

# Ticker

German Chamber

02 | Summer 2018

Business Journal of the German Chamber of Commerce in China

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## Cover Story

China and the Global AI Race

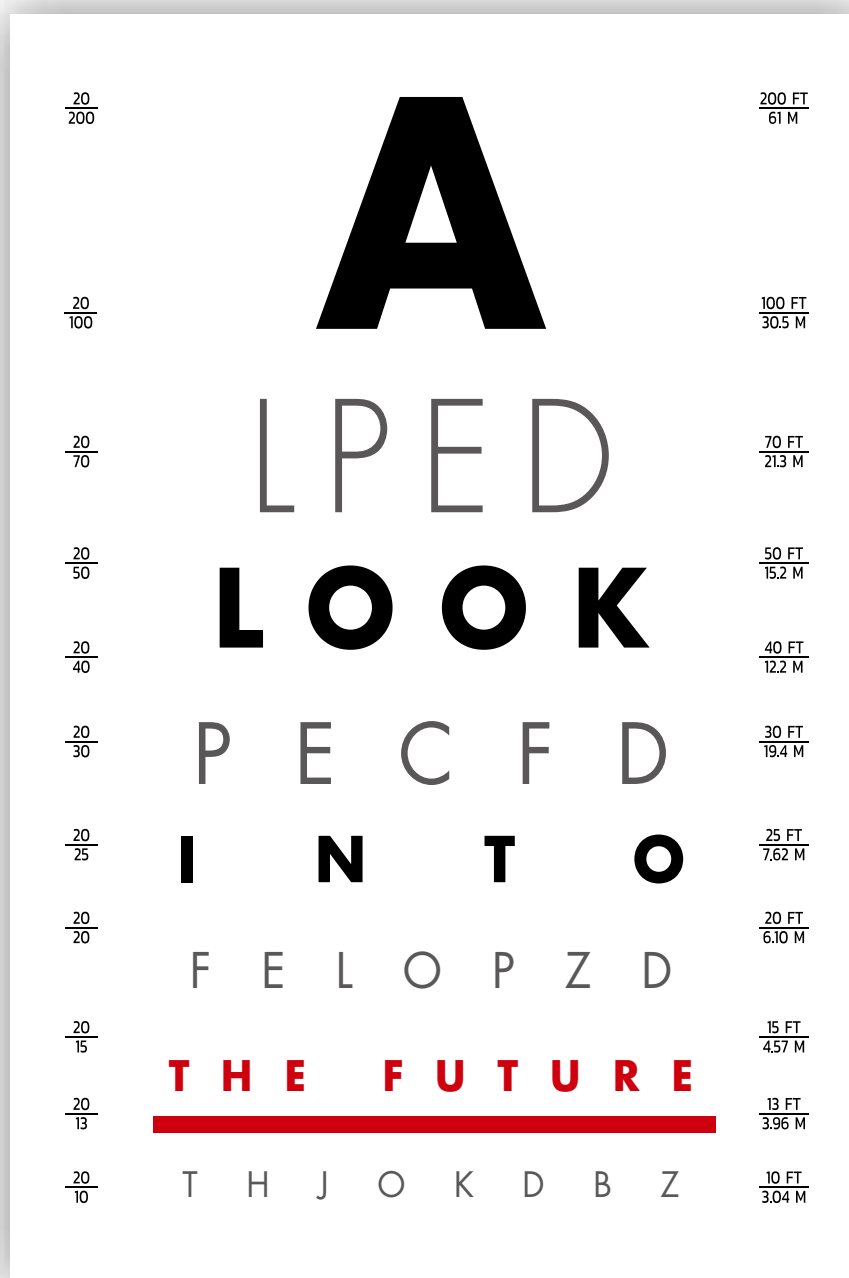
Virtual Commissioning: One Step Further in Industry 4.0

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China Industry Report: Automotive – Entering a New World in China

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## Shaping the Future

Artificial Intelligence (AI) is one of the most significant technical developments that will shape our future. It could be described as humanly designed advanced programs and hardware, that with the help of specific interfaces, are capable to record human and machine behavior on a large scale and consequently mathematically process and imitate these behaviors at an incredible speed and far more accurately as humans.

This technological upheaval may change our environment as extensively as the industrial revolution. AI will automate monotonous, repetitive mental human work in all aspects of society. It will be a player at stock exchanges and markets, drive our cars, detect anomalies in our factories, facilitate "Industry 4.0" and will support doctors, lawyers, tax consultants, insurance agents and engineers.

Therefore, AI has been identified by China's government as a corner stone of its "Made in China 2025" agenda. The "New Generation Artificial Intelligence Development Plan", which was released in July 2017, allocates research funding of multiple billion dollars to catch up with Western countries within three years, achieve major breakthroughs by 2025 and make Chinese Artificial Intelligence Technology "the envy of the world" by 2030.

Besides China's abilities to develop a nationwide unified strategy and to allocate and concentrate financial resources, it has the advantages of a healthy hardware manufacturing sector, a large educated population that embraces technological changes, Western educated talents returning home, easy access to funding and less restrictions on the storage of personal data and last but not least the biggest domestic market potential.

Apart from China's leading tech firms such as the "BATs" – Baidu, Alibaba and Tencent – an impressive ecosystem of tech-startups has grown out of China in recent years. Whereas Western talents might put a priority to a work life balance, there is the "996" term (start at 9, finish at 9, work 6 days) for Shenzhen's ambitions high tech firms. But there are not only first tier cities. Eleven provincial governments have announced targets that combined would create an AI core industry of CNY 400 billion by 2020 which is above the national target of CNY 150 billion. In Hefei the so-called "China Speech Valley" has emerged, where 200 companies, including large domestic players, are dedicated to speech recognition.

By next year, it is expected that China will surpass the United States as the largest spender on research and development worldwide. And locations such as Shenzhen, where around 40% of all international Chinese patents are filed, can be expected to continue making headlines with the emergence of new, promising tech-firms.

It is an exciting time in Chinese technology: Hence, this issue of the German Ticker will take a closer look at several technologies developed in the middle kingdom, such as artificial intelligence, virtual reality, robotics, virtual commissioning and crypto currency. These technologies bear the promise to redefine the Chinese economy and might even shape the future of the world economy.

I hope this ticker will allow you to gain some insight into this world of tomorrow!





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# China News



## Hainan's Expected Future Role

China plans to build the whole area of Hainan Island into a pilot international free-trade zone with Chinese characteristics. Therefore, Hainan will be China's largest free trade zone by 2020 enjoying higher-level opening-up policies and promoting economic globalization. According to the published official guideline, the local authorities welcome investors from around the world and invite foreign firms and multinational companies to set up international and regional headquarters in Hainan. There will be a focus on the promotion of Hainan's development in specific areas, including services and tourism, IT, agriculture, education, and much more. As a result, authorities want to establish Hainan as an international tourism center, including adopt a new 30-day visa-free system for people from 59 countries.

## The Rise of China's E-commerce Market

As internet penetration and smartphone ownership continue to increase, China's e-commerce sector will remain a major driver of economic growth. As of 2017, the country is home to 772 million online users, and e-commerce is a primary driver of the country's retail sales growth. It is expected to account for 25% of the country's total retail sales by 2020. Consequently, China already has the world's largest e-commerce market. Over the past five years, the online shopping industry in China has been experiencing an enormous upswing, rising at an annualized rate of 35.3%. Respectively, the number of online shoppers in China rose to 533.32 million users spending an average of USD 43. This development is due to the increasing penetration level of e-commerce in China from about 154,478 businesses, offering products at lower prices than its brick-and-mortar store counterparts. Accordingly, users enjoy affordable goods, the convenience of online shopping, and improving logistics. Consequently, competition in this industry is getting tougher, when competing against big players such as Tmall and Jingdong. Therefore, a good reputation and an attractive product presentation are essential to survive in the long run. Also, the ability to alter goods and services produced in favor of market conditions becomes indispensable.

## China Aims to Lower the Cost of Medical Bills

This year China's government implemented a range of policies to improve drug access and public health in the country. In this regard, the government released measures to boost the production and clinical application of generic drugs that are in short supply. Also, pharmaceuticals made overseas, including cancer drugs and traditional Chinese medicines, will be exempt from import taxes. Simultaneously, imports of innovative medicines will be encouraged. However, China wants to strengthen safeguards for the drug-producers' intellectual property related to drug innovation and production. Therefore, the policies aim to help lower the cost of medical bills in the country in accordance with the interests of patent holders.

In the same context, the government plans to support the local production of generic medicines in high demand with policies such

as preferential tax rates for pharmaceutical companies. The new regulations concern more than 4,000 pharmaceutical companies established in China. The National Health Commission stated that about 95 percent of the nearly 170,000 drug production projects approved in China were for generic drugs. This is due to the fact, that generic medicines are less expensive. Manufacturers producing generic medication bypass the costs of clinical tests, as their drugs use the same active ingredients as brand-name patented drugs. Drug makers can only use the same drug-composition after the original patent has expired but yield the same medicinal effects.

## Facial Recognition Technology Helps Chinese Police Fight Crime

Facial recognition technology is a fast-emerging topic and will change the world. The biometric technology scans people's faces or photographs and identifies facial features such as the space between the eyes or the width of the nose and can associate them with any identifiable individual. This technology has not only entered the mainstream with Apple's iPhone X facial recognition feature, but has found its way more and more into security matters. In this context, China has led the world in surveillance





technology over the years and is now implementing AI into their surveillance programs, such as surveillance sunglasses and monitoring cameras equipped with facial recognition software. The new technology aims to create another level of security and improve police work. The police in Henan Province, for example, uses a software that compares images of people on the streets with suspects in the police database and immediately notifies the police once the matching rate crosses a pre-set threshold. This has helped the police to spot and arrest several suspects wanted for crimes ranging from traffic infringements to violent crimes and human trafficking.

## New Paths for AI and Car Makers in China

As the dominant trends in the automotive industry gear towards intelligence, interconnectedness, and electrification, internet giants such as Alibaba turn them into an advantage. In this regard, Alibaba will leverage their frontier technologies to help certain car brands adapt to these trends in China. Against this background, Alibaba is helped by the fact that Chinese customers seem to be more willing to embrace new technologies and functionalities in comparison to other countries and markets. Future smart and interconnected cars from leading vehicle manufacturers will accordingly provide car owners with remotely access information about their vehicles. There-



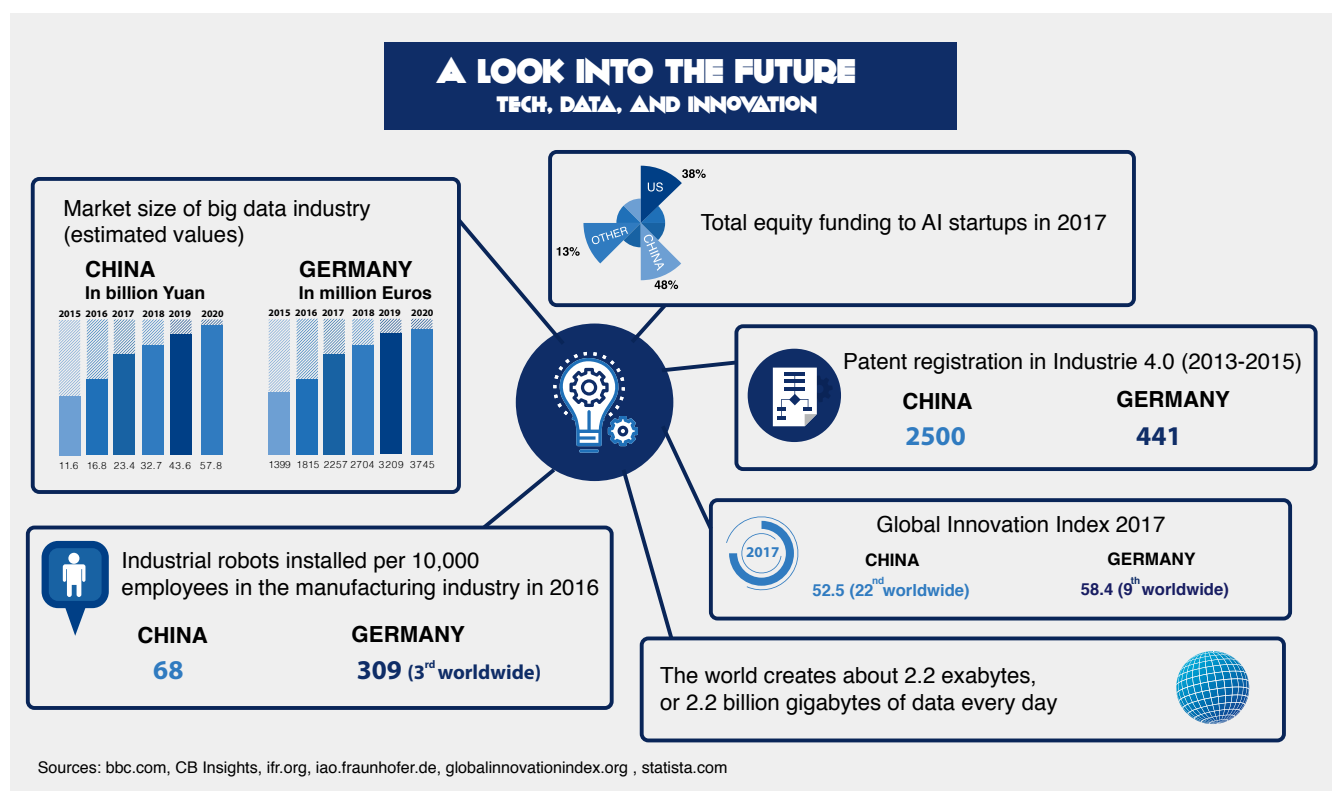
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fore, they will be able to check incidentally the fuel and engine status, as well as the vehicle location via Alibaba's voice assistant service AliGenie. The voice command feature will even execute inquiries such as turning on the air-conditioning, unlocking the doors or sending route information, before the driver even reaches the car. The intelligence-backed connected vehicle service will be enhanced through an infotainment application that offers access to Alibaba's video site Youku and music streaming service Xiami. According to Alibaba, the first batch of these intelligence-backed connected cars will be available through software upgrades in June.

## 'Seawater Rice' May Help Fill the Food Gap in China

As previous research suggests that about 13

to 20 million hectares of saline-alkali soil in China can support rice, researchers try to identify rice strains that can thrive in saline-alkaline environment. This rice is also called seawater rice and provides a ray of hope for China's future food security. The objective is to find a strain that thrives in 6.7 million hectares of saline-alkali land across China. The results could yield a harvest of around 30 billion kilograms every year, enough food for about 80 million more people. However, concerned areas are in various regions across China and, therefore, provide diverse climatic zones with different sunlight conditions. In this context, Chinese agricultural researchers have selected 176 strains of salt-water-tolerant rice and will test the quantity and quality of the selected strains across the country, under different climatic and geological conditions. These trials aim to develop a type of seawater rice with nationwide applicability for future agricultural use.



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# China and the Global AI Race

*Artificial intelligence (AI) refers to the use of digital technology to create systems that are capable of performing tasks commonly thought to require intelligence. The term describes a variety of technologies, including machine learning, computer vision or natural language processing. But why is there such a big hype about a technology that has existed for over 50 years?*

By PROF. DR. ZHENG HAN, JAKOB BODENSTEINER



You are driving down an alley. After a confusing traffic situation, a group of children appear playing on the street. It is already too late to brake. You can either run into the group of children or steer your car into a tree. What would you do? Imagine now sitting in an autonomous car. How will your car decide, which is programmed to bring you safe home?

AI might become a dominant form on earth. It has the potential to take over economies through workforce automation or simply fool you through seemingly true videos or chatbots you fall in love with on Tinder. Right now, these are future scenarios, but even Google's Eric Schmidt recently assessed that the possible conflicts between humans and intelligent robots are just one or two decades away.

AI already transforms our lives in a considerable amount of daily activities, even today. Smart assistants like 'Alexa', 'Siri' or Alibaba's 'Tmall Genie' understand words and grammar and have become a daily assistant. Tesla or the new NIO 'vision car' bring computer vision to an extent that it enables fully autonomous driving. AI data aggregation is already usable for thousands of use-cases from digital healthcare assistants to cybersecurity, advanced marketing recommendations, robo-advisory and much more. Even in B2B, automation and predictive maintenance are changing manufacturing and production resulting in increased quality and productivity.

A noteworthy moment that showed the power of AI, especially in China, was the triumph of Google's 'Alpha Go' algorithm over the human Go-champion Lee Sedol, which has been commonly regarded as unsolvable by machines. The algorithm was trained with millions of moves in the game of past masters, so that it predicts the chances of winning of its own moves. 'AlphaGo Zero', the latest evolution of 'AlphaGo', skips this step and learns to play simply by playing games against itself, starting from completely random play. In doing so, it defeated the previously published champion-defeating version of 'AlphaGo' by 100 games to 0.

Recent substantial leaps in computing power, data availability and incremental findings in algorithms and data aggregation have made it possible to build products, services or business models based on AI. Still, it is only at the very beginning of this journey. Researchers all over the world work on chip- and semiconductor technologies that will exponentially increase the processing power of today's computers. This will enable a constant development of new applications of AI technology. AI is reinventing the fundamental structure of most industries and of society. Opinions about what the future of AI will look like differ, but experts agree that AI capabilities become more powerful and widespread.

AI is a prospering new industry, where standardization is still at a very early stage. Although most of the famous AI achievements come from the United States, several countries have made similar advances. Now there is an opportunity for rapid breakthrough. With fast action plans, countries can either seize the commanding heights of innovation standardization, or else miss the opportunity. A global race for AI leadership has evolved and especially China has passionately declared its aspiration. The cake to win hereby is massive: optimistic market analysts see a potential market size of AI at more than USD 120 billion in 2025. To go there, in 2017 companies and investors spent in total around USD 35 billion in artificial intelligence projects and funding.

## Data as key for China's speed

Right now, the United States is heading the race in AI in most disciplines, but China, backed by the government, is chasing relentlessly. In 2016 the central government released its 13<sup>th</sup> Five-Year Plan for Developing National Strategic and Emerging Industries and set "AI Development" as sixth among 69 major tasks to pursue. In July 2017 the Chinese State Council released the New Generation AI Development Plan, which emphasizes the Chinese ambition to lead the world in AI and build up an AI industry of RMB 1 trillion by 2030. They are already on track to do so: while most global AI-companies are currently US-based, Chinese startups overtook American startups in funding for the first time in 2017. Whatever metric chosen, whether it's the magnitude of publications and patents, the frequency of cutting-edge advances, or the aggregate levels of investment, China is chasing to the top.



Economic benefit is the primary driving force behind China's involvement of AI. The high proportion of Chinese GDP that comes from the manufacturing and production sector offers a massive potential uplift by introducing more productive technologies. Additionally, as China's population ages, AI's effect on productivity could be crucial to China's future economic growth. According to a McKinsey Global Institute report from April 2017, AI-led automation can give the Chinese economy a productivity boost that could increase the GDP by up to 1.4% annually.

Another factor is that AI may become the first technology domain where China can set the international standards. Let's consider a theory like 'Kondratieff waves', that describe hypothesized cycle-like phenomena in the modern world economy. China missed previous cycles characterized by electrical engineering or automobile technologies. The relative young and unexplored AI technology offers now the possibility to dominate a market from scratch.

The Chinese government is starting to take an active role in funding AI ventures. It is estimated to have invested more than USD 1 billion across various channels on AI-related projects and startups. China offers an excellent prerequisite and competitive key for this initiative: Data. The Chinese population is digitally mature. Nowhere else on earth is the smartphone penetration higher, the e-commerce market and mobile-payment rate bigger. Access to the tremendous volume of data from its 1.3 billion strong population enables continuous training of algorithms and is crucial for the development of all AI-based use-cases. It is estimated that China will possess 30% of the world's data by 2030.

Based on this infrastructure, the three big tech companies Alibaba, Tencent and Baidu are leading China's AI capabilities. Alibaba predicts city related outcomes across healthcare, urban planning, traffic management, and more in its smart city project 'ET City Brain'. Baidu created the first holistic ecosystem for autonomous driving with its open platform 'Apollo', which is for example used

by Daimler, Bosch or Infineon. Tencent is using its immense dataset from WeChat and WeChat Pay to train AI algorithms for use-cases across auto, health or retail. All those three players are also heavily active as investors and are backing various lighthouse projects in the vibrant Chinese AI startup ecosystem, especially in predictive healthcare, car- and face-recognition technologies.

Chinese AI face-recognition technology is already the most advanced in the world, driven by the vast availability of training data. Key-players and unicorns are Beijing based face recognition cloud services platform 'Face++' and 'SenseTime' which provides text, vehicle, and face recognition to mobile Internet companies, financial services, and security companies. The startup 'Cambricon' does image- and facial recognition for Huawei's processors and is now pushing into the Intel and Nvidia dominated market for smart chips for deep learning. Other prominent examples for successful Chinese AI startups are the data-analyzing content platform 'Bytedance', the AI English trainer 'Liulishuo', the AI smartwatch 'Mobvoi' or the global leader in intelligent humanoid robots 'UBTECH Robotics'. In May 2018, they announced the single largest funding round ever for an artificial intelligence company with an investment totaling USD 820 million at a market valuation of USD 5 billion.



Chinese companies define the AI landscape in several verticals and are difficult to replace. Especially in B2C and consumer data dependent areas they barely offer any space for foreign companies. The mostly unrestricted access to consumer data makes it nearly impossible to compete with them.

### Uncertainty is still present

Even though China is well positioned to win the AI race in some areas there are still numerous challenges to take for the relative late-comer. The first is talent acquisition which is in general a sensitive topic in China, but due the global lack of talents it sticks out in AI and is also a major challenge for foreign MNE's active in China. According to the Tencent Research Institute, there are just 300,000 "AI researchers and practitioners" worldwide, but the market demands millions of roles.

The second challenge is to build a robust data ecosystem. Even though Chinese companies collect an enormous amount of data within their proprietary platforms, there is no ecosystem with unified standards and cross-platform data sharing. China's data infrastructure is more an "intranet" with no access to data and devices outside of China. If this cross- and inter-platform data sharing aspect further grow (and this is a decisive factor in Industry 4.0), other competitors will benefit while Chinese companies stay excluded.

The competitive advantage for German companies could lie especially in the B2B manufacturing- and production sector. Chinese companies are leading in robotics, but holistic Industry 4.0 requires cross-platform data and specific knowledge. This offers multiple opportunities for German companies. They need to use their advantage of decades of experience in engineering and in this case, the availability of better and cross-platform data.

