. Environmental NGOs received the right to file public interest lawsuits directly against companies, and have since done so successfully against both foreign and domestic firms.

Environmental officials at the national level also received a significant boost in enforcement powers. Systematic environmental inspections from 2016 have been modelled after those carried out by the Central Commission for Discipline Inspection (CCDI – the ruling Communist Party of China [CPC]'s top anti-graft watchdog) in order to increase their clout. MEP inspectors have also been given special authority to supersede provincial officials of equal or higher rank whom they are investigating. Except for the anti-corruption drive, such powers are unprecedented.

Inspections and regular shutdowns

The effects of those powers have become increasingly clear in the latest two rounds of national environmental inspections. With reports of tens of thousands of companies – primarily Chinese – being closed down in the third quarter of 2017, the latest two rounds of the central government-led environmental enforcement campaign have reached unprecedented levels. This has led to – in some cases public and high profile – calls for help from multinational companies that have had their supply chains suddenly disrupted or their own factories shut down for months at a time.

Environmental inspections – Intensifying with each round



Authorities have been unsympathetic. In the past two years, the MEP has repeatedly warned of poor compliance and of intensifying enforcement. The MEP and its local and provincial counterparts said that factories subject to closures had received warnings – in some cases numerous – and that they had made very few exceptions.

The national inspections are only one part of the latest wave of environmental enforcement, but they are a bellwether of rising enforcement. The environmental crackdown must be understood as part of the new normal. Those who deny this will be proven as wrong as those who first dismissed the anti-corruption campaign as 'merely political' and 'certainly short-lived'.

Environmental inspections – Beyond pollution violations



Environmental and industrial policy in one

An important trend that has emerged in the latest centrally led environmental inspections is that enforcement has extended beyond environmental issues. Inspections have been conducted not just by environmental authorities, but by local industry regulators as well. Companies shut down generally fell into the categories of 小, 散, 乱, and 污 (xiao – small, san – scattered, luan – messy, and wu – polluting). Numerous companies compliant with emission rules were closed down if their business licences, certificates or other documents were not in order.

China's senior leadership is merging environmental goals with wider industry aims, particularly with regard to cutting overcapacity and upgrading industries. Smaller, inefficient operators will not be allowed to reopen. This can also be seen in the intensifying relocations for manufacturing companies in recent years. The government views this as an essential part of upgrading China's economy, but poses serious risk to companies' supply chains, as their suppliers may suddenly find themselves unable to deliver.

It also threatens to apply further pressure to companies disadvantaged by industrial policies such as 'Made in China 2025'. Emission-intensive, low-value manufacturing will increasingly be moved out of China, as authorities tighten restrictions on which industries they welcome in their jurisdiction. Foreign companies have been and will continue to be held to higher environmental standards than many of their local peers by officials, as well as the public and media. In industries where stricter environmental enforcement will significantly raise costs that hinder competitiveness, foreign companies may find it even more difficult to maintain their market shares.

Further changes to environmental stakeholders

As part of this process, the roles and responsibilities of government officials will continue to evolve. Industry regulators are being as-

signed greater responsibility for ensuring environmental compliance in the sectors they supervise. The latest inspection rounds involved both environmental and industry bureaus, which conducted physical inspections as well as regulatory and policy reviews.

Moreover, environmental authorities are being freed from potential conflicts of interest, with the central leadership introducing vertical reporting structures (in which each environmental agency reports to a more senior environmental agency, rather than their local government heads). Local mayors in those jurisdictions, and the rest of the country, have seen their influence on environmental issues erode. They can no longer overrule environmental restrictions or penalties.

New reporting structures for environmental authorities



The environmental new normal – what now?

All these changes position authorities to more extensively and more frequently monitor and inspect for environmental compliance. To respond effectively to these changes, companies need to understand the drivers and the timing of wider enforcement, to stay ahead of local government and sector-specific trends as well as one-off investigation and shut-down triggers such as industrial accidents or seasonal pollution.

The changes also require companies to renew and intensify their communication on environmental issues with all regulators. Going forward, how companies account for and justify their environmental performance and their environmental contribution will become much more essential, not just when dealing with environmental inspections, but for all regulatory approvals.

Finally, the latest inspections serve as a good reminder that companies need to have oversight of their entire supply chains, and ensure suppliers are also environmentally compliant and prepared for the shifting regulatory and enforcement trends. As seen in the latest inspections, this is not just about environmental audits. It is also about conducting thorough due diligence on business partners and identifying any compliance red flags that indicate there are current or likely future environmental or business issues.

Julia Coym is a Senior China Analyst with Control Risks, an independent, global risk consultancy specialising in political, integrity and security risk. They help some of the most influential organizations in the world to understand and manage the risks and opportunities of operating in complex or hostile environments. They support clients by providing strategic consultancy, expert analysis and in-depth investigations through to handling sensitive political issues and providing practical on the ground protection and support.



No Loss of Know-How, No Job Reductions

Interview with Mr. Wolfgang Müller, Senior Advisor of IG Metall Bavaria District

Mr. Wolfgang Müller has been working with IG Metall Bavaria since 1999 and was member of the supervisory boards of Audi, Schaeffler and Siemens. As Senior Advisor of IG Metall Bavaria, he conducted a survey in 2016/17 on the relationship of labor unions and work councils and their Chinese investors. The report is accessible in German on the website of Hans Böckler Foundation. On 1st November 2017, he presented his findings at the School of Government at the Sun Yat-sen University Guangzhou. Mr. Müller has a strong connection with China; He has spent more than two years in Beijing in 1977 after his studies in social sciences. Today he advises works councils and trade unions on China and has led a China tour for work council members and IG Metall representatives in October 2017.

Dear Mr. Müller, for your survey you interviewed the work councils and trade unions of 42 companies with Chinese investors. Which topics were part of your research?

For this study, I interviewed work councils and employee representatives as well as representatives of trade unions responsible

for these companies and interrogated them on various topics like: When was your company acquired? How is the relationship with the management and the Chinese owners or investors? How did the entry of Chinese investors influence collective agreements, relations within the company and the working atmosphere? Is there a direct contact of trade unions or work councils in Germany with their counterparts, Chinese company unions?

What was the main finding of your study?

The main finding was that Chinese companies accept German standards of wages and working conditions and the rights of co-determination. The fear of the overall public opinion in Germany and often distorted by the media, that there would be massive job reductions and an outflow of know-how is currently unfounded. I can't promise that the behavior of Chinese investors towards German subsidiaries won't change in the future, but this is our finding of the current situation. The biggest fear work councils expressed, was what would happen to them when there is an economic crisis in China and whether they would be

the first one affected. In contrast to the public and political opinion, there is a very good relationship at this point.

What about the fear of an uncontrolled outflow of know-how?

In the context of the acquisition of KUKA, there was a hot discussion in the media as well as politics whether China extracts Germany's know-how. As soon as the know-how is lost, factories in Germany would be dispensable, leading to shut downs of factories and a cutting of jobs.

The loss of know-how is hard to validate empirically. Therefore, my question was whether work councils evaluate research and development in Germany as increasing or decreasing. I chose this criterion as an increase of R&D activities in Germany can't exist when there is an outflow of know-how. A transfer of know-how to China, that a machine that once was developed in Germany is now build in China, well, that is the right of every owner!

However, work councils stated that they don't fear to lose their jobs in the near fu-

ture as the precision, for example for special machinery, can't be completely documented in blueprints and therefore not simply copied. This precision cannot yet be produced in China. Even a factory with Chinese owners for over ten years is still producing some high-precision products in Germany. The interviewed work councils gave an all-clear on this topic and reassured that now there is no problem.

Was this result a surprise for you?

Yes, I was surprised. In not one single interview was a worsening of the situation after an acquisition by a Chinese investor reported. In most cases there was not a big change, often an improvement of work relations and that Chinese shareholders and owners made further investments, which were long overdue. Some Chinese shareholders even build up direct contact to the workforce via the work council. Chinese investors seem to value work councils high as they represent the high quality Germany stands for. The work council seems to represent the skilled staff producing German quality. Therefore, the statements were throughout positive, what surprised me in this unambiguousness.

So Chinese owners made further investments after the acquisition?

Yes, as I already said, Chinese investors are open to make investments that are overdue because the old family owner had no money, or the private equity group had no interest in it. In Aschaffenburg, the Chinese state-owned enterprise Weichai Power build a new factory for Linde Hydraulics. The work council had made de-

mands for this investment for ten years as the old factory was too small. They finally got it from the Chinese investor.

Is there a difference between private and state-owned enterprises?

At the moment, there is no significant difference between the investment of a private company and a state-owned enterprise. My hypothesis, which got confirmed by the survey, was that state-owned enterprises are rather long-term oriented. And as state-owned enterprises have to work close with party trade unions, therefore the work council is also accepted in Germany. They take over German law and norms when they enter the German market and these institutions are part of that.

For private companies, the car electronics manufacturer Preh Group in Bad Neustadt, Franconia is a good example. They were acquired by a private investor from Ningbo five years ago. He invested and upgraded the factory. He even bought a hotel for accommodation. The fear, which we often have in Germany about the future of Germany as a location for business is unfounded.

In Germany, we have experience from the last 20 years with investors who cut jobs when they enter a company. Chinese investors are not like this! Reasons for this might be, that companies were already made "lean" by the previous owners, so there is no need to cut further jobs. But it seems like Chinese investors are just very different from American investors, finance investors, who first improve the rate of return by cutting jobs. With Chinese investors that doesn't happen!

A few years ago, you were asked to build up a work council network for German companies with Chinese investors. How did that happen and how did this network develop?

It was in 2011. I received a phone call from the work council of KION. They were about to get Chinese owners and they wanted to meet other work councils from companies with Chinese owners to exchange their experience. Well, and now we have annual meetings. The meetings developed just like the Chinese investors' community in Germany. In the first year, 8 to 10 companies participated, all from Baden-Württemberg and Bavaria. In the second year, 15 to 18 and in the third year already 30 companies came, and there are more and more companies joining, just like the investments are growing.

What about challenges with Chinese investors? Did they tell you about problems or changes they have to deal with?

One thing is that Chinese investors don't know the German system, especially not the employee representation. The topic of co-determination is entirely unknown, it is probably not important for them at all. The employee representatives on the other side know well how to deal with German owners or American ones. But Chinese owners with another culture were something completely new and they didn't know how to address to them.

The problem was, and still isn't entirely solved: In some companies the work councils don't have any contact to the investor. They would like to have some. German mid-sized companies, especially when the





owner is a single person or a family, are often located in provincial towns. Therefore, there are often direct connections to the owner, which are important. To talk to the owner, outside of official meetings, when there is a problem in the company, when the manager doesn't want to listen, then the owner can be contacted directly. Well, and this isn't possible with Chinese investors. It's not possible to just contact them. This was and still is a problem. I always suggest contacting the owners directly. This can also mean to send a letter to a state-owned enterprise in Beijing or Shenzhen or wherever the headquarter is and ask for a representative to talk to in person. In many cases this worked: A Chinese representative came to the work council and a direct contact to the owner had been established, outside of the normal chain of command.

In the case of ChemChina, China's biggest chemical enterprise, who did not just acquire Pirelli and Syngenta, but also Krauss Maffei in Munich, two representatives of the work council were invited to Beijing before the acquisition took place. The work council stated before, that they don't have any general objections against a Chinese investor. The boss of ChemChina who had invited them was surprised because elsewhere, with other takeovers by ChemChina he had experienced strong objections from the unions.

You just traveled China with a delegation of work councils. What was their impression of China?

First, our group was deeply impressed from the dynamics in the Chinese society

and in the economy. Also, the fantastic infrastructure we observed left a lasting impression – compared for example with the low speed and quality of internet connections in some areas in Germany.

We have mainly looked into the automotive sector in China. We've got the strong impression that the future of the automotive industries in the world is ever more decided in China – not only with EVs, but also with customer preferences etc. That would have major repercussions also for the automotive sector in Germany where a big share of its high profits comes from China.

How do you see the future of Chinese investments in Germany?

I believe that in the future, Chinese investments will go on. Out of question. They will continue to invest in companies and obviously they won't acquire companies no one is interested in. They will invest in companies like KUKA, which are famous and promise future growth.

In Germany, there is a discussion going on whether Chinese investors have a plan. Well, they should have! I think the discussion is ridiculous. Of course, Chinese investors decide strategically. They don't look for a quick buck – at least not in Germany. How can we refuse Chinese to invest in strategic companies? And what is a strategic company? Are other industries less important?

In my opinion the economic policies in Europe are somehow biased against China. At the same time, Europe is lacking a co-

herent industrial strategy whereas China has developed clever blueprints for industrial development ("Made in China 2025") and for international economic planning (New Silk Road initiative) and is investing lots of money to support those plans. Maybe it is necessary to protect certain industries (steel for example) in Europe for some time against unfair competition from China.

But without a European blueprint for the development of certain sectors and high-tech industries and without the necessary funding for such an initiative, Europe is losing its industrial base and its future. Neither protectionism is the solution for the future of Europe nor austerity nor leaving the future to the market forces.

We should learn some lessons from China.

Mr. Müller, thank you very much for your time.



Mr. Wolfgang Müller, Senior Advisor IG Metall Bavaria, speaking with Ms. Lydia Schulz, Regional Manager Shenzhen, GCC | South & Southwest China

德国清洁专家：KÄRCHER

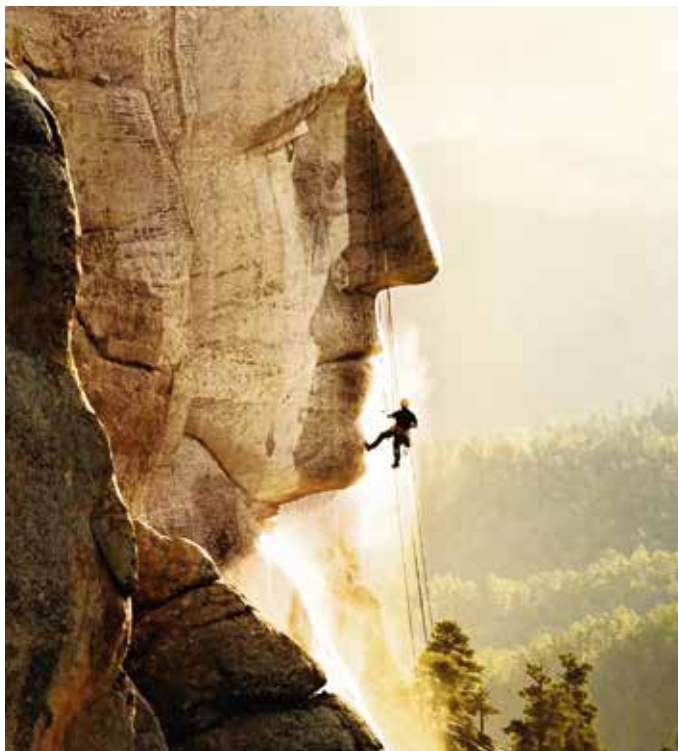
GERMAN CLEANING EXPERT: KÄRCHER

KÄRCHER, 1935年诞生于德国温嫩登, 是欧洲第一台热水高压清洗机的发明者。品牌进入中国以来, 致力于以欧美健康标准改善中国用户的居家环境, 分享专业、高效且富于乐趣的洁净生活方式, 用科技呵护生命健康, 畅享美好生活!

Kärcher, the world's largest cleaning equipment manufacturer, was founded in Stuttgart-Bad Cannstatt in 1935 by Alfred Kärcher. Thanks to the development of a constant stream of new problem solutions and its customer strategy oriented, Kärcher has succeeded in growing continuously throughout its more than 80-year history. Nowadays, Kärcher's name is associated primarily with the subject of cleaning.

Kärcher集团已在全球60个国家设立了100余家分公司、50,000个服务中心, 拥有来自130多个国家逾11,500名员工, 旗下系列产品已超过3,000多种。

Alfred Kärcher GmbH & Co. KG runs more than 100 branches and 50,000 services networks in 60 countries. More than 11,500 employees coming from 130 different countries have created more than 3,000 products.



得心应手：KÄRCHER清洁系统

谁说清洁不能“面面俱到”？周全的Kärcher洁净理念, 让难题迎刃而解！最理想的清洁解决方案, 为您奠定成功捷径。成熟专业的清洁设备、超过80年丰富经验、卓越先进的创新技术, 共同凝聚成品牌精髓：强劲、坚固、可靠、经济、高效、可持续发展。万般清洁难题, 只需一个解决方案：Kärcher系统！

AS YOU LIKE IT: THE KÄRCHER SYSTEM

Who says you can please everyone? Here at Kärcher, we see things differently. You should have precisely the solutions you need for your success. You can count on our expertise, 80 years of experience and the most advanced cleaning technology. You know the result: power, robustness, reliability, economy, exemplary efficiency and sustainability. In a word: the Kärcher System.





扫码即可购买
SCAN THE QR
CODE TO BUY



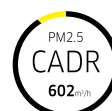
洁净空气，源自德国

Pure Air, created by the reliable German cleaning technology

KÄRCHER家族的KA 5空气净化器，四款滤芯，解决不同空气污染。采用360度大循环技术，可为面积大至72平方米的空间持续提供洁净的空气，而出色的超低噪音设计，为您营造更舒适的健康呵护。

Solve all your indoor air quality problems with the Kärcher Air Purifier KA 5 with four different filters inside for all applications. Thanks to the 360° big air circulation technology, KA 5 can continuously provide clean air in big area of 72 square meters, meanwhile ultra-low noise design helps you attain the long-term health that you deserve.

www.karcher.cn



高CADR值



高CCM值



低噪音

KÄRCHER

makes a difference

Legal Update

China Amends Regulations on Environmental Protection of Construction and Production Projects

By DR. ULRIKE GLUECK, MICHAEL MUNZINGER, XU WANG

During the last years, due to the alarming situation of air, water and soil pollution in the PRC, the necessity and importance of a better environmental protection was brought into the focus of public awareness. Also the Chinese government continuously attached greater attention to this issue.

Starting from 2014, a series of laws and regulations related to environmental protection have been revised, updated and newly introduced in the PRC.

For example, on 24 April 2014, the Standing Committee of the National People's Congress ("NPC") adopted the revised PRC Environmental Protection Law which entered into effect on 1 January 2015. The revised PRC Environmental Protection Law, inter alia, introduced stricter penalties for continuous non-compliant acts, clarified the scope of potential plaintiffs which can initiate environmental public interest litigation and introduced a new chapter on environmental information disclosure and public participation.

The revised PRC Law on Environmental Impact Assessment (the "EIA Law") was adopted by the Standing Committee of the NPC on 2 July 2016 and entered into effect on 1 September 2016. Newly introduced Administrative Measures for Filing Environmental Impact Registration Forms for Construction Projects (the "EIA Registration Form Measures") have been adopted by the PRC Ministry of Environmental Protection ("MEP") on 2 November 2016 and became effective on 1 January 2017.

The new PRC Law on Environmental Protection Tax which was adopted by the Standing Committee of the NPC on 25 December 2016 will enter into effect on 1 January 2018.

Further, on 29 June 2017, the MEP promulgated the Administration Catalogue for Environmental Impact Assessment (the "EIA") of Construction Projects (the "EIA Catalogue") which was updated in accordance with the EIA Law and entered into effect on 1 September 2017.

In order to keep the environmental protection laws and regulations consistent with each other, on 16 July 2017, the PRC State Council has further promulgated the updated PRC Administrative Regulations on the Environmental Protection of Construction Projects (the "Regulations") which entered into effect on 1 October 2017. The updated Regulations reflect the updated stipulations of the Environmental Protection Law and the EIA Law. It is noteworthy that the Regulations not only apply to actual construction projects (such as the construction of buildings and plants), but also to production projects the establishment and/or operation of which will have environmental impacts (such as manufacturing and assembly lines), i.e. in other words to all production companies.

The following article will focus mainly on the updated Regulations and their practical implications. The main purpose for the revision of the Regulations was to simplify the environmental assessment procedures for construction/production projects. Key provisions of the Regulations include the following:

- The EIA Registration Form, which was originally required to be approved by the MEP or its competent local counterpart, i.e. the environmental protection bureau ("EPB"), now only needs to be filed with the EPB.

The EIA Law stipulates a classification-based management system on the EIA of construction/production projects. Such system is based on the potential impact of the respective construction/production project (and the later operation) on the environment. The applicant (applicant shall mean the company that will carry out and own the construction/production project in this article) shall prepare a comprehensive EIA Report for projects with potentially serious environmental impact, an EIA Statement for projects with potentially mild environmental impact and a simple EIA Registration Form for projects with only very minor environmental impact (hereinafter collectively the "EIA Documents"). Prior to the Regulations, all EIA Documents had been required to be approved by the competent local EPBs. However,

the amended Regulations have now removed such approval requirement with regard to projects with potentially minor environmental impact, i.e. for EIA Registration Forms. EIA Registration Forms must now only be filed with the competent local EPB instead of being approved. The main difference between approval and filing procedures is the timeline. The applicant is not allowed to commence the construction before obtaining the approval, while as explained below, the deadline for the filing is before the completion and operation of the construction/production project. Also, the penalties for failure to obtain approval are much more severe than the ones for failing to make the filing.

According to the EIA Registration Form Measures, the EIA Registration Form for construction/production projects shall be filed online unless confidentiality is required according to relevant laws and regulations. Approval of the EIA Reports and EIA Statements can also be conducted online, although in practice certain local EPBs still require hard copies of the application documents to be submitted on site. The applicant shall, before the construction/production project is completed and put into operational use, log on to the online filing system, fill in the relevant information and submit the EIA Registration Form to the competent local EPB online.

- The timeline for the approval/filing of the EIA Documents has been extended.

Before the entering into effect of the revised EIA Law and the revised Regulations, the EIA Documents had been required to be submitted for approval during the construction/production project feasibility study phase and the approval of the EIA Documents by the competent EPB was a pre-condition for the approval of the feasibility study report of the construction/production project. The Regulations, however, now clarify that the EIA Reports and the EIA Statements can be submitted for approval at a later time, i.e. before the actual commencement of the construction/production. Further, as mentioned above, the EIA Registration Form can be filed online before the construction/production project is completed and put into operational use. This means that the approval/filing of the EIA Documents by the competent EPB can now be done simultaneously with or after the approval of the feasibility study report and other approvals and/or records related to the construction/production project.

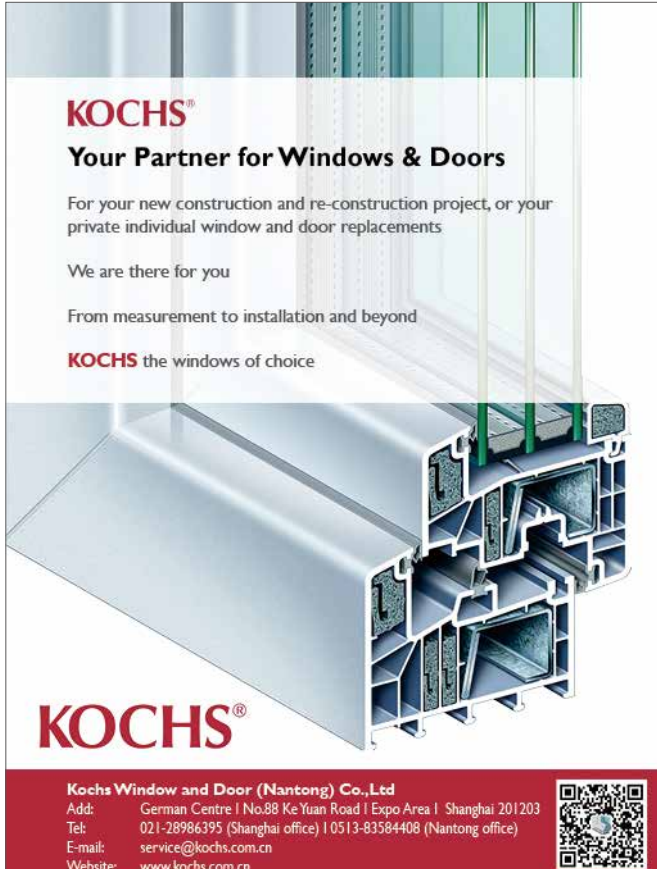
In addition, the approval/filing of the EIA Documents will no longer be linked with the business license registration by the competent Administration for Industry and Commerce. Previously, the approval/filing of the EIA Documents by the competent EPB was a pre-condition for the establishment of a new company in the PRC. i.e., prior to the application for the business license, the EIA Documents were required to be submitted to the competent EPB for approval. However, such requirement has been removed from the amended Regulations and now approval/filing of the EIA Documents by the EPB can be made after issuance of the business license.

- Certain circumstances which will lead to a failure of obtaining approval of EIA Documents have been added into the Regulations.

The Regulations expressly stipulate that the MEP or the local EPBs shall make a decision on disapproving an EIA Report or EIA Statement under the following circumstances:

- the type, location, layout, or scale of the construction/production project is not in line with laws and regulations on environmental protection and the relevant statutory planning; or
- the environmental quality of the area where the construction/production project shall be located fails to meet the relevant national or local environmental quality standards and the remedial measures to be taken in order to meet the relevant national or local environmental quality standards cannot meet the regional environmental quality improvement targets by the local government; or
- the pollution prevention and control measures adopted for the construction/production project cannot ensure that the pollutant emission can meet the national and local discharge standards, or no necessary measures are taken to prevent and control ecological damage; or
- in case of a reconstruction or expansion project or a technological transformation project, no effective measures are proposed to prevent and control the original environmental pollution and ecological damage of the project; or
- the basic materials and data in the EIA Report or EIA Statement of the construction/production project are obviously false, contain material defects or omissions, or the environmental impact evaluation conclusions are unclear and unreasonable.

The above circumstances under which no approval shall be granted, have been newly added into the environmental protection legal regime and are an indication of the PRC regulators' determination to finally actually improve the quality of the environment and respective regulatory control in the PRC.



KOCHS®
Your Partner for Windows & Doors

For your new construction and re-construction project, or your private individual window and door replacements

We are there for you

From measurement to installation and beyond

KOCHS the windows of choice

KOCHS®

Kochs Window and Door (Nantong) Co., Ltd
 Add: German Centre | No.88 Ke Yuan Road | Expo Area | Shanghai 201203
 Tel: 021-28986395 (Shanghai office) | 0513-83584408 (Nantong office)
 E-mail: service@kochs.com.cn
 Website: www.kochs.com.cn

- The applicant, instead of the competent EPB, shall be responsible for the inspection and acceptance of the environmental protection facilities of construction/production projects.

Previously, inspection and acceptance of the environmental protection facilities (such as filters for dust, sewage tanks, etc.) in construction/production projects was subject to the approval of the competent EPB. According to the revised Regulations, the preliminary design documents of a construction/production project shall contain a chapter on environmental protection and the implementation of measures for the prevention and treatment of environmental pollution and ecological damage as well as an estimated budget for environmental protection facilities. Further, the applicant shall include the construction of environmental protection facilities in the construction contract. After the construction/production project is completed, the applicant shall conduct an acceptance check of the environmental protection facilities and prepare an acceptance report which will not be subject to approval by the competent EPB anymore. Accordingly, the applicant itself shall be responsible for any non-compliance if the construction/production project is put into operational use despite of a failure to complete the environmental protection facilities or to inspect the facilities or to pass the inspection. Additionally, a "dual penalty" system is implemented: now, not only the applicant will be subject to administrative penalties, but also the personnel directly in charge or other responsible personnel. For the responsible personnel, a fine between RMB 50,000 and RMB 200,000 can be imposed. For the applicant, a fine between RMB 2 million and RMB 200,000 can be imposed (previously it was under RMB 100,000).