Technological breakthroughs have created impressive use cases for artificial intelligence, including self-driving cars, humanoid robots or personal assistants. But this is just the beginning in the race for AI. There is still a long way to go from such micro-applications that perform few functions of human intelligence to the full cognitive ability that humans can perform. There are many parts missing, from a technological point of view as well as an ethical discussion about automatization and the role of the human in the 21<sup>st</sup> century. Coming back to the moral dilemma scenario from the beginning: Google said that their algorithms are trained to avoid such situations. If it still happens, the algorithm would avoid hitting unprotected road users and thus, drive the car against the tree. It is difficult to assess if decisions from computers are better or worse than from humans. In fact, they are more rational.



Professor Dr. Zheng Han

Professor Dr. Zheng Han is goetzpartners Chair Professor of Innovation and Entrepreneurship at the Sino-German School for Postgraduate Studies (CDHK), Tongji University, in Shanghai. Before his academic career he gained relevant practical experience working for McKinsey & Company and the Haniel Group. His latest publications include the "German Business Innovation Survey" in cooperation with AHK and "Insights into Success Factors of Innovation Projects".



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# Virtual Commissioning: One Step Further in Industry 4.0

China has the biggest automotive market and continues to grow. Data from International Federation of Robotics (hereafter as IFR) 2016 shows that the average of global robot density in the manufacturing industries is 74 robot units per 10,000 employees. While China ranks 23<sup>rd</sup> worldwide with 68 robot units per 10,000 employees, the Chinese government intends to push China into the world's top 10 by 2020 (IFR Robot Density Rises Globally report, 2016). Higher automation level means more complexity. The higher automation level an industry has, the more benefits that an industry will get from virtual commissioning.

By LYNN CHEN



When talking about virtual, you may have bought a pair of 3D glasses for your kid and are thinking maybe this is what I meant. You may have heard virtual reality and played some games on your device. Did you think THIS is what I meant? Ok, maybe you didn't know about virtual commissioning. You may wonder why industry would start using this method.

### What is virtual commissioning?

Virtual reality, a computer-generated scenario, simulates experience. Virtual commissioning is also a computer-based technology that can be performed during the design phase before the physical commissioning stage. Based on 3D simulation and internet technology, virtual commissioning can simulate a visual experience on virtual factories where engineers can debug production programs and solve problems before they occur in the physical factory. It started to be known in manufacturing world for few years to lower the risk of on-site commissioning.

### Jack has an idea for a new umbrella

Shanghai's summer season usually starts in May. In recent years, the temperature has risen remarkably, sometimes going beyond 40 degrees. To protect themselves, many Chinese people use parasols to protect against the intense Shanghai sun.

In this scenario, we suppose that Jack owns an umbrella factory. In May, he gets a brilliant idea of making a newly designed umbrella, which will be a best seller, for sure. This new type of umbrella is great for sun protection and is also functional for rainy days. Most importantly, its design and appearance are quite different from any existing umbrellas on the market. Take a look at the production process of this parasol and make a hypothesis.

Due to the parasol's new design, Jack needs to install some new machines, including some robots and other automation equipment to meet the production requirements. According to the 'New product production schedule' graph, one can see a clear process drafted in different stages. You may wonder the new process seems to be more complicated but with shorten time. How could this happen?

Assuming producing a parasol needs one

PLC (program logical controller) area and will generate 2,000 input and 2,000 output points, normally it takes engineers nearly six weeks to finish on-site setup without any unexpected problems. Then, the plant can produce the products successfully. However, during the on-site commissioning, there are always some unexpected difficulties such as:

- 1) Design problems (on production system layout and configuration) are severe and not easy to be found in on-site commissioning. The factory may need more devices than planned. The fact is to find this problem during on-site commissioning will result in another few weeks in purchasing/delivery time. In this example, Jack's engineer needs to take extra four weeks to finish this part.
- 2) Bugs in the programing could lead to a shutdown of the whole production line. Jack's engineer might need one more week to find the bugs and eliminate it before the commissioning continues.
- 3) The shortage of raw material used for sample making, which takes some purchasing time.

The interfaces of PLCs and robots do not

match. Engineers need to test each individual interface and modify errors, which cause additional two to three days.

Besides the five and a half weeks added into the nine weeks, the list of problems could go on. So actually, Jack would need more than 14.5 weeks to make this production goes into full operation. But Jack wants to have this before July...

### How can Jack to seize this opportunity?

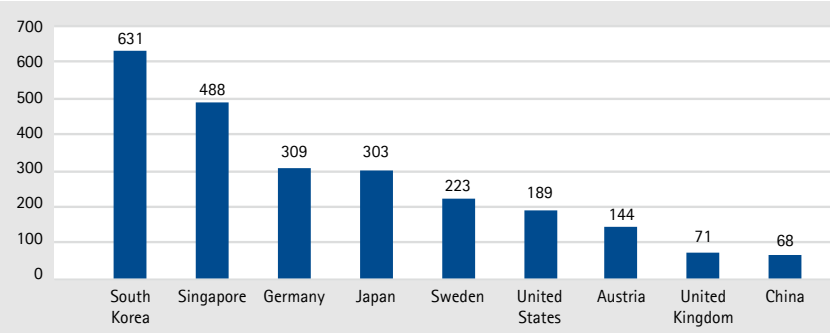
Instead of changing the product design or quitting this idea, Jack could simply make this happen by utilizing virtual commissioning technique. Virtual commissioning starts after the production systems design and before all physical machines are installed. In this process, virtual commissioning validates four things:

- 1) The system layout and configuration are task-optimized: In virtual commissioning, the engineer can detect most problems and reflect to the design department to do modification without any physical cost.

New product production schedule

	Without VC		With VC	
Stage 1	Product design	1 week	Product design	1 week
Stage 2	Production system design	2 week	Production system design	2 week
Stage 3	Installation & commissioning	6 week	Virtual commissioning	1 week
			Installation & commissioning	3 week
Stage 4	SOP		SOP	
Total	9 weeks ( In actual, more than 14.5 weeks)		7 weeks	

Number of installed industrial robots per 10,000 employees in the manufacturing industry 2016



- 2) PLC and robot programs collaboratively perform, and they secure an errorless, high performing, safe execution of tasks: Virtual commissioning engineer only needs one week to finish this part. Then, on-site commissioning will just skip this and enter into device debugging directly.
- 3) The setup and parameters secure the targeted build quality: Only some verification work left to the on-site engineer.
- 4) Raw materials are accurately supplied to make samples as the commissioning demand has been calculated: While coming into on-site construction, the purchasing department prepares these materials in advance with exact quantity.

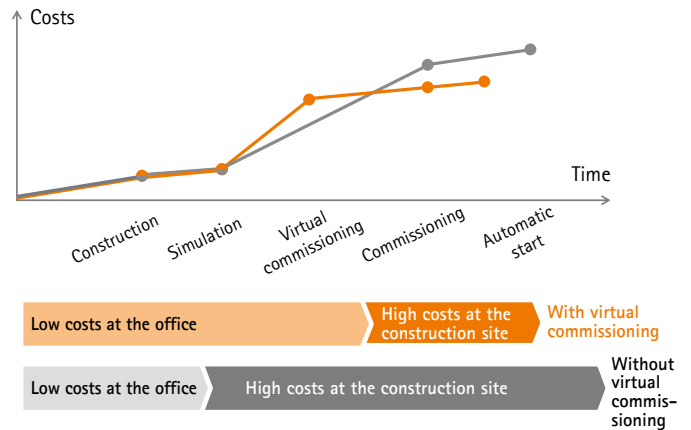
If the acceptability of field installation is perfect, the production can run immediately after the installation. Here we can see the conclusion intuitively.

As a conclusion, virtual commissioning can save labor and material costs, reduce workload, shorten the commissioning period and certainly will reduce the total cost of operation with more efficiency. With VC, Jack only needs six weeks for his new brilliant umbrella to get in the market! (Please be noted, actual production condition is way too complex and all the data here has been simplified in order to give readers a clearer picture of virtual commissioning. Process complexity, device quantity, construction environment, etc. will all have impact on commissioning.)

### Virtual commissioning in China

Compared to making an umbrella, automobile's manufacturing

### Costs and Time Factors With Virtual Commissioning Vs. Without



is much more complicated. In a real example from KUKA's project pool, one simple processing area (one PLC area) for car body structure will generate more than 10,000 input and 10,000 output points to the systems. Take one mainline for car body structures for example, more than 20 PLC areas and 400 pcs robots shall be considered easily. In such condition, the factory will need more than half a year to finish the on-site debugging with 10 PLC engineers and 20 robotic engineers. However, with VC, on-site commissioning time can be easily save nearly one-third the time (two months in this example).

China has the biggest automotive market and continues to grow. Data from International Federation of Robotics (hereafter as IFR) 2016 shows that the average of global robot density in the manufacturing industries is 74 robot units per 10,000 employees. While China ranks 23<sup>rd</sup> worldwide with 68 robot units per 10,000 employees, the Chinese government intends to push China into the world's top 10 by 2020 (IFR Robot Density Rises Globally report, 2016). Higher automation level means more complexity. The higher automation level an industry has, the more benefits that an industry will get from virtual commissioning.

In addition to automation level improvement, product personalization is also creating an increasingly volatile market, and manufactures need to be prepared for more flexibility to opportunities and



challenges to maintain a competitive edge. It is not enough to just innovate products. The manufacturing process must also be innovative, stable and faster than that of competitors.

### Future fully-automated factory

Customization boosts demand for a flexible production mode that can produce multispecies products on large scale. From the matrix production concept: a factory includes hundreds of independent work stations with completely automation, it is clear that devices in such a factory can work both independently and synergistically. (Independently means each station can provide different kind of products or components. Synergistically means different work stations can work together to do the production.)

Electrical, mechanical and control engineers in this factory can do the debugging flexibly and virtually on the computer. Practicing such tasks virtually instead of testing in the physical environment results in damage avoidance on the shop floor. If the internet allows, directly remote commission is also doable. This year, Jack's company will earn great success in launching the new umbrella faster than his competitors and therefore his capacity cannot fulfill the market need. Jack's company can expand with a huge amount of robots, devices and developed a platform that customers can make online orders. In this case, the company's production tasks are largely diversified and come in a huge quantity. Jack uses the matrix production concept to realize multi-species, on-scale production, and applies virtual commissioning to shorten the commissioning time, then reduce the delivery time, and use robots and

AGVs to achieve highly automation. With this competitive edge on efficient production, short delivery date, and lower cost, Jack's company will have quite a bright future quite brighter future!

With benefits of lower cost, shorter time consumption, higher flexibility, and high adaptability, virtual commissioning will be the future trend in Industry 4.0 manufacturing world; not only in China, but worldwide.



Lynn Chen

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With China's tremendous economic growth and elevation in the global economy, the need for global technical and digital expertise is only increasing. Germany is internationally renowned for its industrial technical expertise, especially in China where brands like Mercedes-Benz and Bosch are considered top of the line, but not so much for digital and creative expertise.

As the Chinese government is actively supporting the development of a homegrown digital economy, its growth is set to outpace the traditional economy, by harnessing the power of digital, China stands to grow its gross domestic product (GDP) by 3.75 percent by 2020 - the equivalent of adding US\$527 billion to the economy during that timeframe, according to a recent Accenture report (1).

China's digital economy growth is fueled in the main part by the BAT trinity of Chinese internet giants (Baidu, Alibaba, Tencent), on both the innovation and investment sides, seemingly leaving little room for non-Chinese companies to contribute. However, there are several areas where foreign companies can make a difference. One of them is delivering emotions.

Mackevision is gaining ground in China as one such company, bringing a different type of German expertise to China: creative digital services, forward-thinking into the future, developed locally for the local market. Founded in 1994, Mackevision, a global producer of computer generated imagery (CGI) which covers 3D visualization and animation with a major focus on the automotive industry. The company leads the way when it comes to helping brands understand and visualize their data to deliver emotional brand experiences to their customers. Another small part of the business is the area of visual effects (VFX), elaborating digital solutions for feature films and TV series such as HBO's Game of Thrones.

Germany does not have a reputation to have a vibrant creative or digital industry, but what it lacks in size, it offers in highly technical expertise, and the ability to understand and implement the very latest technologies into practical solutions for clients. It is that seamless integration into a company's processes that makes the German digital solutions providers attractive to Chinese clients. It allows them to keep up with the rapid development of the Chinese digital economy, answer increasingly complex expectations of consumers, and be seen as Chinese digital champions working towards the government's goal of shifting the economy from traditional to digital.

In 2013, Mackevision set up its Chinese branch with an initial team of 4 people covering sales and consulting, while production was handled by the company's branches in Germany and other international locations. Since then, Mackevision China has gradually been expanding and gaining awareness in the local market. The team grew to 12 people by 2015, now reaching an international team of 35 people, including a strong production team set up in Beijing in 2016, a team for interactive development in 2017 and a moving image team from 2018.

### Contributing to China's Digitization

China's digitization transformation is one



of the fastest in the world overall, offering a perfect setting for a company like Mackevision to thrive by both contributing to the country's digital empowerment, and benefit from the many opportunities generated by such growth. Mackevision's almost 25 year expertise in CGI and data visualization, augmented by its understanding and R&D in the very latest technologies such as VR, AR and Mixed reality (based on Real-time technology), can greatly contribute to the digitization of China with faster adoption of high-end technology to visualize data.

Chinese brands have a very different understanding of the importance of data, and very Cartesian way to analyze it, often leading to a disconnect in the output of the data and the expectation of the brand or their consumers. As a data consultant, Mackevision works closely with its Chinese clients to help improve their CAD data and understanding about the power of CGI, so they can vastly improve their use of data visualization and create better connections with their customers. Chinese brands such as SAIC Motor, Borgward and Car and Home Automotive (CHJ) seeking to elevate their image and choose to cooperate with Mackevision.

Beatrix Frisch, Mackevision China General

Manager, explains it this way: "Chinese car manufacturers ought to be among the top 10 in China and the future of China's car industry is fast getting out of the low-end of the quality spectrum. Chinese clients are really demanding, which makes Mackevision the perfect partner to help them understand how CGI works. We can help them really go into the next step. It's a lot of work but it's also a lot of fun."

### Beyond Technical Expertise

Where Mackevision's global team brings a lot of its value to clients in China, is in its creative experience. The company has been helping clients deliver emotions around the world

for 25 years and is behind some of the most iconic CGI visualizations in recent years. One such example is the work the company has done for Porsche to show its electric super car concept, the Mission E Cross Turismo, Mackevision's introduction movie of the car stunned the world with its realism, making the Mission E Cross Turismo more than just a concept car, it showed the future of the Porsche brand. This rapid move into digitized content continued with the AR (Augmented Reality) showroom concept which is

now introduced in many Porsche showrooms on a global scale.

The Chinese consumer runs on emotions, especially emotions delivered by brands, but the brands still lacks the technical ability to translate raw data into content that will create that fascination the consumer can experience for a brand. Mackevision brings more than the technical expertise to the table, it brings its long history and cross-cultural experience in creativity to Chinese clients thanks to a team in China that is mostly Chinese with very high level technical skills, regularly trained in Germany or in other global Mackevision offices to assimilate the company's creative DNA.

### The coming-of-age of Virtual and Augmented Reality

Virtual Reality is not a new concept, originating in the eighties as a way to immerse the user in a virtually recreated world thanks to technological advancements brought by gaming consoles. Since then, technology advancements have allowed Virtual Reality to get closer to effectively create an environment that resembles the real world, objects, people and motions. However, in recent years, the hype grew faster than the technol-



ogy and consumers were ultimately disappointed with the lack of “reality”. Computing power and speed of data visualization were still not ready to meet expectations.

The current VR technology as a whole has matured in the past year. The hype has moved to other technologies (AI, blockchain), and the industry experts took a step back to focus on developing technologies that would deliver on the promise of VR. Engine developer Epic Games is demonstrating through its engine UNREAL real-time processing of data, allowing instant, life-like visualization of... anything.

technology. For many years, simulation technology has enabled leading manufacturers to successfully achieve shorter development cycles and lasting cuts in engineering costs. Despite these undisputed advances, conventional simulation solutions are by no means the last word in digitalization in the automotive industry. In fact, the full potential of Virtual Reality only becomes apparent when digital engineering and vehicle data are brought to life by Real-time applications. Some latest applications developed by Mackevision for premium brands show impressively the power of mastering complex CAD

#### A look into the future

Early 2018, Mackevision joined the Accenture Interactive group in an acquisition that will allow Mackevision to expand its expertise and scope. Combining Mackevision's expertise in CGI with Accenture's data analytics and IT power drive enables the company to move from being a content provider to a full service with end-to-end solutions to its clients. The acquisition adds state-of-the-art visualization capabilities to Accenture Interactive's growing digital services portfolio while opening new

# Creating Fascinating Connections through Digital Content

By BEATRIX FRISCH  
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Augmented Reality (AR) should not be dismissed as a technology that is also allowing content to be digitized, giving a more interactive life to content otherwise not very engaging. For example, AR allows brochures to be augmented by the addition of a digital layer of visual and interactive content through AR applications on mobile devices. The technology also allows to add meta information to the hardware mockup of a product in stores, adding to the concept of a digital point of sales.

#### The Future Role of Data Visualization

Mackevision is constantly innovating to improve the processes of data visualization, pushing the boundaries of what is possible with digital information. Its partnership with Epic Games, a company 48% owned by Chinese internet giant Tencent, is a testament to the recognition Mackevision is receiving in the industry as Epic looks at Mackevision to find new ways to use their engine UNREAL to visualize all types of data and simulate the real world

The automotive industry leads the way when it comes to innovative simulation

data, visualization expertise and customer orientation in a Real-time application with many options to choose from.

These Real-time solutions open up new horizons in terms of the interaction between humans and digitalized product models. By means of a Digital Twin, a process known to Mackevision as the Single-Source-Publishing (SSP) principle, they transform conventional product life cycle management into a new form of digital lifecycle management. As the name suggests, the Digital Twin mirrors every modification of its physical counterpart into the digital universe. This Digital Twin can be managed just as efficiently as a software program and its lifecycle – including regular updates and ongoing adaptation to new requirements and environments.

opportunities for Mackevision's expertise, expanding beyond the current focus on the automotive industry and venturing in industrial equipment, consumer goods and retail, thanks to Accenture's vast global network.



# Digitally Integrated Production

*So far, any changes to products or processes requested by a customer must be programmed manually in all systems involved in the process. Time and quality constraints make such change requests an unpopular part of industrial life.*

By PROF. DR. HOLGER KOHL

*Off the peg* was yesterday. Today, many enterprises execute custom processes for every client or even every single order – often with annual repetition rates of 1.3%. Letting buyers choose the color or styles of custom trainers or designing custom car interiors are not a major problem. System suppliers regularly face completely different challenges: Their clients order components made from materials they have never used before or require certifications that their standard production processes were not designed to accommodate. Such special requests are a tough test for the economic viability of production processes.

The problem is simple: They take time. Mass production is designed to function like Swiss clockwork: An order is received, and everybody knows what needs to be done. From initial logistics down to the final touch, every process step is intricately linked with the next to keep the entire process running smoothly. This is far from straightforward with custom orders, which require much more coordination. A change in the raw materials needs careful checks whether the available machines can process the material, where the material can be procured, and how to proceed in general when it is not predetermined who does what at which point. This makes custom products much more expensive than mass production. The many advantages of customized products let clients accept greater costs to some extent – but truly flexible manufacturing can only become economically sustainable, if it is faster and cheaper than before. Throughput speeds and production costs need to hold their own with more established mass production. Is that possible?

Industrie 4.0 or digitally integrated production (dip) offers thousands of promising solutions for the challenge *Speed up, Costs down*. The spectrum of options reaches from pinpoint interventions in existing systems to sweeping restructuring of entire process chains. At Hannover Messe 2017, Fraunhofer IPK has already showed how this could work in practice. Production of plastic components can be quick and economical, even if key production parameters are changed, thanks to integrated modular product, production, and IT architectures, smart data, and cloud-based control systems. Novel technologies keep the entire process speedy and responsive; Modular Shopfloor IT combines manufacturing facility flexibly in ever-new process chains and ready to handle customized orders. This becomes even more responsive when the machine controls are moved into the cloud: All software is

brought together in one place, for easier maintenance and the speedy integration of changes.

## **Modular Shopfloor IT: Complex IT architecture from simple building blocks**

So far, any changes to products or processes requested by a customer must be programmed manually in all systems involved in the process. Time and quality constraints make such change requests an unpopular part of industrial life. Modular Shopfloor IT facilitates such change requests enormously. It integrates with the machine controls and makes them available for remote management and integration with higher systems. Changes to processes are then communicated through the IT system – e.g. from order management directly to production. The software relies on a building block principle: Even if a factory uses machines of all different makes and types, the control and monitoring functions will be similar. That means that only few modules are needed to cover the entire value chain of any company.

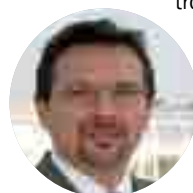
## **Industrie 4.0 application center in China**

The Sino-German Intelligent Manufacturing Research Institute (SGIMRI) in Nanjing is an enterprise, focusing on "Combine Chinese Speed with German Precision". It integrates training, demonstration and application research to create a comprehensive offer for companies in the Jiangsu Province. Fraunhofer IPK provides assistance for the strategic, organizational and technical planning and implementation of the five-year project. Fraunhofer IPK has already developed a comprehensive curriculum for the specific application of Industrie 4.0 in China and used the curriculum for initial training sessions to develop expertise. Important in this context are the integration of specific ancillary conditions and the enterprise culture in the Chinese business environment. The training addresses the leadership and management strategy changes, which are particularly necessary in China, as well as the ability to transform the area's still running. In the process, experts from Fraunhofer IPK and the SGIMRI jointly develop concepts, in which the technology-oriented Chinese views and German methodology focus complement each other.

In the process, the SGIMRI combines German engineering with the proverbial Chinese speed to turn innovative business models into in-

## World Intelligent Manufacturing Summit, Nanjing, China

The World Intelligent Manufacturing Summit opened in 2016 and 2017 in Nanjing. The Chinese Ministry for Industry and Information Technology organized the summit, which brought together representatives from political decision-makers, industry organizations and research institutes as well as almost 300 manufacturers from ten nations. Visitors attended keynote presentations and eight parallel sessions in the Nanjing International Expo Center. The Expo-Center also offered an exhibition of the newest technologies in the areas of artificial intelligence, smart manufacturing and automation. Together with its Chinese partner, Fraunhofer IPK introduced the new Sino-German Intelligent Manufacturing Research Institute (SGIMRI) in an approximately 300m<sup>2</sup> booth. SGIMRI has already developed successful technologies, a fact which is underscored by the Innovation Prize received by the Chinese-German project team for one of its exhibits. The exhibit allowed visitors to use their Chinese *WeChat* app to communicate with a robot controlled by IPK technologies.



**Prof. Dr. Holger Kohl**

Prof. Dr. Holger Kohl is Vice-Director of Fraunhofer Institute for Production Systems and Design Technology IPK and Director of the Division Corporate Management at Fraunhofer IPK, Berlin as well as head of the department Sustainable Corporate Development at Technical University of Berlin. In the area of I4.0 and the planning of Innovation Centers, Prof. Kohl has managed international projects in Brazil, Indonesia, Vietnam, Malaysia, UAE, Egypt, and China.

novative solutions. The benefit for the German economy is twofold. First, German machines and equipment will have a market in China, thus increasing German exports. Second, offerings of the SGIMRI will help German companies in China to optimize their processes and technologies according to the needs of the local Chinese markets. This creates methods and tools for the development of fast solutions for production prototypes, which will bridge long analysis and concept development phases. As early as in the first year, the collaboration realized technology-oriented innovation projects in Nanjing. While the teams worked together, the interplay of interdisciplinary and intercultural human assets emerged as the important engine for success.

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# Blockchain: A Look into a Financial Future

*To understand why China is implementing stricter rules regarding cryptocurrencies, we should first know the uncertainty of cryptocurrencies as a new financial product.*

By XIAOCHEN ZHANG , XINRAN XU, ZHEYU LUO, JIAXIN LYU, AND MAN YIK LAU

## China is embracing Blockchain

Countries worldwide are integrating fintech and blockchain technology into their government development strategies, and China is not an exception. Along with the previously issued blockchain whitepaper by the Ministry of Industry and Information Technology (MITT) listing a detailed implementation timetable of the technology in March 2018, China has demonstrated a clear commitment in a general and multifaceted adoption of blockchain, including the establishment of a well-formed blockchain standards system through the National Blockchain and Distributed Accounting Standardization Technical Committee.

With the Chinese government's encouragement and support, industry players have been involved extensively in exploring blockchain solutions, such as large banks (Bank of China, Industrial and Commercial Bank of China, China Construction Bank, China Merchants Bank) and tech giants such as BATJ (Baidu, Alibaba, Tencent, and JD.com). They either acquire or cooperate with fintech companies to develop core blockchain applications or develop their own teams to pilot specific blockchain experiments internally. The traditional industries are highly influenced by both the concept and application of blockchain. They started to transform their business with "+blockchain". Starting from the IT industry, "+ blockchain" has now expanded to finance, supply chain, Internet of Things, public social work, energy, and entertainment.

Blockchain projects coming from China are very diverse, covering underlying infrastructure, open source application development, and application services. Amongst which the underlying infrastructure mainly provides data transmission and storage, hardware facilities and mining services; open source application development offer blockchain software services including BaaS (Blockchain as a Service) and API; while the application service layer incorporates blockchain technology into various scenarios such as digital asset management, notarization, supply chain management, insurance and information community. It is worth mentioning that most of the projects are pertaining to blockchain solutions, with an emphasis on scalability.

While the newer cryptocurrency investors, who flooded in during the gold rush of Q4 2017 heading for the exits, massive institutional capital has entered the space investing blockchain startups at favorable prices. In Q1 2018, Chinese VC-backed blockchain startups have raised RMB 681 million across 58 deals, accounting for half of the investment last year and RMB 1.27 billion across 100 deals. With big money incoming, it is foreseen that the amount of equity financing in blockchain industry will continue to increase rapidly. Blockchain growth also makes blockchain talents a hot commodity especially those blockchain developers, followed by operations and marketing staffs. The influx of high-quality talents will highly increase the industry competitiveness, thus making the existing poor projects quit from market.

## Strict regulation towards cryptocurrencies and ICOs in China

As the leading innovation based on the blockchain technology, cryptocurrency has drawn extensive attention from the public especially with the price surge of bitcoin in December 2017. Cryptocurrencies are another financing channel beyond bank borrowing and securities issuance (IPO) with more attractive funding terms, but they carry their own risks. As the current regulatory system is inadequate to protect investors' interests and preserve financial stability, many countries have initiated harsh regulation to lower the risk, and China is one of the countries so far who hold strictest rules towards cryptocurrency and ICO. Before China called off almost all transactions on cryptocurrencies in early September 2017, there were a great number of cryptocurrency platforms in the Chinese market, including three major trading exchanges (BTCC, Huobi and OKCoin) occupying almost 98% global bitcoin trading volume. Eventually, in the late September 2017, all new ICO activities were halted and exchanges are required to reassess the completed projected in a notification issued by PBoC and other six ministries and commissions. China declared ICO as a form of unapproved illegal open financing behavior.

To understand why China is implementing stricter rules regarding cryptocurrencies, we should first know the uncertainty of cryptocurrencies as a new financial product. One uncertainty is that issuers with poor creditworthiness may create new risks for the current financial system, which may trigger the Ponzi schemes and cryptocurrency projects "absconding with" the investors' money, as has happened in another financial innovation – P2P. On the other hand, following with the cryptocurrencies' prosperity, the regulatory agencies find it harder to prevent tax evasion, money laundering and terrorism financing raised from cryptocurrency trading. Practically, these cryptocurrency issuers are decentralized with hidden names and locations. Such features can avoid regulation to some degree, but also raise more concern about illegal trading. As cryptocurrencies related investment generated much higher returns comparing to the returns from other existing financial products, a large number of unsophisticated and ill-informed investors entered into this space which, not only increases the financial stability of the system but also the social and even the political risks. Thus, just like P2P, Chinese regulators are inclined to implement rigorous rules to intervene the early market to protect investors' interests until the regulatory system on cryptocurrencies become robust.

### Next Crypto valley in China?

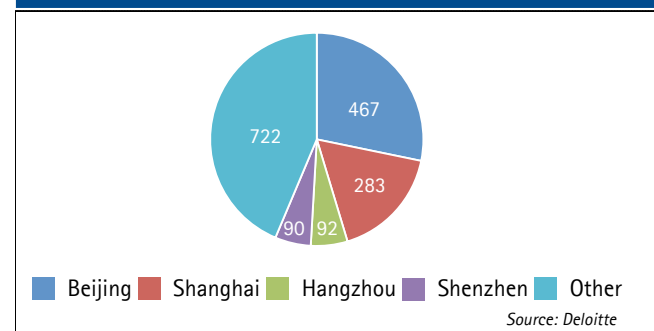
Officially mentioned first in the 13<sup>th</sup> First Year Plan in December 2016, China has recognized blockchain, along with IoT, cloud computing, big data, AI, and machine learning, as key technologies leading the next global technological and industrial revolution. It was with such backdrop China recorded a 28% share of global total new blockchain enterprises in 2016, surpassing the US for the first time. This is additional evidence for such rapid emergence manifested in the total blockchain patent applications. China filed 225 of the 406 global blockchain patent applications in 2017, jumping from 59 in 2016 surpassing the US's 91 and 21 in both years respectively. While banning of cryptocurrencies platforms has been executed since 2017, the "pro-blockchain, anti-cryptocurrency" stance of the Chinese government has been indicated by a statement by Sun Guofeng, director of the Institute of Finance of the PBoC, may serve as a further catalyst to China's exploration on blockchain applications beyond cryptocurrencies.

The development of blockchain technology, being escalated into the country's political agenda, thrived across regions. In 2016, China recorded 105 blockchain related enterprises, concentrated mainly in the Eastern region with the central-western region on the follow. With Beijing leading in number of related enterprises, Shanghai, Shenzhen, and Hangzhou were on the follow. Similar pattern can be observed by number of blockchain projects, with the top four cities accounted for more than half of total projects in 2017 (Figure 1). Along with rapid development, blockchain technology not only diffused, but also diversified across cities. While in Beijing focus has been on exchanges and mining machines production, the development of a more general and broader application of blockchain, such as digital identities, smart contracts, and other FinTechs, has been accelerating in Shanghai. Hangzhou, while started later than the above two cities, has recently gained strong momentum driven both by policy support and its homegrown technology giants.

The most recent related development in Hangzhou is perhaps the opening of the Hangzhou Blockchain Industrial Park on 9th April 2018, in which the first batch comprising of ten blockchain enterprises was contracted and a USD 1.6 billion Xiongan Global Blockchain Innovation Fund was announced. According to the fund repre-

sentative, contracted enterprises will reach 50 by 2019. Hosting the headquarter of homegrown tech giant Alibaba, Hangzhou has been known as one of the innovation hubs in China on which the city leveraged to boost blockchain development. In fact, in the 2017 global blockchain company patents ranking, Alibaba topped the list with 49 patents while four other Hangzhou enterprises were all in the top 50. Another driver for the city's momentum is the support from the local government. Earlier this year, Hangzhou became the first Chinese city to include blockchain in the municipal's work report as the third technological priority, under only AI and virtual reality. Strong policy and government commitments, such as the hosting of the Global Blockchain Finance Summit last April (note that Vitalik Buterin, founder of Ethereum was presented) as well as the continuous rolling out of blockchain policies and frameworks, is expected to shape a favorable development environment, as well as to attract industry players and investors. Another advantage Hangzhou owns to become a blockchain hub is its existed technology and innovation ecosystem. In terms of blockchain, Hangzhou hosted more than 30 blockchain companies, from bottom platforms to mining, such as GXS and Canaan. The presence of giants like Alibaba, who itself is a huge investor, and other respectable brand names, has also filled the city with investors and talents, encompassing a functional and mature ecosystem for the nurturing of blockchain. Just as the goal of the newly announced Xiongan Global Blockchain Fund has stated, mature blockchain projects with great prospects will be guided into and thrive in the city where strong policy support and a prosperous ecosystem reside. Private sector led initiatives such as Zhejiang Zhijiang Blockchain Research Institute and the Hangzhou Digital Economy Hub will not only define the next generation of blockchain research, but also connect Hangzhou with the global blockchain ecosystem to foster the emergence of a Crypto Valley in China.

Number of Blockchain Projects Across Chinese Cities



### Case studies

The financial industry was the precursor who combined the digital assets or cross-border payment methods together with blockchain technology, which fully takes the advantage of the decentralized and security character. Blockchain technology is also used to improve the efficiency of supply chain management with the transparent data between the parties, which forms a complete and smooth flow of information. Besides, Blockchain technology can avoid supply chain disputes and be used for product security, eliminating counterfeits and shoddy materials in the product flow of the supply chain process. Both existing industry leaders and new blockchain start-ups are playing equally important roles in China's blockchain ecosystem. Here are a few examples:

**Alibaba:** As one of the world's biggest e-commerce platforms for buying both individual and wholesale products globally, Alibaba has been under the radar despite its concerted effort to employ block-



# CRYPTOCURRENCY REGULATION

**2009**
**Jan.3**

## THE INTRODUCTION OF BITCOIN

- Bitcoin v0.1 released and the Genesis Block is formally established.

**2013**
**Dec.5**

## CIRCULAR ON PREVENTION OF BITCOIN RISK

- Jointly issued by the People's Bank of China (PBoC) and other five ministries and commissions for the first time. [1]
- PBoC denies the legal status of Bitcoin, and refuses to recognize it as a currency
- However, PBoC recognizes the bitcoin transaction at investors' own risk.

**2017**
**Feb.9**

## New Warning to Bitcoin Exchanges

PBoC met with the representatives of 9 major bitcoin exchanges in China. Bitcoin exchanges were informed the legal, regulative and technical risk, and were required to operate in compliance with laws and regulations.

**2017**
**Mar.7**

## New draft regulatory document on bitcoin trading

- Bitcoin exchanges are required to verify customer identity, combat Terrorist Financing and Money Laundering, and build record-filing system to report any change of bitcoin trading information to the PBoC.

**2017**
**sept.2**

## Notification on the Clean-up and Rectification of Token Financing

- ICO (Initial Coin Offering) was defined as illegal public financing. [2]
- ICO platforms are required to start self-inspection and assessment.
- All new ICO projects must be cancelled.

**2017**
**sept.4**

## Announcement on Preventing Risks from Token Financing

- Seven Chinese government agencies including PBoC once again identify the nature of ICO and virtue currency as non-approved illegal open fund raising, and refuse to give legal status.
- Almost all ICO and token trading activities are halted under the new announcement.

source: FinTech4Good, as of Apr.19, 2018

chain quite early, with 49 blockchain patents and placed the first on Global Blockchain Enterprise Patent Ranking. The service mainly provided in two areas: the public benefit and supply chain. In terms of public benefit project, it is used on the Alibaba's own platform Alipay. The blockchain solved a severe trust problem in charity activity, by using Shared account book and Smart contract, which are logical-based and brings many advantages of trust. The supply chain application focused on decentralization because lots of institutions will join in each process in manufacturing or delivering. Because of blockchain, the records are transparent for both customers and merchants, and the records cannot be tampered with.

**Tencent:** Founded in 1998, Tencent is a dominant player in Chinese online and mobile market and now enters into blockchain. The new platform by Tencent, TrustSQL, is providing enterprise-class blockchain infrastructure, industry solutions, and secure, reliable and flexible blockchain cloud services. This platform, with its efficient consensus algorithm, could confirm transaction in seconds, which will provide customers with low-cost fast access, security and efficient operation.

**Onchain:** Onchain, established in 2014, focuses on digital asset and supports businesses in multiple ways, chiefly in both private and public blockchain scenarios. Onchain's system, known as DNA (Decentralized Network Architecture), aims to work with Chinese businesses and government, with the aim of enhancing the DNA and developing comprehensive distributed ledger solutions to Enterprise-level challenges. Onchain's matrix architecture consists of three layers (Onchain distributed ledger core; Onchain distributed ledger Service; Onchain Cross-Chain Adaptor) and five vertical systems (Identity and Authorization Management; Policy Management; Application Development Service; System Management; Smart Contract).

## Way forward

Though both government and large corporates have been instrumental in the blockchain development in China, we will see an increasingly important role that new blockchain start-ups in China will play in providing public ledger infrastructure, blockchain protocols, and industry applications. Both regulators and investors are becoming more and more familiar with new blockchain based financial instruments and financial products. Also, we may see changes in regulations to cryptocurrencies and investment behavior for the emergency of a healthier market in China in the next few years.



**Xiaochen Zhang**

Xiaochen Zhang is President of FinTech4Good. He was assisted by Xinran Xu, Zheyu Luo, Jiaxin Lyu, and Man Yik Lau, fellows at FinTech4Good, to write this article. FinTech4Good is a global blockchain incubator, accelerator and educator, whose mission is to start, identify, nurture and scale up sustainable fintech and blockchain technology solutions. For more information, please visit the website [www.fintech4good.co](http://www.fintech4good.co) or contact directly at [info@fintech4good.co](mailto:info@fintech4good.co)



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# Trends in China's Intellectual Property System

*This aspect of globalization, whether capital intense or organic growth oriented, facilitated Chinese companies to be more in touch with the foreign world, increasing their desire of having access to foreign expertise as well as products and services.*

By REINOUT VAN MALENSTEIN

Intellectual property (IP) and China is hot at the moment, especially the subject of IP and technology transfer, with the current threat of a trade war between the USA and China based upon claims of the USA on this topic. But, is the environment currently that bad in regards to Intellectual property and technology transfer in China? Or, do companies just need to find the correct means in China in order to protect and safeguard their IP? This article will assess the current trends in the Chinese IP landscape, its important developments and focus on the ways on how businesses can get their China IP strategy right. For this, the focus will be on:

1. Patents, trade secrets and technology transfer,
2. Trademarks, designs and OEM, and
3. E-commerce.

## Patents, trade secrets and technology transfer

First, let us look at the current issue of IP and technology transfer in China. In 2015, China has set out China Manufacturing 2025, a plan that wants to make China into an IP powerhouse. In reality this plan has made Chinese companies wholly buy up foreign companies, including their trade secrets and IP, or buy up their IP separately. In light of China Manufacturing 2025, on 29 March 2018 just after the trade war threats started, China has passed new measures that immediately came into effect that impose a mandatory IP review and technology transfer restrictions with regard to foreign companies.

The background of these new Measures is not new. Since 2002, China has had restrictions in relation to the import and export of technology. These restrictions divide the areas in which technology may be imported and exported into three areas: allowed, restricted, and prohibited. The new Measures, however, widen the existing restrictions and ensure a mandatory review by the Chinese Ministry of Commerce together with the relevant IP authority in the case of IP transfer. In addition, the measures create a security review with respect to intellectual property in the case of M&A by a foreign party in China. The Measures indicate that technology transfer and acquisitions are being assessed in relation to national security and the Chinese interest. A further clarification with regard to the definitions is not yet given.

It is important to realize that the purpose of the measures seems to be to keep intellectual property in Chinese hands. This means that because of intellectual property reasons, China could now potentially block the acquisition of Chinese companies by European companies based upon IP grounds. The new measures could lead to fear for European companies that this mechanism will be applied arbitrarily, creating uncertainty and inequality in the Chinese market.

Furthermore, it is important to realize that a Chinese Wholly Foreign Owned Enterprise (WFOE) and a Joint Venture are both qualified as a Chinese company. As such, European companies

that are in China in such forms, that carry out research and development have the problem that they might not be able to transfer intellectual property (including patents and software), and technology to their European parent company.

In the future, European companies should assume that intellectual property and technology transfer from a Chinese company to a European company, and the acquisition of a Chinese company by a European company, will become more difficult. Companies should therefore register their intellectual property in China and have a good trade secret protection by means of the right contracts, and the implementation of physical and technological protection measures. The Chinese intellectual property rights system works quite well, provided if it's well applied by companies. Intellectual property is of a territorial nature, so companies only have these rights in China if they register within the country. Licensing of intellectual property, with the correct license agreements, is the key for European companies to keep the ownership of their IP.

## Trademarks

### 3D trademarks and designs

Dior has recently pocketed a win at China's Supreme People's Court (SPC). The ruling allows for the registration of the 3D trademark bottle of J'adore. According to the SPC, 3D trademark protection, for the shape of a product, can be obtained if the shape of product is distinctive and has a high aesthetically value. Even though this possibility of 3D trademark registration has been laid down in the Trademark Law for many years, there are many foreign companies not taking advantage of this registration system. Successful companies with 3D trademarks include Ferrero Rocher and Chivas Brothers. 3D trademark protection can give the shape of the product a trademark protection for ten years, which can be prolonged every ten years for another ten years, potentially giving an ever-lasting term of protection to the shape of a product.

The SPC ruling, in which Dior applied internationally for a 3D registration, and the CTMO and TRAB made some administrative mistakes with regard to denying registration of the 3D trademark, as the trademark was filed as a 2D registration, rather than a 3D registration, also shows the importance of applying for Chinese trademarks through the domestic registration system, rather than the international registration system. China's domestic application system allows for more control with regard to registering a trademark and allows for better contact with the Chinese administration.

The case is important with regard to design protection. In the EU, designs are protected unregistered for three years and registered for 25 years. However, as China has put design protection under the patent law, only new designs can be protected. This means that if the design is published or marketed, or shown anywhere in the world, before the design patent is applied for, design patent registration cannot be done anymore. Also, a further advantage for the 3D trademark over the design patent is that its protection can last forever, whereas design patents only last for ten years. Therefore, 3D trademark registration would be recommended for companies with a product

in a shape of packaging that is distinctive and has a high aesthetic value. The SPC judgment is a reminder of the possibility for companies to still get a design protection by applying for a 3D trademark.

### Original Equipment Manufacturing (OEM) and Chinese trademarks

The two biggest questions that arise with Original Equipment Manufacturing (OEM) in China are:

1. Whether a company without a China trademark, but does have a trademark for another country, can engage in OEM with affixed trademarks on the products in China for export to that foreign country
2. Whether a company that has a Chinese trademark but only uses this in the sense of OEM in China with affixed trademark for export to a foreign country, can claim that use as use of the trademark in China to protect against non-use cancellation<sup>1</sup>.

The first question has been recently dealt with by the SPC in the Dongfeng decision (2018). In that decision, the Supreme People's Court stated that there is no use of a trademark, thus no infringement, in case a company exports OEM goods with affixed trademarks to a country where the company owns that legitimate trademark, and the OEM has completed a minimal reasonable duty of care in regards to reviewing the status of the trademarks affixed to the OEM products.

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The second question was dealt with by the 'Mango'<sup>iii</sup> case, where the Beijing High Court stated that OEM trademark use does not provide protection against non-use cancellation in China in case the goods are all exported to another country.

Companies that engage in OEM products with affixed trademark in China, are warned. By only using the OEM products affixed with the trademark for exports, trademark use in China cannot or might not be proven. As this will open the door for other companies to file non-use cancellations against the trademark, companies are advised to sell and market some of their OEM products with affixed trademark on the Chinese market. Alternatively, companies could have back-up trademark registrations ready in case a company expects that a competitor could file for non-use cancellation. The Beijing High Court decision might not be guiding, but the SPC decision is. Therefore, it is better to change the strategy of your company now, then to be sorry and lose your trademarks for China.

### E-commerce

More than 80 percent of counterfeited and pirated goods being intercepted at EU borders come from China<sup>iii</sup>. E-commerce is more and more to blame for this high percentage. Notable e-commerce platforms where counterfeiters and pirates are active are Alibaba and Taobao. TMall (also part of Alibaba) has less counterfeit and pirated goods on them as the platform requires a bond upfront from shops selling on commerce platforms, which in case of IP infringement will be withheld.

According to the Chinese tort law, when an intermediary is notified of intellectual property infringement on their platform by the rightsholder, they have to delete the infringing content, otherwise they could be held liable themselves. Currently, the various Chinese e-commerce platforms have their own IPR notice and take down systems. Some very reactive and adequate in dealing with IPR notice and take down actions, others lagging behind and making it cumbersome for rightsholders to deal with IPR notice and takedown actions on these platforms.

It is important for rightsholders to start or to keep using these notice and take-down actions with these platforms. In case the platforms keep lagging behind in adequately dealing with these notice and take-downs they could be sued and held liable themselves for these infringements. Companies are advised to go after the big infringers on these platforms. Notarization of evidence of infringements (i.e. screenshots notarized by a Chinese notary public) is the key here in order to successfully take a big infringer to court later. In case the platforms require a

high amount of time and evidence with regard to dealing with IPR infringements, it could be effective to go after the platforms themselves.