It is noteworthy that, although the competent EPB will not be involved anymore in the acceptance of environmental protection facilities used for construction/production projects, the competent EPB will supervise the construction/production projects during all phases, i.e. from their design, construction, acceptance and the later operation in order to achieve a more effective supervision and management. Further, for a construction/production project which requires an EIA Report or EIA Statement, after the construction/production project is put into operational use, a post-construction environmental impact evaluation shall be carried out according to the provisions of the EIA Law and the Administrative Measures for the Post-construction Environmental Impact Evaluation (for Trial Implementation) promulgated by the MEP which took effect on 1 January 2016. Also the punishment for not obtaining the approval of EIA Reports or EIA Statements has been increased: if the applicant commences the construction work without obtaining the approval of the relevant EIA Report or EIA Statement, in addition to suspension of construction, a fine from 1% to 5% of the total investment amount of the construction/production project shall be imposed.

- The Regulations have abolished the provisions on "trial production".

Previously, if a "trial production" was necessary after the main construction/production project has been completed, the environmental protection facilities have been required to be put into "trial operation" together with the main construction/production project. The applicant should make an application for "trial production" with the competent EPB and the EPB should inspect

the construction and implementation of the environmental protection facilities and other environmental protection measures. The construction/production project was only to be put into "trial production" after the approval of the competent EPB. In order to follow the rules in the revised PRC Environmental Protection Law and the EIA Law, the Regulations have now removed relevant provisions with reference to "trial production" and "trial production" is not subject to the approval of the EPB anymore.

- The Regulations further emphasize public participation, information disclosure and good faith management.

The Regulations further have the aim to increase the public awareness and governance with regard to environmental protection: the regulators shall take into account public opinions when preparing the EIA Catalogue; the MEP and its local EPBs shall process the approval/filing of EIA Documents through the internet and make all information available on the internet; the applicant shall, when compiling an EIA Report, solicit the opinions of the local entities and residents concerned; the applicant shall make the environmental protection facilities acceptance report publicly available, unless it is required to be kept confidential due to special laws and regulations; the MEP and its local EPBs shall record information on environmental illegalities and non-compliance concerning a construction/production project in the social credit file and timely disclose the list of offenders to the public.

The revised Regulations streamline the administrative procedures and lower the burden of the applicant by not charging any fees on businesses for the approval and registration of the EIA Documents. On the other hand, however, they emphasize supervision during all phases and increase the fines for violations and non-compliance.

The revised Regulations as well as the other above mentioned revised, updated and newly introduced laws and regulations demonstrate that the PRC government takes environmental protection seriously and that it is willing to start acting against environmental pollution and to increase the level of environmental protection in the PRC. This is definitively a positive signal. However, considering the shift to making the companies themselves responsible for inspection and acceptance of environmental protection facilities, it remains to be seen to which extent the above mentioned legal changes are effective and sufficient.

Dr. Ulrike Glueck is Managing Partner of CMS, China.
Michael Munzinger is Senior Associate at CMS, China.
Xu Wang is Senior Associate at CMS, China.

Ranked as a Top 10 Global Law Firm, CMS can provide a full range of legal and tax service in 40 countries with 71 offices. Together with 4,500 CMS lawyers worldwide, CMS China (Shanghai, Beijing and Hong Kong) offers business-focused advice tailored to your needs.

For more information, please visit – <https://cms.law/en/CHN/>

CALL FOR APPLICATION OPEN NOW!



More than a Market Awards 2018

We invite all German companies in China to submit their CSR projects.



Our award winners in 2017

Deadline for project submission is:

15th January 2018

**Projects may be in any area of social relevance,
commitment to a good cause is what counts!**

To download the application form please visit:

www.morethanamarket.cn

Award categories:

- 1. Small enterprises**
- 2. Medium enterprises**
- 3. Large enterprises**
- 4. Special category:**

Outstanding Supply Chain Management in China

The awards will be presented on 31st May 2018.



Join the More than a Market Forum to share best CSR practice.

Buying Health Abroad

Chinese Customer Expectations Trigger International Patient Management Industry

By THOMAS KAPITZA

Though there is an astonishing lack of valid statistical data, International Patient Management (IPM) Industry is expected to be a growing business sector, serving Chinese customers and patients. Taking a closer look into the current situation, one thing is certain: Hopes are flying high for companies providing medical treatment and complementary services against the backdrop of a rapidly emerging Chinese healthcare system. China's healthcare system is still facing a lot of challenges: Ongoing environmental pollution, expanding numbers of chronically ill patients, lifestyle-related health threats by nutrition, tobacco & alcohol consumption, difficult access to the top medical providers in Chinese hospitals, combined with a developing health literacy. This unique mixture of challenges might be a good reason that China's middle class is thinking about treatment options abroad. Why not pay for health services while on vacation in APAC region, Europe or the US?

China's economic development brought remarkable purchasing power and wealth to many different parts of Chinese society. The urban middle class is used to buying high-quality, imported goods and is also very interested in enhancing their individual quality of life. Increasing competition in business life and new methods of improving their body to magnify economic and interpersonal success could rise the willingness to shape individual health. This health consumerism doesn't always seem to be fueled by specific health problems. On the other hand, Chinese patients might take a closer look at international treatment out of fear and in case of significant time pressure.

How to find trustworthy international health services

Asking family members, friends and social network contacts creates a lot of information and may result in first recommendations, but will only give little contribution to the process of finding the best way to exclusive short-term foreign medical care. The knowledge about the strengths and weaknesses of advanced international healthcare systems is often very low. Patients as potential IPM customers must rely on information provided by specialized commercial domestic travel agencies or broker agencies. One can't buy health, but health supply has its price: Information about the expected medical outcome and agreed prices & services are essential to get a good feeling about the benefit of being treated abroad. What are important quality indicators for a potential IPM customer?

Trust as a precondition for successful treatment arrangements

To build trust and confidence in commercial, international health service offers, transparency is a helpful precondition. IPM service providers in China should be open to present their senior physi-

cians network in Europe or the US to their customers verifiably. If they have framework contracts with highly reputable doctors and renowned medical facilities, they will inform their customers about these networks in detail. As in China, the treatment quality in many foreign healthcare systems mainly depend on the professional expertise of responsible physicians.

Preparation of health data support efficient medical treatment

These highly endorsed physicians are very busy and perhaps don't like to wait for even a single patient. So, it is necessary that a patient's health data is sent to them, before the patient arrives onsite in Europe to ensure an efficient and fast treatment process. Every customer should pay attention to agency's guidelines and standard procedures in preparing his or her health trip in terms of medical report translation, health data transmission prior to the trip and individual health fitness adjusted travel logistics. In this field of expert services, in the end nothing will be more harmful for the customers than to try to buy cheap.

Time pressure effects increasing service prices

If the customer may need urgent medical treatment, time pressure will weaken the buyer's position. Most IPM services cannot be executed as medical emergency services. Before the start customers travel fitness should be cleared to avoid travel time extension and may result into delayed treatment start at the destination. So, if substantial time pressure appears, the agency service price may rise. Customers should clarify the medical purpose of their treatment and should get an understanding whether the IPM agency really understand their needs.

Service structure defines customer benefits and agency's service prices

IPM services always include medical services, given by medical providers & professionals, and non-medical services like travel & accommodation arrangements, translation service and general client accompaniment during his or her treatment period. The medical services should include the physician-patient talks during anamnesis (clarification of medical history and current health status), diagnostic and therapeutic medical treatment and final meeting (with discussion of the final medical report). These services should be defined and agreed in detail in agency's contract before signing their contract. Mostly the prices of these services are given by the foreign treatment facility. For instance, in Germany most medical services and their prices are published inside official fee scales for hospitals and outpatient/ambulatory medical services. In comparison to Ger-

man prices the US prices are up to 3.5 times higher, although most of the medical destinations in EU and US are both approximately eight to ten flight hours away from China. Usually there is no difference in the medical treatment quality between these two regions.

Non-medical services are also important to enjoy a pleasant trip and a comfortable stay at the destination. These services may become very expensive e.g. if a 24/7 personal assistance (incl. translation services) is necessary. So, it is quite helpful and will build trust, when all planned non-medical services are listed with their prices (incl. country VAT) in the IPM contract. It may happen, that for non-medical services the costs are higher than the for medical services in the end. This is often a reason for customer's dissatisfaction after their return home.

Medical services are the core of IPM products

Potential customers should try to decide, what kind of medical services they expect in Europe, especially in Germany. Do they need a second opinion from a high profiled medical professional, or do they just want to buy a general medical checkup including some recommendations to improve their daily quality of life? Maybe a surgery is planned or a comprehensive medical rehabilitation package at one of the German highly specialized rehabilitation centers is needed? In the end there are three results, that are basically important for IPM customers: to get exact information about the disturbing disease ("health status information") and good advice how to manage their illness or disability by themselves ("patient empowerment"); to get appropriate immediate medical treatment on best level of state-of-the-art medical expertise ("access"), combined with best medical technology and affordable but latest drugs ("state-of-the-art support").

Germany as a IPM destination?

Only few Chinese people know, that Germany is not only renowned for their car industry, but also for providing excellent healthcare with reasonable prices, especially in comparison to other healthcare systems. The political and social stability of Germany is an excellent basis that foreign visitors, like Chinese health tourists or IPM customers are welcome and are free to move all around the country safely. The overwhelming majority of Germans trust their healthcare system and their physicians as impartial surveys confirm regularly. Currently the European IPM agencies are very interested to expand their business to China, because some IPM customer groups likes Russians (economic crisis and fluctuation in the currency) are not that present in Germany anymore. Additionally, there may be government plans to simplify visa procedures for health tourists and the IPM business sector. Despite of facing more rigid Chinese foreign travel regulations, but Germany is prepared to welcome and to take care of Chinese patients.

Thomas Kapitza is senior business expert for healthcare sector and elderly care sector with professional expertise due to +250 projects since 1990 (EU, APAC, PRC, Russia, UAE, USA). He is a member of working groups of industrial associations, scientific advisory boards and strategic advisory councils. Additionally he works as a publicly appointed and sworn expert (IHK) in Germany, and is also certified expert DIN EN ISO/IEC 17024:2012 (HC industry). Mr Kapitza is the only health sector expert with this scope of services in the EU, and holds a degree in business administration from University Munich. Since his first trip to China in 1991, he has been watching China's expanding healthcare sector.

Rödl & Partner



SUSTAINABLE SOLUTIONS

As an integrated professional services firm, Rödl & Partner is active at 108 wholly-owned locations in 50 countries. Our clients trust 4,500 colleagues in the service lines audit, legal, management and IT consulting, tax consulting as well as tax declaration/BPO.

Our many years of accounting and advisory services in our Shanghai, Beijing, Guangzhou, Taicang and Hong Kong offices, we've become familiar with the special demands and opportunities of investment in China. We can offer a wealth of experience combined with the high standards and expert knowledge of an international organisation.

We provide sustainable solutions in the following areas:

- › Legal Advisory Services
- › Audit & Accounting
- › Tax Advisory Services
- › Transaction Services
- › Tax Declaration & Business Process Outsourcing
- › Management & IT-Consulting

[www.roedl.com /china](http://www.roedl.com/china)
www.roedl.de/china

Smooth Transitions

Employment Issues in China M&A Deals

By TRACY LIU

Employment law issues have the potential to significantly affect M&A deals in most jurisdictions and can play a crucial role in deciding whether a deal goes ahead smoothly. A slight problem in an M&A transaction brought on by an employment law issue can cost both transacting parties time and money. In the worst cases, the presence of certain employment-related matters can thwart a potential deal entirely and force it to be abandoned.

Given the colossal costs that can stem from these labor disputes, it makes sense that employers or potential buyers be proactive and take steps that will cumulatively lower employment-related risk. It is essential that any party to an M&A transaction fully understands the relevant provisions and application of employment law and that they take all necessary precautions to reduce the risks associated with the transaction.

This article aims to provide a review of some of the typical employment issues that commonly arise during Chinese M&A deals. It also offers practical recommendations to employers as to how they can combat and overcome employment-related issues thereby reducing the overall legal and business risks that are often present throughout Chinese M&A deals.

Impact of M&A Deals on Employment Issues

First and foremost, in China, the transfer of employees may only be effected by the termination and subsequent rehire of an employee. This differs somewhat to other jurisdictions, such as the UK, where employees are typically transferred automatically when a business is transferred from one owner to another. Moreover, due to the legal regime's distinct way of handling the transfer of employees, a potential buyer may wish to weigh the advantages and disadvantages between acquiring the assets or acquiring the equity in the M&A deal, with the employment issues in mind.

Equity Deal

In an equity deal, the "employer" of the employees does not technically change when the seller's equity in the target is transferred to the acquiring party. Chinese law does not require the new controllers of the company to enter into new employment contracts with the employees as part of the implementation of the merger since it is deemed that technically there was no change in the employment relationship. In an equity deal, from an employment

perspective, the buyer merely steps into the shoes of the seller and the relationship between the employer and the employees is left undisturbed.

On the other hand, however, the negative consequences that come with an equity transaction are that the buyer will assume all pre-existing liabilities that the seller had incurred prior to the completion of the deal. In an equity deal the buyer will be forced to retain existing employees, including those which are underperforming and/or potentially redundant or surplus. In China, employers face increased difficulties, when compared with the UK or the USA, in carrying out restructuring after an M&A transaction due to the legal procedures that are in place. In practice, it is difficult for employers to produce the evidence necessary to meet the legal thresholds for ending employment for underperformance or redundancy.

Overall, however, in equity transactions, employers can be less concerned with employment issues that could potentially derail an M&A transaction because the employment relationship remains unchanged.

Asset Deal

In contrast, in an asset deal, specific assets and liabilities are acquired and taken from the seller by the buyer. This changing of hands brings with it a wider array of potential employment law concerns. There is often a need for consultation between employers and employee representatives when an asset deal is being considered as the deal will likely materially affect the interests of (at least some of) the employees. Unlike an equity transaction, an asset acquisition does not see the automatic transfer of employees and their contracts to the buyer. In order to transfer the employment arrangements to the buyer, the seller and its employees must first agree to terminate the existing employment contracts and then the amount of severance that is to be paid to the employee by the employer. Other issues such as unpaid salaries and benefits and who will pay these will also need to be addressed at this point before the deal can continue.

On the other hand, the buyer is placed in a strong position for negotiating their future employment. The new employer can negotiate new employment contracts with employees that can include terms and conditions which are more preferable to the buyer than

those which were stipulated in the original contracts. Moreover, in an asset deal, the buyer bears no risk of taking on liabilities caused by the target's previous non-compliance with PRC employment law. Additionally, the buyer also has the right to choose the employees it wishes to retain and can do so simply by entering into new employment contracts on a selective basis.

Common Employment Issues in M&A Deals in China

Severance Packages (Asset Deals only)

A common problem posed in M&A asset deals in China is that of severance: the transacting parties must agree on how to deal with the previous service period of each employee. Usually, this involves service years either being inherited by the new employer or being bought off by the seller upon termination. The latter allows for the new employer to employ the employees without having to recognize and subsequently pay out any prior service period. This does, however, come with other problems. In China, an employer must pay statutory severance calculated at the rate of one month's average salary for each year of service. The "average salary" is the employee's average salary during the preceding 12 months prior to the termination. The amount is also listed to an amount equal to three times the local city's average salary during the last calendar year. A regular problem in the severance process is created by the fact that employees will often seek to take advantage of pre-M&A severance negotiations and use them as an opportunity to negotiate better terms with their employers. Employees will often ask the seller for much higher severance payments than they would be entitled to under the statutory calculations. There have been extreme cases where, when the seller refutes their demands, employees have resorted to protest, strikes and even violence. Therefore, it is recommended that the buyer choose to recognize employees' service and have the service years carried over. Not only is the risk of unrest and uncertainty caused by severance negotiation avoided but furthermore, by recognizing the service years the buyer also reduces immediate transaction costs and avoids losing any crucial employees that could be key to the business.

Overtime Pay

Failure by a previous employer to properly pay its employees for their overtime work is another potential issue present in M&A deals in China. Normally arising in due diligence, this issue has the potential to leave a buyer liable for the monies owed by the previous employer to the employee as the liability for it will be passed in an equity deal. Employees will retain the right to claim any accumulated overtime pay against the buyer.

Employment Contracts

Another employment issue in M&A deals in China is where the seller has failed to take out valid employment contracts with its employees. In China, an employer and employee must sign an employment contract and this contract must be executed within one month of the date on which the employee starts working for the company. Failing to have employees sign employment contracts can prove to be a very costly mistake for employers. In fact, for every month after the first month that the employee works without an employment contract, that employee is entitled to double the wages for the period worked. The limit to this is set at an amount equal to eleven months wage and moreover, an employer and employee will have been deemed to have entered into an

open-ended employment contract if they do not sign a written employment contract within one year of the date on which the employee starts work. In an equity deal, a buyer, having taken on the obligations and liabilities of the seller, can be exposed to civil claims resulting from the lack of employment contracts with the employees at the acquired entity.

Cyber Security in M&A Transactions

Another situation that may create employment law issues in M&A deals is where the protection of an employee's personal information is at risk. M&A transactions present greater risks to maintaining employee privacy because each company's email use regulations, social media policies and other aspects involving employee personal information are brought closer to the surface during such deals thereby creating opportunities for security breaches and theft of employee personal information. Under the PRC Cybersecurity law (CSL), it is illegal to expose the personal information of an employee to excessive risk. In order to effectively limit the chance of employee information being leaked, companies need to ensure that the purchase agreement contains provisions that adequately protect the employees' personal information. The CSL also places stringent requirements on how organizations collect and protect new information. Consequently therefore, a key feature of the M&A transaction process will be complying with these and making sure that any personal information acquired during the transaction is protected. Proper due diligence should seek to outline any privacy and data security issues that could arise during the transaction before they can become an issue.

Conclusion and Recommendation

In conclusion, to avoid potential employment issues that are often present in China M&A deals, it is recommended that employers use employment lawyers as early as possible so that a full and thorough due diligence investigation can be carried out against the seller and all its employees. More often than not, employment issues can be detected by effective due diligence and remedied quickly before things have a chance to escalate. Indeed, buyers and sellers should work together in order to minimize the risk of unrest and instability. A detailed strategy as to how to effectively combat initial employee unrest should be devised in order to avoid workplace disgruntlement caused by the transfer escalating into full blown workplace unrest. Additionally, it is recommended that the buyer seeks contractual protection where they choose to assume liabilities from the seller. Pushing the seller to make representations and warranties over possibly hidden and unforeseeable additional costs, such as unpaid overtime, can help reduce risk and can offer the buyer indemnity with losses that arise from legal non-compliance with PRC employment law.

Tracy Liu has extensive experience in employment law. She has been involved in both transactional and advisory work of various business sectors, including automotive, pharmaceutical, petrochemical, and fashion. Ms. Liu worked for Baker McKenzie in Shanghai for four years. Ms. Liu also worked for a leading German law firm in Shanghai for six years. Ms. Liu joined a PRC licensed law firm, Fieldfisher Shanghai Law Offices, as a Partner in 2017.

She can be reached at tracy.liu@fieldfisher.com

Protecting Your Property Rights

"Use" in the OEM Business Model According to Chinese Case Law

By GÜNTHER MARTEN

The annual damage caused by counterfeiting and piracy to the world economy is estimated to be around USD 461 billion. In the year 2013, this illegal trade amounted to some 2.5% of world trade and constituted some 5% of all imports into the EU. 80% of counterfeits confiscated in the EU and US came from China (including Hong Kong). Even though China has made progress in the protection of IP rights, the percentage of counterfeit products seized from China remains roughly the same. This may be due to the fact that the Chinese authorities are not sufficiently prosecuting the counterfeiting of goods intended for export. However, it may also be the case that Chinese case law does not regard the production of such goods as infringing IP law. The present article looks at current Chinese case law on the issue of Original Equipment Manufacturing (OEM).

The term OEM has different meanings. It mainly refers to the production of semi-finished products, which are used in a final product of another company. This is the case, for example, when polo shirts without a brand name are commissioned and delivered and the third company uses a (fake or genuine) logo or a (fake or genuine) trade mark on it. OEM also refers to the manufacturing of end products which bear, for example, another company's brand name and are marketed by it. For the purpose of this article it is assumed that the corresponding goods are intended for export from China to a foreign company. The legal position of the proprietor of the genuine trademark is intended to be the focus of this article, namely if he is able to stop such goods at the Chinese border.

Cases are to be assessed on the basis of the Chinese Trademark Act of 2013. Art. 57 (3) - (7) lists cases which, among others, are considered an infringement of IP rights, such as the use, sale or offering of counterfeit goods. According to Article 48, "use" is defined as the use of trade marks on goods, packaging or con-

tainers, on merchandise and advertising, during exhibition and, generally, on trade. But what is now, according to Chinese jurisprudence, a "use in trade"? Is the production for the sole export purpose sufficient?

In the important Pretul-Judgment, the Supreme People's Court (SPC), against lower court's judgments, decided at the end of 2015 that a violation would only be accepted if the goods were offered on the Chinese market. This is not the case for exported goods. The underlying facts of the case are typical for the relationship between the OEM manufacturer and the foreign trademark owner: The infringed figurative mark was registered in China in 2003 for metal products and locks by the applicant, Focker. The Mexican company Truper was owner of the word mark "Pretul", registered among others, in Mexico since 2002. Truper instructed Ya Huan (the defendant based in Pujiang / China) to produce locks, keys, instructions and packaging marked with the word "Pretul". Both the instructions and the packaging contained the description in Spanish that Truper was the importer of the goods in Mexico and that the goods were manufactured in China. Neither the packaging nor the product instructions contained a reference to the defendant. Focker seized a number of these products through the Chinese customs in Ningbo, China, and filed a civil trademark infringement action against the defendant Ya Huan as a consignor. The SPC essentially concluded that courts were required to examine whether the mark applied for was used as a sign of origin on the Chinese market; only then it was necessary to check the risk of confusion. The SPC then pointed out that the mark at issue was not used as an indication of origin on the Chinese market since goods were intended exclusively for export.

Cases decided in line with the Pretul-Judgment may have two unpleasant side effects for the trade mark owner. If the mere export of goods does not constitute use of the trademark in China,

the trademark registered in China may be subject to a successful invalidity request after three years on the ground of non-use. Furthermore, an opposition based on such a trademark may not be successful as the applicant can raise the non-use argument against the opposing trade mark or in a cancellation case.

Although the case had been decided by the highest Chinese court, the judgment is not binding for future cases pending before the SPC or even subordinate courts. Only a general judicial interpretation of the SPC would have a legally binding character. However, there are no indications that the SPC will elaborate and publish judicial interpretations in the near future on this subject. Therefore, conflicting decisions of the lower courts, with reference to the specific circumstances of this case in particular, continue to be delivered. One month after the Pretul-Judgment, the Higher People's Court of Jiangsu has decided exactly the opposite way. According to the court, goods manufactured exclusively for export purposes could constitute a trade mark infringement, even if they were not sold in China. This involved an OEM production and export to Indonesia of diesel engines. The court noted the plaintiff's well-known brand reputation in China and the fact that the OEM manufacturer should have known the infringed brand.

In a recent judgment of the Beijing IP Court, a foreign company commissioned its Chinese OEM manufacturer to produce and export "PEAK SEASON" garments. The Chinese brand owner of "PEAK" brought action. The Court of First Instance held that the garments, although intended for exportation, would also be available to Chinese consumers through Internet platforms such as Amazon. The infringing mark has therefore been used as an indication of origin also in China. In addition, the "PEAK" brand was very well known in foreign markets such as USA. According to the Court the OEM manufacturer should have known this.

It is clear from the existing case-law that the Chinese courts are trying to decide OEM cases on the basis of the concrete factual situation rather than following the Pretul-Judgment.

The ECJ's Red Bull decision could also provide arguments for foreign trade mark owners to defend their rights. Red Bull, the manufacturer of the well-known energy drink, was the plaintiff of the proceedings. Defendant is a bottler company in Belgium (OEM manufacturer and defendant). Its client is a soft drink company located on the Virgin Islands. The client supplied the OEM manufacturer with the containers, partly labelled with similar brands with the corresponding capsules and extracts of the soft drink, and the specific preparation instructions. The OEM manufacturer provided only the filling services. Everything else, also the export, was done by its client. Red Bull sued the OEM manufacturer for omission and the case was submitted to the ECJ for a preliminary decision. It initially found that an omission could only be considered if the OEM manufacturer had used the similar mark in business. It was true that the defendant had a business which sought to profit. However, this was not sufficient for determining the use during trade. According to the ECJ, the defendant simply carried out a technical section of the process of producing the final product without having any interest in the external presentation of the cans, and in particular the signs attached thereto. Thus, it did not "use" those signs themselves within the meaning of Art. 5 Trade Marks Directive but merely provided the technical conditions for such use by a third party.

Various considerations are pertinent. On one hand, the Chinese case law is not yet solid enough to assume a clear legal position. A sale is certainly a "use" of the trademark. However, there are various business transactions that are closely related, be it preparatory actions (such as manufacturing, storage) or complementary actions (transport) which are not clearly assessed as use. On the other hand, and more importantly it is not clarified to what extent the trademark must be confronted with Chinese consumers or appear on the Chinese marketplace. Is the ability of Chinese consumers to be verified, and is it necessary to demonstrate in concrete terms that Chinese consumers were confronted with the goods? To what extent does the trademark have to have appeared on the Chinese market to conclude to a market disturbance or a likelihood of confusion? Future case law is expected to bring more clarity.

Another issue that is still open is to what extent the OEM manufacturer can be held responsible, if at all, to the obligation to omit and to seize. Not still clear is further whether the OEM manufacturer can also be sued for damages and, if necessary, to provide financially relevant information for a later claim of damages. Foreign companies interested in an OEM business model with China are required to take different precautions. Since unregistered trademarks without reputation are not protected in China, registration of the trademark is of utmost importance irrespective whether the foreign company is interested in the Chinese market or not. The absence of a registered trademark in China and other factual (eg. former OEM manufacturers that appear as competitors) and legal (eg. lack of clarity in trademark legislation) circumstances can cause a perfect storm. The protection of IP rights in the contract with the OEM manufacturer is of course also important.

At the administrative level it is recommended – as a precautionary measure – to register the intellectual property rights in the Chinese General Administration of Customs (GAC) database. This qualifies for the ex officio protection system by which the GAC monitors products crossing the border and informs eventually owners of IP rights of suspicious goods. The local trademark management authorities, usually the Public Security Bureau (PSB) and the AIC, are also authorized to take action against OEM producers, shipping and storage companies, etc. The authorities will act upon request and after transfer of evidence but may also act ex officio. Finally, it should be noted that the courts in Zhejiang Province ignore the question of export in the definition of use and are therefore more willing to accept an infringement action, whereas the (not far away) Shanghai courts are likely to decide differently. The trade mark owner has means of determining the competent court.

Disclaimer: The opinion expressed in this article is exclusively the personal view of the author and binds in no way the employer entities.

Günther Marten is Minister-Counsellor at the EU embassy in Beijing since Oct. 2016. He is in charge of developing institutional IP co-operation between EU and China and supporting European businesses. He joined EUIPO, Alicante/Spain, the managing agency for the EU trade mark and design system, in 1995 and held various significant positions. Previously he worked in the European Commission in Brussels as legal advisor.

German Business in China

Results of the 2017/18 Business Confidence Survey

German companies evaluate the current economic situation in China more positively than in 2016 and remain optimistic for the coming year. However, they are faced with a range of business challenges and have become more cautious regarding investments at new locations in China.

The German Chamber of Commerce in China conducted its annual Business Confidence Survey between 21st August and 29th September 2017 and collected 423 valid responses from its member companies. The representative sample allows for a comprehensive overview on developments and business sentiments of German companies in China.