### What should companies do?

China's IP system is getting better and better. The compensation for infringement is getting higher. China seems to be moving towards a punitive damages system with regard to intellectual property, which will also make the compensation to foreign companies better and will deter future infringements by Chinese companies. The chances of winning a foreign company are quite good, provided that the courts of Shanghai and Beijing are used. Companies could arrange competence for the Shanghai court by either putting the Shanghai court as such in their contracts or by buying an infringing product in Shanghai, thus allowing the case to be decided by the Shanghai court as Shanghai is thus the place where the infringement of the IP right occurs. With regard to IP, Chinese law is often mandatory.

At the same time, European companies should be aware that with the new Measures regarding technology transfer China seems to intend to obtain foreign IP and is not planning on returning it. Now more than ever, it is important for companies to license their IP in the correct way and to have proper contracts and physical and technological protection measures in place for trade secret protection in accordance with the new Anti-Unfair Competition Law.

Apart from this, companies need to be aware of the recent changes with regard to OEM and trademark use, and align their new business strategies to it to use the trademark in China. Further, companies can take advantage of using 3D trademark registrations in order to obtain protection for their designs. Finally, as e-commerce seems responsible for the high percentage of counterfeit and pirated goods entering the European Union, rightsholders are advised to go after the big infringers through notice and take down actions with follow up in the Chinese courts. If European companies deal with IP infringement in China in accordance with the law, and be smart about it, the infringements will be stopped.



Reinout van Malenstein

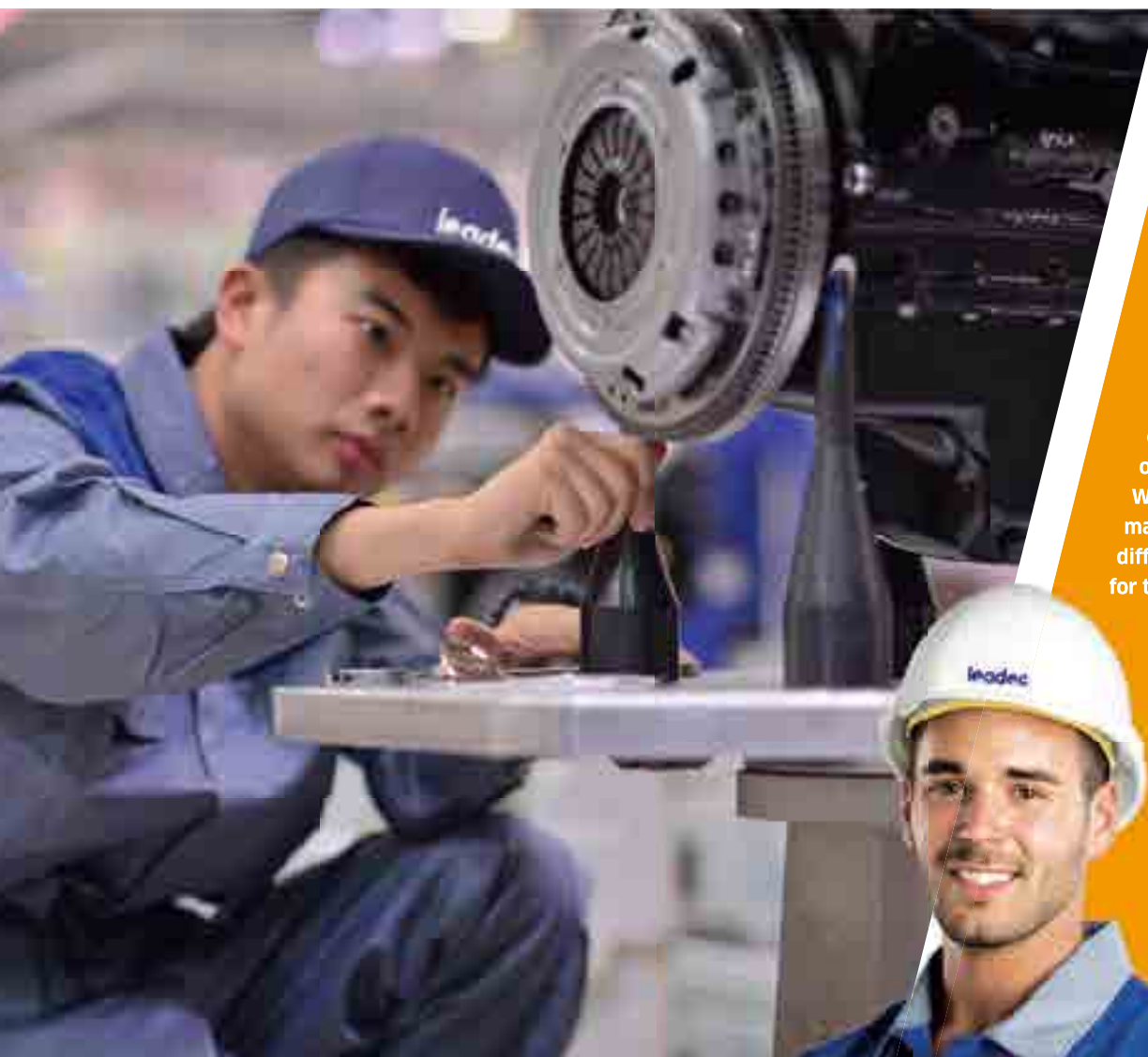
As Senior Counsel at the Chinese law firm HFG in Shanghai, Reinout advises companies with regard to Chinese corporate law, contract law and intellectual property law. Reinout is the National Vice-Chair of the Intellectual Property Working Group of the European Union Chamber of Commerce in China, and is an external IP Expert for the European Commission.

#### Sources:

- i In China, every trademark owner needs to be able to prove that a trademark is used within a period of three years, otherwise third parties can start a non-use cancellation with regard to that trademark.
- ii. Trademark registration number 634764
- iii. [http://trade.ec.europa.eu/doclib/docs/2018/march/tradoc\\_156634.pdf](http://trade.ec.europa.eu/doclib/docs/2018/march/tradoc_156634.pdf)

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## China Industry Report

# Automotive - Entering a New World in China

With the advanced applications of information communications technology (ICT), development of new energy, rapid advances in artificial intelligence, and industry convergence driven by innovative technology, the traditional auto industry is facing unprecedented opportunities and challenges.

The industry is transforming: the rise of a new auto civilization and concepts such as intelligence, e-tron, internet connectivity and the sharing economy move from concepts to practical applications. A new pattern of competition is reshaping the industry in China – accelerated by government regulations sparked by environmental concerns.

Take 2018's Auto China as an example where. 14 countries and regions (including China, the US, UK, Japan, France and Germany,) as well as 2,000+ manufacturers participate. More than 1,100 models including 88 new energy vehicles and 77 concept cars were brought to the event's stages in Beijing, matching its theme, "Defining New Auto Life".

By DR. MARCO HECKER, ZHOU QUAN, JENS EWERT





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This shows user experience is at the top of auto companies' minds. Customer requirements are increasingly diversified and complicated. Consumers want cars that bring them a unique lifestyle, not just a good-looking transportation tool.

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#### Autonomous Driving and the NEV Market

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According to the 2018 Deloitte Global Automotive Consumer Study, car buyers have a growing interest in autonomous technology that can free up driving time with guaranteed safety and a reasonable price to enhance their driving experience.

Some 88 percent of customers rate in-car experience as an important factor when choosing a vehicle. They also desire high-quality communication and an efficient purchase process. Meanwhile, new energy vehicles (NEVs) are widely accepted by Chinese customers, much more so than anywhere else in the world, indicating great

potential for this market, suggesting it is expected to become increasingly competitive in the near future.

In the first quarter of 2018, new passenger cars sale in China grew 2.56% to 6.1 million units – a slight increase even taking into account the end of the small engine subsidy policy. However, several original equipment manufacturers (OEMs) did not do well in the first quarter, including the traditional market leaders. This suggests foreign OEMs face severe challenges in a stable market.

During the same period (Q1 2018), sales of new electric passenger vehicles (hybrid as well as full-NEV) hit almost 130,000 units, representing 152% YoY growth. This growth was mainly fueled by Chinese brands, showing the NEV market is on the rise as expected. It is important to note that all leading Chinese EV OEMs are domestic brands and many have declared they will join the game, especially "new OEMs". A couple of foreign enterprises also entered

the market by establishing joint ventures, but their progress already lags behind domestic players.

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#### China's Auto Industry Policies

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In early April, China's President Xi Jinping announced that the Chinese auto industry will be fully opened to foreign investment. The implementation of this huge policy shift will happen in three phases:

- First, in 2018, China will remove foreign ownership limits on NEVs and special purpose vehicle joint ventures (JVs).
- By 2020, the cap on foreign ownership of commercial vehicle manufacturers will be lifted.
- Then, by 2022 foreign automakers will be allowed to have full ownership of their local passenger vehicle makers. Meanwhile, the rule that any foreign firm can have no more than two joint ventures will be scrapped as well.

- After a five-year transition period, all restrictions on foreign ownership in the auto industry will be removed.

The timing of this announcement is interesting: China's petroleum fuel car sales are hitting a ceiling and heavy investment is required in new arenas such as NEVs, connectivity and ecosystem integration. Lifting the JV restriction will not only allow foreign capital to invest in NEVs, but is also an attempt to sell the assets of Chinese State Owned Enterprises (SOE) in the petroleum car industry at the highest price.

The recent series of events shows the government's stronger determination to push industry transformation at a faster pace and with greater support. Changes on the policy offer more flexibility to foreign OEMs but might be a strategic investment trap (investment in a stagnant segment vs. investment in a growing segment). It is worth noting that most JV OEM contracts will be terminated around 2030. Foreign OEMs buying their share from JV partners will need to be cautious, and investing in the NEV sector appears more attractive.

Meanwhile, new players are entering the mobility ecosystem and penetrating the traditional auto industry value chain.

Alibaba set-up a JV, Banma, with SAIC three years ago focusing on vehicle connectivity and its application was first installed on SAIC's Roewe RX5 in 2017. Tencent has announced deep cooperation with Chang'An and GAC in developing car connectivity, and Baidu is cooperating with Chery. Interestingly, foreign OEMs, which lack local resources in this ecosystem, have not been seen in this type of cooperation. Instead, they are seen as more inclined to maintain in-house development.

This is not only because of the very long decision-making process of entering a JV, but also concerns about ability to control the future ecosystem. Foreign OEMs prefer to have full control of customer interfaces and position BAT as traditional vendors rather than strategic partners, which can slow cooperation. However, from a customer perspective, a BAT ecosystem is more attractive and delivers a much better user experience, as it links to a user-adapted APP experience. For example, when customers first sit in the Roewe RX5 driver seat, they can easily log into the Banma system with

their Taobao IDs, and all recorded user preferences will be synchronized to the vehicle. This saves a great deal of time versus using a brand new in-vehicle system.

Most OEMs' self-developed connected systems are merely information silos that are not connected to customers' life experience ecosystem. For OEMs, if data is not linked to an identified user and properly analyzed, its value will be undermined in potential monetization opportunities.

### What's to Come for Foreign OEMs

To grasp the growth opportunity, we would suggest foreign OEMs not only enter NEV competition but also join with vigorous local partners and eye new business models such as contract manufacturing and other models of collaboration.

First, foreign OEMs should find a good partner to explore new businesses with – and these do not necessarily need to be gasoline car OEMs. Although many non-Chinese OEMs are not yet very strong in global NEV competition, innovative partnering models will give them better leverage in negotiations with local ecosystem players like BAT. BAT, meanwhile, seeks big names for co-operation to internationalize its business, and non-Chinese OEMs with strong global networks and resources could fit well into this ambition.

To win in the future, we believe in-car experience is more important than pure steel. Local Chinese OEMs have accumulated manufacturing know-how which allows them more time to focus on customer experience design. Contract manufacturers are changing from a "heavy" to "light" business model, backed by the confidence of capital market investors. Meanwhile, the revenue stream is shifting from one-off new car sales to subscription-based services, driven by user data. The key enabler of this change is data generated from cars and users being incorporated and ecosystem instead of staying in silos.

The China auto industry presents many new opportunities and calls for more action to strengthen communication and collaboration among local players as well as intensive attention on diversifying customer experience development.



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# Prevention and Crisis Management: Need to Know for German CEO's and CFO's in China

*Interview with Philipp Senff, Partner at CMS China*

By OLIVIA HELVADJIAN  
Chief Editor German Chamber Ticker



*The German Chamber Ticker team had the opportunity to talk to Mr. Philipp Senff, Partner and Head of Compliance at CMS China. He is recognized as leading corporate, compliance and risk management lawyer with over 15 years' of China-related business experience. He has extensive experience in advising multinational companies, international banks and entrepreneurs of a wide variety of industries on mergers and acquisitions, corporate law, joint ventures and the restructuring of business operations in China.*

**"Governance, Risk and Compliance Management in China". This is the title of your new book. What is the purpose and key content of this book?**

The book has been written by a team of 30 authors, who are senior executives from leading multinational companies. Research institutes also participated in this book project, including Stanford Law School. They share their real life insights for navigating foreign businesses successfully through the Chinese regulatory environment. Key focus is the prevention of corporate and personal liability risks through tools of transparency, prevention and crisis management. We have added checklists and case studies for easier understanding.

**Where do we stand today with the Chinese anti-corruption campaign?**

Individuals and companies have been sanctioned due to corruption. This applies to both Chinese and foreign citizens, Chinese and foreign-invested companies, and applies to both the public and private sector.

**Is the anti-corruption campaign still running or is this topic, meanwhile, completed? In other words, is compliance still a challenge in China?**

There are three key drivers, which show that compliance and risk management is getting actually more important for foreign companies in China. Foreign companies need to watch out for these drivers.

### **Which drivers do you mean? Please start with the first driver.**

Compliance is not limited to the prevention of corruption. Recent developments show that the Chinese regulator is not only enforcing the anti-corruption regulations more strictly. Other corporate crime matters in conjunction with e.g. fraud and money-laundering have been also more strictly prosecuted. Further, compliance is not limited to corporate crime matters. Product compliance, environmental, health and safety compliance, and other matters are also on the compliance agenda of the Chinese regulator. Cyber security compliance is also getting more important. Example: foreign companies, which are rolling out their digital sales strategies in China, for example with smart phone apps, need to be compliant with Chinese cyber security laws for mitigating their liability risks.

### **What is the second driver?**

Foreign regulators are responding to the globalization of the business with anti-corruption laws in their jurisdictions, which have an extraterritorial effect. These anti-corruption laws shall also apply to non-compliance conducts abroad, such as China. Examples are the US Foreign Corrupt Practices Act, the UK Bribery Act and to a certain extent the German Criminal Act. That means, that US, UK and German anti-corruption laws can apply also to non-compliance incidents in China.

The book explains in detail to which extent US, UK and German compliance laws apply to non-compliance incidents in China. Those foreign regulators are entitled to investigate within their jurisdictions against corruption and other misconducts and may impose sanctions on the offenders.

Some foreign regulators provide personal supervisory duties for the management at the headquarters level abroad in conjunction with their business in China, and non-compliance with these personal supervisory duties could trigger high personal compensation liability risks of the affected management towards the parent company abroad. Investigation and sanctioning of misconducts is getting international.

Recent cases show that this is not a theoretical risk anymore. Foreign businesses operating in China need to develop compliance and risk management strategies, which reflect both Chinese and the relevant foreign laws.

### **What does it mean for the German businesses in China?**

The topic "China Compliance" is not a topic of the local management in China anymore. German laws show that the Group CEO and Group CFO on the headquarter level have a personal interest in strictly mitigating their personal liability risks in conjunction with wrongdoings abroad, such as in China.

### **Do you have an example?**

Look at the court case from 2013. This case deals with personal compensation risks of a board member in a German stock corporation towards the stock corporation in conjunction with corruption payments abroad. The compensation claims are governed by German laws. The German Stock Corporation Act provides that the board member (Vorstand) has under certain legal requirements personal compliance duties with regard to the business in Germany and abroad.

Breaching this compliance duty can lead under certain requirements to high personal compensation claims, which can be raised by the stock corporation against the board member.

The decision of the Munich Regional Court from 2013 shows that this personal liability risk is a real risk. In that case, a large German company filed successfully a lawsuit against its former CFO claiming for personal compensation of EUR 15 million in conjunction with corruption payments abroad. The stock corporation has alleged that the former CFO breached its personal compliance duties as Vorstand in conjunction with these corruption payments.

The decision of the Munich Regional Court is not connected specifically to China. However, it is irrelevant from the German law perspective, in which country corruption payments have been conducted. Therefore, such a personal liability risk can also arise in conjunction with corruption in China. Sitting on a board in Germany can therefore not exempt from personal liability risks in conjunction with misconducts in China.

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## What is the third driver?

The liability risks by the Chinese and foreign regulators have been increased due to the rise of whistleblower allegations worldwide. Whistleblowing is getting easier given that companies are increasingly setting up whistleblower lines and ask staff and business partners to use it. Further, the Chinese regulator provides rewards to whistleblowers.

Foreign businesses operating in China need to get familiar with the ongoing regulatory development in conjunction with whistleblowing. CEO's and CFO's, no matter whether they are running the business in China or abroad, face an increasing level of personal liability risks in conjunction with disclosure, reporting and risk prevention obligations under Chinese laws and the applicable foreign laws.

## How looks a typical compliance case on your desk?

We see often that the affected company is losing money. Purchase is too expensive or sales are too cheap. Purchase got expensive given that staff of the company has interposed their own companies in order to generate personal benefits. On the sales side, fake distributors have been interposed, given that they belong to the staff of the company. The margin of the company is going down.

## Is this a China specific risk?

No. These are global risks.

## Where do you see differences between China and let's say Germany?

Key differences are on the response side. That means how you set up a solid compliance management system and a robust crisis management. The regulatory environment is important.

## Do you have an example?

The Chinese Criminal Law provides sanctions on companies for misconducts. Companies in China, including German-invested enterprises, can be fined and imposed with additional sanctions. This is very different from Germany given that the German Criminal Law provides sanctions on the individuals, but not on companies. This regulatory difference is important given that it puts the subsidiary at risk. These regulatory differences must be reflected in the compliance management system in China.

## What does that mean for the German business in China?

German companies in China need to demonstrate that the misconduct from a single or few employees, is not the misconduct from the company, to avoid corporate sanctions under the Chinese Criminal Law. Companies, no matter whether they are Chinese or foreign-invested, must undertake significant efforts, in order to show this red line.

## How does this affect German CEO's and CFO's in China?

If they defend their businesses against compliance risks, they will also defend themselves against personal liability risks. Showing this red line is important. If the risks are known, they can be mitigated. If the risks are hidden, business reviews are getting more important to get transparency.

## What are your three key recommendations for compliance and risk management strategies in China?

First: Compliance is more than prevention against corporate crimes. We have previously spoken about this.

Second: The compliance-jetlag must be avoided. Businesses must avoid that the compliance program is perceived as unnecessary bureaucracy. This acceptance risk can be mitigated if compliance and risk management tools will be simplified in order to avoid enormous bureaucracy – but without lowering the compliance standards of the company. This is a difficult management task.

Third: Get familiar with the "black swan" theory by Nassim Nicholas Taleb. Taleb states in his book that, if you forecast the future based on past developments and experiences, you will run the risk to overlook unknown scenarios. Taleb gives the example with the swans. If you have seen in your life only white swans, you will suppose that all swans are white until you have seen a black swan. This swan theory can be also reflected in the corporate risk management in China.

## What do you recommend from a risk management perspective to those foreign companies in China, which are currently subject to business transformations given that they adjust their business?

Business transformations, especially liquidations, in China can quickly lead to dynamic scenarios, where hidden compliance risks could arise, and are getting difficult to manage. The actual risk profile of the company could be unclear given that the previous local management was less interested in mitigating the company's liability risks, and the headquarter's management did not realize that certain hidden risks actually exist.

Hidden risks are usually connected to non-transparent procurement and sales practices of the company. Restructuring plans could get hit if those risks arise. These scenarios can be avoided by an early risk audit or business review. Risk audits can help to screen first the actual risk profile of the operation in China, and will be then used as a solid basis for the mitigation of the identified risks.

**Thank you for the interview, Mr. Senff.**



# MUST-HAVE FOR PREVENTION AND CRISIS MANAGEMENT

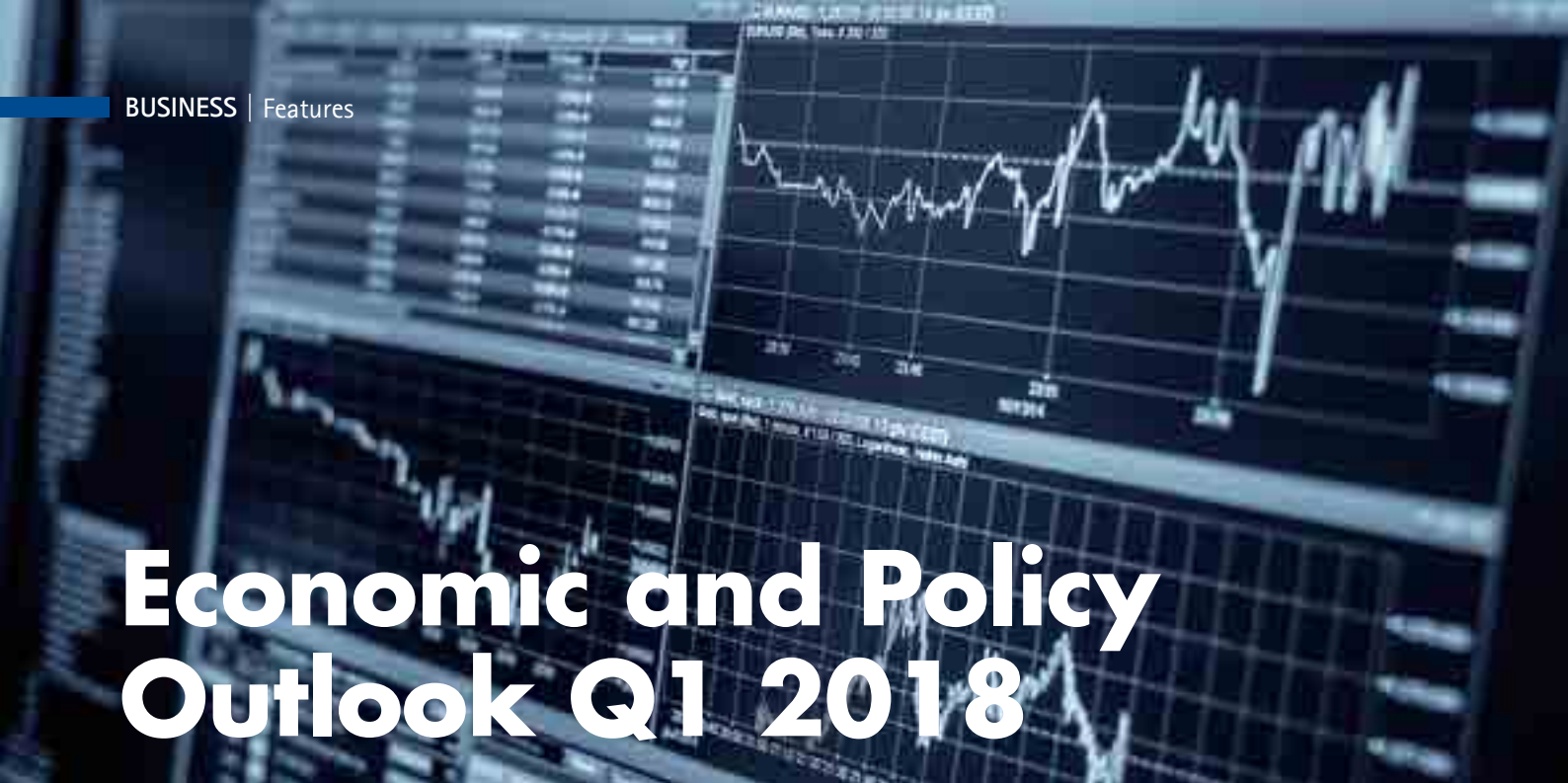


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# Economic and Policy Outlook Q1 2018

By JOSIPA MARKOVIC

## Policy Update: The Two Sessions – More Party, More Xi

Following the 19<sup>th</sup> National Congress of the Communist Party of China, held in October last year, also the first session of the 13th National People's Congress and the first session of 13th National Committee of the Chinese People Political Consultative Conference (CPPCC) – the Two Sessions – concluded successfully in March this year. The Two Sessions review and implement policies and changes discussed during the previously held Party Congress. This year's sessions were the first to open under the guidance of "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era". Particularly, China's 2018 government work report was outlined, the country's constitution was amended, a new national supervision commission was established, the government organizations were restructured, and new government officials were elected. What happened exactly and what are the implications for China's economic and business environment?

### 2018 government work report – China's 10 key target numbers

China's government work report lays out economic targets for the country in the coming year. Besides its focus of making China a country of innovators and its emphasis of a more effective opening up strategy, the report outlines the following ten key numbers, indicating the country's top priorities for 2018.

1. 6.5% GDP growth  
China has set its 2018 GDP growth target at around 6.5% – the same target as for 2017, however representing a slight alleviation from last year's "6.5% or higher if possible". With an annual growth rate of 6.3%, China is expected to achieve its goal of doubling GDP and per capita income by 2020 from 2010 – a target set six years ago by former China President Hu Jintao.
2. Consumer Price Index of around 3%  
China continues to target a consumer price inflation (CPI) of 3%, promoting robust consumer demand with the aim to reshape its economic model to a more sustainable consumer driven one.
3. Budget deficit of 2.6%  
China set a 2018 budget deficit target of 2.6% of GDP, 0.4 percentage points (p.p.) below last year's mark. However, even if the country is pushing to resolve financial risk and particularly, to control debt risk at the local government level, the lower deficit target does not mean that government expenditure will slow down. According to the Ministry of Finance, China will pursue a proactive fiscal policy, and the absolute amount of the deficit is expected to remain unchanged at 2.38 trillion RMB.
4. Creating over 11 million urban jobs  
China aims to create 11 million urban jobs in 2018. China's working age population is expected to account to 15 to 16 mil-

lion, according to Caixin global, hence a further job creation of 11 million is crucial to keep a low unemployment rate.

5. Reducing energy production by three percent

In the move to better address pollution issues, China aims to reduce energy consumption by three percent per unit of GDP, and to achieve a continuous reduction of the PM2.5 density.

6. Reducing steel production by 30 million tonnes

One of China's major focuses is to step up its supply-side structural reform. Therefore, the country aims to clamp down inefficient supply by reducing steel production capacity by 30 million tonnes and coal production by 150 million tonnes.

7. Reducing taxes by 800 billion RMB

The Chinese government committed to reduce taxes on businesses and individuals by more than 800 billion RMB. A first part of the tax cut was already announced in March this year, reducing the value-added tax on manufacturing to 16% from 17%, while the rate on transportation, construction, and telecommunication services is decreased to 10% from 11%, starting 1 May.

8. 13 million new permanent urban residents

The country is committed to pursue a better-quality urbanization, improving public transport and registering 13 million people as permanent urban residents.

9. Reducing poor rural population by 10 million

One of the key focuses of Xi Jinping's second five-year term, is to gradually lift China's rural residents out of poverty. Accordingly, the poor rural population shall be reduced by over 10 million, including a total of 2.8 million people that shall be relocated from inhospitable areas in 2018. Measures to be taken include the development of local industries, education, healthcare and enlarging a central poverty reduction fund.

10. Renovating 5.8 million homes

China is willing to further improve housing conditions for the poor, launching a new three-year renovation plan to revamp housing in run-down urban areas, starting by renovating 5.8 million homes in 2018.

### Amendment of the constitution

The National People's Congress (NPC) adopted 21 amendments to the Chinese Constitution on 11 March 2018. Among the main changes are the embedding of the Xi Jinping Thought, the abolishment of the presidential term limits and the establishment of the National Supervisory Commission. Moreover, the country put through a massive government reshuffle.

- The enshrinement of the "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era," – a political ideology that highlights the primacy of the Chinese Communist Party, strengthening its power at all levels of society. Since Mao Zedong, no other leader has ever had his ideology with his name on it included in the constitution, while being in office.
- Moreover, the National People's Congress overwhelmingly approved the constitutional change to remove presidential and vice-presidential term limits – with only two opposition votes, three abstentions, while the rest of the almost 3000 members voted in favor. Deng Xiaoping, China's leader after Mao Zedong, had imposed a presidential two-term limit in the 1980s. Now, with the abolishment, president Xi Jinping could theoretically rule for life. While critical voices – largely from foreign experts – warn that China is making a move back to an autocratic personalist system, advocates say the change will give Mr. Xi more room to push forward with economic reforms, cracking down on pollution and financial risk.

### Government reshuffle

- China put through a massive government reshuffle, with the aim to make the government more efficient, strengthening its functions on economic management, market supervision, social and environmental protection, etc. After the restructuring, the government will be reduced by eight ministerial-level entities, accounting to 26 ministries and commissions. Among the biggest changes are the merging of China's banking and insurance regulators and the promotion of the People's Bank of China (PBoC, China's central bank) to ministerial level – showing the increased focus on financial stability. The central bank will be drafting key regulations, while the merged regulators will be in charge of its implementation. Moreover, a new anti-graft commission was established, the so called National Supervisory Commission, overseeing all public-sector employees. Furthermore, the NPC sessions elected new state leaders, with Xi Jin-





ping being reelected as the Chinese President and Chairman of the Central Military Commission, surrounded by state leaders and ministry heads loyal to him.

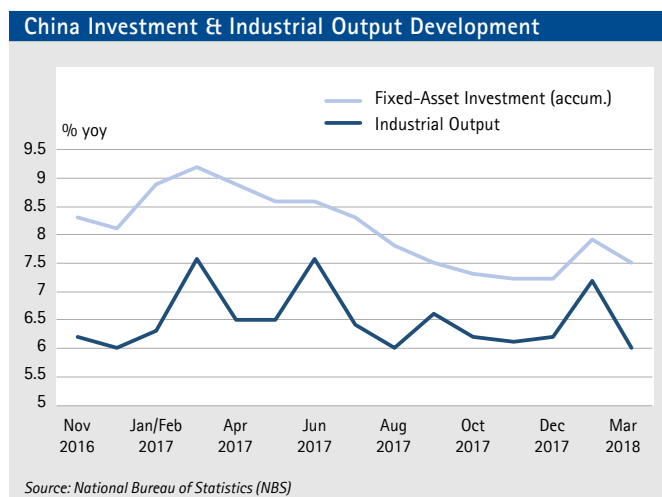
#### What does it mean for us?

During the Two Sessions, China established a more efficient governmental structure and announced a stronger push toward its supply side structural reform. Moreover, the country committed to improve the business environment – by lowering costs of doing business through an implementation of tax reductions, and by further opening up to more sectors, particularly the manufacturing, financial, health care industry as well as education and elderly care. Moreover, China's emphasis to strengthen consumer demand and to push forward on its ambition to become an innovation leader, continues to create opportunities for businesses in the retail as well as in the high-tech sector.

While some of these commitments have already become more concrete (i.e. communication of: abolishment of foreign ownership limits on new energy vehicle joint ventures (JV) by 2018, on commercial vehicle JV by 2020 and on passenger vehicle JV by 2022; lowering tariffs on imported vehicles and other consumer products; cancelation of foreign equity restrictions on banks and financial asset management firms; removal of tariffs on imported cancer drugs from 1 May 2018, etc.) it is important to keep an eye on those proposed reforms, since it was shown in the past that the Chinese government issued various documents to promote its opening up strategy, but with limited results. Furthermore, while increased investments in high-end industries can create opportunities for foreign businesses, it also means more competition from local Chinese players. Moreover, the changes to the constitution all point to one direction: strengthening the role of the communist party, which could have regulatory and administrative consequences.

### Economic Update: Strong First Quarter Growth in 2018 Despite Trade Tensions

China's economy continues to grow strong in 2018, reporting a GDP growth rate of 6.8% for the first quarter 2018, topping expectations – a Reuters poll of 60 economists showed a consensus estimate of 6.7%.



The resilient growth was supported by strong consumer demand. Consumption accounted for 77.8 percent of economic growth in the first quarter 2018. In March, retail sales demonstrated double-digit growth, increasing 10.1% from a year earlier, up 0.4 percentage points (p.p.) from the first two months of the year. However, economists expect a slight slowdown of the economic expansion along the year, as the Chinese government is cracking down on industrial pollution and financial risk. The growth of the country's aggregate financing – the total volume of financing provided to domestic non-financial enterprises and households, published by the PBoC – reached a record low during recent months. "Since credits are crucial for investment driven sectors, it makes sense to expect a slowdown of traditional growth drivers, such as investment and heavy industries", the Commerzbank in their recently published economic outlook reports. This year's March figures may be a first indication for the anticipated slowdown:

#### Key economic indicators pointing to anticipated slowdown

March industrial output increased by 6% year over year (yoy), 1.2 p.p. down from the first two months in 2018. Fixed asset investment rose 7.5% yoy, cooling from 7.9% in the January-February period.

Also, producer as well as consumer price inflation eased sharply in March. The producer price index (PPI) rose 3.1% in March from a year earlier, 0.6 p.p. below the February mark. The consumer price index (CPI) increased 2.1% from a year earlier, well below February's 2.9% increase. According to Reuters, the decline in consumer prices represents mostly a correction of food prices after the spring festival, while demand remains fairly robust. However, the decline in producer prices could point to an eventual slowdown of China's economy as demand for industrial goods decreases – driven by rising borrowing costs and a cooling property market, triggered by Beijing's crack down on debt risks.

#### Strong trade performance, amidst tensions with the US

China's trade grew strong in the beginning of the year, with both imports and exports showing double digit growth. For the first quarter as a whole, imports accelerated 18.9%, while exports increased by 14.1% from a year earlier. A dip in March exports – showing a 2.7% drop – lowered China's overall trade surplus for the first three months. However, the trade surplus with the United States increased by 19.4%, unlikely to ease trade tensions between the two trade giants, Reuters reports. The China-US trade dispute, raising fears of an escalation that could harm the whole global economy, overshadows the outlook for China's heavy industry as well its high-tech sector. Hence, even if the Chinese economy remained robust during the first quarter of the year, ongoing trade tensions with the United States will be a key determinant of how the Chinese (and global) economy will further develop in 2018.

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# Legal Update

## Cross-border R&D Cooperation in the PRC

By DR. ULRIKE GLUECK AND MICHAEL MUNZINGER

The People's Republic of China ("PRC") has become one of the most attractive destinations for research and development ("R&D") investments in recent years. This is reflected by a fast growing number of R&D centers, the large amount of Intellectual Property ("IP") filings in particular by Chinese individuals and domestic Chinese companies and steady investments by multinational corporations in the high-technology sector. The PRC's strategic emerging industries are growing swiftly, including clean energy, environmental protection, information and communication technology, AI, biomedicines, high speed trains, aeronautics, high-end manufacturing, etc. Also in areas such as academic publications, the PRC is showing constantly increasing numbers.

With the aim of transforming the traditional manufacturing focused economy into a high-technology economy, R&D has gradually become one of the top priorities for the Chinese Government. In order to further enhance such transformation, R&D investments are often supported by subsidies and preferential tax treatments.

While doing R&D in the PRC offers promising opportunities regarding research results, product development, localization and overall growth, many foreign companies still find it difficult to succeed in the PRC business environment. Especially for cross-border cooperation in R&D with Chinese partners, there are a lot of potential pitfalls and risks to be considered. A thorough research of the Chinese market, its legal and regulatory systems as well as the business culture is essential for successful R&D projects in the PRC. In the following, we will highlight certain key legal and regulatory aspects.

### 1. Legality of R&D activities in the PRC

A R&D agreement concluded by a foreign party and a Chinese party ("Foreign-related R&D Agreement") is subject to the PRC Foreign Trade Law and the PRC Administrative Regulations on Technology Import and Export ("TIE Regulations"). R&D activities involving foreign entities are considered as technology import or technology export (as the case may be). Not all R&D activities can be conducted. Under the TIE Regulations, technology is divided into three categories, i.e. technology which is:

- free to be imported and exported;
- subject to import and export restrictions; and
- subject to import and export prohibitions.

Lists of types of technology the import or export of which is subject to prohibition or restrictions are formulated and published by the PRC Ministry of Commerce. The development of technology which falls under the prohibited category is banned. The development of technology which falls under the restricted category is subject to

approval by the local Authority of Commerce. It is recommended that, for compliance reasons, contracts regarding the development of technology which is free to be imported and exported is registered with the local Authority of Commerce (however, this is no prerequisite for the validity of such contract anymore).

On 18 March 2018, the General Office of the State Council published the Working Measures for Outbound Transfers of Intellectual Property Rights (for Trial Implementation) which entered into effect at the same day. According to these measures, for certain outbound intellectual property transfers from Chinese individuals or entities to foreign individuals or entities, the competent authorities shall check the impact on national security and the PRC's capability of innovating and developing core and key technologies in significant areas. The practical implication of such new regulation is not clear yet and should be further observed.

### 2. Eligibility of a PRC company to conclude a R&D agreement

Under the PRC Foreign Trade Law, a Chinese party is allowed to sign a Foreign-related R&D Agreement with a foreign party only if the Chinese party is registered as a foreign trade operator with the competent Authority of Commerce. If the Chinese party has not been registered as a foreign trade operator, it has to entrust a registered foreign trade operator to act as its agent to sign the Foreign-related R&D Agreement on its behalf.

### 3. Types of R&D agreements under PRC law

The PRC Contract Law provides for two types of R&D agreements, i.e. cooperative R&D agreements ("Cooperative R&D Agreement") and commissioned R&D agreements ("Commissioned R&D Agreement"). In a Cooperative R&D Agreement, the parties (i) jointly invest in the R&D, including investments in the form of technology, and (ii) cooperate and jointly participate in the R&D in accordance with their allocated tasks. In a Commissioned R&D Agreement, the R&D is carried out by only one party and is entrusted by and financed by the other party.

### 4. Ownership of the development results under a Cooperative R&D Agreement

According to relevant stipulations of the PRC Contract Law and the PRC Patent Law, if the development results are patentable, unless otherwise agreed by the parties, the parties have the right to jointly apply for registration of the development results as patent. When the patent is granted, the parties are joint owners of the patent. In ad-



dition, unless otherwise agreed by the parties, the parties have the following rights and obligations:

- if a party refuses to apply for registration of the development results as patent, the other party is not allowed to do so alone;
- if a party waives its right to apply for registration of the development results as patent, the other party is allowed to do so without involvement of the waiving party. After a patent is granted, the waiving party is entitled to use and exploit the patent free of charge; and
- if a party transfers its right to apply for registration of the development results as patent, the other party has priority to obtain such right from the transferring party under the same conditions.

According to relevant stipulations of the PRC Contract Law and the Interpretation of the Supreme People's Court on Some Issues Concerning the Application of Law in the Trial of Technology Contract Dispute Cases, if the development results are non-patented, such as know-how without patent registration, unless otherwise agreed by the parties, the know-how is owned by the parties jointly. The parties have the following rights and obligations:

- each party may use the know-how without the consent of the other party; and
- each party may grant a general license to a third party to use the know-how without the consent of the other party. General license means that, despite of the licensing, the licensor can exploit the know-how by itself or authorize a third party to exploit the licensed technology.

However, neither party may transfer the know-how to a third party or grant an exclusive or sole license to a third party to use the know-how without the consent of the other party.

The above statutory regulations are not mandatory. I.e. in the contract, the parties can agree on different stipulations. In many cases, it is recommendable to do so.

## 5. Ownership of the development results under a commissioned R&D Agreement

According to relevant stipulations of the PRC Contract Law and the PRC Patent Law, if the development results are patentable, unless otherwise agreed by the parties, only the developer has the right to apply for registration of the development results as patent. When the patent is granted, the developer is the owner of the patent. However, the commissioning party has the following rights:

- after a patent has been granted, the commissioning party is entitled to use and exploit the patent free of charge; and
- if the developer transfers his right to apply for registration of a patent, the commissioning party has priority to obtain such right from the developer under the same conditions.

If the development results are non-patented, such as know-how without patent registration, unless otherwise agreed by the parties, the statement under item 4 above applies respectively with regard to the developer and the commissioning party. In addition, the developer is prohibited from transferring the know-how to any third party before he has delivered the development results to the commissioning party.

Again, the above statutory regulations are not mandatory. In the contract, the parties can agree on different stipulations. If the for-

eign company is the commissioning party, it is also advisable to agree that any rights to the development results are owned by the commissioning party.

## 6. Protection of patentable development results in the PRC

The PRC is a member of several international treaties, including the Paris Convention for the Protection of Industrial Property ("Paris Convention"), the Patent Cooperation Treaty ("PCT") and the Agreement on Trade Related Aspects of Intellectual Property Rights ("TRIPS"). Inventions, utility models and industrial designs can be registered and protected as patents in the PRC. The following major issues need to be considered when applying for a patent protection in the PRC:

- Any foreigner or foreign enterprise may apply for registration of a patent in the PRC on basis of a bilateral agreement, an international treaty or the principle of reciprocity. For example, since both Germany and the PRC are members of the Paris Convention, German enterprises and individuals are entitled to apply for registration of their patents with the PRC State Intellectual Property Office ("SIPO");
- First-to-file rule: If two or more applicants file patent applications for an identical invention, the patent will be granted to the applicant who submitted the application first;
- In order to be eligible for patent protection, an invention or a utility model must possess the characteristics of novelty, inventiveness and industrial applicability. In order to be eligible for patent protection, an industrial design must, in addition to the above characteristics, not conflict with any other person's previously acquired legitimate rights;
- An application for an invention patent is subject to substantial examination. The SIPO will check whether the invention meets the patentability criteria, and in particular whether it has the properties of novelty, inventiveness and industrial applicability. Due to this detailed examination, registration of an invention patent can be time consuming and expensive. An application for a utility model patent or an industrial design patent is only subject to a preliminary examination. The SIPO will merely check whether the filing documents comply with the formal requirements stipulated in the PRC Patent Law. Therefore, registration of a utility model patent or an industrial design patent will typically be completed within 1 year from the date of application;
- The term of protection of an invention patent in the PRC is 20 years and that of a utility model patent or an industrial design patent is 10 years. This term is calculated from the date of application and non-extendable;
- After the granting of a patent, the patentee is entitled to prohibit others from exploiting its patent.

## 7. Protection of non-patented development results in the PRC

Unlike a patent, know-how is not subject to any registration in the PRC. It is usually protected by entering into a non-disclosure agreement. However, if the know-how meets the following conditions, it can be protected as a trade secret under the PRC Anti-Unfair Competition Law:

- it is not known to the public;
- it has commercial value; and
- the owner of the know-how has taken measures to maintain its secrecy.

The following unfair competition activities are prohibited under the PRC Anti-Unfair Competition Law:

- obtaining a trade secret by theft, bribery, fraud, intimidation or other improper means;
- disclosing, using or allowing a third party to use a trade secret obtained by the means mentioned in the preceding item; and
- disclosing, using or allowing a third party to use a trade secret in breach of an agreement or the requirements of the owner of the trade secret on keeping such trade secret confidential.

Where a third party knows or should know that any of the above mentioned acts have been done with respect to a trade secret but still obtains, discloses, uses or allows any other to use such trade secret, such practice shall be deemed as infringement upon the trade secret.

## 8. Protection of licenses in the PRC

Licensing is a popular instrument for the exploitation of R&D development results. There are three types of licenses under PRC law, i.e. exclusive, sole and general license. Exclusive license means that only the licensee can exploit the licensed technology and also the licensor can neither exploit it by itself nor authorize any third party to exploit the licensed technology. Sole license means that both the licensor and the licensee can exploit the licensed technology, but the licensor cannot authorize any third party to exploit the licensed technology. General license means that, despite of the licensing, the licensor can exploit it by itself or authorize other third parties to exploit the licensed technology. PRC law grants a large amount of autonomy to the key terms of a licensing agreement such as territory, duration and type of the license, scope of the licensed technology, royalties, warranty claims, limitation of liability etc.

However, the following restrictive clauses in a license agreement are invalid under PRC law:

- requiring the licensee to accept additional conditions which are unnecessary for the license, including purchasing unnecessary technology, raw materials, products, equipment or services;
- requiring the licensee to pay royalties or to assume relevant obligations for expired or revoked patents;
- restricting the licensee to improve the technology provided by the licensor or to use such improvements;
- restricting the licensee on acquiring similar or competitive technology from other sources;
- unduly restricting the licensee from purchasing raw materials, parts and components, products or equipment from other channels or sources;
- unduly restricting the quantity, variety or sales price of the products that the licensee produces; or
- unduly restricting the licensee from utilizing the channel for exporting products manufactured using the imported technology.

## 9. Tax aspects

### Scenario I – both the foreign party and the Chinese party jointly do the R&D work

Both the foreign party and the Chinese party share the R&D costs according to their own contribution to the R&D work. In such case, a cost sharing agreement shall be concluded between the parties. The shared costs shall match each party's income derived from the R&D

result and the cost sharing agreement should be recorded with the PRC tax authorities.