German business in China covers a broad range of sectors. The two largest industries are machinery and automotive, making up 29.8% and 19.4%, while business services rank third at 12.8% of German companies in China. The majority is concentrated in the main economic clusters of the Yangtze Delta, the Bohai Economic Rim in the North and the Pearl River Delta, with a smaller number of companies in the Southwest and other regions. More than 70% are registered as WFOEs and the majority are small and medium sized enterprises: More than two thirds have an annual turnover of under RMB 250 million and more than 70% have less than 250 employees at their local operation.

Economic and Business Outlook

German companies' economic outlook has recovered from the low forecasted in 2016. As the largest German industry in China, machinery/industrial equipment especially evaluate 2017 as positive for the own industry and significantly better than last year. This is in line with a positive development of China's machinery industry in

By GERMAN CHAMBER OF COMMERCE IN CHINA



the current year and with a steep rise of German machinery exports to China in 2017. Automotive and business services retained last year's level, with optimism for 2018.

Nearly two thirds of German companies in China expect to exceed or achieve their business targets in the current year. 75% of the companies expect their turnover to increase in 2018. However, companies remain cautious regarding investment and employment.

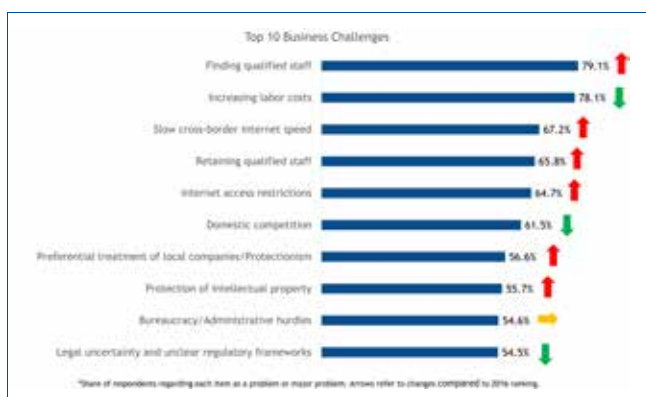
Business Challenges

Two thirds of the respondents struggle with slow cross-border internet speed and internet access restrictions – a significant increase compared to previous years. German companies also report a great deal of uncertainty regarding the new Cybersecurity Law: one in three companies is unsure about the impact on their business activities in China. Before taking effect on 1st June 2017, the

law was widely anticipated among German companies along with concerns about possible implications for business activities.

The shortage of qualified staff and increasing labor costs continue to be the main challenges for most German companies operating in China. Regarding the employment of non-Chinese nationals, the roll-out of a new nationwide work visa and working permit policy has made things more difficult for a third of companies, but the majority has not been negatively affected.

Domestic competition ranks 6th among the business challenges which is underlined by the increasing innovation capacity of Chinese companies. More than 40% of respondents expect Chinese competitors to become innovation leaders within five years. For the first time, this share is higher than the share of respondents who think this scenario is unlikely.



Preferential treatment of local companies, IPR issues, administrative hurdles and legal uncertainty also rank among the Top 10 business challenges of German companies. Nearly half of German companies have encountered legal or regulatory obstacles in the past year, with custom issues most prominent.

Reforms and Policies

The economic reforms of the last years tend to be welcomed by German companies. However, the initial enthusiasm about the reforms in the wake of the Third Plenum in 2013 has faded. Looking back over the past three years, German companies evaluate the reform impact much less positively than in the early days. Of the more recent policies, nearly 40% of German companies attest a negative impact to the restriction of capital flows.

Bilateral relations play an important role for German companies in China: 58% of respondents find bilateral relations between Germany and China very relevant or extremely relevant for their future business. More than half consider market access and a level playing field for foreign business in China urgent for the newly formed German government to act upon.

Investment Prospects

A quarter of German companies in China plan to invest at new locations within the next two years, with Jiangsu, Guangdong and Sichuan/Chongqing being the most frequently named locations. However, the share of those not planning investment at new locations has reached more than half.





The main source of financing are reinvestments of earnings from the Chinese market. Of new investments in 2018, more than half will be in new manufacturing facilities as well as in staff development and training. While market growth expectations and strategic business considerations are key reasons to not invest, one in four companies name regulatory reasons for not increasing investment.

More than half of German companies have little or no confidence regarding the further opening of China's market, while over 40% feel optimistic about the opening in the medium term. The State Council's Document No. 5 which was published in January 2017 is not very well-known given that it is one of the major recent documents introducing reform measures to further promote foreign investment. In August 2017, the State Council's Document No. 39 introduced further measures to facilitate foreign investment.

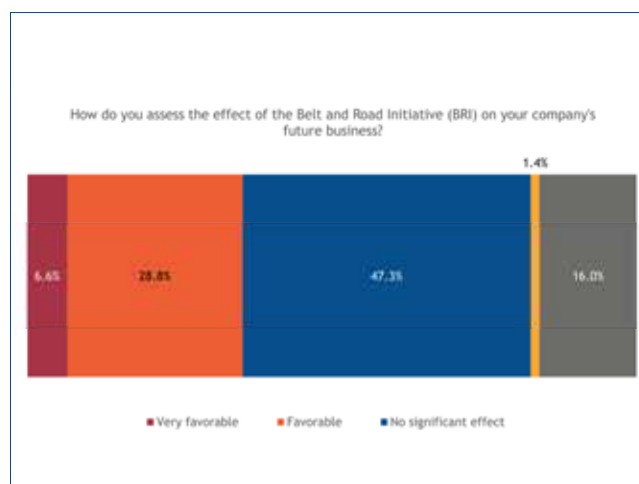
Research and Development

More than 40% of respondents conduct R&D in China. A focus on German R&D as well as concerns regarding intellectual property and technology transfers are the key reasons to stay away for those who do not engage in R&D in China, but in other countries.

However, China has stepped up as a location for R&D over the last few years with lower shares of companies stating a lack of local technical expertise and an unfavorable research environment as reasons to not engage in China.

Belt and Road Initiative

An extra part to this year's survey contains an assessment of German companies' views of and engagement in the Belt and Road Initiative (BRI), along with a closer look at projects as well as benefits and challenges.



More than one third see a positive effect of BRI on their future business, while more than half of respondents report no significant effect or no opinion about BRI. 30% of German companies are active in or consider engaging in BRI projects. For those who are not, a low relevance to their own industry or business model is the most frequently stated reason to not engage, followed by a lack of suitable projects and insufficient information. German companies' involvement in BRI covers a broad range of areas, with automotive, construction and logistics together accounting for more than 50%. Nearly half of those who are active or consider engaging in BRI, are already implementing or planning concrete projects.

For further questions please contact:
Jana Kumpf, Deputy Chamber Manager
 German Chamber of Commerce in China – North China
kumpf.jana@bj.china.ahk.de

The full report is available for download from our website
www.china.ahk.de





Imaginechina Photo-Agency



Image-bank with 2 mio up-to-date photos of China

500 photographers all over China available for:

- architectural/factory photography
- event photography
- portraits



contact: Fiepko T. Klug

Tel: 021 – 62 72 45 90 x 219

e-mail: ftk@imaginechina.com

www.imaginechina.com

IMAGINECHINA



Sustainable Return on Investment (SROI)

A Tool for Emerging Economies?

By TARA MERK AND PHILIPP KRUSCHEL

In the 21st century, running a successful business is not always easy. The competitors are plenty and profit margins are growing slim. Moreover, with unstable regimes, the looming threat of climate change and drastically increasing inequality, the playing field on which multinational enterprises operate today has become significantly more complex – or at least, this is what it seems.

A group of leading businesses has begun to see the matter from a radically different point of view. Instead of focusing solely on the return on investment (ROI) generated through simple labor, machine or advertising investments, they are turning the international risk factors listed above into viable business opportunities. By investing into environmental and social sustainability, they are cutting costs, increasing productivity, consolidating brand identity and ultimately enhancing shareholder value.

Freya Williams, author of "Green Giants", conducted a study of nine world leading billion-dollar brands including Tesla, Whole Foods and IKEA which found that each of these companies generated an extra USD 1 billion annually by means of products which have underlying social or environmental sustainability considerations. Studies concluded by the Morgan Stanley Institute for Sustainable Investing, the Harvard Business School and Thompson Reuters have come to similar conclusions, overall showing that companies who invested sustainably generally performed better than their competitors.

Of course, from a societal and environmental point of view, this development holds great potential. The United Nation predicts that by 2050 almost ten billion people will be living on our planet, using ever more resources and thus putting societies and our planet under increasing strain. Especially in China, one of the worlds' fastest growing economies more and more people require access to decent jobs, good education, affordable energy and other high-quality goods and services. Having businesses help to cater to these needs is consequently not only an optimal solution to generate profit but also to serve the environment and society, especially in emerging markets such as China.

Thus, the question and challenge at hand is not if businesses should take sustainability into consideration when making their investment decisions, but how.

Project Approach

Building on society's need as well as the different ways in which businesses are incorporating sustainability into their everyday decision making, the Emerging Market Multinationals (EMM) Network for Sustainability together with its partners has been designing and piloting a sustainable ROI (SROI) methodology – a decision making framework for the future of business.

The EMM Network for Sustainability is part of the Emerging Market Sustainability Dialogues (EMSD) implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). As a federally owned

enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development worldwide. The EMM Network comprises more than 350 sustainability leaders in multinational companies based or operating in emerging economies such as China, India and Brazil. The Network seeks to capture, advance and multiply the scaling-up and rolling out of sustainable business solutions, especially in emerging markets. This is done under the umbrella of EMSD, which also encompasses the Economic Policy Forum (EPF) and the Emerging Market Dialogues on Finance, to ensure that sustainability solutions are implemented, incorporating not only the business world but also stakeholders in policy making and the financial sector.

To create this new decision-making framework, the EMM Network and its partners have been reassembling the most valuable insights from both classical and innovative practices.

Traditionally, businesses evaluate financial returns when making investment decisions for their companies. Financial statements have the advantage of giving a clear quantified indication of whether a certain investment will pay off for a company or not. Considering the changing environment in which businesses are operating however, there is increasing pressure to include social and environmental factors and other externalities into investment decisions. Doing this transforms traditional return on investment methodology into the comprehensive sustainable return on investment approach. As SROI also includes non-quantifiable benefits such as positive environmental effects, transparency and certainty in project planning, the methodology establishes an alternative skill set for measuring the relative success of business maneuvers.

Having identified these insights, and reassembled them into a new framework, the EMM Network has been working to engage with companies to not only incorporate their opinions on the approach but also to pilot the SROI methodology in form of several case studies. This ultimately serves to highlight the connection between sustainable activities and successful business cases and will help to scale the project both vertically and horizontally in the long run. Furthermore, during and after piloting the methodology, it is ensured, that participating companies are not only supported by the EMM Network but also in form of peer learning during several exchange events throughout the process.

Value Added

After eight large multinational companies including Adidas, Siemens and Odebrecht implemented the first trial of testing the SROI methodology in Brazil for nine months, first valuable insights into the benefits of taking a more holistic and sustainability oriented stance towards making business decisions were made. Following this pilot in Brazil, a group of companies, together with Syntao in China and with Instituto Ethos in Mexico started to engage in SROI quantification as well. Concrete actions taken by the businesses included establishing projects for community capacity building and volunteering of employees, stakeholder engagement activities and improving eco-efficiency.

Overall, the companies reported, that after integrating the SROI Methodology into their internal cost-benefit analyses they began to better understand, how sustainability concerns and the financial area relate. Furthermore, they generally reported a greater awareness for sustainability issues as being an integral part of business operations. Lastly, of course companies responded very positively to the fact that they were effectively cutting costs and that integrating sustainability concerns into their business decisions, allowed them to feel better prepared for ever-changing sustainability regulations and standards. A summary of the findings from the cases and further information is available at www.emm-network.org.

Lessons Learned

First insights from the project include that integrating sustainability aspects into investment decision making can be beneficial to stake- and shareholders alike and aid the strategic decision-making process in large multinational companies. Quantitative frameworks focusing solely on monetary profits still define the status quo and often hinder decision makers from adopting a more holistic and long term oriented stance. However, the project has so far clearly confirmed, that bridging the world of finance and the sustainability ecosystem can bring both qualitative and quantitative benefits to all parties involved. A key insight gained from the process was, that to induce conducive synergies, the SROI methodology needs to be very clearly defined and offer rigorous guidance on how and when to quantify externalities. Furthermore, for companies to integrate sustainability concerns into their core business, various calculation cycles are needed, and peer learning should explicitly be supported.

Ideas for the Future

The EMM Network will continue to help foster the development of a unique tool which will help businesses include sustainability considerations into their strategic investment decisions. This tool will be developed for all emerging markets with further piloting and development being led in Mexico, Brazil and China. Secondly, the EMM Network as well as its umbrella organization, the EMSD, will continue their efforts to feed the lessons learned from the SROI methodology implementation into global policy processes such as the G20, BRICS and Agenda 2030.

Philipp Kruschel is the Deputy Director of the Emerging Market Sustainability Dialogues Programme and serves as the Director of the Emerging Market Multinationals Network for Sustainability. Previously he worked at various UN Organisations, the World Bank and in German Federal Ministries. He holds advanced degrees in economics and international relations from Tufts University and from Free University Berlin.

Tara Merk is a project assistant at the Emerging Market Sustainability Dialogues (EMSD). Before joining EMSD, Tara gained experience at a strategic politics consultancy as well as within the social start-up sector. Prior to this Tara enjoyed a Liberal Arts education in Maastricht (the Netherlands) and Hong Kong, where she focused on economics and development.



Thanks to Our Yearly Sponsors North China 2017/18

Beijing Office



COMMERZBANK

DAIMLER



MCON



SIEMENS

VOLKSWAGEN
GROUP CHINA

Tianjin Office



COMMERZBANK



Rödl & Partner



VOLKSWAGEN
AUTOMATIC TRANSMISSION TIANJIN



Shenyang Office



STAUFEN.



Pigrol at the 19th China International Building Decoration Fair

From 8th to 11th July 2017, Pigrol, a leading producer of premium decorative paint in Germany, attended the 19th China International Building Decoration Fair in Guangzhou. The Pigrol pavilion occupied 234m², and was divided into small cubes, including living room, bedroom, kids room, study- and bathroom.

In the pavilion, Pigrol displayed its Virtual Reality (VR) surfing system. With the help of VR, customers could change the wall colors, the style of furniture, and wall paper to their desired style. This technology aims to inspire people to use bold colors and is also available in an app.

Pigrol has been awarded Monde Selection Grand Gold, Der Blaue Engel and EU Ecolabel.



In-tech Targets Growth through Investment from BDStar

Beijing-based BDStar has closed the acquisition of a majority stake in German-based technology company In-tech. In-tech operates a branch office in Shenyang and is an engineering company with a focus on digitalization in mobility and industry.

The official closing ceremony took place on Friday at In-tech's headquarters in Munich, Germany. The ceremony was attended by BDStar and In-tech management. Minister Counselor Weidong Wang and First Secretary Yan Chen of the Embassy of the People's Republic of China in Germany were present as special guests of honor.

In-tech, including all China operations, will focus on becoming a solution provider at the junction between engineering and software, working in key areas such as autonomous driving, electro-mobility and Industry 4.0. The investment by BDStar will allow the company to grow its global revenues to more than EUR 300 million by 2020.

Fiducia – 35 Years Growing with China



Fiducia Management Consultants turned 35 this year. Fuelled by China's progress and clients' success, the company has expanded from a small office on Hong Kong island to four Greater China locations – including Beijing, Shanghai and Shenzhen with a team of 120 professionals. As a family business, Fiducia has become a long-term, trusted partner for clients in several industries, many of whom are family-owned businesses themselves. Fiducia looks forward to the next 35 years of unlocking potential in a China that continues to change.

Ecovis Beijing at the Expat Connection Family Fair and Picnic



On Sunday, 24th September 2017, Ecovis Beijing joined a family fair and picnic event, which was jointly organized by Expat Connection and the Canadian International School. The Ecovis team shared the spacious football field of the school with families, playgrounds, businesses and a hotchpotch of food stalls.

The organizers prepared several family activities, such as pony riding, make-up for children, a maze, archery and a puppet theatre. Additionally, there was an abundant choice of international culinary delights like hot dogs, crêpes and cotton candy.

Besides the merry atmosphere, the event also offered an excellent opportunity to meet a variety of businesses targeting the Beijing expat community. The presented services ranged from tailors and fashion designers to devices measuring the capital's air quality. Ecovis used the occasion to catch up with old friends and clients.

Apprenticeship Program at Schlote Tianjin



Each semester, 12-15 students of local vocational training schools in Tianjin start a specialized CNC (Computer Numerical Control) Operator and Maintenance Apprenticeship Program. The program lasts one semester and is followed by an internship conducted with Schlote Automotive Parts (Tianjin) Co. Ltd, which lasts another semester. The first batch of trainees, who started their training in September 2016, graduated this summer. They have since been successfully integrated into the regular work force.

During the Apprenticeship Program, the students learn how to read technical drawings, hand measuring, product training and process training in addition to the correct operational and maintenance procedures of high-precision CNC machines, as well as Schlotes automation lines. Upon graduation, the students receive the AHK-issued certificate as 'Specialists for CNC Technology'. The Schlote Group is proud to offer this highly potent Apprenticeship Program with co-funding of the DEG (Deutsche Investitions- und Entwicklungsgesellschaft).

WAGO China's CEO Receives Friendship Award



The Friendship Award is the highest award of People's Republic of China for foreign experts who have made outstanding contributions to the country's economic and social progress. The CEO of WAGO China, Mr. Volker Palm (second person from right in back row), was awarded this honor as a German expert. The Secretary of the Tianjin municipal party committee, Mr. Li Hongzhong and Mayor Mr. Wang Dongfeng, met the foreign experts who received the 2017 Tianjin Haihe Friendship Award during the celebration of the 68th anniversary of the founding of the People's Republic of China.

Zollern Tianjin Celebrates 20 Year Anniversary



Zollern Machinery Tianjin celebrated its 20 Year Anniversary on 27th September 2017 under the theme of 'Let's be Together in Your Future'. The whole program included three parts: 'Drive Technology New Product Development & Future Technologies' forum, a Factory Tour and a Ceremony.

The Group Executive Managing Director Dr. Erkes, together with the Managing Director of Zollern Tianjin, Mr. Li Jun, warmly welcomed the guests from the government, social associates, customers, and suppliers. The general manager of the Drive Division, Dr. Jaufmann and Mr. Flaemig shared the new trend of Zollern drive technology with all guests. Furthermore, the German Chamber of Commerce's Tianjin Regional Manager Ms. Zhang Xiaolei shared information on the development of German enterprises in China.

Kempinski Hotel Beijing Lufthansa Center Celebrates its 25th Oktoberfest

On 12th October 2017, Kempinski Hotel Beijing Lufthansa Center held a ceremony to celebrate the opening of its Oktoberfest Beijing 2017. Speaking about the occasion, Mr. Torsten Dressler, Managing Director of Kempinski Hotel Beijing Lufthansa Center, said "This week marks the 25th Birthday of

Kempinski Hotel Beijing Lufthansa Center with a focus on the future. Taking the opportunity of celebrating the 25th anniversary, we were delighted to host its opening of the 25th Oktoberfest and bring in the ambiance of the Bavarian tradition festivity to the city. Oktoberfest is all about the spirit of enjoying life and about Bavarian traditions, thanks to our loyal guests for their continuous support in the last two decades."



Aichelin China Holds Outdoor Team Building Event

In September 2017, Aichelin Beijing organized an Outdoor Team Building Event in Panshan area, Tianjin, to strengthen the communication and team cooperation between its two locations in Beijing and Tangshan, Hebei Province. 80 people attended the Team Building Event, which included visiting Old Jizhou Street, heading for the summit of Panshan, as well as an evening party. The participants enjoyed not only fresh air and a beautiful scenery, but also created closer bonds.



Santa Fe Relocation Wins at Expatriate Management and Mobility Awards

The 2017 Forum for Expatriate Management (APAC EMMA) awards ceremony, held on 7th September in Hong Kong to honor industry leaders in multiple categories, proved to be an evening of celebration for Santa Fe Relocation. Santa Fe Relocation was awarded the winner for the 'Best Thought Leadership' as well as 'Outstanding Corporate Social Responsibility' categories. In addition, Santa Fe was a runner-up in multiple categories, including 'International Moving Company of the Year', 'Relocation Management Company of the Year', and 'Best Employee Benefit Services'. Also, Santa Fe was commended three more times for the categories of 'Most Innovative Technology', 'Destination Services Provider of the Year', and 'Immigration Provider of the Year'.

Beijing United Family Hospital Celebrates the Day of German Unity



As an international hospital, Beijing United Family Hospital celebrates national days with patients and visitors around the world. This year's celebration of the Day of German Unity included the distribution of gifts, flowers and flags to all visitors. A feature of the day-long celebration was that all staff who did not wear a uniform were encouraged to dress in the black, red, and gold of the German flag.

New German Manager at PwC Beijing's Financial Services Unit



In November 2017, a new German manager joined PwC's Assurance FS expert team in Beijing: Sebastian L. Sohn has more than ten years of professional experience in the banking sector and joined PwC Germany and PwC Europe in 2014. As consultant and project manager with assignments in several European countries, he developed deep expertise in risk and regulatory requirements, including their strategic and implementation aspects. He focuses on credit and liquidity risk in the context of supervisory and financial reporting, stress testing, and Basel standards.

At PwC China, Sebastian L. Sohn will assist the Assurance FS team with risk-related matters in audit and consulting engagements with Chinese and European clients.

YCEF Celebrates 85th Anniversary



On 13th October 2017, Yew Chung International School of Beijing (YCIS Beijing) celebrated Founder's Day, which marks the 85th Anniversary of the Yew Chung Education Foundation (YCEF). The first Yew Chung School was established as a single campus in Hong Kong in 1932 by Madame

Tsang Chor-hang and has since grown into a school network with school campuses across China, Hong Kong, and the United States.

Awards of Crowne Plaza Beijing Lido in 2017



Crowne Plaza Beijing Lido received multiple Awards in 2017: In June 2017, it was nominated the 100 China Top MICE Hotel by Eventown, approved by both the public and experts, while on the map of The Golden List of Top Hotel by Splendeur Magazine it was named the 2017 Best Choice Hotel for Conference and Best Western Restaurant. Furthermore, the award of Best MICE Hotel, nominated at the 7th Annual China Hotel Awards by LifeStyle Magazine, was given to Crowne Plaza Beijing Lido.

New Management for EY's German-Speaking Business Center Beijing



Magnus Sprenger has joined EY in Beijing in October as a partner, where he is leading EY's German-speaking Business Center. Mr. Sprenger is a licensed auditor in Australia, Canada, England, Germany, New Zealand, South Africa, Singapore and the US. He has extensive international experience including the US (six years), Brazil (three years) and most recently Singapore (two years). Mr. Sprenger is the key contact for German, Swiss and Austrian companies in Northern China.

China's First Official Swiss School Opens as Section of Western Academy of Beijing



Beijing's first Swiss School officially opened as a section of Western Academy of Beijing. It is one

of 18 schools worldwide to be supported by the Swiss government. Several honorable guests attended the opening ceremony on 30th October 2017, including the Swiss Ambassador to China H.E. Dr. Jean Jacques de Dardel and Swiss Council of States President H.E. Dr. Ivo Bischofberger. The Swiss School Beijing offers a German-language education, based on the Swiss curriculum, within an international environment. In its inaugural year, the school is offering a Kindergarten, Primary 1 and Primary 2 classes, with one additional class rolled out every subsequent year. In addition to learning German, students of the Swiss School Beijing are taught Chinese, English (from Primary 3 onward) and French (from Primary 5 onward).

Chiron Group Builds New Plant in Taicang

Chiron Group is building a new plant in Taicang, Jiangsu Province. Its total size will be 36,000 m² with an overall investment of EUR 35 mn. The new plant is a consequent step towards a targeted expansion, since the production capacity has reached its limits.

Chiron Group has already acquired property at the existing site of Taicang. The production start is planned for the beginning of 2019. In the first phase, the new building will comprise about 14,000 m². About 190 employees will then produce a wider machine program. An expansion of the turnkey business is also planned, as well as an enlargement of the service capacity in a second phase. This means a new step for the Chiron Group in the China market.

Continental Changchun Visited Underdeveloped Village

In July 2017, Mr. Ziad Oueslati, Plant Manager of Continental Changchun, led the management team to pay a visit to Xishun Village to carry out directional donation activities, together with the management of the Changchun Municipal Government Office and Changchun Red Cross.

Apart from the condolence payments to the poor households, the management team, municipal leaders, the Red Cross and the Secretary of the village carried out a survey. Based on this survey, a help-and-support system will be developed. To get a better knowledge of the construction of the village and primary school, a tour around was made. At the end of the visit, the Plant Manager stated: "This donation is just a beginning, and in the future, we will make a greater contribution to the development of rural education."



New Members North China

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

Mr. Ronald Blach

Vice General Manager
BBG Asia Ltd.
☎ 0 431 8525 9800
✉ ronald.blach@bbg-asia.cn

Mr. Laurence Chen

Plant Manager
Röchling Automotive Parts
Shenyang Co., Ltd.
☎ 0 24 3185 3100
✉ Laurence.chen@roebling-automotive.cn

Mr. David Kang

Operations Manager
BBS Automation (Tianjin) Co., Ltd.
☎ 0 22 6635 1260
✉ david.kang@bbsautomation.com

Mr. Eric L. Schmidt

CEO
Eventbank
☎ 0 139 1077 7190
✉ eric@eventbank.com

Mr. Steffen Leikam

CEO
G.T.I. International Construction
Technology Consulting (Beijing)
Co., Ltd.
☎ 0 135 2019 8926
✉ Leikam.steffen@hotmail.com

Mr. Ralf Richter

Private Membership
✉ evpfarrer@christliche-gemeinden-pekings.de

Mr. Yutao Zheng

Administration Department
Manager
MAHLE Engine Components
(Yingkou) Co., Ltd.
☎ 0 417 3508 005
✉ yutao.zheng@cn.mahle.com

7th

September 2017

Event: Workshop Tianjin
Topic: Agile Project Management
Venue: German Chamber of Commerce North China – Tianjin Office
Speakers: Ms. Christina Heinrichs | Senior Consultant, CPC Consulting Beijing
Ms. Betty Hou | Consultant, CPC Consulting Beijing

8th

September 2017

Event: 北京留德校友聚会 | Alumni Stammtisch Beijing
Venue: Pizza Marzano Solana, Beijing

12th

September 2017

Event: Praktikantenstammtisch Beijing
Venue: Arrow Factory Brewing, Beijing

13th

September 2017

Event: Special Event
Topic: Services and Activities of German Consulate and German Chamber of Commerce in Changchun
Venue: Die Backstube, Changchun
Speakers: Dr. Peter Kreutzberger | Consul General, German Consulate Shenyang
Ms. Viviane Weyh | Head of Visa Section & Consular Affairs, German Consulate Shenyang
Mr. Jan Block | Regional Manager Liaoning & Jilin, German Chamber of Commerce in North China

13th

September 2017

Event: Member for Member Training
Topic: Six Sigma Champion
Venue: Brose Changchun Automotive Systems
Speaker: Mr. William Guo | Senior Learning Consultant, TÜV SÜD

On 13th September 2017, the German Chamber of Commerce in North China organized another Member for Member Training in Shenyang. The Six Sigma Champion Training took place at the facilities of Brose Automotive Systems in Changchun. The event mainly focused on the introduction of Six Sigma as a well-known LEAN manufacturing tool to create high efficient production systems.

The training, led by Mr. William Guo, senior learning consultant from TÜV SÜD Beijing, was mainly attended by production managers, engineers, and shift leaders from local member companies in Changchun and Shenyang. During the training, Mr. Guo introduced Six Sigma as a strategy tool to improve management level, improve customer satisfaction, reduce cost, increase revenues and enhance company competitiveness in the market. In addition, participants were able to understand the concept of Six Sigma in depth, which is necessary to effectively identify, select, implement, and manage various types of Six Sigma projects.