### Scenario II – the foreign party commissions the Chinese party to do the R&D work

If the R&D result is owned by the Chinese party, the compensations charged from the Chinese party to the foreign party shall be treated as royalties. If the R&D result is owned by the foreign party, the compensations charged from the Chinese party to the foreign party shall be treated as R&D service fees. Both royalty incomes and service incomes are subject to PRC VAT and various surcharges linked to VAT at around 6.8%. Under PRC tax law, the above VAT and surcharges can be exempted if the R&D Agreement has been registered with the competent PRC Science and Technology Authority as a technology development agreement or a technology transfer agreement. These incomes should also be treated as the Chinese party's taxable incomes for PRC Corporate Income Tax ("CIT") purpose.

### Scenario III – the Chinese party commissions the foreign party to do the R&D work

If the R&D result is owned by the Chinese party, the compensations charged from the foreign party to the Chinese party shall be treated as R&D service fees. If the R&D result is owned by the foreign party, the compensations charged from the Chinese party to the foreign party shall be treated as royalties.

## 10. Dispute settlement

Civil legal disputes which are not resolved through negotiations and amicable settlement between the parties can generally be finally resolved by either litigation or arbitration. Litigation refers to legal procedures brought to the ordinary courts of a country while arbitration provides for private arbitration tribunals.

Under a R&D Agreement, the parties may either choose a court or an arbitration institution to resolve a dispute. In Foreign-related R&D Agreements, the parties are allowed to choose a foreign court or a foreign arbitration tribunal. However, due to a lack of international treaties and reciprocity, judgments of many foreign, e.g. German, courts are not enforceable in the PRC. PRC People's Courts further sometimes still tend to protect the local party compared to a foreign party. Therefore, in many cases, arbitration is preferable compared to litigation. Foreign arbitral awards are generally enforceable in the PRC on the basis of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In R&D Agreements without a relevant foreign element, it is not possible to agree on a foreign court or a foreign arbitration institution under PRC law. In such case, arbitration before a Chinese arbitration institution such as CIETAC, SHIAC or Beijing Arbitration Commission is often a good alternative.

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# Third More than a Market Awards Honor Corporate Social Engagement Projects



On 31<sup>st</sup> May 2018, for the third time, the German Chamber of Commerce in China and Bertelsmann Stiftung, supported by the German Consulate General Shanghai, awarded the More than a Market Award to five German projects to honor their outstanding social engagement in Chinese society.

Due to Asia's, and especially China's, rise and increasing importance for today's multinational businesses, German companies are facing new challenges: On the one hand they need to demonstrate more global presence than ever, on the other hand they should adjust to the local market conditions and completely different cultures. Thus, the slogan "think global, act local" is relevant in this situation. In this context, it is decisive for the competitiveness of German companies, the Sino-German relationship, as well as for a healthy social development in both countries, to fill this concept with life in a successful and responsible way when doing business in China.

Against this background, the German Chamber of Commerce | Shanghai together with the Bertelsmann Stiftung and supported by the German

Consulate in Shanghai launched the "More than a Market" initiative in March 2015 with the purpose to catalyze, bundle, and support social engagement of German companies in China.

To share learnings from this process and to make the achievements perceptible, the partners of the initiative intend to honor outstanding projects at an annual Award Ceremony in Shanghai.

Considering this, German companies with operations in Mainland China were able to submit applications for this year's More than a Market Awards between October 2017 and February 2018.

This year, a full 100 applications highlighting inspirational CSR projects of German companies from all over China were received. The projects are covering a wide range of thematic areas, such as environment sustainability, healthcare and safety, internal CSR, poverty alleviation, sports, school and vocational education, supply chain sustainability, and social inclusion.



## A Glance at the Winning Projects

This year, the 100 submitted projects were judged by an independent Chinese-German jury, based on criteria such as partner relationship, corporate competences, transferability, and sustainable impact. In addition to the small, medium, and large size enterprise categories, the special categories of "Outstanding Supply Chain Management" and "Social Inclusion" were honored this year.

Among the 31 short-listed finalists, the following five projects were honored for their exceptional cases of social engagement by German companies in China at the More than a Market Awards 2018:

In the category "Small Enterprises (1-500 employees in China)", Ningbo Silk Trend Garments was chosen for its "PMX Summer Kindergarten" project, where children of migrant workers are reunited during the summer months with their parents, while enjoying trainings and activities such as excursions, arts and sports provided by the company.

In the category "Medium Enterprises (500-5,000 employees)", Festo China received the award for their exemplary engagement in training and equipping Chinese participants for taking part in the world's largest international vocational skills contest, the "WorldSkill" competition.

In the category "Large Enterprises (more than 5,000 employees)", BASF (China) received the award for their "BASF Kids Lab" project, which sparks young, inquisitive minds about natural sciences, especially chemistry, and helps children gain a practical understanding of science.

In the category for "Outstanding Supply Chain Management", METRO Jinjiang Cash & Carry was selected with their 'Star Farm' project – a food safety consulting project, which supports farmers in developing and implementing more sustainable farming techniques and a greater control of food safety and quality.

Acknowledging the overwhelming number of German companies engaged in social inclusion, the category "Social Inclusion" was additionally introduced. Changsha Bach's Bakery was awarded this prize for its "Bach's Bakery Program", by employing, training and giving people with hearing impairments the opportunity to learn baking skills and gain financial independence by being fully integrated into a normal work environment.

For more detailed information on all the submitted projects, please download the More than a Market publication (in English and Chinese):  
<http://www.morethanamarket.cn/>



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## Award Category Shortlists

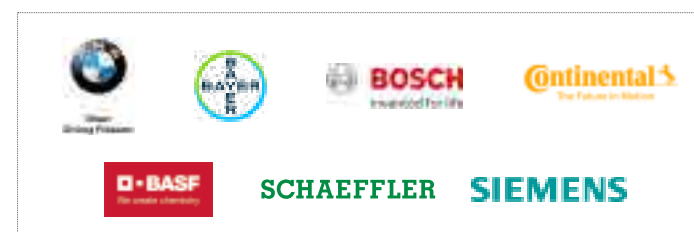
### Category 1: Small Enterprises



### Category 2: Medium Enterprises



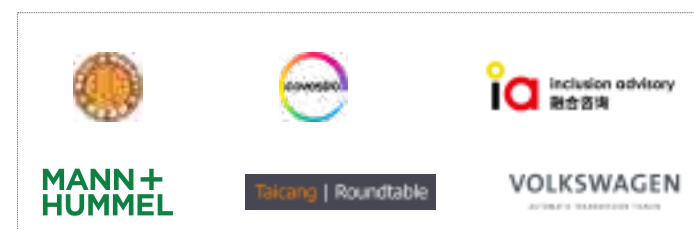
### Category 3: Large Enterprises



### Category 4: Outstanding Supply Chain Management



### Category 5: Social Inclusion



## Award Category Longlists







Small Enterprises Winner. First Prize Ningbo Silk Trend Garments



Medium Enterprises Winner. First Prize Festo China



Large Enterprises Winner. First Prize BASF China



Outstanding Supply Chain Management Winner. First Prize METRO Jinjiang Cash & Carry



Social Inclusion Winner. First Prize Changsha Bach's Bakery





## Encouraging Keynote Speeches

Just like in previous years, Ms. Liz Mohn, Vice-Chair of the Executive Board of Bertelsmann Stiftung, an important German private business foundation with the purpose to serve the common good, welcomed participants with an introduction speech. In her role as a leading female entrepreneur and dedicated philanthropist, Ms. Mohn emphasized that China is much more than a market to German companies – it is a home, a place for personal growth and most importantly a place that German companies want to positively impact. Therefore, the More Than a Market initiative is one such avenue for affecting positive change in the business world and beyond through an array of meaningful projects.

*"The More than a Market initiative exemplifies how successful German-Chinese cooperation can do its part to bring the world closer together. Only together we can work towards a better future based on shared values." - Liz Mohn*

The event was honored to welcome Ms. Rosaline May Lee, Dean of Entrepreneurship and Management at Shanghai Tech University as keynote-speaker at the Awards Gala. Ms. Rosaline May Lee held an inspiring speech about the role of companies as important institutions to give back to their surrounding environment and contributing with relevant projects and initiatives. She was impressed by the vast amount of submitted projects and the meaningful purposes they stand for.

## Saying Farewell to Mr. Rolf Koehler

At the end of the event, it was with a heavy heart that Ms. Bettina Schön-Behanzin and all who have been involved with More than a Market had to say goodbye to one of its co-initiators, backbone, and driving forces. To honor his exceptional engagement and personal dedication to More than a Market, Mr. Rolf Koehler was presented with the "Award of Honor". Among other things, Mr. Rolf Koehler served in previous years as the Chairman of the Steering Committee of the initiative and workshop leader. Mr. Rolf Koehler inspired many people with his wholehearted and outstanding personal commitment to the initiative. In his farewell speech, Mr. Koehler extended a warm thank you for being part of the More than a Market initiative. He mentioned the humble beginnings of the initiative, and how it has grown to have such an impact on Chinese society. He also emphasized that all participating projects are winners to him.

## The More than a Market Forum

The aim of the More than a Market initiative is to strengthen the good standing of the German industry in China by creating stronger relationships and partnerships between German and Chinese organizations. In this context, the More than a Market Awards aim to showcase the good practices of social engagement of German companies in China. In contrast, the More than a Market Forum provides a platform for sharing and developing best practices and peer-learning of social engagement by German companies in China. This year's Forum was co-hosted by Ms. Simone Pohl, and Mr. Bernhard Bartsch, Senior Expert for the Germany and Asia program at Bertelsmann Stiftung, who presented the new More than a Market publication. In her opening speech, Ms. Liz Mohn, praised the successful development of the initiative, to reaching 100 submitted projects this year from companies which account for some 500,000 jobs in China.

*"We have to communicate values, take responsibility and build trust in order to create a peaceful and just world engaged in dialogue, a world with more social and economic stability." - Liz Mohn*

Dr. Fang Jin, Senior Research Fellow at the Development Research Center of the State Council and Deputy Secretary General of China Development Research Foundation, honored the guests with a keynote speech at this year's forum opening. In his keynote he stressed that the More than a Market initiative is a good opportunity to learn from one another, but it also serves as a catalyst and motivator to create new CSR projects. Therefore, the event is not only about giving out trophies but also to further catalyze and promote social engagement of German companies operating in China. Moreover, a Social Marketplace gave room to get to know seven NGOs and to meet potential cooperation partners for future CSR projects. During the More than a Market Forum, participants experienced a day filled with seven workshop sessions and two panel discussions on ways how to further expand social responsibility in China. The following workshops and panel discussions of the Forum gave room for idea sharing, project development and topical discussion on CSR:



## DISABILITY AWARENESS

During the workshop Ms. Marina Kalnitski from the Inclusion Factory in Taicang and Ms. Wang Rui from the United Nations Development Programme demonstrated approaches to change attitudes and practices towards the greater inclusion of people with disabilities in employment. Discussed approaches were derived from the Disability Equality Training (DET), which was developed in Ireland in the early 1990s, and is now used by many UN agencies, MNCs, INGOs and others throughout the world. The participants were exposed to social dilemmas, concepts for promoting an equal society and methods for developing their operation into an inclusive environment for people with disabilities.



## GERMAN-CHINESE INITIATIVE FOR SUSTAINABLE VALUE CHAINS

The workshop was hosted by Jana Heinze and Nadine Hoenighaus from econsense and supported by Karsten Hendricks from the Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), as well as Zoye Chen, Wednesday Cui, and Hubertus Drinkuth from Systain Consulting GmbH. As German companies all over the world are striving to implement business practices that are both successful and sustainable, DEG actively focuses on creating prospects on the ground and facilitating sustainable development. During the interactive top-level workshop, the new German-Chinese Initiative for Sustainable Value Chains was introduced, and participants were provided with hands-on insights on the sustainability platform with continuous training for suppliers.



## HOW TO TELL GOOD NEWS AND ATTRACT ATTENTION FOR YOUR CSR PROJECT

Dr. Evelyn Engesser from Unicept and Dr. Stefan Justl from Storymaker provided research results, best practice examples and practical exercises to workshop participants to create communication that attracts public interest in CSR projects. As it gets increasingly difficult in today's business environment to attract target audiences with CSR activities, the workshop was focusing on present trends in media coverage, communication strategies, and approaches that spark target groups' interest.



## SAP IDEA LAB: FROM IDEAS TO IMPLEMENTATION

For the first-time, the More than a Market Forum also had a Chinese language workshop to offer. The SAP Idea Lab was hosted by Anniwa Abulizi, Senior Product Localization Expert and Design Thinking Coach at SAP, and facilitated the development of new CSR projects by using design thinking methods. The SAP Idea Lab has been a key component of More than a Market to catalyze further social engagement of German companies in China. It provides support to companies and organizations who have strong intention to join forces for greater impact in Chinese society and develop a collaborative project. During the interactive workshop, participants were working together to sketch and develop collaborative project ideas. In this context, participants had to apply different methodologies to generate ideas, develop concepts and/or prototype a project on the topic of their interest.



## MOTIVATE YOUR VOLUNTEERS: SOCIAL ENGAGEMENT WITHIN COMPANIES

The workshop was hosted by Dr. Sigrid Winkler from the German Chamber of Commerce | Shanghai and welcomed James Huang from Polymax Group, Lin Song from Fiducia, and Wu Qian from Freudenberg to share their experience with social engagement within companies. Volunteering





in companies is an instrument to involve a big number of employees in CSR activities. The workshop was concerned with different models for volunteering programs (e.g. summer camps, volunteering platforms etc.) as best practice examples, and discussed the HR related effects on organizations, such as increased job satisfaction and better retention of employees.

The workshops were accompanied by two high-level panel discussions, which featured input from Chinese and German leaders and reflected on trends at the interface of business and society.

## COOPERATION WITH NGOs: HOW TO MAKE IT WORK

Tim Wenniges from the Konrad-Adenauer-Stiftung Shanghai moderated a compelling panel discussion between Julia Guesten (Pfrang Association), William Lu (ForNGO), Stefan Ahrens (Kick-Off Football Project), Celina Chew (Bayer), and Dr. Fang Jin (China Development Research Foundation). The push for more responsible business practices has fueled a considerable upswing of businesses working in cooperation with NGOs. Companies desiring to be more responsible do not necessarily have the knowledge, training, or dedication to carry out development programs. NGOs, on the other hand, have become instrumental for CSR projects globally, but often they do not have the means and resources to carry out their projects efficiently in a sustainable manner.

For this reason, more and more companies globally seek out NGOs as partners to help them implement solutions and develop relevant CSR projects. However, it seems that especially in China international companies are facing greater challenges to cooperate successfully with NGO, particularly regarding financial related issues and governmental regulations.

In this context, the representatives of different NGOs and social initiatives discussed the general trend of increasing interaction between corporations and NGOs and outlined some of the benefits of the partnerships to both parties, the practical difficulties they present, and the elements necessary to establishing a healthy collaboration between both actors. Attendees had the chance to learn from their examples and meet potential cooperation partners for future projects.

## GOOD CORPORATE CITIZENS: WHAT CHINA EXPECTS FROM INTERNATIONAL ENTERPRISES

The panel discussion moderated by Bernhard Bartsch from the Bertelsmann Stiftung welcomed the speakers Oliver Yang (Shanghai Soong Ching Ling Foundation), Prof. Cao Xuanwei (International Business School), Rosaline May Lee (ShanghaiTech University), and Richard Zhang (Kern-Liebers).

International businesses have been pioneers in modernizing China's economy. But their role for Chinese society goes far beyond introducing new technology, creating jobs, and paying taxes. In this context, the panel discussed how good corporate citizenship benefits both China's development and corporate business success. Debated questions concerned Chinese customer expectations of Chinese companies compared to those of international companies. In that respect, the moderator found that Chinese customers tend to place greater trust in international companies. Consequently, this companies also face the pressure to meet those high expectations and run an increased risk of a downfall.



Overall the event was well attended and met with acknowledgment and appreciation from all parties, with more than 200 people participating in the Forum and more than 300 people attending the More than a Market Awards. The workshops over the course of a day highlighted several issues related to CSR projects in China, and inspired participants to find ways to overcome discussed challenges. The panel discussions provided an opportunity to gain a better understanding of partnerships with NGOs and the Chinese customer perspective for further social engagement of German companies in China.

In late autumn 2018, German companies with operations in Mainland China will be again able to submit applications for next year's More than a Market Awards on 30<sup>th</sup> May 2019. We are looking forward to receiving again inspiring and meaningful projects which can provide ideas, best practices, and CSR strategies for next year's event.

We hope that the Forum has fostered new networks of the More than a Market initiative. May the ideas developed during the workshops and panel discussions inspire new projects that carry the spirit of our initiative even further.



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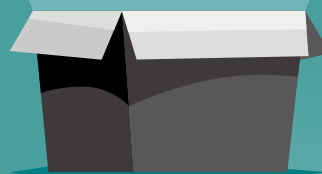


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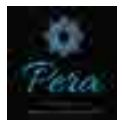
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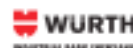
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### VEGA Offsets 54 Tons of CO<sub>2</sub> Emissions

Environmental protection is a matter of awareness and responsibility: In 2016, VEGA supported several GoGreen climate protection projects worldwide, and thus offsetting over 54 tons of CO<sub>2</sub> emissions. 23 percent of the global and energy-related greenhouse gas emissions are produced in the transportation industry. Thus the "Deutsche Post" (German Postal Service) offers its customers the opportunity to reduce the negative environmental impacts of their business activities with its GoGreen environmental protection program. Realized through the purchase of CO<sub>2</sub> credits for its carbon neutral products and services, VEGA successfully participated in that GoGreen project and further sponsored several other environmental protection projects around the globe last year, for example a biogas program in Sichuan, China, which supports local farmers in constructing biogas plants for renewable energy production.

### Kempinski Hotel Beijing Lufthansa Center Pleased to Present New Gourmet Restaurant, Signature's in Spring 2018.



As a contemporary all-day dining restaurant with an open kitchen concept, Signature's will serve European food with authentic international highlights. In celebration of its new launch, the restaurant will offer a ten-course Tasting Menu featuring signature highlights from its dinner à la carte menu.

### Neugart Receives Festo Supplier Elite Award for the Fifth Time in a Row

To date, only a handful of suppliers – now including Neugart – have received Festo's award at least five times. Festo identified a zero failure rate for Neugart products. "We are delighted by Festo's great recognition of our work," said Bernd Neugart, Managing Partner of Neugart GmbH. Neugart has already been active in China for 14 years. In order to keep in stride with Festo's focused efforts, Neugart just recently opened a new factory in Shenyang, China.

### 23<sup>rd</sup> International Passive House Conference 2019 to be Held in China

The 23<sup>rd</sup> International Passive House Conference 2019 will be held from 21<sup>st</sup>–23<sup>rd</sup> of September in China's International Windoor City. Experts in the fields of energy efficient construction and retrofitting will convene in the city of Gaobeidian, Hebei. This will be the first time that the Passive House Conference will be held in China.



## Häfele's Dealers Meeting North China Successfully Held



With more than a dozen domestic distributors, Häfele held the annual dealers meeting of the North China region in Beijing on 6<sup>th</sup> March. Amongst other topics, the meeting was entitled "Cooperate to win a better future", with a summarized review of the past year and the outlook for the 2018.

To meet the future development challenges, Häfele China will create a more reliable, timely and accurate logistics system, with more investments in Shanghai. They will also focus on further strengthening its cooperation with real estate companies. In the past year, all Häfele's partners have been truly supportive. Partners who performed particularly well were awarded with the "Outstanding Contribution Award".

## Reinvention: The Future Beckons



On 16<sup>th</sup> and 17<sup>th</sup> March, YCIS Beijing staff members joined more than 1,800 educators from the Yew Chung Education Foundation schools global network. Conferences with a focus on future education were held in six cities around China, marking the 85<sup>th</sup> anniversary of the school.

## Ruth Schimanowski Appointed New Managing Director of the German Centre Beijing

In January 2018, Ruth Schimanowski (44) took over management of the German Centre Beijing, a member of LBBW group. Ms. Schimanowski is a physics graduate from Freie Universität Berlin and has been working in China for 20 years. Her longstanding work experience has given her a comprehensive understanding of economic, legal and cul-

tural conditions in China. She is fluent in Mandarin Chinese and well established in the German-Chinese business community. In addition to the German Centre Beijing, LBBW also operates German Centres in Singapore, Mexico City and Moscow providing offices, advice and networks.



## BADER China Achieves Honor of Being One of the Excellent Foreign Investment Enterprise in Dalian

The Dalian Government rewarded BADER China, not only because of its contribution to local economic development, but also because of its social engagement.

## Upgrade of the Mubea Factory in Shenyang

Mubea Shenyang has completed the certificate conversion from TS16949 into IATF16949, means the production now meets all quality management system requirements in the automobile industry, whether under TS or new IATF system.

## Regent Beijing Management Change

Mr. Uli S. Altrichter, previous Director of Sales & Marketing of Regent Beijing and Park Plaza Beijing Wangfujing, was promoted to Resident Manager. In this newly created role he will oversee the operational side of the hotel with focus on quality and guest service. This role is essential as Regent Beijing continues to upgrade its facilities. While the meeting facilities and restaurants will be finished before the 2018 summer season, the refurbishment of all guest rooms and suites is scheduled to begin next year. His suc-



cessor is Mr. Cooper Hu who is, from now on, in charge of the Sales & Marketing Departments. He joined the hotel with a wealth of experience in upper upscale and luxury hotels in the Beijing market.

## Bayer and Tsinghua University Extend Innovative Drug Discovery Alliance



On 6<sup>th</sup> March, Bayer and Tsinghua University renewed their strategic partnership to extend their innovative drug discovery alliance for another three years, with a focus on aspects of disease biology, structural biology and medicinal chemistry research. The strategic research alliance between Bayer and Tsinghua University started from 2009 with renewals respectively in 2012 and 2015. Over the past nine years, the strategic alliance successfully initiated more than 60 joint research projects with fruitful scientific outcomes, including a patent and a fragment library established at Tsinghua University. Bayer also rewards outstanding scientists with the Endowed Chair and the Investigator Award in recognition of their outstanding contributions to life science and drug discovery. In addition, the scientific exchange activities between Bayer and Tsinghua University will be further enhanced through workshops, the Bayer Lecture Day and the exchange of scientists activities.

## AICHELIN Attends 18<sup>th</sup> West International Heat Treatment & Industrial Furnace Exhibition

As leading companies in the field of heat treatment technology, AICHELIN China and AFC-Holcroft, Asia Pacific, together joined 'The 18<sup>th</sup> West International Heat Treatment & Industrial Furnace Exhibition' from 28<sup>th</sup> – 30<sup>th</sup> of March 2018 in Chongqing.



### Volkswagen Automatic Transmission Tianjin Receives Top 10 Transmissions Awards



Volkswagen Automatic Transmission (Tianjin) Co., Ltd. (VWATJ) received the Top 10 Transmissions Awards for its dual-clutch automatic transmissions DQ380 and DQ500 at the "Lopal Cup" World's Top 10 Transmissions Awarding Ceremony in Beijing. This award is the first professional award in the transmission field in China. The judge panel consisted of international experts in the automotive industry and top scholars from Chinese universities. The two award-winning dual-clutch automatic transmissions of VWATJ-DQ380 and DQ500-excel in significance to the transmission market development, advanced technology, and competitiveness in the market. They are equipped in locally produced car models such as FAW-VW Magotan and Audi RS3.

Volkswagen Automatic Transmission Tianjin is dedicated to produce highly advanced automatic transmissions for Volkswagen car manufacturers in China, as well as to lead the development of powertrain market with innovative technology in new energy vehicle products.

### Sino-Europe Forum for Chinese Companies Growing Internationally



On 5<sup>th</sup> and 7<sup>th</sup> March, the event "Sino-Europe Forum for Chinese Companies Growing Internationally" was held in Shenzhen and Beijing. This forum was jointly organized by T-Systems China with NRW. INVEST and ASG Technologies.

Nearly 300 attendees including leaders in politics and business areas like automotive, manufacturing, travel, transport and

logistics, as well as academics from China got together, to discuss present topics for Chinese companies "growing internationally" to support Chinese government strategies such as "Belt and Road Initiative". IT experts and elites from different multinational companies shared their internationalization experiences and challenges with regards to connectivity requirements between Europe and China, IT Infrastructure (Cloud), GDPR, IT Security, and culture differences.

### Marbach Die-Cutting Technology Expands: Joint Venture with Masterwork in China



The cutting-die specialist Marbach will strengthen its activities in Asia. In December 2017, the contract for a joint venture with Masterwork Machinery Co. Ltd., the high technology manufacturer of print finishing equipment, was signed in Tianjin founding Marbach Masterwork (Tianjin) Die Cutting Tools Co. Ltd. For this purpose, Peter Marbach (Owner) and Bernd Klenk (Managing Director) met a large Masterwork delegation with their Chairman Ms. Li in China. The company will focus on the production of cutting-dies for the Chinese packaging market. Operation in Tianjin is planned to start early summer 2018 and will include sales and production. The focus will be on flat cutting-dies for the tobacco and folding carton packaging industry.

### New Board Members for the German Speaking Protestant Congregation Beijing

The German Speaking Protestant Congregation Beijing recently appointed three new members to its board: Gunter Buettner as vice-chairman, Magnus Sprenger as treasurer and Detlef Steinke as general board member.

With these new appointments, the board is now eight members strong. The German Speaking Protestant Congregation Beijing is celebrating its 25<sup>th</sup> anniversary in 2018 and celebrated its 100<sup>th</sup> anniversary in 2016- after being discontinued during the cultural revolution. The parish recently

hosted Prof. Margot Kaessmann for a visit as well as a brass orchestra from Dittersbach.

### Knowledge Sharing with Darmstadt University



In continuation of periodical expertise exchanges, DBEST Facility Technology Management Ltd. again welcomed a delegation of the Darmstadt University of Applied Sciences from Germany. The gathering took place at the Siemens Center Shanghai. Commenced by an opening presentation of Siemens Real Estate, Lukas Funk, CEO of DBEST shared insights of how German-based enterprises are better meeting client's needs in the Chinese market.

As a practical showcase of comprehensive service management, the "Siemens Clean Indoor Air" program was cited. Implemented by DBEST over the last year, the campaign keeps the indoor air of over 100 Siemens locations around China at a healthy level. On the sidelines, stories of working and living experience in China were shared. The exchange was rounded up by topics like digitalization and a discussion about how companies can adapt to China's development paces.

### MCON Shanghai Predictive Business Intelligence for Jepsen Motors

Using advanced data analytics, Jepsen Motors and MCON Shanghai have partnered to deploy a targeted marketing model for a new Porsche launch campaign.

The aim of the analysis was to rank customers by predicting their Total Ownership Cost: a combination of vehicle service costs and depreciation. Customers with high ownership costs are prime candidates for repurchase offers. The service predic-





tion model uses MCON Predictive BI algorithms and is powered by the cardess® data lake. This data resource consists of over five million records covering 76,000 vehicle models and has been built up over the past years. This merging of data and predictive know-how gives Jebsen Motors and MCON a unique competitive advantage.

"Digital disruption is a burning topic and leveraging our data effectively is one of our priorities" says Benedict von Canal, Marketing & Business Management Director, Jebsen & Co Motors BU.

### **IQAir wins 'Product of the Year' and Expands Services and Operations within China**



The Swiss-based air quality solutions company IQAir was recently awarded numerous industry awards in recognition of its new personal air purifier product, Atem, since its launch in 2017. These include 'Product of the Year 2017' by IT168, China's leading professional IT media, and 'The Best Office Supplies' 2018 Digital Award from GQ, top Men's Fashion magazine.

### **Bid Winning for Taiyuan Messe Competition**

OBERMEYER China was invited to participate in Shanxi Taiyuan International Convention & Exhibition Center Concept Design bidding competition. With the efforts of Beijing team and Munich team, the concept of OBERMEYER won the unanimous endorsement of the jury experts. The project will be built in two phases, with total GFA of 220,000m<sup>2</sup> and an un-



derground parking space no smaller than 60,000m<sup>2</sup>.

### **Vice Prime Minister of Rhineland-Palatinate Visits China with Business Delegation**



In April 2018, the Vice Prime Minister of the German State of Rhineland-Palatinate Dr. Volker Wissing visited the cities of Xi'an, Fuzhou, and Xiamen. He was accompanied by members of the Legislative Assembly and by German entrepreneurs from various industries such as: environmental technology, engineering, steel, construction, optics and healthcare. The delegation trip was organized by the Official Business Representation of Rhineland-Palatinate in China and the company Far Eastern Consulting. In cooperation with Chinese partner institutions from the provincial governments of Shaanxi and Fujian, the economic region of Rhineland-Palatinate was introduced to potential Chinese investors during two promotional events, which were each attended by more than 120 guests. Furthermore, matchmaking events and in-house business meetings were arranged for the German company representatives. Thus, many new cooperation projects between local Chinese companies and Rhineland-Palatinate's enterprises were discussed and initiated.

### **Site Remediation for 2022 Olympic Winter Games**



Züblin, a leading company on site remediation in Germany, started a full-scale soil treatment works at Beijing Shougang Coking Plant this spring, after a successful pilot test during this past winter. This proj-

ect is very challenging because of heavy contamination after 100 years of steel production and very limited time before the 2022 Olympic event. Züblin Umwelttechnik GmbH is using ISTH method with its own innovative plant for this tough job. Shougang site will be used as the office of 2022 Beijing Olympic Organizing Committee, stadiums for the games and industry parks.

### **New Managing Director of Melchers Beijing**



Mr. Mike Hofmann has been appointed as new Managing Director of Melchers Beijing Limited. As of 1<sup>st</sup> May 2018, he has taken over all responsibility from his predecessor Christian Bargmann, who will take over other responsibilities in the Melchers Group in Shanghai.

Mr. Hofmann's background entails working in the areas of business development, strategy, and sales & marketing in various management roles in foreign companies in China in the past eleven years. Mr. Hofmann previously worked for the AHK Greater China and lastly held the position of General Manager of AHK's management consulting and service company German Industry and Commerce Greater China Beijing. He holds an Executive MBA from the Robert H. Smith School of Business of the University of Maryland. Melchers sincerely welcomes Mr. Hofmann to our management team and is wishing him all the best.



# New Members North China

## Mr. Jean Michel Kok

Beijing Branch General Manager & Hospitality Business Lead  
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## Mr. Steven Zhang

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## Mr. Guersel Goeren

Plant Manager  
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✉ gursel.goreen@schulergroup.com

9<sup>th</sup>

January 2018

Event: Intern's Regulars' Table  
Venue: Bodensee Kitchen

15<sup>th</sup>

January 2018

Event: Kammerstammtisch  
Venue: Hacker Pschorr Brauhaus

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16<sup>th</sup>

January 2018

Event: Young Professional Seminar

Topic: Creating, Growing and Selling a Business in China

Venue: naked Hub@Sanlitun

Speaker: Mr. Cyril Drouin | Chief eCommerce Officer for Greater China at Publicis Communications and Founder and CEO of BysoftChina



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**18<sup>th</sup>**
**January 2018**

**Event:** Special Event  
**Topic:** E-Commerce from a Legal Perspective  
**Venue:** German Chamber of Commerce North China-Beijing Office  
**Speakers:** Mr. Daniel Albrecht | German Attorney-at-law and Managing Counsel of Starke  
 Mr. Robbert Gorris | Business Development Manager at Sovereign China


**18<sup>th</sup>**
**January 2018**

**Event:** Seminar  
**Topic:** EHS Regulatory Watch  
**Venue:** The Ritz-Carlton Tianjin  
**Speaker:** Mr. Tony Xiao | Senior Consultant Manager, EHS North at Bureau Veritas

On Thursday, 18<sup>th</sup> January, the German Chamber of Commerce in Tianjin hosted an informative and interactive seminar on the topic of "EHS Regulatory Watch" at the Ritz-Carlton Tianjin. With the strengthening of China's EHS (Environmental, Health, Safety) legislation and law enforcement, it is an ongoing problem for manufacturing enterprises in China to ensure the compliance performance and hence, it needs to be sought for solutions. The event started with a coffee reception where more than 15 participants could enjoy a little refreshment after their arrival. During the seminar, Mr. Tony Xiao, the senior EHS consultant from Bureau Veritas China, shared his insights on aspects such as China EHS regulatory framework and EHS compliance/regulatory assessment service. He answered the question, why it's necessary for a company to establish an EHS regulatory inventory and he provided guidance on how to do that. After the 90 minute presentation, the seminar was followed by case sharing and an interactive Q & A session with the speaker.


**24<sup>th</sup>**
**January 2018**

**Event:** Government Dialogue with Shenyang Municipal Bureau of Foreign Expert Affairs  
**Topic:** New Regulations on Work Permits for Foreigners in China  
**Venue:** Kempinski Hotel Shenyang

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**Speakers:** Mr. Heng Xiao | Section Chief, Shenyang Administration of Foreign Expert Affairs  
 Mr. Qiang Sheng | Shenyang Municipal Bureau of Human Resources and Social Security





24<sup>th</sup>

January 2018

Event: Social Event

Topic: Green Kale Dinner

Venue: Paulaner Bräuhaus, Kempinski Hotel Beijing Lufthansa Center

GC DEALS

30<sup>th</sup>

January 2018

Event: Seminar in Changchun

Topic: Managing China Customs and International Trade in 2018

Venue: Die Backstube German Kitchen

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Speakers:

Mr. Jeffrey Cai | Senior Manager, PwC's Worldtrade Management Services (WMS) Beijing

Mr. Ryan Wu | Senior Manager, PwC's Worldtrade Management Services (WMS) Beijing

Mr. Georgy Ge | Manager, PwC's Worldtrade Management Services (WMS) Beijing

31<sup>st</sup>

January 2018

Event: Kammerstammtisch Tianjin

Venue: Bavaria Beer Keller (Italian Town)

GC DEALS

31<sup>st</sup>

January 2018

Event: Kammerstammtisch Shenyang

Venue: Würstelbud'n Restaurant &amp; Bar

GC DEALS

28<sup>th</sup>

February 2018

Event: Kammerstammtisch Shenyang

Venue: Amore Pizza Restaurant

28<sup>th</sup>

February 2018

Event: Kammerstammtisch Tianjin

Venue: Bavaria Beer Keller (Italian Town)

GC DEALS

6<sup>th</sup>

February 2018

Event: Special Event

Topic: Exclusive Company Tour to BMW Brilliance Automotive New Plant Dadong

Venue: BMW Brilliance Automotive New Plant Dadong (Extension)

Speaker: Mr. Jinguo Cao | Head of Assembly, BMW Brilliance Automotive Ltd.

On 6<sup>th</sup> February 2018, the German Chamber of Commerce in Shenyang organized an exclusive plant tour at BMW Brilliance Automotive New Plant in Dadong District. The Dadong plant in the northeast of the city already started production in 2004 and produces today the new BMW 5 Series. The recently opened new plant (extension) utilizes highly-advanced equipment and innovatively applies big data, digital simulation as well as Internet of Things (IoT) technologies.

As the plant itself is not open for public tours, this exclusive plant tour gave the participants a rare opportunity to get "behind the scenes access" into the latest production technologies and the highly digitalized production processes of BMW Brilliance Automotive in Shenyang. In addition, the tour allowed participants to have a first-hand look at the vehicles being put together and to discuss the future of the Chinese car industry with experts from BMW Brilliance Automotive.





**26<sup>th</sup>**
**February 2018**

**Event:** Member Training  
**Topic:** Leading in Diversity  
**Venue:** Fehrer Automotive Shenyang  
**Speaker:** Ms. Christine Xue | Management Trainer, Shanghai CE.TOP Management Consulting



On 26<sup>th</sup> February 2018, the German Chamber of Commerce in Shenyang organized another Member Training, which this time was particularly designed to support an exchange between the department heads of two local member companies: Fehrer Automotive and OTTO Fuchs Technology Shenyang. This occasion took place at the facilities of Fehrer Automotive in Shenyang and focused on the development of leadership skills. The participants learned how to establish authority, how to motivate employees, how to handle attitude problems and "rule-breakers", how to give constructive feedback, and how to solve conflicts. The training was attended mainly by department managers, production leaders and staff with management responsibilities from member companies in Shenyang, Dalian and Changchun. Ms. Christine Xue, the experienced management trainer from Shanghai, provided the attendees with valuable insights into proven management techniques and shared her work experience in this highly interactive training, which consisted of practical exercises, group work and role play.


**8<sup>th</sup>**
**March 2018**

**Event:** Special Event  
**Topic:** German Chamber New Year's Reception 2018  
**Venue:** Kempinski Hotel Beijing Lufthansa Center  
**GC DEALS**

The German Chamber of Commerce in North China invited its members and partners to the traditional New Year's Reception 2018 to welcome the auspicious year of the Dog. The event was held on 8<sup>th</sup> of March at Kempinski Hotel Lufthansa Center. More than 80 guests joined the celebration which started with a drink reception, followed by an address by Mr. Lothar Herrmann, Chairman of the German Chamber of Commerce in North China.

Mr. Herrmann reviewed the positive developments of the Chamber in 2017 with a stable membership base in North China and 181 Chamber events with a total of over 7,765 participants. He also outlined that nearly two thirds of German companies in China evaluated the economic situation in China 2017 more positively than in 2016 and have quite positive expectations for 2018. Finally, he encouraged the member companies to participate in the More



Than a Market initiative 2018, which aims to promote and create visibility for corporate social engagement by German companies in China. Following the address, the guests enjoyed an exclusive dinner buffet. This high-level first get together of the year was a successful start to a promising new year, full of interesting events and new services and projects for members of the German Chamber of Commerce.



6<sup>th</sup>

March 2018

Event: Seminar

Topic: Intellectual Property Rights (IPR) Protection in the Era of Localization

Venue: The Astor Hotel Tianjin

Speakers:

Ms. Miriam Baumgart | Senior BD at ECOVIS R&amp;G Consulting Ltd.

Ms. Ashley Tian | Manager of the Legal Department at ECOVIS R&amp;G Consulting Ltd.

13<sup>th</sup>

March 2018

Event: Breakfast Seminar in Shenyang

Topic: Vertragsgestaltung, Sozialversicherung und private Vorsorge

Venue: Maritim Hotel Shenyang

## GC DEALS

Speakers:

Mr. Klaus-Peter von der Eltz | Managing Director, Expatriate Care Consult GmbH

Ms. Miriam Baumgart | Senior BD at ECOVIS R&amp;G Consulting Ltd.

13<sup>th</sup>

March 2018

Event: Intern's Regulars' Table

Venue: Brotzeit

14<sup>th</sup>

March 2018

Event: Seminar

Topic: Interpretation of Labor's Related Policies of Foreign Enterprises and Employees in Tianjin

Venue: The Ritz-Carlton Tianjin

Speaker:

Mr. Morgan Shi | Senior Lawyer and Practice Director at Tianjin office of River Delta Law Firm

16<sup>th</sup>

March 2018

Event: Alumni Stammtisch Beijing

Venue: Hacker Pschorr Brauhaus

## GC DEALS

17<sup>th</sup>

March 2018

Event: Special Event

Topic: Mit Werten wirtschaften

Venue: German Centre Beijing

## GC DEALS

Speaker:

Prof. Dr. Margot Käßmann | Evangelisch-lutherische Theologin

13<sup>th</sup>

Event: Round Table Mittelstand

Venue: Handtmann Light Metal Foundry (Tianjin) Co., Ltd.

March 2018

On Tuesday 13<sup>th</sup> March, Handtmann Light Metal Foundry (Tianjin) Co., Ltd invited companies to the first Round Table in 2018 for German SMEs in Tianjin. The event started with a brief company introduction of the by Mr. Handtmann, General Manager of Handtmann Light Metal Foundry (Tianjin) Co., Ltd., and was followed by an interesting factory tour, which presented all the different production processes. After the tour, the guests had the chance to join an open discussion about cyber security and employee management. This event provided a valuable platform for all medium-sized enterprises to exchange their ideas and experiences on the related topics.





**14<sup>th</sup>**  
**March 2018** Event: Young Professional Workshop  
 Topic: The Jobseeker's Toolkit  
 Venue: German Chamber of Commerce North China – Beijing  
 Speakers: Samantha Kwok | Founder of JingJobs and the Beijing's Women's Network  
 Leslie Dong | Founder of Global Student Initiative and Pursuit International



On 14<sup>th</sup> March, a limited number of Young Professionals got the chance to gain first hand insights on how to master their job application process and the several hurdles that jobseekers have to overcome. The workshop was led by Samantha Kwok, Founder of JingJobs and Leslie Dong, Founder and CEO of Pursuit International. The three-hour workshop included a comprehensive CV check and how job seeker's approach a confident conversation during the tough questions of job interviews. Both were well received by all attendees.



**15<sup>th</sup>**  
**March 2018** Event: Breakfast Seminar  
 Topic: Einkommensteuer, Sozialversicherung und private Vorsorge für deutsche Expats  
 Venue: The Shangri-La Hotel Tianjin  
 Speakers: Mr. Klaus-Peter von der Eltz | Geschäftsführer von Expatriate Care Consult  
 Versicherungsmakler GmbH  
 Ms. Miriam Baumgart | Senior BD at ECOVIS R&G Consulting Ltd.

German employees in China might face various problems regarding employment, contract design and insurance. In addition, employers as well as employees often ask questions about the Chinese social security payments, individual income taxes and possible optimization methods. On Thursday, 15<sup>th</sup> March, the German Chamber of Commerce in Tianjin hosted a breakfast briefing on the topic "Einkommensteuer, Sozialversicherung und private Vorsorge für deutsche Expats" at the Shangri-La Hotel Tianjin. Using practical examples, Mr. Klaus-Peter von der Eltz and Ms. Miriam Baumgart explained how German experts can solve those problems to the audience. The seminar covered following aspects: German and Chinese social security system, Chinese employment forms and its impact on social security and individual income tax and insurance for expats and local employees in China.



**15<sup>th</sup>**  
**March 2018** Event: All-Chamber Networking Event  
 Venue: Asia Bistro, JW Marriot





20<sup>th</sup>

March 2018

**Event:** Special Event**Topic:** Walk & Talk in Tianjin Airport  
**Economic Area:** Logistics Innovation in Tianjin Free Trade Zone**Venue:** Administrative Committee of Tianjin Airport Economic Area**Speaker:**

Mr. Leiji Ren | Logistics Manager at Tianjin Origin Supply Chain Management Co., Ltd.

22<sup>nd</sup>

March 2018

**Event:** Seminar**Topic:** Cash Repatriation Strategies from China to Europe**Venue:** Tianjin World Finance Center**Speakers:**Ms. Hannah Feng | Senior Manager of Corporate Accounting Services at Dezan Shira & Associates in Beijing  
Mr. Mike Wang | CFO of Standard Chartered Global Business Services Co., Ltd. and European Chamber Tianjin Chapter F&T Forum Chair27<sup>th</sup>

March 2018

**Event:** Seminar in Dalian**Topic:** Occupational Health & Safety-Significant Changes through new ISO 45001 Standard**Venue:** TÜV Rheinland Dalian Office**Speaker:**

Ms. Huimei Li | Senior Auditor, TÜV Rheinland Systems Greater China

28<sup>th</sup>

March 2018

**Event:** Special Event**Topic:** Corporate Social Responsibility (CSR) Roundtable**Venue:** Volkswagen Automatic Transmission Tianjin Co., Ltd. (VWATJ)28<sup>th</sup>

March 2018

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

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28<sup>th</sup>

March 2018

**Event:** Kammerstammtisch Shenyang**Venue:** Black Sheep Restaurant & Bar

GC DEALS

19<sup>th</sup>

March 2018

**Event:** Special Event**Topic:** Dual Vocational Education Cooperation Forum 2018 in Shenyang**Venue:** Shenyang Polytechnic College (Sino-German Institute)**Speakers:** Ms. Barbara Gerber | Head of Global Professional Education, DRAEXLMAIER Group; Mr. Matthias Scheurich | General Manager, OTTO Fuchs Technology Shenyang; Mr. Albert Wang | Manager Vocational Education Program, BMW Brilliance Automotive

As response to the positive feedback on a vocational training partnerships roundtable event in Shenyang, held in May 2017, the German Chamber of Commerce in North China supported the Dual Vocational Education Cooperation Forum 2018 which was held on 19<sup>th</sup> March at Shenyang Polytechnic College. Since a more practice-oriented vocational education system is a key requirement from German companies to gain technically skilled staff, the municipal government of Shenyang recently strengthened its efforts in the vocational education sector to raise local staff qualification levels and especially meet the requirements of local German companies. More than 100 guests attended the forum, which was mainly organized by Shenyang Polytechnic College (SPC) and Shenyang People's Association for Friendship with Foreign Countries. The existing cooperation partners of SPC such as BMW Brilliance Automotive, Draexlmaier Automotive, OTTO Fuchs Technology and Tongji University Shanghai shared their experiences with vocational education partnerships and provided details about requirements as well as their current status of cooperation. In addition, several expert workshops in the afternoon gave participants the opportunity to further their knowledge exchange and discuss a deeper cooperation between local vocational schools and companies.