14th

September 2017

Event: German Night – Oktoberfest 2017
Venue: Crown Plaza Sun Palace, Beijing

GC DEALS

15th
September 2017
Event: Seminar Shenyang
Topic: China Customs Affairs: New Trends & Policies
Venue: Sofitel Lido, Shenyang
GC DEALS
Speakers: Mr. Jeffrey Cai | Senior Manager, PwC Beijing Office
Mr. Ryan Wu | Senior Manager, PwC Beijing Office



16th
September 2017
Event: Special Event
Topic: Bavarian Night
Venue: Graf Zeppelin Restaurant, Maritim Hotel Shenyang
GC DEALS

18th
September 2017
Event: Kammerstammtisch Beijing
Venue: Brotzeit, Beijing

20th
September 2017
Event: Roundtable HR
Topic: Presentation of the 10th Labor Market & Salary Report 2017/2018
Venue: Kempinski Hotel Beijing
GC DEALS
Speakers: Mr. Juanjo Cardona | Marketing and Information Manager, Direct HR Group



21st
September 2017
Event: Seminar Shenyang
Topic: Presentation of the 10th Labor Market & Salary Report 2017/2018
Venue: Kempinski Hotel Shenyang
GC DEALS
Speakers: Mr. Juanjo Cardona | Marketing and Information Manager, Direct HR Group

22nd
September 2017
Event: Special Seminar
Topic: Presentation of the 10th Labor Market & Salary Report 2017/2018
Venue: The Astor Hotel, Tianjin
GC DEALS
Speakers: Mr. Juanjo Cardona | Marketing and Information Manager, Direct HR Group



On Friday, 22nd September 2017, the German Chamber of Commerce in North China - Tianjin Office hosted an informative and interactive Seminar on the topic 'The 10th Labor Market & Salary Report 2017/2018' at the Astor Hotel Tianjin. The Annual Wage and Salary Survey of the German Chamber of Commerce in China, in cooperation with Direct HR Group, aims to provide a timely benchmark of general trends regarding wage and salary developments, as well as other HR related issues for German companies in China. It is a valuable tool for all Sino-German HR executors to get an overview about the HR situation and to plan their HR budgets for 2018.

A group of HR professionals from different industries joined the seminar that day and took the chance to discuss core topics like such as general labor market environment and expected developments, wage developments of German companies in China, wage and productivity developments across Asia and more.

26th
September 2017
Event: Young Professional Seminar
Topic: Salary Negotiation for Young Professionals
Venue: DayDayUp, Beijing
GC DEALS
Speakers: Mr. Mike Gropp | Partner and Facilitator at Lead with Words

On 26th September 2017, the German Chamber of Commerce in North China organized a Young Professional seminar to tackle one of the issues most unsettling and worrying this target group: Salary Negotiation. In cooperation with InternsinBeijing and DayDayUp, Mr. Mike Gropp, Partner and Facilitator at the global communication training and consulting company Lead With Words and co-founder of an online book club, gave his high-level, expert opinion on the subject. As complicated as it is inevitable, one should be well prepared for salary negotiations.

Negotiating effectively not only increases one's salary, but also proves one's value to the company, since it is an indicator for a confident and proactive attitude.

Therefore, this seminar provided the participants with tools and tactics to successfully lead and control salary negotiations, as well as recommendations on how to avoid common mistakes.

In addition, the 55 participants could profit from insightful knowledge and enriching, hands-on advice on persuasive communication and answer techniques. The eye-opening seminar was rounded off by a vivid Q&A-session, as well as time to mingle and network.



27th **Event:** Kammerstammtisch Tianjin
Venue: Bavaria Beer Keller, Tianjin
GC DEALS
 September 2017

28th **Event:** Special Event
Topic: IT Security Day - New IT Regulations and their Impact on your Business in China
Venue: Würth Industrial Park Shenyang
Speakers: Dr. Falk Lichtenstein | Lawyer & Partner, CMS China
 Mr. Carles Costa | Associate Director, MCON Beijing
 Mr. Huaduo Wang | Senior Consultant, NEUSOFT Corporation
 Mr. Richard Tong | Senior Manager, PwC Cyber Security Beijing

On 28th September 2017, the German Chamber of Commerce in North China organized an IT Security Day for the first time. The event, held at Würth Industrial Park in Shenyang, was structured to introduce and discuss new challenges in the field of information technology and data security. Another objective was to create a new valuable communication platform for IT experts, data management professionals, and other local company representatives.

Several external guest speakers provided a deeper insight into the rising challenges of the increasing integration of information technology and internet into today's work environment. During the presentations, all speakers shared their work experience and informed mainly about

new regulations in the IT field, most importantly the new China Cyber Security Law, which took effect on 1st June this year and poses many questions and leads to insecurities for companies operating in China. The new regulations deal with data management in general is considered having a strong effect especially on cross-boarder data exchange. Each presentation was followed by a Q&A session where participants had the chance to share their own experience and ask questions.



10th **Event:** Praktikantenstammtisch Beijing
Venue: Tubestation Gong Ti Branch, Beijing
 October 2017



owc Verlag für Außenwirtschaft

Praxisnah und essenziell
 für Ihr erfolgreiches China-
 geschäft.

**Jetzt Probe-Abo bestellen:
 Drei Ausgaben für 19€.**

Sie erhalten drei Ausgaben von ChinaContact per Post oder als E-Paper/ PDF zum Vorzugspreis von insgesamt nur EUR 19,00 (zzgl. MwSt./ im EU-Ausland zzgl. Versandkosten von EUR 6,00/ Non-EU zzgl. EUR 12,00).

Bestellung per E-Mail an: leserservice-owc@vuserice.de



11th
October 2017
Event: Young Professional Workshop
Topic: Present with Confidence
Venue: German Chamber of Commerce North China – Beijing Office
Speaker: Mr. Martin Barnes | Presentation Trainer, Entrepreneur, Mountains of Imagination

Regardless of the field, industry, or country one is working in – presentations will certainly be part of one's professional life. Irrespective of the audience, every presentation poses a new challenge, especially in the first few years of one's professional career. Thus, on 11th of October 2017, the German Chamber of Commerce in North China organized a Workshop for Young Professionals on the topic 'Present with Confidence' with the popular Conference Speaker and Presentation Trainer Mr. Martin Barnes. The cooperation with InternsinBeijing and Cheers Wine ensured a well-attended event and a delightful choice of wine.

With 18 years of experience in this field, Mr. Barnes gave not only an insightful presentation on the topic, his workshop on the contrary also included three intense exercise sessions for the participants to apply what they had just learned. In addition to that, Mr. Barnes gave detailed advice and tips in the proceeding Q&A-session.

The hands-on workshop was rounded off by extensive networking, which the 30 participants used to mingle, build new contacts and get more specific advice from Mr. Barnes on how to dominate a presentation and enjoy standing in the spotlight.



12th
October 2017
Event: Kammerstammtisch Shenyang
Venue: LENBACH Beer House, Shenyang
GC DEALS

12th
October 2017
Event: Seminar Beijing
Topic: Cash Repatriation Strategies: From China to Germany – Tax, Foreign Exchange and Regulatory Issues
Venue: German Chamber of Commerce in North China – Beijing Office
Speaker: Ms. Hannah Feng | Senior Manager of Corporate Accounting Services, Dezan Shira & Associates

12th
October 2017
Event: Workshop
Topic: Flexible Employment Strategies and Action Plans for Enterprises
Venue: German Chamber of Commerce North China – Tianjin Office
Speakers: Mr. Puhai Shi | Vice Director, River Delta Law Firm

On Thursday, 12th October, the German Chamber of Commerce in North China hosted a workshop on the Topic of 'Flexible Employment Strategies and Action Plans for Enterprises' at the Tianjin Office. Flexible employment has been a key source of controversy associated with the Employment Contract Law and its modification, and has always been a key demand of enterprises employment management, especially in the recent downturn.

During the workshop, the speaker Mr. Puhai Shi, Vice Director at River Delta Law Firm, led an intense discussion on how to accurately identify common mistakes in enterprise employment management, how to systematically acquire key principles of enterprise flexible employment and how to comprehensively upgrade practical skills of enterprises employment management.



Repatriating funds that were obtained in China can be a complicated matter. Many companies, among them German companies, struggle to transfer profits earned in China out of the country in an efficient way. Therefore, on 12th October, the German Chamber of Commerce in North China organized a seminar on the topic of 'Cash Repatriation Strategies: From China to Germany – Tax, Foreign Exchange and Regulatory Issues' with the speaker Ms. Hannah Feng, held at the Beijing office.

Being Senior Manager of Corporate Accounting Services at Dezan Shira & Associates in Beijing as well as PRC Certified Tax Agent, Ms. Feng gave valuable insights on this complex topic. Among other topics, her presentation focused on the four following repatriation mechanisms: Distributing dividends to the German holding companies, paying service fees to German related companies as well as paying royalties to German related companies and reimbursing costs and allocated expenses to the German related company.

To give applicable insights, she followed with discussing four case studies in detail. An extensive and lively Q&A-session concluded the seminar.

16th **Event:** Kammerstammtisch Beijing
Venue: Schindler's Anlegestelle, Beijing
 October 2017

18th **Event:** Oktoberfest
Venue: Paulaner Bräuhaus Beijing
 October 2017

19th **Event:** Seminar
Topic: How to apply for visa to Germany – Information by the German Embassy and the German Chamber of Commerce
Venue: German Centre DRC, Beijing
Speakers: Ms. Patricia van de Water | Deputy Head of the Visa Section, German Embassy Beijing
 Ms. Li Nan | Visa Service Manager, German Industry & Commerce Greater China, Beijing
 October 2017

20th **Event:** Inter-Chamber Seminar
Topic: Doing Business in China – A Brief Introduction to the Most Important Chinese Regulations for Foreign Managers
Venue: Kempinski Hotel Dalian
Speakers: Dr. Martin Seybold | Head of Rödl & Partner Beijing Office, Rödl & Partner Beijing
 Ms. Tanja Fuchs | Head of Business Process Outsourcing (BPO) & Tax, Rödl & Partner Beijing
 October 2017

25th **Event:** Kammerstammtisch Tianjin
Venue: Bavaria Beer Keller, Tianjin
 October 2017

26th **Event:** Interchamber Executive Dinner
Topic: China's Cybersecurity Law: How does it impact your business?
Venue: The St. Regis Hotel Tianjin
Speakers: Mr. Michael Chang | Vice President, European Chamber of Commerce China
 October 2017

30th **Event:** Seminar Beijing
Topic: International Assignments to China – Social security, tax, contracts and common mistakes
Venue: German Chamber of Commerce North China – Beijing Office
Speakers: Mr. Kai Mütze | Managing Director, IAC Unternehmensberatung GmbH
 October 2017

China is still the focus of German companies, of whom many already established ties and relationships to China. Nevertheless, International Human Resource Management is still confronted with many challenges, especially with regards to the proper social security, tax and labor law. Hence, the German Chamber of Commerce in North China organized a seminar on the topic of 'International Assignments to China – Social security, tax, contracts and common mistakes' in the Beijing Office of the German Chamber of Commerce with Mr. Kai Mütze, Managing Director of IAC Unternehmensberatung GmbH, a well-experienced speaker on this topic. For many years, he was responsible for the international assignments of a world leading German chemical corporation and established his own company specialized in this field. After giving insights into the broad range of visa categories and entry requirements, Mr. Mütze concentrated on the German employer's duty of care and liabilities for employee assignments to China. Furthermore, the duties of subsidiaries in China have been extensively discussed. To give applicable advice and recommendations, seven crucial focus areas when organizing assignments to China had been presented and discussed by means of case examples. The seminar was rounded off by a detailed Q & A session.

25th **Event:** Special Event
Topic: Exclusive Company Tour to Volkswagen Automatic Transmission Tianjin Co., Ltd. (VWATJ)
Venue: Volkswagen Automatic Transmission (Tianjin) Co., Ltd.
 October 2017

On 25th October 2017, the German Chamber of Commerce with the AmCham China Tianjin Chapter, invited their members and partners to an exclusive company tour at Volkswagen Automatic Transmission Tianjin Co., Ltd.

Around 30 participants joined the event and got an insight into the production process, construction highlights as well as the administrative areas during the plant tour and furthermore had the chance to discuss questions directly with representatives of the company.

Refreshments and dinner were organized at Fraser Place Binhai to wrap up the exclusive tour. This event has been an excellent opportunity to network with other industry experts, catch up on the latest developments in the area, and enjoy a delicious dinner at the newly opened Fraser Place Binhai.



AHK Greater China Beijing 20-Year Anniversary



With a majestic evening gala attended by about 200 exclusively invited guests, the German Chamber of Commerce and Industry in Beijing has celebrated its 20-year anniversary.

Besides a delegation from Germany, led by Dr. Eric Schweitzer, President of the Association of German Chambers of Commerce and Industry (DIHK) in Berlin, representatives of German member companies in North China and Chinese government representatives attended the event. These representatives hailed from the ministry of trade, civil ministry, State Administration for Industry and Commerce, and China Investment Promotion Agency, as well as important cooperation partners.

The Gala evening at the Peninsula Hotel, located in the heart of Beijing, started off with a Sand Painting artistically illustrating the 20-Year History of the German Chamber in Beijing. After, the guests were welcomed by the President of the Association of German Chambers of Commerce and Industry, Dr. Schweitzer, and Dr. Wang Qinmin, Deputy Chairman of the 12th National Committee of the Chinese People's Political Consultative Conference and Chairman of the All-China Federation of Industry and Commerce.

Within their welcoming words, both emphasized the importance of the German Chamber of Commerce and Industry in promoting the

German-Chinese economic relations and supporting German and Chinese companies with their respective market entries.

The following Panel Discussion constituted the highlight of the anniversary celebration: Mr. Lothar Herrmann, Chairman of the German Chamber of Commerce in North China, Mr. Michael Clauss, Ambassador of Germany to China and Ms. Susanne Rademacher, Board Member of the German Chamber of Commerce – North China discussed the German-Chinese economic relations and their development throughout the past 20 years. The panel, moderated by Ms. Alexandra Voss, Chief Representative of the Delegation of German Industry and Commerce Beijing, examined not only the ongoing situation of German companies in China, but also upcoming trends in the Chinese market plus the cooperation potential regarding trade with China.

After dinner had been served, numerous guests commemorated the past years with colleagues and partners.

Within the next 20 years, the Chinese market will remain one of the world's leading and most exciting markets. In the future, the German Chamber of Commerce and Industry in China will keep on supporting its members in their business in China, accompany market entry and business development, further fostering German-Chinese economic relations.



5th German Chamber Soccer Cup Tianjin 2017: A Review



On 17th September 2017, the 5th German Chamber Soccer Cup took place on the grounds of the International School of Tianjin (IST). This event, which has been the highlight of the German Chamber for five years in a row, brings people from different companies and different ages together and is an overall good time.

The facts:

- 12 teams competing for the German Chamber Trophy
- Additional trophies for best player, keeper and scorer
- Broad kids program
- 'Torwandschiessen' (target shooting) with prizes of over RMB 50,000 in value
- Food and Drinks including Chinese Food, German BBQ, beer and much more

It was the first time that the Soccer Cup was held in September. While there had been struggles with cold weather in the previous years, this year's event was shaped by summer clothes and sun block.

The tournament started out with a performance by the Volkswagen cheerleaders. After a quick speech, the tournament began at 10:00 am. The teams came well-prepared and were highly motivated.

After the first rounds, the contenders fell out one by one leaving the few winning teams. While there were some new faces to be seen, one thing remained the same: The dominance of team Volkswagen (VW). They cruised through the first rounds with five wins and zero losses.

Alongside VW, Siemens Mechanic United, Airbus and Team IST advanced to the next round. In the semi-finals, Team IST, a group of IST parents, put up a good fight against the VW only losing 0-1 through a penalty. Siemens Mechanic United also only barely won against Airbus, striking in the last minute for a 1-0 victory.

Around 4:30 pm, the final began. Both teams were quite exhausted but that wouldn't hinder them from running the extra mile. VW, as always, played aggressively and after ten minutes, VW had a penalty. The top scorer of the tournament had no difficulties kicking it in, resulting in a

lead for VW. Subsequently, Mechanic United player's morale quickly went downhill, leading to two more goals for VW.

Even though VW won for the fourth time in a row, one could see clear improvements from the other teams. As the air blew through the summer afternoon during the ceremony, one could feel that tides might very well change next year.



Training Highlights - Beijing

IT-Security in Production Environments

Date: 5th December 2017, Beijing

The first three industrial revolutions were results of mechanization, electricity and IT. Now, the introduction of the Internet of Things and Services into the production environment is ushering in a fourth industrial revolution. Increasing automation and digital integration of production facilities, in combination with growing variations of malware and possible target points of cyberattacks result in substantial financial and enterprise-threatening risks.

To ensure effective protection and stable business operations, it is imperative to be aware of the risks and to have an appropriate concept in place on how to deal with them. The "IT-Security in Production Environments" seminar provides a comprehensive overview of tools and methods used to analyze and assess your IT security risks; how to efficiently introduce counter measures to prevent fatal damage caused by cyberattacks, and provides you with the skills and knowledge on how to successfully imple-

ment an encompassing and future-proof IT security management. UNITY has a wealth of experience in various approaches for different industries and applications, enabling us to give you practically relevant training and empowering you to find an individual solution for your business.

Target Group

- Upper Management, CIO
- Maintenance responsible for machines/devices production
- Production planning, engineering and operational functions department managers

Beijing contact:

Li Xingchen, Human Resources

+86 10 6539 6685

✉ li.xingchen@bj.china.ahk.de

15th Sino-German Job Fair in Beijing 2017

On Saturday, 21st October 2017, the German Industry & Commerce Greater China, Beijing organized the 15th Sino-German Job Fair. The Job Fair strives to support German companies established in China find qualified employees and present themselves as distinguished employers. More than 20 German companies were exhibited this year, with over 600 young professionals and experienced candidates using this opportunity to connect with potential future employers. On the previous day, as a perfect preparation for the Job Fair, the German Industry & Commerce hosted a special and interactive application training, where over 60 participants participated.

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 at 7:00 pm

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/

Promotion to Head of Department, GIC Beijing



On 1st October 2017, after more than two and a half years as a Project and Senior Manager, Ms. Maren Petry has been promoted to Head of Department for Sourcing & Sales; Fairs, Events & Delegation at the German Industry & Commerce Greater China Beijing (GIC Beijing). She has a Bachelor's degree in Asian Studies from Germany and a Master of Business in Management from UTS in Sydney, Australia. Ms. Petry supports German

companies entering the Chinese market and organizes delegations of German politicians and/or industry associations. Furthermore, she leverages her experience and contacts to support cooperation between Chinese and German startups. Please feel free to contact her in German, English or Chinese at petry.maren@bj.china.ahk.de, 010 – 6539 6636.

Successor in the Board of Directors of the German Chamber of Commerce in North China



After a year and a half as Board Member of the German Chamber of Commerce China | North China, Mr. Joerg Hoehn, Managing Director of the German Center for Industry and Trade Beijing, has left China to assume a new position in Germany. His successor in the Board of Directors of the German Chamber of Commerce North China is Mr. Daniel Albrecht, Managing Counsel of Starke Consulting Co., Ltd. Beijing.

The German Chamber would like to thank Mr. Hoehn for his engagement in the German Chamber and wishes him success for the future. The German Chamber also welcomes Mr. Albrecht as the newest Board member.

Become a GC DEALS Partner



The German Chamber of Commerce's GC DEALS is an exclusive, newly branded service for all our more than 2,500 German Chamber members in Mainland China. All participating businesses, among them restaurants, hotels and agencies, offer their services

at discounted rates. The Benefit Program is free to join and allows you to reach our Members. Find more Information on our Website: <http://china.ahk.de/chamber/benefit-partner/>



INTERNATIONAL SCHOOL of TIANJIN

Working Learning Acting TOGETHER



IST offers your children a welcoming, inclusive international school experience, where skilled and committed teachers deliver an outstanding IB education in an environment of quality learning resources and world-class facilities.



IST is... fully accredited by the Council of International Schools (CIS)
IST is... fully authorized as an International Baccalaureate World School (IB)
IST is... fully accredited by the Western Association of Schools and Colleges (WASC)
IST is... a full member of the following China and Asia wide international school associations:
ACAMIS, ISAC, ISCT, EARCOS and ACMIBS



Website: WWW.ISTIANJIN.ORG Email: info@istianjin.net Tel: 86 22 2859 2003/5/6
NO.22 Weishan South Road, Shuanggang, Jinnan District, Tianjin 300350, P.R.China

Thanks to Our Yearly Sponsors 2017/18

Shanghai Office



4flow Opens New Chinese Office in Changzhou

4flow, a provider of supply chain consulting, software and fourth-party logistics services (4PL), has chosen Changzhou as its fourteenth office location worldwide. Located in Shanghai for several years already, 4flow selected the key manufacturing and supply chain hub to be closer to the numerous manufacturers and suppliers who serve China's growing market from Changzhou. "With the new office in Changzhou, we are responding to the continuing high demand for our services and are expanding our global presence," said 4flow CEO, Dr. Stefan Wolff. 4flow cooperates with businesses to optimize processes and structures and has received multiple awards for its digital solutions. The new Chinese office is located in the Tianning District of Changzhou.

Discover Inspiration at Kitchen Studios

Andaz Xintiandi, Shanghai is proud to announce the launch of its brand new innovative concept, Kitchen Studios. This creative unique venue, which is the first of its kind in Shanghai, offers guests an original experience that combines delicious food and adaptable space that can accommodate a range of different events and gatherings.

Kitchen Studios takes up the entire second floor of the hotel, consisting of four flexible event spaces surrounding the central open-concept show kitchen. The mornings at Kitchen Studios are taken up with a unique breakfast for guests. International classics with a touch of Shanghainese taste are offered. In the afternoons, the adaptable space is available for all different types of events. Kitchen Studios creates a flexible and highly personalized experience that express the true philosophy of Andaz, homey and contemporary accommodations combined with high quality services to make the Kitchen Studios the perfect premium venue for celebrating a special occasion Shanghai.



Bayer Joins Hands with Alibaba Health to Promote Self-care through Uni Strategy



Following upgrades in consumption concepts and increasing awareness in self-care, the healthcare needs of average Chinese citizens have gradually diversified and become multi-tiered. In order to help consumers to acquire a greater knowledge of self-care and provide more solutions, Bayer announced a strategic partnership with Alibaba Health ('AliHealth'). AliHealth is a customer-centric and data driven new retail strategy realized by omni chains, omnimedia, omni data and omni channels, to provide customers with accessible self-care products and solutions from Bayer. Bayer is the first pharmaceutical and

consumer health company signing memorandum of cooperation on uni-marketing and new retail with AliHealth. "Bayer is an active advocate of self-care around the world. Bayer will work rigorously with stakeholders from various parts of society to strengthen and expedite healthcare education, and increase health awareness and health education in China's consumers," said Celina Chew, President of Bayer Group Greater China.

CMS, China has been Ranked as a Notable Firm in M&A and Competition Practice Areas in IFLR 1000 2018 Edition

CMS, China has recently been ranked as a Notable Firm in M&A – Foreign firms and a Notable Firm in Competition – Foreign firms in IFLR 1000 2018 Edition. The IFLR1000 is a guide to the world's leading financial and corporate law firms and lawyers in over 120 jurisdictions worldwide. Its law firm rankings are based on transactional evidence, peer feedback and client feedback. CMS has been active in China for several decades and has an office there since the mid-90s.

DKB Had Showcase at China Wind Power Exhibition



China Wind Power Exhibition is for many one of the most important events of the year. As a delegate, DBK Technology Ltd. has been participating in this event on a regular basis. However, this year was a premier in terms of presenting our innovative solutions at DBK's dedicated booth. Moreover, China Wind Power Exhibition has always been a great place to reconnect with current customers who are among the largest and most important players on the Chinese wind power market. The 2017 edition was an important milestone for DBK, as they showcased their new innovative capabilities and bespoke solutions, which are to shape the future of the wind power industry in China.

EAC International Consulting and maexpartners Announce Cooperation



EAC International Consulting and maexpartners are pleased to announce their newly initiated cooperation. Both companies will create a platform of over 150 consulting experts in total and supplement each other in their regional set-ups, now covering China as well as Europe, CEE, India and North & South East Asia. "This non-equity partnership with maexpartners will surely bring great added value to our clients, who can benefit from our enriched service portfolio and shared expertise", says EAC Founding Partner Dietmar Kusch. With this collaboration, EAC and maexpartners are able to provide a full range of services including Strategy Development, M&A, Operational Excellence, Engineering Services and Production Optimization to benefit their clients globally. "We believe that our know-how applied in multiple industry projects in combination with the long-lasting experience and local presence of EAC will be a powerful step for the transfer of proven solutions in operations in Asia", says Franz-Josef Pohle, Managing Director at maexpartners.

Continental Celebrates the Official Opening of its Joint Venture



On 19th October, the technology company Continental and China Unicom Smart Connection, a fully owned subsidiary of China Unicom, unveiled the newly formed joint venture – Unicom Continental Intelligent Transportation Technology (Shanghai) Co., Ltd. at the 2nd Global CCAR & IoT MNO Summit. Mr. Enno Tang, President and CEO of Continental China, and Mr. Jiang Zhengxin, Senior Vice President of China Unicom attended and witnessed the event. Both companies signed the strategic

joint venture contract on the first press day of Auto Shanghai on 19th April 2017. After half year's preparation and with the support of responsible government authorities, the official opening of the new joint venture is announced. The joint venture aims to develop and provide ITS solutions and Mobility Services which will better suit the dynamics of the China Market.

Grand Opening of Geberit Shanghai Red Star Macalline Stores



On 27th September, Geberit Red Star Macalline stores in Shanghai Zhenbei Road and Wenshui Road were simultaneously successfully launched. As the first new concept showroom of Geberit, their grand openings are of extraordinary significance for Geberit's new brand image of "Expert of Bathroom Optimization", representing a key milestone of Geberit's rapid development in the China market. Around 100 people in total from Geberit, medias, as well as many well-known interior designers attended the opening ceremony. Mr. Ronald Kwan, CEO of Geberit Asia Pacific, has delivered brand commitment and best wishes to the success of these two stores in his opening speech. Mr. Kwan also promised that Geberit would continue to bring excellent and innovative products as well as high-end Swiss lifestyle to Chinese consumers.

The German Centre Taicang Expanded

After only one year of operation, the German Centre Taicang has further expanded and fitted out two more office floors with nearly 20 office units the Dongting Building. This move came ahead of plan due to the increasing demand for office space. Since its opening in June 2016, the German Centre Taicang has developed very well and enjoys already an excellent reputation.



HELLA Corporate Center China Moved to New Location



HELLA Corporate Center China (HCCC) in Shanghai has moved to a new state of the art office location after the golden week in October. HCCC is the regional headquarter of HELLA in China with around 400 employees. It incorporates functions like Sales & Marketing, Purchasing, Information Management, Finance & Controlling, Human Resources, Quality Management and several other central functions. The HCCC in Shanghai drives and supports the continuous and sustainable growth of HELLA in the Chinese Market. The new office is located in Zhangjiang High-Tec Zone.

ICUnet Hosted its 3rd #RETHINKEUROPE Congress

On 28th and 29th September in Passau, Germany, ICUnet hosted its third #RETHINKEUROPE Congress. It brought together diverse speakers, from the President of the Federal Economic Chamber of Upper Austria, Siemens Board members and a Bavarian born British Labour Peer who drove much of the Brexit campaign in the UK! All in all, a fascinating mix of opinion and hope for the future. Gen Y was a big topic, as was Turkey and digitalization! All this is a far cry from the streets of Pudong where new ICUnet Managing Director Asia, Laura Mitchelson is settling back into Shanghai life again after returning to the city with her family following four years in the UK. ICUnet is strengthened by an expanded team and new intercultural consulting projects this year. Sino-German Joint Ventures seem easy compared to the politics of the European Union.

Fette Compacting (China) Co., Ltd. Invest into New Plant in Nanjing

After 13 years of successful development in China, the Market leader for highly efficient Tablet production machines will open a new chapter in the Fette Compact-

ing History - Fette compacting (China) Co., Ltd. highly invests into its new plant in Nanjing. The new plant covers an area of 53,217.54m² with a 21,349.4m² Building area. The new Fette Compacting site includes a state of the art Technology and an advanced Tablet production competence Center, which will ensure the optimal allocation of resources and sufficient capacity, to support Pharmaceutical producers and to provide even more valuable consultancy to the Chinese market. Besides that, the advanced design of the new site is targeting to offer excellent work conditions for all employees and to create a state of the art environment to further drive the technology of efficient and advanced tablet production for the benefit of customers in China and our export markets worldwide.



Alfred Kärcher GmbH & Co. KG Entered the Chinese Market with a New Start-up



As German-based world-market leader in the cleaning industry, KÄRCHER has established a new start-up in China in 2017. De Jie Air Purification Equipment (Shanghai) Co. Ltd. is introducing the world's first Mobile Air Purifier under the brand of LIVTECH. Technology and design originate from Germany. The small and light machine is integrated in various fashionable and comfortable scarf models and aims to fight air pollution. The start-up is lead by Mr. Robert F. Wolf, who was appointed General Manager. Mr. Wolf has obtained a Master's degree in Chinese, Business and Law from Ludwig-Maximilian's University Munich and an MBA in Innovation and Business Creation from the Technical University of Munich and the University of California, Berkeley. Before joining KÄRCHER, he spent seven years in the machinery and consulting industries in Germany, China and the US.

Knauf Partner Program in China



Knauf China Partner Program, derives from the integration of German headquarter's triumphant experience and China local market situations, categorizes partners according to their performance (incl. Partner, Premium Partner and Strategic Partner) and provides corresponding support and service innovation to them. Partners can make good use of corporate resources to carry out promotional activities, exhibitions and business expansion. The key to the success of Knauf China Partner Program lies in innovation and humanized support and devotion, coupled with critical sales, marketing, and technology resources. Currently, Knauf China has completed the annual appraisal of partners in 2016. Mr. Michael Zhang, the CEO of Knauf Greater China, shared his perspectives of Knauf China Partner Program. "Knauf China Partner Program which is based on customer loyalty, aims at developing key accounts and the appreciation of trade partners, efforts to achieve commercial success."

Merck Opens China's First BioReliance® End-to-End Biodevelopment Center in Shanghai



Merck welcomed its first BioReliance® End-to-End Biodevelopment Center, also the company's first end-to-end center outside of Europe, in September. Located in Shanghai, China, the center will provide a full range of process development capabilities and services, including cell line development, upstream and downstream process development and non-GMP clinical production, to help biopharmaceutical companies accelerate clinical development from molecule to commercial production

for customers in the Asia Pacific (APAC) region. "Our new BioReliance® End-to-End Biodevelopment Center will host small-scale drug manufacturers working on early-phase clinical trials," said Udit Batra, Member of the Merck Executive Board and CEO, Life Science. "Merck has 30 years of process development experience and a track record of delivering robust clinical production process and clinical material within nine to twelve months. We look forward to advancing scientific discovery and innovation in China and beyond."

Mandarin Oriental Pudong, Shanghai Welcomes Clemens Hoerth as New General Manager



Mandarin Oriental Pudong, Shanghai is pleased to announce the appointment of Clemens Hoerth as the hotel's new General Manager. Mr Hoerth joins Mandarin Oriental Pudong, Shanghai – a proud

recipient of the prestigious Forbes Five-Star hotel award – from Mandarin Oriental Guangzhou, where he has been General Manager since the hotel's opening in 2013 and helped to establish it as one of the city's premier luxury hotels. Mr Hoerth began his career with Mandarin Oriental Hotel Group in 1997, and has since held several key management positions. He was Resident Manager at Mandarin Oriental, Manila before taking up the role of Resident Manager at Mandarin Oriental, Singapore. His first General Manager position was at Mandarin Oriental, Surabaya. He later moved to the Czech Republic to become the opening General Manager at Mandarin Oriental, Prague, a role he held for six years.

J. Rettenmaier & Söhne (JRS) Hold Opening Ceremony – EPCM Service Provided by MPS

On 21st September 2017, J. Rettenmaier & Söhne (JRS) held the official opening ceremony for their new production plant in Changzhou, Jiangsu Province. The brand new facility accumulates to a total of 11,000 m² and features an office complex and a warehouse for production, maintenance and packaging of products. MPS is happy to have been responsible for the whole EPCM service scope for another project in Changzhou, where they have served more than 12 clients. The team wishes JRS best of luck and great business with its new facility!

"Best Product of 2017" - noraplan Iona Rubber Floor Covering Wins the Plus X Award



noraplan Iona receives multiple distinctions: The new rubber flooring from nora systems impressed the jury of the Plus X Award, the world's biggest innovation award for products from the technology, sports and lifestyle sectors, receiving high marks in three separate categories: High Quality, Functionality and Ergonomics. It was also selected as "Best Product of 2017" by the international jury in the floor coverings category. noraplan Iona wins points by combining proven functional advantages such as durability, ecology and favorable lifecycle costs with an appealing, innovative design.

Schaeffler Opens New Plant in the Czech Republic



The Schaeffler Group reinforces its lasting course for growth in Eastern Europe with investments worth around 100 million euros and the creation of 900 new jobs within the next three years. With the new plant in Svitavy, the Schaeffler Group is further strengthening the already very strong Eastern European plant network. With the thermal management modules, which are produced in Svitavy, Schaeffler is manufacturing a product that can be applied both in internal combustion engines and in mobility concepts of the future, thereby supporting the Schaeffler Group's "Mobility for tomorrow" strategy.

Schenck Shanghai Machinery Corp. Ltd. and AVIC International Sign Strategic Cooperation Agreement

The Supplier Conference of Aviation Manufacturing Equipment was grandly held on the 18th April 2017. With growing requirement of project management and equipment efficiency from aviation users, AVIC International

launched aviation intelligent manufacturing platform focusing on capacity improvement. Schenck, distinguished for its leading technology and good reputation, is among the first few suppliers being invited for agreement signing. In the conference, Mr. Peter Legner, CEO of Schenck Shanghai Machinery Corp. Ltd., signed the strategic cooperation agreement with AVIC International for further cooperation in the improvement of intelligent assembly lines. Schenck officially became the long-term strategic partner of AVIC International. Affiliated to the Dürr Group, Schenck is a 100% German enterprise. At the moment, all the engines of AVIC adopt Schenck balancing technology to balance. The total balancing assembly is designed and manufactured by Schenck Germany. In regard of balancing, Schenck has more than 90% of the global market share in the aviation industry.



Schmersal China Adopts Localization Management

Localization is a favorable option for Schmersal China, to match the increasing market size of the safety industry. Specific strategies are as follows; Research and Development Localization: expand R&D team, as well as improve product management this year, to ensure annual growth of local projects reaches 20 percent. Production Localization: factory re-layout and already successfully reformed one line for a particular series of hot products, achieving 30 percent efficiency improvement. Personnel Localization: set up a local management team of excellent managers to better understand Chinese market and to improve staff quality. Distribution Channels: plan to increase offices to 24 in different regions; Meanwhile, develop local dealers with proper management. Marketing activities: Chinese new website online, WeChat & Youku platform, e-Catalog App, and customer satisfaction survey.



SCHOTT Xinkang Sets Industry Benchmark with Newly Opened Pharmaceutical Packaging Plant



SCHOTT Xinkang, a joint venture between German technology group SCHOTT AG and Chinese company Zhejiang Xinkang Pharmaceutical Glass Co., Ltd., has opened its new specialty glass pharmaceutical packaging plant in Jinyun, Zhejiang on 18th October 2017. The opening ceremony was attended by representatives from Zhejiang Food and Drug Administration, China National Pharmaceutical Packaging Association, German Consul, German Chamber of Commerce and the local government. The project will see an investment of more than EUR 50 million and enables a production capacity of 2 billion pieces per annum. Upon expansion, it is expected to increase SCHOTT's production capability by 50% in China. The new plant will manufacture and pack ampoules, vials, cartridges, and other pharmaceutical packaging products in environmentally controlled areas certified by ISO 9001 and ISO 15378, while complying with PH.Eur, USP and JP international standards. With these, SCHOTT Xinkang takes the top spot in terms of production quality and capacity.

Hualin Finished its 4th Syngas Separation Unit (SGSU) Commissioning Work



Hualin finished its 4th Syngas Separation Unit (SGSU) commissioning work on 1st May successfully and will start the commercial operation when the major customer's plant is ready. The new unit will increase Hualin's capability of supplying high purity carbon monoxide (CO) and hydrogen (H₂) and extend the cooperation with strategic customers like SLIC, Invista and Covestro. Besides four SGSU units Hualin

also owns a Steam Methane Reformer (SMR) unit to produce high purity H₂ from natural gas or LPG. Shanghai Hualin Industrial Gases Co., Ltd is a half-to-half joint venture invested by Shanghai Huayi Energy Chemical Corporation and the Linde Gas (Hongkong) Ltd. Hualin has build up a highly reliable supply network in Shanghai Chemical Industry Park (SCIP) and was awarded a Supply Reliability Award by Covestro on 30th June 2017 for 8,760 hours uninterrupted CO supply and continuous efforts to promote reliability.

Testo Group 60th Anniversary & Testo China 15th Anniversary Celebration



On 19th October, Testo, world-leader in design, development and production of measuring instruments, celebrated her 60-year anniversary. And her wholly-owned subsidiary, Testo China has welcomed the 15th birthday with a grand party in Shanghai. At the ceremony, Managing Director of Testo Greater China, Mr. Michael P. Wolf, addressed: "Several of our today's managers joined Testo on a very early stage and many of you at the latest with my transfer from Testo Hong Kong to Testo Shanghai in 2005. We, as a mid-size company from Germany, raised up the company together with trust and high motivation to a well running company since then, growth in turnover and profits. My special thanks to our colleagues for performing great on each single business day." Testo partners, VIPs and some press were also present at the celebration and brought their congratulations.

20 Years of ViscoTec Dosing Technology and Grand Opening of the Customer & Innovation Center (CIC)

The atmosphere at the big company anniversary of ViscoTec was exuberant. They celebrated the round birthday together with their closest business partners and more than 400 international guests, including the team from ViscoTec Greater China. The celebration also included the inauguration of the new Customer & Innovation Center (CIC) and other spacious

assembly areas with an additional 3,200m². The world market for dosing systems and components for viscous materials in industry still offers a lot of growth potential for ViscoTec. Next year, ViscoTec will also locally celebrate its fifth year of business in Shanghai. Since the establishment in 2013, the Sales- and Service Center quickly grew in terms of employees, office space and revenue.



Vistra to Acquire Corporate Services Business from Deutsche Bank

Vistra, a leading global corporate service provider, announced that it has entered into a definitive agreement to acquire the Corporate Services business of Deutsche Bank's Global Transaction Banking division in September. The business specialises in the administration of structures for: Structured Finance transactions (CLOs, CDOs, Securitizations, Mortgage-Backed Securities); Aircraft Leasing; Commercial Real Estate holding; and Investment Funds (mainly private equity and real estate). Expected to close in the first half of 2018, the transaction will assist Vistra to continue on its progressive growth trajectory. The acquisition strengthens Vistra's international network and provides further scale and expertise for existing jurisdictions. All of Deutsche Bank's Corporate Services staff will be given the opportunity to join the combined operation to support and grow the client relationships that are at the core of this acquisition. Terms of the agreement are not being disclosed.

Weidmüller Welcomes New Executive Vice President Region Asia



Weidmüller announced the appointment of Mr. Lance Zhao as Executive Vice President Region Asia from 1st September 2017 onwards. Mr. Zhao is responsible for the countries China, Japan and Korea.

Mr. Zhao brings a lot of experience in developing business in the Asian market and has worked successfully in different management functions at notable global companies. Weidmüller has consistently seen China as a strategic market and successful development in Asia contributes significantly to the growth as a Group. Mr. Zhao will endeavor to further enhance the region's development and to continue building on this success to the next level.

Re-Opening of the Newly Renovated Songshan Meeting Room

Grand Kempinski Hotel Shanghai is pleased to announce the re-opening of our newly renovated Songshan meeting room in October. The refreshed Songshan adds unparalleled class and elegance to your next event. Measuring 87m² with a ceiling height of 3.3m², the versatile pillar-less meeting room enjoys abundant natural light from its floor-to-ceiling windows as well as panoramic views of the Bund, and North Bund. The room is suitable for a range of events including corporate seminars, private dinners, and cocktail functions.

Marquardt Celebrates New Plant Groundbreaking in Weihai



Marquardt celebrated its new plant groundbreaking in Weihai on 19th September. The Weihai plant will focus on manufacturing automotive products, such as battery management systems, HMI and drive authorization systems. Marquardt has invested RMB 350 million into phase one of construction, which is projected to be completed by November 2018. The Weihai plant will span 30,000m². "With our second location in China, Marquardt continues its success story. Thanks to the commitment and dedication of our employees, we convince many renowned customers with our products, win new orders and achieve further growth," said Dr. Harald Marquardt, CEO. "We have continually improved our position in the Chinese market since 1996, and we expect to see significant growth in Asia over the next few years." A second production site in Asia will allow greater flexibility and customer proximity

and provide Marquardt with the means to better meet the growing demand for complex mechatronic system solutions.

Mr. Jeroen de Groot, President of METRO China, Won 2017 Magnolia Gold Award of Shanghai



The Shanghai Municipal Government presented the 2017 Magnolia Gold Award of Shanghai to 11 expatriates, including Mr. Jeroen de Groot, President of METRO China, on 30th September 2017. Magnolia Awards, named after Shanghai's official flower, are divided into two levels: Magnolia Silver Award and Magnolia Gold Award. The annual awards were created by the Foreign Affairs Office of the Shanghai Municipal Government in 1989 to honor foreign nationals who made outstanding contributions to Shanghai. Mr. Jeroen de Groot won the Magnolia Silver Award in 2015. Since becoming President of METRO China, Mr. Jeroen de Groot has not only led the company to achieve solid business growth, but also actively responded to the Shanghai Municipal Government's call to drive the improvement of the industry's food safety standard as well as the industry's innovation and sustainable development.

Voehringer Listed on Shanghai Stock Exchange



On 15th June 2017, Shanghai Voehringer Wood Product Co., Ltd. was successfully listed on the Main Board of Shanghai Stock Exchange, reaffirming both the company's ability and brand. This indicates the start of a new journey on which Voehringer will continue to promote German spirit, integrate rigorous thinking along with ingenuity into every piece of work and encourage healthy home life.



Your German Furniture Expert

- German Design
- Highest Quality Standards
- Environmentally Friendly
- Excellent Service Level
- Local Production
- Competitive Prices



- Office Furniture
- Custom Made & Fit-Out Furniture
- Educational Furniture
- Public Seating
- Laboratory Systems
- Wall Partition Systems
- Needled Carpets (Findeisen)
- Lighting (Byok)
- Furniture Moving/Relocation



Shanghai Baugeist Co., Ltd.

Room 1001-1003 | No. 421 Hongcao Rd | Building 67
Xu Hui District | Caohejing Hi-Tech Park
Shanghai 200233 | P. R. China

+ 86-21-6495 7700 * 805
info@baugeist.com
www.baugeist.com





Michael Zhang

Company: Knauf China

Job Title/Position: CEO of Knauf Greater China

Year of Foundation: 1995

HQ (location): Shanghai

Main Business: New Building Materials

Number of Employees: Over 500 persons

What is your personal and business background?

Having studied and worked in China, Austria, Belgium and Singapore, I developed a deep understanding of both Chinese and European culture. Through my assignment at top management level in the building materials sector in various European multinational companies in the past 25 years, especially in South-East Asia and China, I gained first-hand experience in setting growth strategy and making companies running successfully. I am fluent in four major languages: Chinese, English, German, and French.

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

Headquartered in Lower Franconia's Iphofen, Knauf offers comprehensive system solutions in the areas of external walls, partition walls, suspended ceilings, and floors. In China, we set up our first production base in Wuhu in 1995. Today, we have four production bases: Tianjin, Dongguan and Taicang were added since then. Apart from a small portion for export, we produce exclusively for the domestic market. Our market share in the high-end market segment is nearly 25%. We are bringing "German Innovations for safe and sustainable living and working environments" to China.

Why did your company choose to locate where it did?

As an industrial company, the plant site is our primary concern. It's important to consider the different aspects in selecting a location, namely: raw material supply, market coverage, labour force and logistics etc... With our current plant locations, we are covering the major economic development areas of China, from Bohai Bay to the Yantze River Delta to Pearl River Delta. Our vision is to extend our foot print to the Western part of the country in the near future.

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

With the rapid economic development of China, the talent pool development is catching up very fast. In the early years of market entry, we engaged a large number of foreign talents to take up the General Manager, Finance and Plant Manager position. It was until 2013 that we started hiring local talents to replace the foreign talents. Today, we have only three expats among 646 employees.

What has Knauf done to push sustainability vision?

Sustainability is the core of our business. From raw material to production efficiency to energy sources, we are at the forefront

of sustainable development. We use FDG, a byproduct from power plants as raw materials, natural gas and steam as energy source and organize our production in a most efficient way by eliminating all operations which do not add value. Our products are 100% recyclable. Recently, we have developed a patented technology to further recycle the production scrap and pushed our efficiency and cost saving to a new height. Other initiatives such as full utilization of waste water and reduction of board weight are underway to further reduce our carbon foot print.

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

We are concentrating on system selling by offering a holistic solution with our boards and grid systems to our customers. We believe that a good grid system combined with high quality boards will give the builders as well as the end users a peace of mind. Knauf is known for its innovation driven product offering. Going along with Knauf will put our customers as forerunner of the market so that they can better serve the market. With the growing trend for healthy living we will launch a formaldehyde absorbing board - Cleaneo C series in China, which can significantly improve indoor air quality and acoustic characteristics.



KNAUF

German Innovation for Good Living

◆ Ceiling ◆ Partition ◆ Lining ◆ Room in Room



New Members Shanghai

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

Mrs. Nadia Ma
HR&Admin
Magnetic Control Systems
(Shanghai) Co., Ltd.
Shanghai
☎ +86-21-5834 1717
✉ nadia.ma@faacgroup.cn
www.ac-magnetic.com

Mrs. Vanessa Moriel
Managing Director – Asia
LIASE Group
Shanghai
☎ +86-21-6437 2034
✉ info@liase-group.com
www.liase-group.com

Mr. Sergio de Pupper
General Manager
Shanghai
☎ +86-513-8553 3329; +86-1376 1687 315
✉ gofit16002@hotmail.com

Mr. Guhan Yu
General Manager
Shanghai Taprogge Watertech
Engineering Co., Ltd.
Shanghai
☎ +86-21-6921 1808
www.taprogge.de

Mr. Michael Thurner
General Manager
Hoffmann Precision Metal Work
(Changzhou) Co., Ltd.
Changzhou
☎ +86-519-8381 6660
www.hoffmann-Technic.com/cn

Ms. Claudia Lin
Managing Director
ESMT Chinese Office
Shanghai
☎ +86-21-5172 7331
www.esmt.org

Mr. Claus Ritters
General Manager
Gilson Lab Instrument (Shanghai)
Limited
Shanghai
www.gilsoncn.com

Mr. Benjamin Hugonnot
Managing Director
Learning Tribes
Shanghai
☎ +86-21 6091 7668
✉ c.bian@learning-tribes.com
www.learning-tribes.com.cn

Mr. Thorsten Connemann
CEO
ECS Engineered Control Systems
(Shanghai) Co. Ltd.
Shanghai
☎ +86-21-6822 2689

Mr. Pietro Padova
Director of Food & Beverage
Minhang District
☎ +86-158 2159 7071

Mr. Patrick Rosay
Managing Director
IFE-VICTALL Railway Vehicle Door
Systems (Qingdao) Co., Ltd
Qiaodao
☎ +86 532 8793 8512
www.ife-doors.com

Mr. Thomas Derksen
Minhang District
☎ 18221548990

2nd Event: 13th Welcome Back Party
Venue: Eurocampus, German and French School Shanghai
September 2017

Every year after the summer break, the German Chamber of Commerce in China Shanghai hosts their "Welcome Back Party" in cooperation with the German School Shanghai Hongqiao. This year's "Welcome Back Party" welcomed around 700 guests from German and French families. Opening speeches were made by Dr. Sigrid Winkler, Executive Manager of the German Chamber of Commerce | Shanghai, Regine Michel, Principal of the German School Shanghai Hongqiao, and Consul General of the Federal Republic of Germany Dr. Christine Althausen who warmly welcomed the families to the event. At the event, families shared their experiences during the long summer break and caught up with old friends. Of course, everything was accompanied with entertainment for all ages. Activities included painting, Zumba, barbeque and music throughout the afternoon and early evening. Special thanks to our premium sponsors: Shanghai Volkswagen, Allianz, Brander Urstoff Trading Co., Ltd., Ganter Trading, Montessori School, Shanghai New International Expo Centre Co., Ltd., Puresmile Orthodontics and Dentistry, REHAU Polymers (Suzhou) Co. Ltd., United Family Hospital, and Value Retail (Shanghai)

5th Event: Taicang Stammtisch
Venue: River Side
September 2017

5th Event: Automotive Supplier Roundtable
Venue: German Chamber Office, Gopher Center
Speakers: Mr. Stefan Kracht | Managing Director of Fiducia Management Consultants



6th
September 2017
Event: Workshop Legal & Tax
Topic: Relocation of Registered Addresses of Companies: Problems and Solutions
Venue: InterContinental Pudong

GC DEALS

Speakers: Mr. Peter Law | Partner – Tax Advisory at Mazars
Moderator: Mr. Roger Haynaly | Partner at Roedel & Partner Management Consulting (Shanghai) Co., Ltd.

8th
September 2017
Event: 5th Sino-German Controlling Forum
Topic: Controlling in Times of Uncertainty
Venue: Hyatt Regency Suzhou
Speakers: Mr. Matthias von Daacke | Member of the Management Board and Director Controlling at Blanco Group
Ms. Jing Tang | Finance Risk Manager at Porsche
Mr. Tun Seng Loo | General Manager at Fissler
Ms. Jane Xue | Finance Director at Fissler
Mr. Oliver Diehm | Head of Controlling China at Brose
Mr. Tobias Bichler | Director Plant & Functional Controlling Asia at Brose
Mr. Jiang (River) Yu | Director Controlling Central Function at Schaeffler
Ms. Chunyan (Grace) Wang | Automotive Business Devision Controlling at Schaeffler
Ms. Liu (Kelly) Yang | Industrial Controlling and Sales Controlling in Greater China & Asia Pacific at Schaeffler
Mr. Jürgen Berghaus | Assurance Partner & Head of German Business Group in Shanghai
Ms. Christine Chang | Accounting Advisory Manager in Shanghai at PwC
Mr. Philipp Senff | Partner at CMS China
Ms. Zhe Ding | Head of Finance Controlling, Reporting Asia Pacific at ZF (China) Investment Co., Ltd.
Moderator: Dr. Zhen Huang | Managing Partner at Shanghai De Chen Enterprise Management Consulting Co. Ltd.
Mr. Alexander Prautzsch | Tax Director at China Tax & Business Advisory Services, PwC
Ms. Sarah Oemmelen | Deputy Manager at China Tax & Business Advisory Services, PwC

On 8th September 2017, the German Chamber of Commerce in China | Shanghai and the Shanghai De Chen Management Consulting Co. Ltd. hosted the 5th Sino-German Controlling Forum in the Hyatt Regency Suzhou.

This year's topic was 'Controlling in Times of Uncertainty' and speakers gave insights about their companies handling controlling in terms of dealing with commercial risks and planning budgets when numbers are missing. Furthermore, they gave lectures on KPIs, digitization and tools to support controlling.

During the afternoon, there was a second set of breakout sessions, which dealt with IFRS (balance sheet regulations), purchasing controlling and product & project controlling.

The speakers came from different companies like Brose China Co., Ltd., Fissler China Ltd., Porsche (China) Motors Limited, PwC and Schaeffler (China) Co., Ltd. In between the different speeches, panel discussions and breakout sessions the attendees had the chance to network with other participants of the forum.





Alex Cao

Company: Dussmann China

Job Title/Position: Managing Director

Year of Foundation: 1998

HQ (location): Shanghai with Global headquarters in Berlin, Germany

Main Business: Integrated Facility Management Services

Number of Employees: Over 3,000

What is your personal and business background?

I started my career in the manufacturing industry back in 1992. Then I found my passion and got into facilities management in 2000. Over the years, I have worked for several large multinational service providers in China in various senior leadership positions, managing a wide portfolio of clients including manufacturing, retail, healthcare and residential.

I am delighted to have just joined the Dussmann family and I am very excited about our strategy over the next few years. The Dussmann group is committed to the region, and we have long term goals on how our business will continue to develop in the region. We apply international best practices to the services we provide to clients in China.

Tell us a little about your company?

Dussmann Group is a German company which has been providing services for people by people since 1963. Today, it is one of the leading private facility management companies worldwide with global sales of EUR 2.1 Billion in 2016 and a workforce of more than 63,500 employees worldwide. The company offers more than 70 individual facility services from a single source: technical management, cleaning, catering, security, as well as commercial facility management. Each sector applies differing service requirements due to the wide variation in operational processes and procedures.

How long has your company been active in China? Have there been any major shifts in strategy in that time and why?

We set up Dussmann China in 1998 and we have grown into one of the leading facility management companies in the region with six branches across the country in Beijing,

Shanghai, Guangzhou, Shenyang, Nanjing and Suzhou. We employ more than 3,000 people in China delivering on our commitment to provide high quality services every day. Building on our strategic analysis of the business environment back in 1998 and now, Dussmann China focuses on collaborating with our clients to take on facility management enabling them to focus on their core business.

Do you target a mainly Western or Chinese customer base, and why?

In the past, our major client base was indeed made up of western companies – middle to high-end, multi-national clients in the retail, luxury residential, automotive manufacturing and technology sectors. These have a solid long-term strategy and are more value-oriented when seeking a service provider. Dussmann is very pleased to form strategic partnerships to enable them to focus on core business while well-trained and motivated Dussmann operatives take care of the day-to-day services at their locations. As China's economic growth continues, we are glad to see an increasing number of large Chinese clients making the transition from price-oriented solutions to value-oriented service contracts. We strive to build long-term partnerships by applying our expertise, seeking new and innovative solutions and generating additional benefits for clients.

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

In the past 50 years, we understand our client's challenges – increasing labour cost, increasing end users' requirements and industry standards, something everyone in business can relate to. Today, we are one of the largest private facility management

companies in the world, we customize our solutions to meet clients' requirements and we have the ability to react very quickly to meet clients changing needs which is very important in a fast-moving market like China. We are a German organization with a global presence; our clients see advantage of having a partner who can provide many different services in many different locations around the world whilst applying international best practices in all of their locations. We place great importance on maintaining a consistent level of quality no matter what service we are providing through a focus on efficient processes and systems. For over 50 years, we have been dedicated to eliminating risk by enforcing health and safety regulations, not only for our own employees but also for our clients' workforces. Ethical values are a key component of the Dussmann Group's principles. Our clients in China can rest assured that Dussmann complies with all local, national, client and headquarter regulations during service provision.

What are your aims and hopes for the future?

For the Chinese market, we are confident that we have the ability to adapt to market needs faster than our competitors. We see many opportunities to develop our client portfolio and to introduce new services and technology to support our partners.

We also consider senior living as an opportunity to move forward over the next years. Dussmann has a great deal of experience in managing full IFM services in senior living facilities in Europe and we look to bring these services to our business in China as the market opens. We are also delighted that in 2018 we will introduce technical services to China offering our clients a professional, customized alternative.

Integrated Facilities Management **Services Customized for Your Facilities**



Security Services **Ensuring the safety of people and property**

A flawless security concept is a combination of qualified personnel and modern technology. These are professionally coordinated and customized to meet your individual security needs.



Catering Services **Serving meals to meet your requirements**

Good nutrition is essential for health, for productivity and for motivation. Our catering services give people access to healthy, delicious food, wherever they are, whenever they need it.



Technical Services **Maintaining availability of systems**

The reliability of technical systems is imperative to an organization's operations. Well-trained specialists carry out maintenance and repair and assure legal compliance.



Cleaning Services **Sustaining the value of real estate**

Products and cleaning machinery that are easy on surface materials together with innovative cleaning techniques play a significant role in maintaining the value of your property.



Contact us

Dussmann China is a leading facility management company in China with head office in Shanghai and 6 branch offices across the country. We would be happy to prepare an individual proposal for your facility.



Dussmann Property Mgt.(Shanghai) Co., Ltd.
Shanghai • Beijing • Guangzhou,
Shenyang • Nanjing • Suzhou

A member of the Dussmann Group
info@dussmann.com.cn
www.dussmann.com.cn

T +86-21-52 55 15 35
F +86-21-32 50 57 38



8th **Event:** Alumni Stammtisch Shanghai
Venue: Haxnbauer German Restaurant and Bar
September 2017

12th **Event:** Suzhou Deutscher Stammtisch
Venue: LENBACH Restaurant & Bar
September 2017

12th **Event:** Workshop Maschinen- und Anlagenbau
Topic: Digitale Geschäftsmodelle für den Maschinenbau in China
Venue: Le Royal Meridien Hotel
September 2017

GC DEALS

Speakers: Mr. Georg Stieler | Managing Director of Stieler Enterprise Management Consulting (Shanghai) Co., Ltd.

Moderator: Dr. Michael Kroll | General Manager at Schenck Shanghai Machinery Co., Ltd Filling and Testing Systems



15th **Event:** Salary and Labor Market Developments 2017/2018
Topic: Presentation of the German Chamber's 10th Annual Salary Survey
Venue: Hilton Shanghai
September 2017
Speakers: Mr. Juanjo Cardona | Marketing Manager at Direct HR Ltd.
Moderator: Dr. Sigrid Winkler | Executive Chamber Manager

On 15th and 18th September 2017, the German Chamber of Commerce Shanghai hosted the presentation of the Salary and Labor Market Developments 2017/2018 report. Dr. Sigrid Winkler, Executive Chamber Manager from the German Chamber of Commerce Shanghai, moderated the event.

Mr. Juanjo Cardona, Marketing Manager at Direct HR Ltd. and speaker for the evening, discussed the developments in the labor market in Shanghai for German companies this year. Although average wage levels in China are higher, wage growth at German companies have traditionally been below the major national indicators for wage developments. The expected wage growth continues to slow down, however reached the lowest year-on-year decrease since 2015. There is an expected wage increase of 5.90% for 2018, which is 0.33% below last year.

Mr. Cardona also showed the latest labor market updates among other regions outside of Shanghai. Shenzhen remains number one, with the highest expected salary growth. Guangzhou, which had among the highest expected salary increase last year, experienced a drop of almost 2% of salary growth. Only Beijing and Taicang / Kunshan expect higher wage growth compared to last year's mark. As German companies continue to expect lower wage increase, the gap between salaries and productivity narrows.

15th **Event:** 3rd German Chamber Human Resources Roundtable
Topic: Discussion of German Chamber's Salary Survey Report 2017/2018
Venue: Paper Shanghai
September 2017

GC DEALS

Speakers: Mr. Juanjo Cardona | Marketing Manager at Direct HR Ltd.

Moderator: Ms. Grace Wang | Senior Human Resources Manager at Metro
Mr. Joerg Heil | General Manager at hartung: consult

18th **Event:** Suzhou: Salary & Job Market Developments 2017/2018
Topic: Presentation of the German Chamber's 10th Annual Salary Survey
Venue: Kempinski Hotel Suzhou
September 2017

GC DEALS

Speakers: Mr. Juanjo Cardona | Marketing Manager at Direct HR Ltd.

Moderator: Dr. Sigrid Winkler | Executive Chamber Manager

18th **Event:** [Member Only] Factory Closures: Environmental Regulations Impact on China Manufacturing
Topic: [Member Only] Factory Closures: Environmental Regulations Impact on China
Venue: AmCham Shanghai Conference Center
September 2017

GC DEALS

Speakers: Mr. Peter Corne | Managing Partner at Dorsey's Shanghai office
Mr. Gary Huang | Founder of 80/20 Sourcing

18th **Event:** Taicang: Salary & Job Market Developments 2017/2018
Topic: Presentation of the German Chamber's 10th Annual Salary Survey
Venue: German Center Taicang
September 2017

GC DEALS

Speakers: Mr. Juanjo Cardona | Marketing Manager at Direct HR Ltd.

Moderator: Dr. Sigrid Winkler | Executive Chamber Manager

19th **Event:** Hangzhou German Chamber Corner
Venue: WADEs Bar & Grill
September 2017





Winfried Mayer

Company: MPS Bauplanung GmbH

Job Title/Position: General Manager

Year of Foundation: 1984

HQ (location): Stuttgart

Main Business: Industrial Facility Planning and Project Management

What is your personal and business background?

I was born in Stuttgart in 1956, have more than 30 years of experience in industrial construction specializing in architectural design, and am also a member of the entrepreneur's board of the University of Applied Sciences in Stuttgart. Beginning in 1995, we acted internationally, supporting and helping our German clients smoothly start their globalization process.

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

In 2001, we were pushed into the Chinese market to develop two plants for a German global player. Today, MPS has overseen business in 22 countries, with subsidiaries in both China and India. We also recently opened our

second branch office in Germany. I always strive to further develop MPS globally by carrying out our motto, "we follow our clients around the world!" For example, a client had a project with us in India. He later asked us to build in China and now we are talking about ventures in Romania.

Do you target a mainly Western or Chinese customer base, and why?

MPS mostly serves German-speaking, Western clients. It is not just about speaking the same language and minimizing the risk of words getting "lost in translation", but also that Germans trust Germans such as Chinese trust Chinese – like in other countries, too. Our clients benefit from our strong presence in Germany;

projects are often initiated in Europe and then are transferred to China or elsewhere.

In your experience, what are the problems German investors in China encounter most frequently

In my personal experience, German decision-makers often do not fully understand their Chinese partners who tend to be rather vague about requirements and expectations, especially in investment policies and building requirements. Both sides might face difficulties in interpreting what their counterpart tries to communicate. This is exactly where our experts can help.

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

Our clients appreciate our transparent project process and our German China-experienced architects and engineers who carefully attend to project organizational and technical challenges directly at the construction site. Given our 16 years' experience in the PRC, we know exactly what matters. However, it is important to note that MPS is an independent service provider that does not seek to take advantage from third parties. We guarantee that the investment of our clients is a success – not only in China, but anywhere in the world.



MORE THAN 30 YEARS OF WORLDWIDE INDUSTRIAL FACILITY PLANNING AND PROJECT MANAGEMENT

For individual planning and reliable supervision.

From the initial idea to the handover of the keys, we support you with all your industrial construction schemes. We individually plan your building project and reliably supervise it with our German architects and engineers on site. Accordingly, besides complying with Western standards, we guarantee maximum quality and cost certainty.

We follow our clients around the world!



MPS China
MPS Construction Engineering (Shanghai) Co., Ltd.
 Room 801, Building B, New Caohejing Business Center
 No. 391 Gui Ping Road, Xuhui District
 Shanghai 200233
 P.R. China

Phone: +86 21 3356 2760
shanghai@mps-engineering.com
www.mps-engineering.com

MPS Germany
MPS Bauplanung GmbH
 Winfried Mayer
 Rutesheimer Str. 24
 70499 Stuttgart
 Germany

Phone: +49 711 1399 650
stuttgart@mps-bauplanung.de
www.mps-bauplanung.de

TALK TO US, IDEALLY BEFORE YOUR PROPERTY PURCHASE.

19th
September 2017

Event: Workshop Controlling & Finance
Topic: Order to cash – How to Improve A/R Collection in Long-term Relationships in China.

Venue: Le Royal Meridien Hotel

GC DEALS

Speakers: Mr. Chris Liu | Finance Director at Bosch China

Moderator: Mr. Alexander Prautzsch | Director at PricewaterhouseCoopers in Shanghai



At the Workshop Controlling & Finance: "Order to cash – How to Improve A/R Collection in Long-term Relationships in China.", speaker Mr. Chris Liu explained to participants that working capital management is always one of the top critical topics for operations. It is not only concerning one department (i.e. finance or sales), but instead a comprehensive task for all involved functional departments in a company. Therefore, it is essential that the entire company has a constant exchange of information. Furthermore, a fair, transparent, and written agreement with business partners is the fundamental basis for a long-term relationship management in working capital topics. Hence, a company should not try to take any single party advantage in WC management, as it is not sustainable over the long-term.



20th
September 2017

Event: Young Professionals Stammtisch
Venue: Paulaner @ Xintiandi

GC DEALS

21st & 22nd
September 2017

Event: Two-day Training: Design Thinking & Innovation for CSR and Social Projects
Topic: Develop and Improve Your Own Social Engagement Projects

Venue: SAP

Speakers: Mr. Anwar Abulizi | SAP Localization Delivery Manager, Design Thinking Coach at SAP

Mr. Nicolas Leclercq | Design Thinking / Business Model Innovation Program Lead at SAP Labs China

Moderator: Ms. Pauline Beitenger | Manager Shanghai | German Chamber of Commerce in China | Shanghai

Ms. Ines Sieckmann | Project Manager Social Responsibility at German Chamber of Commerce in China | Shanghai

24th
September 2017

Event: Wahlparty 2017
Topic: Fest der deutschen Community zur Bundestagswahl

Venue: German Centre Shanghai

GC DEALS

Moderator: Dr. Sigrid Winkler | Executive Chamber Manager

Mr. Matthias Mueller | Managing Director German Centre Taicang



Related to the elections to the Bundestag in Germany this year, on 24th September 2017 the German Chamber of Commerce in China | Shanghai and the German Centre Shanghai hosted the 'Wahlparty 2017' event.

The event was held at the German Centre Shanghai and was decorated accordingly with balloons in black, red, and gold, resembling the German flag. With a satirical performance and musical performance by the school's orchestra and band, students from the German School Puxi added to the program. A performance from an acapella group followed. Since this was a family event, there were also games and activities for younger children such as soccer and face painting.

Later during the night, the election portion of the evening commenced. Ms. Simone Pohl | Executive Director, Member of the Board at German Chamber of Commerce in China | Shanghai, Delegate and Chief Representative at Delegation of German Industry & Commerce started the evening with a speech. She introduced the new German Consul General Dr. Christine Althausen, who then held a short address of welcome. Afterwards, a live stream from Germany concerning the election was shown. Throughout the entire event there were German gastronomic specialties served.





Dr. Volker Seiler

Company: International Business School Suzhou (IBSS)
Job Title/Position: Associate Professor in Accounting and Finance
Year of Foundation: 2006 (XJTLU) 2013 (IBSS)
HQ (location): Suzhou, Jiangsu
Main Business: Business Education
Number of Employees: 100 academic staff,
 28 professional service staff and 4,500 students

Please tell us a little about IBSS and Accounting and Finance Department.

The Accounting and Finance Department is one of three departments of IBSS (Economics and Management being the other two). Within the department, we cover all aspects of teaching and research related to accounting and finance, ranging from asset pricing theory to empirical accounting and taxation research. Furthermore, several faculty members have worked in the financial service industry before joining IBSS so that teaching and research are closely linked to "the real world" rather than being purely an academic exercise.

Why did you choose to move from Germany to China, to IBSS?

After having spent more than five years as a PostDoc in Germany, I decided that it is time

for the next step and to move on. My current research focuses on the market for rare earth elements where China is the dominant supplier. Besides, the Chinese economy is much more dynamic than say the economies in Europe or even the U.S. This offers further opportunities for research projects.

What is the competitive advantage that IBSS has, comparing other business schools in China?

The competitive advantage of IBSS, compared to other business schools in China, is its outstanding reputation which for example manifests itself in being accredited by AACSB. This accreditation is one of the signals IBSS sends to the market and helps attract some of the best faculty and students from around the world. Moreover, IBSS is not simply the Chinese sub-

sidary of a foreign university but part of a truly Chinese-British university combining the best of both, East and West.

How does IBSS cooperate with the industry since it's located in the most developed and richest region in China?

There are various ways in which IBSS cooperates with the industry. We collaborate with both, Chinese and multinational companies with regards to joint seminars and conferences, customized open enrollment courses, part-time degree programs and offering opportunities for on-campus recruitment. Besides, we frequently invite speakers from the corporate world for guest lectures, which gives students first-hand insights into the corporate world. Moreover, the international advisory board of IBSS comprises senior executives from world-class companies.

What's the difference of teaching and research in China and in Germany?

To be frankly honest: Not much. When I made the decision to move to China, many people who have taught at Chinese universities themselves indicated that Chinese students usually are a little bit shy and that it would be hard to start a conversation in the classroom. My experience is quite the contrary: Students at IBSS are very committed and active.

International Business School Suzhou

Being A Catalyst of Business Education
and Impact Creation in Business Community and Society



Frank Lorch

Company: Lenze Drive Systems (Shanghai) Co., Ltd.

Job Title: VP Sales & Marketing Asia

Year of Foundation: 1997 (Mother Company 1947)

HQ: Shanghai, China

Main Business: Automation & Drive Technology

What is your personal and business background?

In 1999, I joined the Lenze Group as Head of the newly established Automation Sales unit. After different responsibilities inside Lenze Europe, in 2013, I got the opportunity to join Lenze Asia in Shanghai where I took the role as VP Market Development Asia, including all marketing and business development activities. I also consider myself a motion control/servo drive specialist because I have been an automation engineer dealing with motion applications in the mechanical engineering market for more than 25 years before entering the management career.

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

As a global specialist in Motion Centric Automation, we offer drive and control products, drive solutions, complete automation systems, engineering services and tools from a single source, mainly to machine builders who are producing standard and premium machines. Our main focus areas are textile, converting and printing machines, automotive production machinery, automated warehouse applications and consumer goods machinery like packaging machines. We started our business in China in 1997 with a small representative office. Over the time we added a factory and an R&D centre in Shanghai. 20 years later, Lenze China is now a company with full functions including sales, marketing, production, product development, technical support and logistics center.

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

Our business has always been about changing in order to make progress. It is nowadays impossible to be successful in Chinese market with fully imported automation & drives

products. Since 1947, Lenze has been committed to provide products with excellent performance. From 2000 onwards, we put the concept of modularisation and integration in entire process development of machine, and then gradually formed a set of drive and automation solutions. Many customers have now answered the call of "Made in China 2025" by building smart factories, which definitely needs the smart products. The perfect combination of intelligent drives, control units and software will consolidate the position of Lenze as a leading company in automation systems.

Why did your company choose to locate where it did?

We chose China because we expected that in 1999 China would become the biggest market for mechanical engineering products and solutions. We also realised that China would become a place for market driven innovations. All of us can experience that almost everyone uses WeChat. The selection of Shanghai was based on the existence of excellent infrastructures and a good proximity to a booming area for mechanical engineering activities.

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

We are one of the few providers in the market who are alongside our clients for the entire development process of their machines – from initial ideas to after-sales, from the control system all the way to the drive shaft. This unique offer based on 70 years of motion control experience helps our customers in China to improve systematically their machines to the needs of "Made in China 2025", or more generally to the needs of the so called Industry 4.0 production processes. Our vision is that the best machines and production facilities around the world use Lenze.

What are your aims and hopes for the future? (What are your short- and long-term objectives, especially in China?)

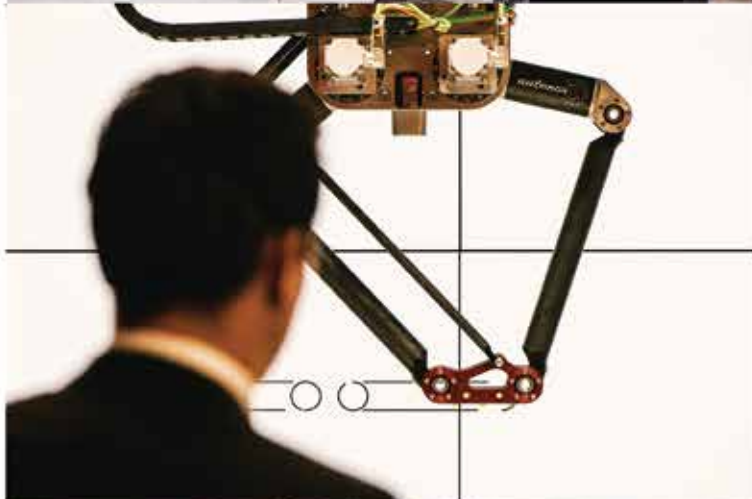
Lenze aspires to grow continuously as a global brand with a strong local footprint in the Asia market and a solid focus on the strong China market. We are continuously investing in local R&D activities and expansions of our production facilities. Our biggest hope is that the market conditions stay fair, which means that foreign invested companies have the same rights and opportunities as local competitors.

What made you decide to go overseas?

I guess the continued search for new challenges combined with a high level of curiosity to meet new cultures and people. To get the chance of becoming a member of a dynamic young Lenze Asia team where I could bring in my long experience of motion control was an exciting prospect for me. Another reason is that my family and I lived outside of Germany before (some years in Finland), and we really enjoy working in a cosmopolitan city.

What has been your experience working and living in China and in how far is it different from other countries?

As a German engineer I was used to a logic driven work approach. For about everything, we Germans make a plan. Despite that I was informed through the typical intercultural trainings, I was still surprised about the Chinese approach, which I call short planning and flexible implementation. Over time, I adjusted my approach and expectations and my team learned from our German working style. After four and a half years, I can proudly say that we have found a good German/Chinese combination of good enough thought-through planning and flexible implementation.



Industry 4.0 Since 1947.



As a global specialist in Motion Centric Automation, we offer drive and control products, drive solutions, complete automation systems, engineering services and tools from a single source mainly to machine builders who are producing standard and premium machines. We are one of the few providers in the market who are alongside our clients for the entire development process of their machines – from initial ideas to aftersales, from the control system all the way to the drive shaft.



Lenze
意致远 行至简

26th
September 2017
Event: Special Event
Topic: "Environmental Protection – How Novartis, Firmenich and Clariant Stay ahead of Regulatory and Policy Trends"
Venue: Le Royal Meridien Hotel

GC DEALS

Speakers: Mr. Peter Corne | Managing Partner, Shanghai, Dorsey & Whitney LLP
Mr. Felix Ding | Head of Health, Safety, Environmental & Business Continuity Management (HSE & BCM) Campus Shanghai and Commercial Operation China, Novartis
Mr. Jan Kreibbaum | Regional President of Greater China & Korea
Mr. Olegario Monegal | President Firmenich China
Moderator: Ms. Julia Coym | Senior China and North-East Asia Analyst



28th
September 2017
Event: German Chamber of Commerce – Open Day & [Members Only] Extraordinary General Meeting 2017

Topic: Vote: Adaptation of Membership Categories and Fees, and Amendments to the Statutes

Venue: German Chamber of Commerce | Shanghai, Gopher Center

Speakers: Ms. Simone Pohl | Executive Director, of German Chamber of Commerce in China | Shanghai
Delegate and Chief Representative of Delegation of German Industry & Commerce Shanghai

Mr. Jan Jovy | General Manager of German Industry & Commerce Shanghai

Ms. Sigrid Winkler | Executive Chamber Manager of German Chamber of Commerce in China | Shanghai

Moderator: Ms. Bettina Schön | Chairwoman of the Board of German Chamber of Commerce in China | Shanghai
Dr. Ulrike Glueck | Managing Partner at CMS, China

On 28th September 2017, the German Chamber of Commerce in China | Shanghai hosted their 'Open Day' and 'Extraordinary General Meeting'.

During the Open Day, Ms. Simone Pohl, Executive Director of the German Chamber of Commerce | Shanghai and Delegate and Chief Representative of the Delegation of German Industry & Commerce Shanghai, Mr. Jan Jovy, General Manager of German Industry and Commerce | Shanghai, and Dr. Sigrid Winkler, Executive Manager of the German Chamber of Commerce | Shanghai introduced the services provided to German Chamber members, as well as the three entities and the different departments in the AHK. Furthermore, chamber members were invited to visit the new office, get in touch with AHK representatives and network.

During the late afternoon Ms. Bettina Schoen, Chairwoman of the Board of German Chamber of Commerce in China | Shanghai, gave welcoming remarks to all attendees of the Extraordinary General Meeting. Dr. Ulrike Glueck, Managing Partner at CMS, China, introduced the proposed amendments to the statutes and supervised the election regarding a new membership structure.

This new structure responds to the changing environment and organizational needs of the chamber members, in relation to these changes, there will also be an increase of the membership fees.

The new 'Adaption of Membership Categories and Fees and Amendments to the Statutes' passed the election and were therefore approved by the attending members.



18th
October 2017

Event: Workshop Legal & Tax
Topic: Tax Digitalisation in China
Venue: Le Royal Meridien Hotel

GC DEALS

Speakers: Mr. Martin Ng | Managing Partner at WTS Greater China

Moderator: Mr. Roger Haynaly | Partner at Roedl & Partner Management Consulting (Shanghai) Co., Ltd.
Mr. Joerg Heil | General Manager at hartung: consult



On 18th October 2017, the German Chamber of Commerce in China | Shanghai and the Swiss Chamber hosted the Workshop Legal & Tax: "Tax Digitalisation in China" in the Le Royal Meridien hotel. The speaker Mr. Martin Ng, Managing Partner at WTS Greater China, explained the tax digitalization status in China to the participants and also advised the audience on how to formulate appropriate and holistic tax digitalization strategies for their companies. Furthermore, he indicated how essential it is, to measure a company's benefits periodically, to ensure its successful outcome.



18th
October 2017

Event: Young Professionals Stammtisch
Venue: Paulaner @ Xintiandi

GC DEALS

19th
October 2017

Event: Workshop Legal & Tax
Topic: Experience Sharing of the implementation of Sino-Germany Double Taxation Agreement ("DTA")
Venue: Le Royal Meridien Hotel

GC DEALS

Speakers: Mr. Lynch Jiang | Tax Partner at Deloitte

Moderator: Ms. Vivian Yao | Partner at Rödl & Partner China



24th
October 2017

Event: Taicang Seminar
Topic: "Vertragsgestaltung, Sozialversicherung und private Vorsorge für deutsche Expats"
Venue: German Center Taicang German Centre

GC DEALS

Speakers: Mr. Klaus-Peter Von der Eltz | Geschäftsführer at Expatriate Care Consult GmbH

Ms. Iris Duchetsmann | Rechtsanwältin
Moderator: Ms. Johanna Spee | Regional Manager at German Chamber of Commerce in China | Shanghai



Ove Nodland

Company: Nordic Industrial Park Co. Ltd

Job Title/Position: Executive Vice Chairman/Honorary

Citizen of Ningbo

Year of Foundation: 2002

HQ (location): Ningbo

Main Business: Industrial and Business Park, offering variety of facilities for rent, and comprehensive all-inclusive service packages

What is your personal and business background?

I was born in Egersund in 1956, a small city on the West Coast of Norway. After college and my services in the Norwegian Navy, I worked as a subsea diver in the North Sea, an experience which later took me to Vietnam to work for a Norwegian funded aid program after the Vietnam war. I then returned to Norway to complete my graduation, and started to work with a Norwegian company providing services to the Oil- and Gas industry. I have then held management positions in various companies within engineering and manufacturing, jobs that required lots of travelling all over the world. But, Asia has always had a strong place in my heart. So when the opportunity came, the whole family relocated to Singapore in 1994, where I held the position as CEO for the Asia region for a Nordic Industrial Group. This position took me to China for the first time, as I headed an acquisition we did within the iron and steel industry in Sichuan. Since then the family moved to Shanghai in 1997, and to Ningbo in 1999, where I am still located.

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

I started my China experience back in 1994, as Project Director for a large investment into an iron and steel mill. In 1999, I joined a Norwegian partner and we set up a greenfield company in Ningbo making bonded Rare Earth magnets. After a short while, we realized that we needed a variety of expertise which we could not hire in China, with the consequence that we had

to employ foreign experts. This proved to be very costly for a small start-up company. Rather than scale down the activities, we investigated how we could commercialize on our own experience and available resources. We concluded that there had to be quite many Nordic small- and medium sized companies wanting to set up businesses in China, however failed to do so due to uncertainties, and lack of experience, resources and capacity. We then decided to set up the first 100% foreign owned industrial park in China, the Nordic Industrial Park Co. Ltd. (NIP) The concept was unique, not because NIP owned the land and build tailor made facilities for rent, but more so because we provided a total solution by offering a wide range of services to our tenants, allowing them to focus on the business aspect only, while NIP dealt with all the "China Factors" on their behalf. We called our concept "providing facilities with a content", and it proved very successful as we went from zero to 50 Nordic companies in ten years.

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

NIP was formally registered in 2002, and has been in operation for 15 years. The concept has been kept, although the level of services provided to our tenants have changed. Mainly because most of the tenants have been with NIP for many years already, and is therefore in less demand for start-up services, and certainly because the challenges related to starting up and running businesses have all changed.

Why did your company choose to locate where it did?

Mainly because we wanted to be close to the Greater Shanghai area, in a city with a diversified industrial environment, good logistics and a service minded government who promised to support our business objectives. In Ningbo, we found all of that.

Do you target a mainly Western or Chinese customer base, and why?

In the first ten years we targeted only Nordic companies because we knew we understood their business thinking and culture, and could guarantee to provide quality services. Later on, we opened up for European and North American companies, and most recently also to Chinese companies with an international orientation. It has all been part of a natural development.

What are your aims and hopes for the future? (What are your short- and long-term objectives, especially in China?)

We are currently discussing with the local government to use our experience and know-how to set up a somehow different concept, this time focusing on companies within the high-tech, research- and development, service and start-up businesses. We also want to become a bridge and hub for both domestic and global companies wanting to develop together both in the domestic and the international market.



TRUST

Nordic Industrial Park has been home to the largest international business community in Ningbo for the past fifteen years. We have built a community based on openness, reciprocity and trust. Values that create value.

Let us care about your business.

www.nip.com.cn info@nip.com.cn

NIP
NORDIC INDUSTRIAL PARK



25th
October 2017

Event: Industrie 4.0 Forum
Topic: Trends for Industrie 4.0 in China
Venue: Primus Hotel Hongqiao

GC DEALS

Speakers: Dr. Eric Schweitzer | President at DIHK – (Association of German Chambers of Commerce and Industry)
Ms. Bettina Schön | Chairwoman at German Chamber of Commerce in China – Shanghai
Ms. Simone Pohl | Executive Director, Member of the Board German Chamber of Commerce | Shanghai, Delegate and Chief Representative, Delegation of German Industry & Commerce
Mr. Achim Dercks | Deputy Chief Executive Officer at DIHK (Deutscher Industrie- und Handelskammertag)
Mr. Tobias Bergmann | Chairman at Handelskammer Hamburg, DIHK board member
Ms. Britta Buschfeld | Director of Vocational Training at German Industry and Commerce Shanghai
Mr. Jens Hildebrandt | Executive Director, Member of the Board German Chamber of Commerce | South & Southwest China, Delegate and Chief Representative, Delegation of German Industry & Commerce South & Southwest China

and representation from the GIZ, European Chamber of Commerce in China (EUCCC), and companies such as SAP Labs China, Siemens, Haier, WERMA, Bosch Rexroth Hydraulics & Automation, IoT ONE, KERN-LIEBERS, CITIC Dicastal, UMS Information Technology, Huawei, PHOENIX CONTACT ELECTRONICS, IoT Center, China Standards Certification Institute (CESI) and Midea College at Midea Group



"Industrie 4.0", which stands for the digitalization of manufacturing is a term branded in Germany. Its Chinese counterpart "Made in China 2025" is an important topic in both the German and Chinese economy and a crucial part in these two countries' cooperation. The Industrie 4.0 Forum gave over 20 speakers and experts a platform to offer their knowledge to over 200 guests.

The forum was opened by Ms. Simone Pohl, Delegate and Chief Representative of Delegation of German Industry and Commerce Shanghai and Executive Director and Board Member of German Chamber of Commerce in China, Shanghai who gave a warm welcome speech greeting the guests and speakers. Afterwards, Dr. Eric Schweitzer, President of the DIHK and Mr. Wu Jincheng, Deputy Director of Shanghai Municipal Commission of Economy and Informatization gave the first keynote speeches. Dr. Schweitzer stressed the important roles of both Germany and China, the first as the leader of digitalization of manufacturing, the latter as the expected largest digital market in 2018, in this area.

Afterwards, in a panel discussion moderated by Ms. Bettina Schoen, Chairwoman of German Chamber of Commerce in China, the speakers Dr. Ruicheng Li, Senior Vice President of SAP and President of SAP Labs China, Mr. Bin Lin, Executive Vice President and General Manager of Process Industries and Drives Division, Siemens Ltd., China, Dr. Guang Zhao, CEO of Haier Digital Technology and Mr. Xiaobing Huang, CIO, CITIC Dicastal Co., Ltd. voiced their view on a range of topics such as the implementation status of Industrie 4.0 in China, data protection and cyber security, the human resource aspect of digitalization, the innovation ecosystem in China and their recommendations for medium-sized companies for implementing Industrie 4.0.

After a coffee break, the guests could attend one of the following three breakout sessions on standardization, skills for Industry 4.0 and digital solutions. Companies from Germany and China, representatives of regulatory bodies and related institutions shared first-hand information about current developments, professional experiences and best practices. The event ended with a cocktail reception.



25th
October 2017
Event: Kammertreffen Oktober 2017
Topic: Perspektiven nach der Wahl –
 Forderungen und Einschätzungen der
 Deutschen Wirtschaft
Venue: Primus Hotel Hongqiao

GC DEALS

Speaker: Dr. Eric Schweitzer | President of
 the DIHK (Association of German Chambers of
 Commerce and Industry)
Moderator: Ms. Bettina Schön | Chairwoman
 of the Board at German Chamber of Commerce
 in China | Shanghai



This year's October marked a politically important month for both Germany and China. In Germany, elections for the Bundestag were held while in China the 19th party congress took place. In the light of the German elections, the German Chamber of Commerce in China, Shanghai invited Dr. Eric Schweitzer, President of the DIHK (Association of German Chambers of Commerce and Industry), to speak with Ms. Bettina Schoen, Chairwoman of the Board and moderator of the evening about the topic "Perspectives After the Election – Demands of the German Economy".

Ms. Schön first gave a welcome speech, greeting guest of honor Dr. Schweitzer, as well as Mr. Tobias Bergmann, Chairman at Handelskammer Hamburg and DIHK board member; Dr. Achim Dercks, Deputy Chief Executive Officer of the Association of German Chambers of Industry and Commerce; Dr. Christine Althausen, Consul General of Germany and a group of MBA students visiting from Mainz University. After enjoying dinner, a delegation from Duisburg, including Mr. Soeren Link, mayor of Duisburg and Mr. Johannes Pflug, former member of the Bundestag

and China delegate for the city of Duisburg, were greeted and the discussion about the German elections and what demands the German economy has for the newly formed government was held. As Dr. Schweitzer noted, the economic situation in Germany is generally good with new jobs being created and economic growth fueled by consumption and exports. He mentioned three challenges that the government needs to pay attention to: alleviating the skill shortage, investing in infrastructure and reducing bureaucracy. Other topics of the talk included economic competition between Germany and China, the Belt and Road Initiative, European Investments in China, the role of the DIHK in supporting German companies in China and the current situation of global politics, with the US retreating further from the world stage and China emerging as a more important global player.

The Chamber Meeting ended with a Q&A session, mainly on global politics and the image of the German automotive industry in the world. In the discussion, Dr. Schweitzer stressed the importance of open markets and a strong Europe.





Günter Strauss

Company: Schüco International KG

Job Title/Position: Executive Director Schüco Greater China

Year of Foundation: 1951

HQ (location): Bielefeld, Germany

Main Business: System solutions provider for windows, doors and façades

What is your personal and business background?

I joined Schüco in 1994, and since then I have served in a variety of leadership positions. In these positions, I have developed an international perspective and gained a full understanding of the applications of Schüco products around the globe. Building upon these experiences during my seven years of working in Greater China, I have been actively introducing Schüco's windows, doors and façades to local customers, raising the company's profile in the market and building strong and deep relationships with our customers.

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

Schüco International KG develops and sells high-quality system solutions for windows, doors and façades. Active in more than 80 countries and with more than 12,000 partners worldwide, the company strives to be the industry leader in terms of service and technology today and in the future. Schüco has had a branch in China since 1999. With our regional headquarters in Shanghai, Schüco Greater China has developed nearly 120 authorized partners. We share the same vision for the industry and our products as Schüco International KG. In China, our development depends on both our capabilities and performance and the overall development of the market in China. As a German company, innovation is somewhat innate for us and is a primary driver of Schüco's growth. We just opened our new flagship showroom and technical training center in Shanghai's Putuo District in 2016. This is where developers and customers can come to learn about our products and technicians receive training.

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

2017 marks the 18th anniversary since we stepped into the Chinese market. China has become the largest overseas market for Schüco and has been a strong growth engine for our global business. Our Chinese partners take advantage of the completeness and fullness of what Schüco offers in tested-and-proven module systems, top quality research and development teams, widely recognized design capabilities, strict standards for fabrication and well-established brand awareness.

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

With China's current GDP growth rates, we are in a reasonable development range. China's economic growth continues to promote sustainability, innovation, and environmental protection while improving people's life quality. All these things provide huge market potential and growth opportunities to Schüco. We will continue to do what has made us successful in the past: to introduce the latest trends and the world's top technologies in the field of building facades into China, and to bring forth innovative products, services and a brand philosophy tailored to the Chinese market for our customers and partners.

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

The marketplace is very competitive with an increasing demand for innovation while requiring a high-quality product. For Schüco,

our fundamental rule is "Quality first and Excellence foremost." Schüco often arranges for its German experts to launch trainings and knowledge exchanges in China, and helps Schüco China achieve technical levels consistent with the essence of the "Made in Germany" solution.

For example, the new Schüco VentoLife air purification system was developed specially for the Chinese market. In China, PM2.5 particles pose a serious risk to health and well-being in many cities. Schüco VentoLife not only significantly improves quality of life and the working atmosphere, it also ensures the high value of a property in the long term.

What are your aims and hopes for the future? (What are your short- and long-term objectives, especially in China?)

Based on the current market situation, we are focused on digitalization and sustainability.

On one hand, Schüco offers optimized digital processes and powerful software solution for efficient design and development of bidding documents, saving precious time in the creative process.

On the other, Schüco has created the building of the future with sustainability. Whether talking about planning or budgeting, construction projects must comply with relevant technical and aesthetic standards while allowing for durable operations and assured values. Schüco goes one step further and takes responsibility for more than just its system.

SCHÜCO
PROTECTS

APPROVED SECURITY



Security — no matter
what comes along.
Or who.

Based in Bielefeld, Schüco International KG develops and sells system solutions for windows, doors and façades. With more than 4750 employees worldwide, the company strives to be the industry leader in terms of service and technology today and in the future. In addition to environmentally friendly products for residential and commercial buildings, the building envelope specialist offers consultation and digital solutions for all phases of a building project – from the initial idea through to design, fabrication and installation. 12,000 fabricators, developers, architects and investors around the world work together with Schüco. The company is active in more than 80 countries and achieved a turnover of 1.460 billion euros in 2016. For more information, visit www.schueco.com

Windows. Doors. Façades.

SCHÜCO

31st **Event:** Workshop Human Resources
Topic: What do Chinese Managers & Leaders
 Need to Climb the Corporate Career Ladder.
October 2017 **Venue:** InterContinental Pudong

GC DEALS

Speaker: Ms. Eveline Goodman - Hedtke |
 MD at EforP International Shanghai
 Consulting Co. Ltd.
 Mr. Min Hao | Project Management Director
 at EDAG
 Ms. Josie Liu | Head of Global Supplier
 Development at SCHINDLER
Moderator: Mr. Joerg Heil | General Manager
 at hartung: consult

Training Calendar Shanghai

4 th December	Say It with Charts: Business Diagrams with MS Office
7 th - 8 th December	Leadership Skills in the Changing Era
7 th - 8 th December	How to Upgrade Your Internal Logistics to Lean and Smart
11 th - 12 th December	Supplier Management and Improvement new
13 th - 15 th December	Essential AutoCAD skills: 2D Drawing Basics
15 th December	How to Analyze Your Product Cost Structure Systematically
19 th December	SharePoint 2013 for Efficient Team Collaboration
20 th - 21 st December	Working Smart with Excel
21 st - 22 nd December	Optimization of Value-streams by IT Shopfloor Solutions
26 th - 27 th December	Working Smart with Microsoft Project

Training Highlights - Shanghai

Leadership Skills in the Changing Era

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 not only demanding excellent service; they are also demanding more. If you do not supply it, your competitors will. Organizations are re-shaping themselves to change quickly 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.

Shanghai contact:
 Ms. Zhang Yihui
 021 6875-8536 ext. 1658 021 6875-8573 ext. 5658
 ✉ zhang.yihui@sh.china.ahk.de



Become a GC DEALS Partner

The German Chamber of Commerce's GC DEALS is an exclusive, newly branded service for all our more than 2,500 German Chamber members in Mainland China. All participating businesses, among them restaurants, hotels and agencies, offer their services at discounted rates. The Benefit Program is free to join and allows you to reach our Members. Find more Information on our Website: <http://china.ahk.de/chamber/benefit-partner/>

New GC DEALS Partner Shanghai

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

Aier EYE Hospital Shanghai
 爱尔眼科医院上海
 Hongqiao Rd. 1286, 200336 Shanghai
 200336 上海长宁区虹桥路1286号



Telephone: 02132519930
 Email: ipsc@aier021.com
 Wechat: aier-ipsc
 Web: www.aier021.com/en

Benefit: 10% off the bill for members, for companies free visit with doctor and examination of vision power, dry eye syndrome, internal eye pressure up to 40 ppl.

Please be sure to include a picture of your German Chamber Membership Card.

Rojo Clothing
 上海儒卓服装有限公司
 Above the Globe 7/F, 1013 West Beijing Road
 Above the Globe 北京西路1013号7层



Telephone: 13761232991
 Email: info@rojoclothing.com
 Wechat: ROJOClothing
 Web: www.rojoclothing.com.cn

Benefit: All members of The German Chamber can get a complimentary tailored shirt or a pair of pure wool trousers with the purchase of a suit.

Please be sure to include a picture of your German Chamber Membership Card.



Thomas Nürnberger

Company: ebm-papst Ventilator (Shanghai) Co., Ltd.

Job Title/Position: General Manager

Year of Foundation: 1996

HQ (location): Mulfingen, Germany

Main Business: Products and solutions of fans and motors for aerodynamics and drive technology

of Germany, this center is one of the drivers for "design to region" strategy to fulfill specific product design needs from Chinese and Asian market. We will set up an additional plant in China. With stronger focus on local sourcing and production, we are improving our flexibility and decreasing our Leadtime in Asia. For multi-national companies in China, local management is a must for better adaptations to local business environment. Years ago, we have started to develop local talents for leadership positions. I am proud that all my direct reports are locals.

What's your personal and business background?

I am 49 years old, married and have three daughters. Although I am a German, some of my friends say I am more than half Chinese, as I have been living in China since 2006. I agree with that, minus my Chinese language skills. Before I joined ebm-papst in December 2016, I have worked as different management roles in a big German company in electrical drives and controls area for over 20 years, with ten years in China. I have known lots about Chinese culture. Leading different international companies in Shenzhen, Xi'an and Shanghai also gave me a deep understanding of Chinese market and customers.

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

ebm-papst is one of the world leaders for fans and motors, who consistently pursues innovation. We

offer ideal solutions for virtually all aerodynamics and drive technology. Now our products and solutions are widely used in various industries e.g. Ventilation, Heating, Refrigeration, Automotive and Drive Engineering etc. Our Chinese subsidiary has been serving local market for 21 years by sound functions including Sales, Marketing, R&D and Production. With over 1900 local associates, we have been a strong partner for our customers in China.

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

Our "LOCAL for LOCAL" strategy focuses on local customers, who have highly volatile demands and cost-efficient requests. Increasing platforms, products and solutions are being developed in our Shanghai engineering center. With a laboratory with over 50 engineers and advanced equipment as that

What's your competitive advantage, what kind of benefits can companies using your products/services in China get?

Innovation is always our key to success, which is a part of ebm-papst's genes. Our founder, Mr. Gerhard Sturm, integrated external rotor motor into fans, which significantly optimized the design and extended the lifetime. With our strong local R&D team, we provide EC technology with tremendous efficiency improvement and energy saving to local market. For customers, besides the product and solution provider, ebm-papst is always the strategic partner. Apparently, our customers can strengthen their competitiveness by reliability, cost-effectiveness, technology leadership and eco-friendliness they benefit from the cooperation. In the long run, we will support our customers in achieving the sustainability to secure the business in the future.

Top technologies that unite.

ebm-papst and Mercedes-AMG Petronas Motorsport: efficiency and innovative ingenuity lead to joint success.



Official Team Supplier



AMG
PETRONAS
MOTORSPORT

"Innovate together, succeed together" – could be the motto of the partnership between ebm-papst and Mercedes-AMG Petronas Motorsport. Because the engineers from Mulfingen have been developing particularly efficient cooling solutions for the Formula One racing organization since 2014. The result: three World Championships in a row. Why should we change that?! ebmpapst.com/f1

ebmpapst

The engineer's choice

Press Conference on the Greater Shanghai Innovation Survey 2017



The Press Conference on the Innovation Survey 2017 has received great interest with 17 journalists from international as well as Chinese media attending the meeting.

After an introduction by Ms. Simone Pohl, Delegate and Chief Representative of German Industry and Commerce Shanghai, Mrs. Bettina Schön-Behanzin, Chairwoman at the German Chamber of Commerce China Shanghai, together with Prof. Han Zheng, professor at Tongji University, and Mr. Lin Tao, Partner at goetzpartners Management Consultants, presented the trends, opportunities as well as major challenges to innovate for German companies in the Chinese market. In addition to the key findings of this year's innovation survey, the speakers also pointed out policy recommendations addressing requirements for the improvement of the innovation landscape in China.

Dr. Eric Schweitzer, the president of the Association of German Chambers of Industry and Commerce (DIHK), was also amongst the speakers and offered a perspective on the German market based on the findings of the recent DIHK Innovation Report 2017.

During the Q&A session, topics of interest to the media included: the significance of innovation in China for global markets, changing collaboration patterns in order to enhance innovation, the impact of an established and open IT infrastructure and internet access, as well as the motive for acquiring a local company.



German Wind Power Shows Strong Presence in China



At this year's China Wind Power, held from 17th -19th October 2017 in Beijing, German companies were again determined to show their strength in this renewable energy sector. More than 50 German companies exhibited at this leading trade fair for the wind energy sector, 20 of them participants of the German Pavilion, organized by the German Industry & Commerce Greater China | Shanghai, the service provider of the German Chamber Network. Companies such as mayr, DBK, TUEV Nord, Helucabel, LAPP Kabel, Klueber, INTORQ, Precima, BEKA, GEDORE, SCHAAF, SIBA, WINDGUARD, ENOVATION, LAP LASER, fos4X and GAT all joined the German Pavilion.

The trade fair gathered all major players of the wind industry, worldwide. This year, a cautiously optimistic atmosphere could be felt around the fair ground by all participants. GWEC – Global Wind Energy has reported 12% growth for the global cumulative installed wind capacity by Council. With 168,732 MW of cumulative capacity at the end of 2016, an increase of 34.7% over the year before, China is now the country with the biggest wind power installation wind capacity. The Chinese government's renewed commitment to strengthen renewable energies will bring about new market opportunities for German companies in that field as well.



The Benefit Program is Now

Update Board of Directors in Shanghai



Alexander Seitz, former First Vice President and Commercial Executive Vice President of SAIC Volkswagen as well as Vice Chairman of the Board of Directors of the German Chamber of Commerce in Shanghai, was recently appointed Member of the Board of Management at AUDI AG.

In accordance with its statutes the German Chamber Shanghai therefore announces that Mr. Sven Becher, Managing Director at P3 Technical and Management Consulting (Shanghai) Co., Ltd., follows Mr. Seitz's into the Board of Directors 2016-2018 of the German Chamber of Commerce in Shanghai.

The Board of Directors elected in its most recent meeting Mr. Lothar Grad, Executive Vice President Automotive Asia at Alfmeier Automotive Systems (Shanghai) Co., Ltd., as the new Vice Chairman of the Board.



The next elections for the Board of Directors 2018-2020 will take place at the end of March 2018.

Please communicate your interest in Board membership to chamber@sh.china.ahk.de.

New Appointment: Deputy General Manager of German Industry & Commerce Greater China | Shanghai



On 16th October 2017, Ms. Christine Mueller took over the responsibilities as Deputy General Manager of German Industry & Commerce (GIC) Greater China | Shanghai, the service provider of the Delegation of German Industry and Commerce Shanghai. Ms. Mueller has a long history within the GIC Shanghai. She holds a diploma in Business Chinese from the

University of Applied Sciences Zwickau and joined GIC Shanghai full-time in 2007. Since 2011, she has been the Head of Department Fairs, Events and Delegations, implementing a whole array of small and large-scale projects with her team. Ms. Mueller can be reached via phone at +86-21 3858 5084 or via email at mueller.christine@sh.china.ahk.de.

German Chamber Deals

Members Can Find Exclusive Deals Around Shanghai from Partners Like:



For more deals and to become a Partner, contact Ms. Jessica Downer: downer.jessica@sh.china.ahk.de

Brought to You By:



GERMAN CHAMBER
of Commerce in China • Shanghai
中国德国商会 • 上海

Thanks to Our Yearly Sponsors 2017/18

Guangzhou Office



Shenzhen & West PRD Office



Bock China Ltd. Opens Second Work Shop and Doubles Output



In middle of 2017, Bock China Ltd. finished a greenfield project beside their existing plant. The additional area of 4,000m² now provides Bock with a total production area of around 11,000m² in Dongguan. The new building now contains the die casing department with four more automatic die casting machines making a total of ten, finished parts stock and shipping area with three new loading stations. The work force increased from 260 to 450 employees and from 2016 to 2017, the total output has almost doubled.

2017 China (Guangdong)-Europe Investment and Innovation Cooperation Conference Successfully Convened

2017 China (Guangdong)-Europe investment and Innovation Cooperation Conference was held in Foshan on 13th and 14th September 2017. With the vision of enhancing the cooperation, this conference highlighted development

in Guangdong based on 13th 5-Year Plan and discussed business opportunities between Guangdong and European countries. Mr. Andreas Schwegler, CEO of the European Buyers Council, was invited as a speaker. He introduced the one-stop M&A investment service connecting Europe with China. With years of experience and extensive partners network, EBC actively seeks for innovative companies with advanced technology and enterprises with well-known brands for investors. Under the bilateral agreement, EBC would assist the investment project by great efforts. Through this method, Chinese enterprises would not only reduce the risk of overseas investment, saving the cost for marketing, but also upgrade their technology and enhance their overall competitiveness.



New General Manager of Haerter Asia (Dongguan) Limited.

Dr. Paul Ju was appointed General Manager in HÄRTER China, effective from 1st January 2017.

He manages responsibility for all business operations of the group in China and drives market development through strategic business initiatives and programs, and oversees client relationships and new business opportunities in China. Dr. Ju got his Doctorate for Technical in 1992 in Austria and MBA in 2006 in USA, and fluently speaks three languages (German, English and Chinese). Prior to joining HÄRTER, Dongguan, Dr. Ju held leadership roles in several famous international operations. Dr. Ju's solid background long with his long-term experience within the technical and business arenas will certainly support the continuing success of Haerter Asia (Dongguan) Limited.



The Hannoversche Kaffeemanufaktur Builds a Second Production Plant in Hunan Province

This October, only a year after the opening of the flagship roastery on German Town in



the city of Changde (Hunan), a second and slightly bigger production site is being built by the Hannoversche Kaffeemanufaktur (Hannover Coffee Manufactory). The family-owned speciality coffee roastery has made this step to increase production efficiency with the improved new facility. The first production site, in the district of Wuling, is located in the city center and serves as an open to the public roastery, where customers can experience coffee roasting live with all their senses. The unique experience for customers and the deep-dive into an exotic world of aromas will remain in the German Town roastery, whereas the factory outside of the city center in a nearby developed production building is meant to have an easier access to packaging and logistics.

Heinkel (Foshan) Started the New Workshop in Foshan



Heinkel (Foshan) Drying and Separation Group has started the operation of the new workshop in Foshan in July this year. The first products have been successfully assembled. Heinkel Foshan will be the assembling center for China and Asia for all products of the Heinkel group.

First Kautex Maschinenbau Seminar in Shunde was a Great Success



Shunde Kautex, a daughter company of the German extrusion blow molding machine manufacturer Kautex Maschinenbau GmbH, held its first Seminar event in Shunde on 22nd September. The event was attended by more than 100 visitors from nearly 40 customers. The Kautex seminar is a new series of events dedicated to present the latest technology and developments from

Kautex Maschinenbau and their suppliers.

The attendees were updated on the latest Industrie 4.0 developments such as the Virtual Machine for customer training. Additionally, Kautex presented their latest developments on the new generation of KCC machines (MK3), KBB all-electric machines, the new KSH series for drum production and a comparison of extrusion head technologies with heart-curve technology or spiral mandrel design. Besides, Kautex material supplier Kuraray presented their high barrier resin EVAL for blow molding applications.

Sofitel Guangzhou Sunrich Wins Best International MICE Hotel



Organized by Guangzhou Daily Newspaper and Cantonese Business Alliance, "The Choice of Cantonese Business Alliance Award" appointed Sofitel Guangzhou Sunrich as Best International MICE Hotel. The award aims to set up the Southern China high-end new benchmark, through election to celebrate outstanding performance and determination for perfection within service and hospitality industry, winners are selected and voted by its readers and industry specialists. Sofitel Guangzhou Sunrich is strategically located in Tianhe, a dynamic financial and commercial district of Guangzhou, with Paris style décor rooms and suites, bars and restaurants, meeting rooms including a grand Ballroom, and a team of MICE experts is devoted to ensuring a smooth and memorable event. The picture includes Ms. Rose Lo (R), Director of Sales and Marketing Sofitel Guangzhou Sunrich and Mr. Teddy Xiong (L), Key Opinion Leader of Guangzhou.

Delta Creativity & Innovation Celebration to be Held

Organized by San Jiao Ling and co-organized by SSGKC, 2017 Delta Creativity & Innovation Celebration (DCIC) is a unique innovation business event with an international focus to be held in Guangzhou. With the prestigious and diverse Jury Board and Organizing Committee, the aim is to showcase PRD Greater Bay Area companies that excel at creativity and innovation to the rest of the world. With the immense success of the first edition in 2016, the second edition of DCIC has drawn a wide attention among local media and international media correspondents.

Launch Ceremony of "PV Road of Light" Successfully Held in Guangzhou



On 26th September 2017, the launch ceremony for TÜV Rheinland's sustainable green charity program "PV Road of Light" was held in Guangzhou. TÜV Rheinland partnered with GZ Sowers Action again, along with Jiangsu Zhongjun Financial Holding Group New Energy Co., Ltd., the Nanjing Design Institute of Gezhouba Group Electric Power Co., Ltd., and Longi LERRI Solar to leverage their respective expertise and build distributed PV power stations on the roofs of seven elementary and junior high schools in rural Yunnan. The initiative will help solve local difficulties with power transmission and distribution to the schools. TÜV Rheinland will provide locals with electrician training so they can conduct routine maintenance on the power stations. Chris Zou, Vice President of Solar/Fuel Cell Technology, Greater China, said: "TÜV Rheinland hopes the green sustainability welfare projects will bring advanced ideas, technologies and skills to these remote corners."

Copper Alloy Technology Forum 2017 – Taiwan



Wieland organized a copper alloy technology forum in Taiwan. Participants that hailed from connector-related industries of design and manufacturing including Molex, Foxconn, Speedtech and Samtec. End-users such as Dell, MSI and HP were also represented. Lead frame manufacturers like Fusheng, SDI and MHT, who were interested to learn about other Wieland alloys attended as well. Wieland also had the honor of having Dr. YC Peng from Taiwan Electronic Connectors Association (TECA) attending the event, where he shared insights in Mobile and Automotive, encouraging Taiwan connector makers to look at high-end connectors. The forum was successful and feedback from the participants were positive. Wieland believes that the Wieland brand was well etched in the minds of the participants, as a strong Copper and Copper Alloy producer with superior solutions and expertise in various areas such as stress relaxation, press-fit applications & heat dissipation.

6th-13th
September 2017

Location: Chengdu
Event: Oktoberfest Chengdu
Venue: Paulaner Brauhaus,
Kempinski Hotel, Chengdu



7th
September 2017

Location: Shenzhen
Event: In-house Legal Summit 2017
Venue: Futian Shangri-La, Shenzhen

On 7th September 2017, the German Chamber of Commerce in China | South & Southwest China cooperated with Asian Legal Business and held a special In-house Legal Summit for its members and friends in the Futian Shangri-La hotel Shenzhen. This annual summit gathered senior-level corporate counsels, business leaders and private practitioners from Shenzhen and its surrounding areas, the legal summit enabled participants to have in-depth workshops focusing on the latest legal issues presented by top domestic and international law firm.

7th
September 2017

Location: Shenzhen
Event: Interchamber Networking Drinks
Venue: Hilton Shenzhen Shekou Nanhai Hotel

On 17th September, together with other international chambers, the German Chamber of Commerce in China | South & Southwest China held a Interchamber Networking Drinks for its members and friends at Hilton Shenzhen Shekou Nanhai Hotel. Besides the amazing view of Guangzhou and relaxing atmosphere, participants also enjoyed networking with members of other international chambers of commerce as well as business representatives from local Chinese companies.



11th
September 2017

Location: Chengdu
Event: GCC Seminar – Labor Law and Tax Issues
Venue: EUPIC La Defence Conference Room

13th-16th
September 2017

Location: Chongqing
Event: The 5th German Oktoberfest
Venue: Paulaner Brauhaus,
Kempinski Hotel, Chongqing

13th-14th
October 2017

Location: Dongguan
Event: Oktoberfest Dongguan
Venue: Hollywood Baby Too

This year, the German Chamber of Commerce in China | South & Southwest China together with Hollywood Baby Too to present the German Oktoberfest in Dongguan. From 13th to 14th October, members and friends celebrated the beloved German tradition in the dynamic city of Dongguan. During the two days celebration in Hollywood Baby Too, the Muenchener Musikanten, an Oktoberfest band flew in from Germany to entertain the international and local audience – performed German, Austrian, Mandarin, Cantonese & other international songs. While enjoying cold mugs of beer and German delicacies prepared fresh by the Hollywood Baby Too team, guests took the opportunity to participate in fun activities and games on and off the stage or sing and dance along to the engaging performance by the band, which left not a single guest seated. The German Chamber of Commerce in China | South & Southwest China would like to thank all participants of the Dongguan Oktoberfest and hopes that every guest took home very special memories of this exceptional event highlight. A special thank you goes to Hollywood Baby Too and their team for the great effort in providing food, drinks and an overall great atmosphere. Furthermore, the GCC would like to thank all this year's sponsors who offered the Chamber great support and played a big part in the success of this event.





Discover *a truly international education*

UISG OPEN DAY

Thursday, 15 Mar 2018 | 8:45am to 3pm




Guangzhou's only IB Continuum School

Speak to our Admissions Team Today admissions@uisgz.org / +86(20) 8720 0517



Utahloy International School Guangzhou (UISG)

800 Sha Tai Bei Road, Bai Yun District, Guangzhou 510515
广州市白云区沙太北路 800号 邮编 510515

 info@uisgz.org  +8620 8720 2019  www.utahloy.com

Accredited by



Affiliated with



14th Location: Guangzhou
 September 2017 Event: Interchamber Networking Drinks –
 Sunset Party
 Venue: Crowne Plaza Guangzhou City center

On 14th September, the German Chamber of Commerce in China | South & Southwest China together with the Australian, Benelux, British, French, Italian and Spanish Chambers of Commerce organized this year's Interchamber Sunset Party at the Helipad of the Crowne Plaza Guangzhou. Around 130 participants enjoyed the cocktail buffet and drinks on the outside terrace during the lovely evening while networking and eagerly waiting for the lucky draw to start. The German Chamber of Commerce would like to thank all guests for making it an unforgettable night for everyone.



19th Location: Guangzhou
 September 2017 Event: Stammtisch for Young Professionals
 and Students
 Venue: The Happy Monk



21st Location: Shenzhen
 September 2017 Event: General Manager Roundtable
 Venue: GCC Office Shenzhen



26th Location: Shenzhen
 September 2017 Event: Annual Salary Survey Result Presentation
 Venue: GCC Office Shenzhen

Wages in China are constantly rising at an incredible pace as a "war for talents" continues among international and Chinese companies. Therefore, every year the German Chamber of Commerce in China conducts its Salary Survey among its members. On 26th and 27th September the results of this year's survey were presented in Shenzhen and Guangzhou respectively. The presentations offered an in-depth insight into the wage and salary developments of GCC member companies, current developments on the job market and an outlook into the wage and salary developments in 2018. In the presentation, Mr. Juanjo Cardona focused on aspects such as general labor market environment, wage developments of German companies in China in general and regional differences in these developments, as well as wage and productivity developments across Asia. The presentations were followed by an active Q&A session. The German Chamber of Commerce in China hopes that every participant could take home some new knowledge and insights to use in their companies.



27th Location: Guangzhou
 Event: Wage Survey Result Presentation
 September 2017 Venue: GCC Office Guangzhou



28th Location: Shenzhen
 Event: Guanxi – Connecting Shenzhen's
 September 2017 Young Professionals and Students
 Venue: E.T. Brewery

12th Location: Guangzhou
 Event: German Wine Tasting
 October 2017 Venue: ME+ Dining Room



12th Location: Shenzhen
 Event: Stammtisch
 October 2017 Venue: The Pub

On 12th October, the German Chamber of Commerce in China | South & Southwest China welcomed members and friends to their monthly Stammtisch, this time in The Pub. Located in the Nanshan district, The Pub is a great restaurant combined with the pub culture that is already very popular among food lovers. While networking with other participants, guests had the opportunity to enjoy the delicious international food. All guests were pleased with the wonderful evening and the German Chamber would like to thank The Pub's team for being a generous host for this event.



24th Location: Foshan
 Event: Manufacturing Roundtable
 October 2017 Venue: Heinkel China, Foshan

26th – 2nd Location: Shenzhen
 Event: 12th Oktoberfest Shenzhen
 October – November 2017 Venue: The Venice Raytour Hotel Garden

30th Location: Guangzhou
 Event: GCC Workshop: Offshoring to Vietnam
 Opportunities & Challenges
 October 2017 Venue: GCC Office Guangzhou

31st Location: Shenzhen
 Event: GCC Workshop: Offshoring to Vietnam
 Opportunities & Challenges
 October 2017 Venue: GCC Office Shenzhen

Training Calendar December 2017

Date	Training
14 th December 2017	Creative Problem Solving & Decision Making

South & Southwest China Training Highlights

14th December 2017 (CD): Creative Problem Solving & Decision Making
 Faced with complex, open-ended, ever-changing challenges, organizations 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

The 1st Discover Germany Festival in Chengdu



With this year marking the 45th year of establishment of diplomatic relationship, the German Chamber of Commerce in China | South & Southwest China together with the General Consulate of Germany in Chengdu held the first "Discover Germany" festival at the Chapel Plaza of the InterContinental Global Center in Chengdu on 28th September 2017. The festival attracted more than one thousand visitors and many sponsors and partners.

Joint opening by the German Chamber and the German Consulate

The opening ceremony was held at 12:15 pm with a speech by Delegate & Chief Representative for the Delegation of German Industry & Commerce in Guangzhou, Mr. Jens Hildebrandt, wishing for great success and cultural exchange between Germany and China in Chengdu. Afterwards, Dr. Klaus Schmidt, Acting Consul General of the German Consulate in Chengdu, expressed his appreciation to all sponsors, co-organizers, as well as all the Chinese authorities. The sponsors included Sino-Germany (Pujiang) SME Cooperation Zone, BMW Motorrad, Herrenknecht, Miele, IQ Air, the German National Tourist Board, Allianz, Feldschlößchen, Messer, Rosbacher, TLScontact, visitBerlin, DAAD, Goethe SLZ, Hannoversche Kaffee Manufaktur, Meissen and Senator. After the opening ceremony the opening ribbon was cut and the festival officially started.

A Sino- German exchange platform in festival atmosphere

The festival was as exciting and inviting as its venue, the Chapel Plaza of the InterContinental in Chengdu's Global Center. Set in a sophisti-

cated atmosphere, the "Discover Germany" offered the perfect Sino-German platform in a festive atmosphere. With exciting presentations and entertainment, over 1,000 visitors, from Chengdu locals to foreign friends from around the world, and local businesses came to the festival to get a taste of Germany. Everything from advanced technology, latest trendy motorcycles, user-friendly home products to refreshing imported beer, freshly brewed coffee, and interactive games with prizes could be found at the festival. Visitors tried their luck at the lucky draw section of the festival and won special prizes sponsored by Meissen, DAAD, Goethe SLZ and Intercontinental. Children and adults alike had fun with the interactive "Discover Germany" game, which not only brought exhibitors and visitors together but also gave visitors the chance to win a variety of prizes. At the sponsors booths, refreshing beverages and the newest trends of the market were provided to the visitors.

To further encourage the economic and cultural exchange between China and Germany, the festival also provided an information platform, offering a series of business, tourism and education related seminars. Presented by the German National Tourist Board, the German Academic Exchange Service DAAD, and the Goethe SLZ, the seminars introduced Germany as an attractive travel and study abroad destination. Herrenknecht and Miele also shared their experiences as German family enterprises. The seminars provided expert insights, practical tips and information, and answered the questions of interested visitors. Companies and visitors gathered together, and new business contacts were made.

Happy German Unity Day

After a great day of experiencing German culture, the venue transformed into the "Berlin Beach", which was the theme and name of the German General Consulate German Unity Day Dinner in the evening. Besides German music, guests and exhibitors enjoyed the German buffet and imported German beer and wine together with the German Chamber of Commerce in China | South & Southwest China and General Consulate of Germany in Chengdu.

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: The General Consulate of Germany in Chengdu. 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. Diamond sponsors including: Sino-Germany (Pujiang) SME Cooperation Zone. Gold Sponsors including: BMW Motorrad, Herrenknecht, IQ Air, Miele. Silver Sponsors including: the German National Tourist Board, Allianz, Feldschlößchen, Messer, Rosbacher, TLScontact and visitBerlin. Event Sponsors including: DAAD, Geothe SLZ, Hannoversche Kaffee Manufaktur, Meissen, Senator.



Extraordinary General Meeting & Vote of the German Chamber of Commerce

On 17th October, the German Chamber of Commerce in China | South & Southwest China held this year's Extraordinary General Meeting (EGM) in conjunction with the voting of the Adaptation of Membership Categories and Membership Fees and Amendments to the Statutes at the GCC office Guangzhou.

After receiving the material necessary for voting, participating members enjoyed networking opportunities with other members. The Chairman of the GCC board, Mr. Stefan Rosenbohm gave an opening speech to welcome the guests and introduced the Chamber's goals and achievements for 2016/2017. Followed with an in-depth review of the Chamber's activities and developments of the highlighting special projects such as the vocational training course set up in the region, the various working groups and roundtables offered by GCC, as well as the new format of events and the new communication concepts for the Chamber. The Chamber's financial report was presented by GCC's treasurer, Mr. Ulf Reinhardt. The GCC's executive director and member of the board, Mr. Jens Hil-

debrandt then sincerely expressed their appreciation towards the members for their strong support and cooperation and thanked the GCC team for their engagement as well.

The presentations were followed by the introduction of new membership structure and pricing and to proposed amendments by Mr. Hildebrandt. The voting auditor Dr. Alexander Theusner, Head of Roedl & Partner Management Consulting (Shanghai) Co., Ltd. Guangzhou Branch, officially opened the voting. After the closing



of the voting station, the voting committee proceeded to count the votes. Meanwhile, the guests listened to a speech on the Impact of German Elections & the 19th China Communist Party Congress on Sino-German Relations by Mr. Tim Wenniges, director Konrad Adenauer Stiftung Shanghai.

After the in-depth speech about the Impact of German Elections & the 19th China Communist Party Congress on Sino-German Relations, the results of the voting were officially announced and the voting of the Adaptation of Membership Categories and Membership Fees and Amendments to the Statutes were approved by the members with an affirmation of over 90 percent.

The German Chamber of Commerce in China | South and Southwest China would like to thank all members for casting their votes and attending the EGM.



New Regional Manager Shenzhen



The German Chamber of Commerce in China – South & Southwest China is pleased to announce the appointment of Ms. Lydia Schulz as Regional Manager Shenzhen. Ms. Schulz received her bachelor's degree in International Business Management East Asia from the University of Applied Sciences Ludwigshafen/Rhein and her master's degree in Chinese Studies with a focus on economy from Friedrich-Alexander University Erlangen-Nuremberg. She has experience in office management, business development, and project management. Ms. Schulz can be reached via phone at +86 (0)755 - 8635 0487 and via email at schulz.lydia@gz.china.ahk.de

New GC DEALS Partner South & Southwest

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



Guangzhou:

Eur Am Medical Center

康辰医疗

1F, Ocean Pear Building, 19 Huali Lu,

Zhujiang New Town, Guangzhou

广州珠江新城华利路19号远洋明珠大厦首层康辰医疗



Telephone: 02037585328

Telephone: 02037591250

Email: reception@eurammedicalcenter.com

Web: www.eurammedicalcenter.com

Wechat: EURAM37585328 (广州康辰医疗)

Benefit: 10% discount on medical services and dental services

Please be sure to include a picture of your German Chamber Membership Card.

Guangzhou Life Partner Consulting Service Co., Ltd.

广州力派咨询服务服务有限公司

F2-B1, 6F, Nantian Square, Huacheng Ave. No. 3-7,

Tianhe District, Guangzhou

广州市天河区珠江新城花城大道3-7号

南天广场6楼F2-B1室



Telephone: 02038813137

Email: panhj@lifepartner.cn

Web: www.lifepartner.cn

Wechat: LifepartnerGZ

Benefit: 10% discount on agent fee, housekeeping, car-renting services

Please be sure to include a picture of your German Chamber Membership Card.

Shenzhen:

Bupa Medical Centre GT Land

保柏医疗中心 - 广州高德置地广场

Unit 305-305A, 3F GT Land Autumn Plaza,

No.11-13 Zhujiang East Road, Pearl River New Town,

Tianhe District, Guangzhou

广州珠江新城华利路19号远洋明珠大厦首层康辰医疗



Telephone: 4008500833

Email: GT-SA@bupa.com.cn

Web: www.bupa.com.cn

Wechat: bupaglobalchina

Benefit: 10% off on all medical services

Please be sure to include a picture of your German Chamber Membership Card.

The Pub

玖肆

1st Floor, No.101 Quanchuang Community,

No. 6 Industrial Road, Shekou, Nanshan District, Shenzhen

深圳南山区工业六路九号圈创101一楼玖肆



Telephone: 0755 26676532

Wechat: Justinyu886

Benefit: 10% discount to all except public holidays

Please be sure to include a picture of your German Chamber Membership Card.



German Industry & Commerce
Greater China

DEinternational Taiwan Ltd.

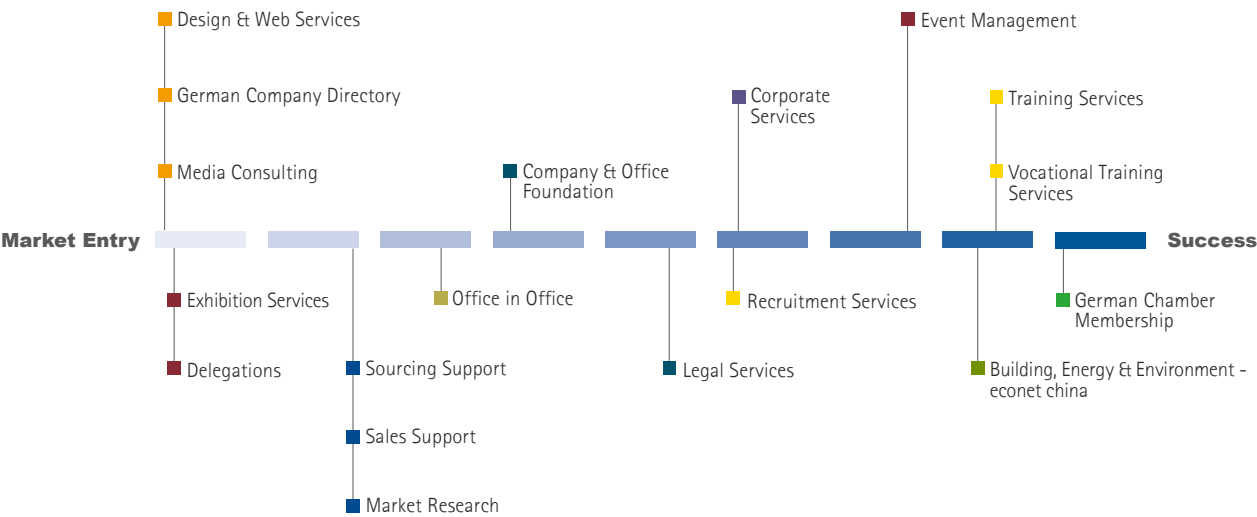
Tel
Beijing + 86 10 6539 6688
Shanghai + 86 21 6875 8536
Guangzhou + 86 20 8755 2353
Hong Kong + 852 2526 5481
Taipei + 886 2 8758 5800
Karlsruhe + 49 721 1614 284



www.china.ahk.de/services

YOUR PARTNER IN GREATER CHINA

Market Entry Support for your Business Success in East Asia



As the service provider of the German Chambers of Commerce Worldwide Network (AHK) in Greater China, we support you with your market entry and business development in Greater China and Germany. With more than 250 specialists in Beijing, Shanghai, Guangzhou, Hong Kong, Taipei and Karlsruhe we tailor customized solutions for your business success.



www.china.ahk.de/services

DEinternational is the service unit of the German Chambers of Commerce Worldwide Network.

GCC Board North China



Mr. Lothar Herrmann*
Chairperson
Siemens Greater China
CEO
Siemens Ltd., China
President and CEO



Ms. Alexandra Voss*
GCC | North China
Executive Director
Delegation of German Industry &
Commerce Beijing
Delegate and Chief Representative



Mr. Christoph Kaiser
Vice Chairperson
Turck (Tianjin) Technology Co. Ltd.
Managing Director



Mr. Feng Xingliang
Treasurer
Chief Representative
NRW/Invest Beijing



Mr. Daniel Albrecht
Starke Consulting Co., Ltd. Beijing
Managing Counsel



Mr. Olaf Kastner
BMW Group Region China
President and CEO



Mr. Jörg Müller
Volkswagen Group China
Executive Vice President



Dr. Björn Lindemann
Haver Technologies Tianjin
General Manager



Ms. Susanne Rademacher
Beiten Burkhardt
Rechtsanwaltskanzlei mbH
Partner and Chief Representative
Beijing

GCC Board Shanghai



Ms. Bettina Schoen-Behanzin*
Chairperson
Asia Freudenberg Group
Regional Representative
Freudenberg Management (Shanghai)
Co., Ltd.
Managing Director



Ms. Simone Pohl*
GCC | Shanghai
Executive Director
Delegation of German Industry &
Commerce Shanghai
Delegate and Chief Representative



Mr. Lothar Grad
Vice Chairperson
Alfmeier Automotive Systems
(Shanghai) Co., Ltd.
Executive Vice President Automotive
Asia



Mr. Steffan Huber
Treasurer
Covestro Polymers (China) Co., Ltd
Senior Representative Greater China



Mr. Sven Becher
P3 Technical and Management
Consulting (Shanghai) Co., Ltd.
Managing Director



Mr. Rolf H. Koehler
Fiducia Management Consultants
(Shanghai) Ltd
Advisory Director



Mr. Michael Maeder
Ward Howell International, Direct HR,
Hidden Champion, IOTOne.com
Co-Founder, Managing Director



Mr. Marcus Wassmuth
UniCredit S.p.A.
Director, Head of European Corporate
Coverage, China
Corporate & Investment Banking



Ms. Brigitte Wolff
EIM Executive Interim Management
Ltd., China
President

GCC Board South & Southwest China



Mr. Stefan Rosenbohm*
Chairperson
Hamanu (Shenzhen) Trade Co. Ltd.
General Manager



Mr. Jens Hildebrandt*
GCC | South & Southwest
Executive Director
Delegation of German Industry &
Commerce Guangzhou
Delegate and Chief Representative



Mr. Ulf Reinhardt
Treasurer
Foshan ARC Industrial Equipment
Manufacturing Co. Ltd.
General Manager



Mr. Gerd Kaarow
Metz Connect Zhongshan Ltd.
General Manager Greater China



Ms. Jana Karow
Brema Marketing GmbH & Co. KG
Representative Office Guangzhou
Chief Representative



Mr. Rüdiger W. Kümmerle
Lenzkes Clamping Tools (Shenzhen)
Co. Ltd.
General Manager



Mr. Tim Leitschuh
Bock China Ltd.
General Manager

* GCC All-China Board Member

German Chamber Ticker About us

PUBLISHER

German Chamber of Commerce in China
Design (Shanghai)
Ms. Felicitas von Rheinbaben
☎ 021 2898-6548
✉ team@increon.cn
Advertising (Shanghai)
Ms. CHEN Ting
Ext. 1837
✉ chen.ting@sh.china.ahk.de

Offices and Teams in Mainland China:

GCC NORTH CHINA
0818 Landmark Tower 2,
8 Dongsanhuan (N) Rd.
Chaoyang, Beijing 100004
☎ 010 6539-6688 ☎ 010 6539-6689
✉ chamber@bj.china.ahk.de
Executive Chamber Manager
Mr. Sebastian Suci
☎ 010 6539-6660
✉ suci.sebastian@bj.china.ahk.de
Deputy Chamber Manager
Ms. Jana Kumpf
☎ 010 6539-6661
✉ kumpf.jana@bj.china.ahk.de

GCC SHANGHAI
29/F Gopher Center, 757 Mengzi Road.
Huangpu, Shanghai 200023
☎ 021 5081-2266 ☎ 021 5081-2009
✉ chamber@sh.china.ahk.de

Executive Chamber Manager
Dr. Sigrid Winkler
Ext. 1609
✉ winkler.sigrid@sh.china.ahk.de

Communications & GC Ticker Team
Chief Editor
Senior Communications Manager
Ms. Olivia Helvadjan
Ext. 1637
✉ helvadjan.olivia@sh.china.ahk.de
Junior Editor
Project Manager - GC DEALS
Ms. Jessica Downer
Ext. 1675
✉ downer.jessica@sh.china.ahk.de
Economic Analyst
Ms. Josipa Markovic
Ext. 1647
✉ markovic.josipa@sh.china.ahk.de

More than a Market
Project Manager Social Responsibility
Ms. Ines Sieckmann
Ext. 1859
✉ sieckmann.ines@sh.china.ahk.de
Membership
Project Manager Membership
Ms. DU Xiaolin
Ext. 1689
✉ du.xiaolin@sh.china.ahk.de

Events
Manager Business Development
Ms. ZHU Jingjing
Ext. 1630
✉ zhu.jingjing@sh.china.ahk.de
Regional Manager
Ms. Johanna Spee
Ext. 1656
✉ spee.johanna@sh.china.ahk.de
Project Manager- Special Events
Ms. LIU Jueye
Ext. 1850
✉ liu.jueye@sh.china.ahk.de

GCC SOUTH AND SOUTHWEST CHINA

Room 1903, Leatop Plaza, 32 Zhu Jiang East Road
Tianhe District, Guangzhou 510620
☎ 020 8755-2353 ☎ 020 8755-1889
✉ chamber@gz.china.ahk.de
Executive Chamber Manager
Mr. Marc Piesbergen
☎ 020 8755-8203
✉ piesbergen.marc@gz.china.ahk.de
Regional Director Sichuan-Chongqing
Mr. WEN Xiaofei
☎ 028 8533-6841
✉ wen.xiaofei@gz.china.ahk.de

Cover image: © Shutterstock.com

The German Chamber Ticker is free of charge. For subscriptions or extra copies please e-mail your nearest Chamber office. The current and previous issues of the magazine can be found on and downloaded from our website www.china.ahk.de/gc-ticker.

© 2017 German Chamber of Commerce in China. No part of this publication may be reproduced without the publisher's prior permission. While every reasonable effort is made to ensure that the information provided is accurate, no guarantees for the currency or accuracy of information are made. All material relating to information, products and services (or to third party information, products and services), is provided 'as is', without any representation or endorsement made and without warranty of any kind, including the implied warranties of satisfactory quality, fitness for a particular purpose, non-infringement, compatibility, security and accuracy. The author(s) of each article is/are solely responsible for the content thereof; In no event will the publisher be liable for any loss or damage whatsoever arising from infringement or any defect of rights of the content of the article. Views expressed are not necessarily those of GIC/GCC.



YEAR END PARTY PACKAGES FROM PAULANER BRÄUHAUS SHANGHAI

December 1, 2017 – March 9, 2018

Organizing a company party has never been so convenient! Hold your Year End Party at one of four Paulaner restaurants and enjoy discounted packages including set menus, buffet and drink deals! We'll provide you with amazing live entertainment, audio visual equipment, prizes for your lucky draw and much more! We can accommodate small to large-sized groups up to 600 persons. Let us help you to find the right venue as well as package today and call us at (021) 5466 5700 X Sales & Marketing.

PAULANER @ RAFFLES CITY CHANGNING Dodson Hall (Unit H5 @ Courtyard), 1197 Changning Road

PAULANER @ XINTIANDI House 19-20, North Block, Xintiandi

PAULANER @ BINJIANG Riverside Promenade, Binjiang Dadao

PAULANER @ EXPO 555 Shibo Avenue, Pudong

www.bln-restaurants.com





Established in Beijing Economic and Technological Development Zone in 2009 and formally listed on the NEEQ on October 30, 2015, Kuntin Investment Management Group Incorporated Corporation is the first scientific park company listed in NEEQ with its security code 833913.

Kuntin Group is domestic leading service provider of comprehensive solutions for high-end industry in manufacturing facility and office. With consulting, industry move-in and implementation, Build-to-Suit high-end industrial park, Kuntin has successfully introduced dozens of world fortune 500 companies and local large enterprises including ABB, AMAZON, KDDI (under Telehouse from Japan), IBA from Belgium, GE, etc., provided the intensive business service of industrial chain that integrates investment, property management, financial, human resource and operation, carries out the idea of "high-end industry, high-end enterprise, high-end quality and high-end services" to stimulate the gathering of regional high-end industry and to drive the adjustment and upgrade of regional industrial structure. Under the drive of three major business modes of "Build-to-Suit high-end project, theme industrial pared customizing and investment operation, innovative space and enterprise accelerator investment operation", the group leads the industry development.

Kuntin Group is also the chairman unit in the regional cooperation association of Beijing Economic and Technological Development Zone and the shareholder unit of the Regional Cooperation Company; moreover, it is always one of the top 30 industrial real estate companies in China based on its differentiated business mode and precise market positioning, while Kuntin is also a flagship brand of Chinese hi-end industrial science park.

全球覆盖，本地资源共享 - 60个国家超过80个办公室

Global presence, local experience - 80 offices in more than 60 countries



With over 2,500 experienced auditors we provide expertise in all industry sectors. Our focus stays with the customer, as we deliver value-adding services to enhance our customers' success.

遍布130个国家超过57,000个场地已通过DQS认证!

57,000 customer sites in 130 countries carry a DQS certified mark!

Quality Management*

- ISO 9001

Environmental and Energy Management

- ISO 14001*
- ISO 50001
- Biomass
- RC 14001

Occupational Health & Safety Management*

- BS OHSAS 18001

Information Security Management

- ISO 27001
- ISO 20000-1

Social Responsibility*

- IQNet SR 10
- SEDEX/SMETA
- SA 8000

QMS Automotive Industry*

- ISO/TS 16949
- VDA 6.1, VDA 6.2, VDA 6.4

QMS Aerospace Industry*

- EN/AS 9100
- EN/AS 9110
- EN/AS 9120

QMS Railway Industry*

- IRIS

QMS Medical Device Manufactures

- ISO 13485*
- ISO 13485 under CMDCAS
- Medical Device Directive 93/42/EEC
- PAL
- ISO 15378
- Taiwan Cover Letter

Food Safety and Hygiene Management

- IFS
- BRC
- FSSC 22000
- ISO 22000
- FAMI-QS
- GMP+
- QS
- HACCP

Risk Management

- ISO 31000
- ISO 22301
- EXCiPACT™

QMS Transportation SQAS

- ISO 28000
- ISO 39001

Other Services

- Supplier Audits
- Company Specific Services
- GC Mark

*标注为中国境内获CNCA批准及备案业务，其余未标注为集团范围内覆盖项目。

*Approved and put-on-record business by CNCA in Mainland China, other no-mark items are covered in the group business scope.

中国办公室 : China office :

德世爱普认证 (上海) 有限公司 (德国体系认证集团 成员)

DQS AP Ltd (subsidiary of DQS Holding GmbH)

上海市 长宁区 娄山关路533号 金虹桥国际中心II座1102-1103

1102-1103, Building II, A.R.C.H., 533 Lou-shan-guan Road, Changning District, Shanghai, PR China 200051

联系电话Tel : 021-6289 5083 / 021-6289 5383

邮箱E-mail : info@dqs-cn.com

www.dqs-cn.com 北京·吉林·河南·辽宁·广东·江苏·湖南·黑龙江·陕西



至爱的礼物： 爸妈的笑容

以德国品质
回报你爱的人



德国汉莎航空公司



Lufthansa