**19<sup>th</sup>**  
**March 2018** Event: Special Event  
 Topic: Kammerdinner–Chinas leere Mitte:  
 Herausforderung oder Chance?  
 Venue: Kempinski Hotel Beijing Lufthansa  
 Center

**GC DEALS**

Speaker: Prof. Dr. Helwig Schmidt-Glintzer |  
 German Sinologist and Director of the China  
 Centre in Tübingen, Germany



On Monday, 19<sup>th</sup> March, the German Chamber of Commerce in North China invited members and guests to the Kammerdinner and welcomed renowned German sinologist Professor Schmidt-Glintzer as guest speaker. The event, held in the Hotel Kempinski, Beijing, included a lecture by Professor Schmidt-Glintzer about the identity of China and the historical changes and continuities of that concept, as well as a discussion about the classification of a scholar in Western and in Chinese tradition.

After Professor Schmidt-Glintzer's insightful lecture, the Kammerdinner proceeded with a lively discussion about how experiences by the members of the chamber in their business dealings in China could be related to those cultural insights. The evening was rounded off with a buffet dinner of Central European cuisine and the opportunity for further conversations in a more familial atmosphere and many participants took the opportunity to network and exchange their views on the China's identity and its implications.

### Bringing You New Membership Experience via Partnership with EventBank

At the German Chamber of Commerce, we are always looking for a better way to help you get the most out of your membership experience. That's why we have decided to partner with EventBank, an international tech company that provides a state-of-the-art event and membership management platform. With the new system, you will be able to quickly manage your email subscriptions, event registrations and membership information all in one place! To complete the migration and take advantage of all the benefits, you will be soon receiving an email with detailed instructions.

**30<sup>th</sup>**  
**March 2018** Event: Special Seminar  
 Topic: Policy Interpretation by Tianjin's  
 Public Security Bureau–Talent Policy and  
 Other Supporting Regulations in 2018  
 Venue: The Astor Hotel Tianjin  
 Speakers: Yup Fan Cheung | Member  
 of Council at the European Chamber of  
 Commerce; Christoph Kaiser | Vice President  
 of the German Chamber of Commerce–  
 North China; Martin Winchell | President of  
 the American Chamber of Commerce



### Regular Social Events in North China

#### Beijing:

**Kammerstammtisch** – every third Monday of the month at 7:00 pm  
 at 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 at 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/](http://china.ahk.de/chamber/events/)*

## Delegate Change in Beijing

As of 23<sup>rd</sup> July 2018, Mr. Jens Hildebrandt will assume the role of Delegate and Chief Representative of the Delegation of German Industry and Commerce Beijing. He is the successor of Ms. Alexandra Voss, who filled the role for seven years and has recently taken over the position as Executive Director of the German-Australian Chamber of Industry and Commerce.

Mr. Hildebrandt has served as Delegate and Chief Representa-



tive of the Delegation of German Industry and Commerce Guangzhou since January 2016. He is the former Director East Asia at the Association of German Chambers of Commerce and Industry (DIHK). Previous postings included Prague, as well as Guangzhou as Deputy Head of the German Chamber.

The Chamber team wishes Ms. Voss all the best and welcomes Mr. Hildebrandt.

### New Head of Media & Communication at the German Industry & Commerce



On 1<sup>st</sup> January 2018, Mr. Ji Li has been announced new Head of Media & Communication at the German Industry & Commerce-North China. He is responsible for enquiries from the Chinese press, public relations, marketing and media consulting, social media and media cooperation. Furthermore, he is point of contact for web, translation and design services as well as for corporate publishing. Besides being Head of Media & Communication, he will remain Director of Government

Affairs and maintain relations to central and local government institutions. Mr. Ji Li holds a master's degree in German as a foreign language, media studies and business communication. He studied at the Friedrich-Schiller-University Jena in Germany and has years of experience in building contacts with government authorities, guiding and supporting political visits as well as organizing press conferences. Please feel free to contact him in Chinese, German or English at [li.ji@bj.china.ahk.de](mailto:li.ji@bj.china.ahk.de), 010-6539-6674.

### New Press Officer at German Industry & Commerce Greater China | Beijing



On 9<sup>th</sup> April 2018, Ms. Lisa Fischbach joined German Industry & Commerce Greater China | Beijing as Press Officer. She holds a master's degree in political science, intercultural business communication and public law. Lisa is an experienced spokesperson and has in-depth knowledge of corporate communications. She will be responsible for media relations and media service as well as external communications. Please

feel free to contact her in English or German at [fischbach.lisa@bj.china.ahk.de](mailto:fischbach.lisa@bj.china.ahk.de) or 010-6539 6670.

### New Project Leader for the Partner Support Program (PSP)



As of February 2018, Katharina Reichelt has been promoted to Project Leader for the Partner Support Program (PSP). Before her promotion, she was working as Project Manager for the locations Changchun and Tianjin for two years. The Partner Support Program aims to make a global work assignment an attractive choice for the delegate's spouse by focusing on comprehensive integration during the time abroad. In her current position, Ms.

Reichelt is responsible for the PSP China-wide and organizes events, trainings and workshops in the fields career, further education and social engagement. Ms. Reichelt holds a Master in 'East Asian Economy and Society' and contributes to the PSP with several years of studying and working experience in China and professional skills in the global assignment industry. Please feel free to contact her at [reichelt.katharina@bj.china.ahk.de](mailto:reichelt.katharina@bj.china.ahk.de) or 010-6539 6682.

### New Senior Policy Researcher at the German Chamber of Commerce in Beijing



On 2<sup>nd</sup> May 2018, Ms. Xinling Wang joined the Delegation of German Industry & Commerce Beijing as senior policy researcher. She holds two master's degrees in Social Work and Chinese Language and Literature. After receiving her social work training in the US, she worked at a Beijing based policy consultancy for four years. Ms. Wang will be responsible for following China's policy developments and understanding their market impacts. She will

also support policy inquiries from Shanghai and Guangzhou. Please feel free to contact her in English and Mandarin at [wang.xinling@bj.china.ahk.de](mailto:wang.xinling@bj.china.ahk.de) or 010-6539 6616.



## Training Highlights - Beijing

### Business Writing

#### Recruitment Excellence for Successful Hiring

Date: 12<sup>th</sup>-13<sup>th</sup> June 2018

#### Objectives and Content

Successfully hiring people is one of the most important goals for not only the HR department, but for the whole company. Being able to recruit suitable staff in a structured, professional and time efficient way often decides about a company's success in general. This interactive seminar with lots of practice and first-hand experiences provides you with all necessary insights, instruments and skills of a high-class recruiter, even for filling executive positions. This training will cover:

- the recruitment and selection process as a whole
- performing a job analysis and writing a position profile.
- tips and tricks for drafting job advertisements
- ways to find good candidates
- how to efficiently screen resumes
- how to create the right interview atmosphere
- problems recruiters face
- interview preparation and format
- interviewing barriers
- how to conduct efficient telephone interviews
- finally: personal interviews
- non-verbal communication
- using different types of interview questions
- handling difficult applicants
- how to compare and evaluate candidates
- recruiting executive positions (General Manager, Sales Director, Chief Representative etc.)
- checking references
- preparing and making a job offer

#### Target Group

Top Managers, Senior Managers, HR Managers, Recruitment Professionals.

### Project Management Essentials

Date: 23<sup>rd</sup>-24<sup>th</sup> August 2018

#### Objectives and Content

Managing projects well requires a great deal of skills and finesse, which makes it interesting and demanding. Our open workshop Project Management Essentials will help you meet the challenges of cost pressure, limited time and high quality. It shows you how to plan and start a new project effectively, key facts to implement and manage an entire project successfully. Simulations and group activities enable you to better master the new project management techniques and templates to make information flow, monitoring and reporting more efficient. This workshop will cover:

- define project start and project target
- set up an efficient project organization
- role of project manager
- how to develop the statement of work
- project planning stages
- apply work breakdown structure (WBS)
- develop phasing and project schedule plan
- anticipate risk and resolve problem
- project human resource planning and management

#### Target Group

Project Managers, Project Engineers and other stakeholders

Beijing contact: Li Xingchen, Human Resources

+86 10 6539 6685 | li.xingchen@bj.china.ahk.de

## Save the Date

### German Ball 2018 Under Preparation

Each year since 2000, the German Chamber of Commerce in China -North China hosts the largest social event of the German business community in Beijing: The German Ball. The event attracts around 750 guests including business executives and leaders from politics with connections to and interest in Germany. The German Ball will take place on 17<sup>th</sup> November 2018. Ticket sales start in September 2018.



Companies interested in sponsoring the German Ball or wanting more information, please contact:

For more information please contact:

Johanna Heinzmann, Project Manager

+86-10-6539-6664 | heinzmann.johanna@bj.china.ahk.de

## Beijing Training Calendar June – August 2018

4 <sup>th</sup> -5 <sup>th</sup> June	EQ in Communication (CN/EN)
5 <sup>th</sup> -6 <sup>th</sup> June	Powerful HR Skills for Top Leaders (EN)
8 <sup>th</sup> June	Excel: Managing a Database (EN)
8 <sup>th</sup> -9 <sup>th</sup> June	2018 Taxation Planning and Auditing (CN)
12 <sup>th</sup> -13 <sup>th</sup> June	Bridging the Culture Gap-Living, working and leading in China (English) (EN)
12 <sup>th</sup> -13 <sup>th</sup> June	Recruitment Excellence for Successful Hiring (EN)
14 <sup>th</sup> -15 <sup>th</sup> June	Instructional Techniques for Internal Trainers (CN)
20 <sup>th</sup> -21 <sup>st</sup> June	Management Transition & Managing Performance (CN/EN)
25 <sup>th</sup> -26 <sup>th</sup> June	Intercultural Conflict Management-German & Chinese (CN/EN)
28 <sup>th</sup> -29 <sup>th</sup> June	International Presentation Skills (CN/EN)
5 <sup>th</sup> July	PowerPoint Essentials (EN)
2 <sup>nd</sup> -3 <sup>rd</sup> August	Creative Problem Solving and Decision Making (CN/EN)
11 <sup>th</sup> -12 <sup>th</sup> August	Leadership by Coaching (CN)
13 <sup>th</sup> -14 <sup>th</sup> August	International Project Management (CN/EN)
16 <sup>th</sup> -17 <sup>th</sup> August	Global Leadership & Talent Development (CN/EN)
23 <sup>rd</sup> -24 <sup>th</sup> August	Project Management Essentials (CN/EN)
27 <sup>th</sup> August	Smart Logistic and Supply Chain Management (EN)
28 <sup>th</sup> August	Industry 4.0 Strategy (CN/EN)
31 <sup>st</sup> August	PowerPoint Design Ideas for Business (CN)

# AGM and Farewell of Mr. Lothar Herrmann and Ms. Alexandra Voss: German Chamber of Commerce in China - North China

On 16<sup>th</sup> April 2018, the 18<sup>th</sup> General Assembly of the German Chamber of Commerce in China–North China took place at the Kempinski Hotel, Beijing. Mr. Lothar Herrmann, Chairman of the German Chamber of Commerce – North China, welcomed over 90 participants. The most important topics on the evening's agenda were the annual management report, the treasurer report and the election of a new Board of Directors.

Ms. Alexandra Voss, Executive Director, German Chamber of Commerce – North China, first outlined the positive development of the Chamber in 2017 with a stable membership base and 181 Chamber Events with a total of over 7,765 participants including business events, roundtables, social events as well as the flagship events like the German Ball and the German Soccer Cup. With regard to 2018, the target remains to further strengthen the membership base, increasingly engage Chinese employees of member companies by offering certain events in Chinese, developing new roundtable formats and visa events at all locations and to increase the Chamber's visibility on social media.

The management report was followed by the treasurer's report. Mr. Xingliang Feng, NRW. INVEST, reported that the Chamber has a good liquidity and a balanced budget for all regular activities in 2018.

Afterwards, the candidates, who stood for election, briefly introduced themselves to the audience. Eight out of nine Board seats are open for elected members, with one seat held by the German Chamber's Executive Director.

After the votes were cast, the election committee – consisting of Ms. Silke Neugebohrn, Fiducia Management Consultants Beijing, and Mr. Falk Lichtenstein, CMS China – counted the votes. Meanwhile the guests enjoyed a set dinner. Then, the election results were announced by the committee. Voter participation was 27%, with a significant share of voters casting their vote online before the Annual General Meeting. The eight candidates who received the most votes and were elected, are (in alphabetical order):





1. Mr. Xingliang Feng, Chief Representative NRW.INVEST China/Beijing
2. Dr. Matthias Goebel, Chief Representative Deutsche Lufthansa AG
3. Mr. Jochen Goller, CEO & President BMW Group Region China
4. Mr. Christoph Kaiser, Managing Director Turck (Tianjin) Technology
5. Dr. Bjoern Lindemann, General Manager HaverTechnologies Tianjin
6. Ms. Susanne Rademacher, Partner, Chief Representative BEITEN BURKHARDT Rechtsanwaltsges.mbh Beijing Representative Office
7. Dr. Stephan Woellenstein, CEO Volkswagen China Passenger Cars Brand, Executive Vice President Volkswagen (China) Investment Co. Ltd.
8. Mr. Yongxin Wu, Executive Vice President, Chief Government Affairs Officer General Manager Regional Organization Siemens Ltd. China

All candidates accepted the vote.

In closing Ms. Voss, on behalf of the whole Chamber, thanked the remaining candidates and the outgoing Board members for their excellent work.

Afterwards, the second part of the evening commenced with a farewell to Ms. Voss and Mr. Herrmann. For this occasion, the German Chamber of Commerce North China was delighted to welcome the German Ambassador, Mr. Michael Clauss as guest of honor to review the close and fruitful cooperation between the German Embassy and the German Chamber of Commerce over the years.

The German Ambassador's speech was followed by a dialogue between Ms. Voss and Mr. Herrmann in which they reminisced of the Chamber's work during the many years. They thanked all the members, the Board as well as the Chamber Team.

The official part of the evening was closed with the opening of the dessert buffet. While the guests had time for mingling, the newly elected Board had their first internal session. The new Board unanimously confirmed Dr. Stephan Woellenstein as new Chairman. Ms. Susanne Rademacher was unanimously appointed as Vice-Chairwoman and Mr. Xingliang Feng was unanimously confirmed as Treasurer.





# The 7<sup>th</sup> German Soccer Championship in Beijing



On Saturday 26<sup>th</sup> May 2018, it was time again for the traditional German Soccer Championship at Si'de Park in Beijing. The Sino-German business community came together to cheer for the twelve teams of the tournament, who competed with great commitment and passion for the title of the 7<sup>th</sup> German Soccer Champion in Beijing. The players as well as the more than 1,400 spectators enjoyed a sports and family day at Si'de Park with delicious food and refreshments, fun activities for kids and exciting soccer games, that got them into FIFA World Cup mood.

## German Soccer Clubs were part of the Championship

For the first time, two soccer clubs of Germany's first league were part of this year's German Soccer Championship. Children between the age of 8 and 12 years, had



the unique opportunity to participate in a professional soccer training, offered by trainers of Bayer 04 Leverkusen. The VfL Wolfsburg, another well-known first league soccer club in Germany, supported the event with well-experienced soccer trainers. They helped improving the goal shooting skills of our guest, who competed in the soccer goal wall contest (Torwandschießen) to win a SKODA car a trip to the Maldives or a staycation in Beijing. Both soccer clubs were also represented with a booth on site, where the guests had the chance to get in contact with the trainers and to learn more about their work in China.

## Opening by Minister of German Embassy, supervised by League Referees

The opening ceremony of the tournament was held at 8:30 am with a speech by Minister Johannes Regenbrecht of the German Embassy in China, wishing for sportsmanship and fair competition. After the team captains were introduced on stage, the teams of Aichelin, Ameco, Audi China, BMW, Daimler, EY, German Embassy, Mackevision, PwC, Raffles Medical, Siemens and Volkswagen Group proceeded to the two pitches. At 9:00 am,



Minister Regenbrecht kicked off the games.

Patrick Zuschke and YANG Shuo provided German and Chinese commentary with riveting play-by-play coverage of the entire tournament. Professional referees from the Chinese Soccer League supervised each game, and medical assistance was provided by the Raffles Medical Group team.

## Award ceremony with BMW as German Soccer Champion 2018

After a day full of turbulent and exhilarating soccer matches, Ameco was in the finals for the second year in a row and competed against BMW for the trophy. In the end, BMW defeated Ameco in a thrilling penalty shootout and won the tournament for the third time since the beginning of the German Soccer Championship Beijing in 2012.

Before the players and their friends and family moved on to the After Party at "Park Square Restaurant & Lounge" for celebration, the 7<sup>th</sup> German Soccer Championship closed with the award ceremony presented by Dr. Stephan Wöllenstein, Chairman of the Board of the German Chamber of Commerce North China and Mr. Sebastian Suci,.





The final table of results of the 7th German Soccer Championship in Beijing:

- 1 BMW
- 2 Ameco
- 3 Daimler
- 4 Audi
- 5 German Embassy
- 6 Volkswagen Group
- 7 PwC
- 8 Siemens
- 9 Raffles Medical
- 10 Aichelin
- 11 EY
- 12 Mackevison



Executive Chamber Manager of the German Chamber of Commerce North China. The Most Valuable Player of the day was Torge Lassen from Daimler, the award for the Best Goalkeeper went to Li Xiaohang from BMW and Patrick Stettner from Audi received the trophy for the Top Scorer of the tournament. This year's Fair Play Award went to EY, who had made a team for the first time. Mackevision participated in the tournament for the first time as well.

### Entertainment for Young and Old

The various sponsors of this year's tournament offered a wide range of entertainment activities for young and old. The children had a great time at the kids' entertainment provided by VfL Wolfsburg, Eduwings Kindergarten, Western Academy Beijing, Yew Chung International School of Beijing and Raffles Medical. The kid's area included activities such as mini football, face painting, arts and crafts corner, football tables, fishing games as well as archery. A highlight for children this year was a professional soccer school provided by trainers of the German soccer club Bayer 04 Leverkusen.

Another highlight of the day was the soccer goal wall contest (Torwandschießen), where all guests had the chance to try their luck. In order to win the main prize, a SUV Kodiaq provided by SKODA, competitors had to score six successive goals. Even though no one won the car, the par-

ticipants had a good time improving their kicking skills. For five out of six goals, participants could win a four-night all-inclusive stay at Robinson Club Noonu (Maldives). For four out of six goals guests could win staycations provided by the Opposite House, Kempinski Hotel Lufthansa Center, Hyatt Regency, and Ritz Carlton, fine dining vouchers provided by the Temple Restaurant Beijing, public viewing night at Kempinski Hotel Lufthansa Center and signed jerseys by the soccer team of VfL Wolfsburg and Javi Martínez (FC Bayern Muenchen). For one to three scores, the German Chamber GC DEALS Partners and other participating companies provided giveaways and vouchers.

Throughout the day, delicious German BBQ, Chinese food, and refreshments were served by Der Landgraf as well as deserts, sandwiches, fresh juice and ice cream by Kempinski Hotel Beijing Lufthansa Center. Wine and coffee were provided by Cheers and Nespresso. For the first time a "fun booth", consisting of the companies HomeSickBox, Snacko and Startup Grind, served candy, yoghurt, sangria and iced coffee to the guests.

A grateful thank you goes out to all teams, event partners, sponsors, soccer clubs and volunteers as well as the soccer committee who made this tournament a memorable and enjoyable day.

Torwand




Event partner



Participating teams



# Thanks to Our Yearly Sponsors 2018/19

Shanghai Office



## Grand Kempinski Hotel Shanghai Wins Top 10 Business Hotels of China Award at the 13<sup>th</sup> China Hotel Starlight Awards



Grand Kempinski Hotel Shanghai received an award for "Top 10 Business Hotels of China" at the 13<sup>th</sup> China Hotel Starlight Awards, which took place from 28<sup>th</sup>-29<sup>th</sup> March 2018 at the Grand Hyatt Shanghai. Often hailed as "the Oscars of China's hotel industry", the Starlight Awards is held in conjunction with the Asia Hotel Forum Annual Meeting; an event attended by hundreds of global industry delegates including hoteliers, entrepreneurs, investors, and leaders. The awards were created to celebrate outstanding service quality and performance of hotels and hoteliers. This year, the Grand Kempinski Hotel Shanghai's General Manager Mr. Rudiger and Director of Communications Ms. Cindy Zhang were present to receive the

honor of being included amongst the award committee's selection of top Business Hotels in China.

## Industry 4.0: Groundbreaking of Smart Manufacturing Technology Park

Virtuarch has won an International Design Competition for a Midea-Kuka Smart Manufacturing Technology Park, unveiling one of the world's most advanced smart city projects in Shunde, Guangdong Province. This park, which officially broke ground on 28<sup>th</sup> March, spans a land area of 733,337m<sup>2</sup> and consists of a production hub for robots and AGVs, office buildings, R&D centers, show-case factories and educational facilities, a residential neighborhood as well as recreational facilities that function together as a "smart city".



Virtuarch implements the "3E" philosophy (Economic structure, Efficient functional layout, Elegant modern shapes), integrating cutting-edge technology with the vision of transforming workplaces into vibrant work environments for an innovative future. Daniel Heusser, Chief Architect and President of Virtuarch stated, "This park will not only be a technology hub where robots build robots, but a place where innovation will be created every day, and where these new technologies will be experienced by the people who work and live in this city in their daily life".

## TÜV SÜD North Asia Appointment

Mr. Alexander Stadelmann was appointed as Manager Strategic Business Development North Asia. He works with the local business development teams to develop





and implement new services and solutions to customers. Alexander is also responsible for analyzing, optimizing and standardizing strategic business processes to achieve operational excellence. Through his involvement in Greater China, Japan and Korea, he is in an excellent position to foster synergies and improve collaboration across the regions.

Mr. Simon Lemin has been appointed as TÜV SÜD's Director of Industry Services Division, Greater China. Previously Simon was responsible for TÜV SÜD's strategy in North Asia. Simon comes from an Industry Service background, with over ten years' experience in the Nuclear Industry. He will now take his skills and leadership to grow TÜV SÜD's business in the areas of Energy, Pressure Equipment, Chemical Processing, Plant Safety and Amusement Rides.

### **VOLLMER's Collaborates with ISEL to Better Focus Business**

VOLLMER is working with Swiss sharpening machine manufacturer ISEL who will take over the product area of "wood-cutting band saws" from VOLLMER effective 1 January 2019. With effect from the acquisition date all rights of use and marketing rights associated with the wood-cutting band saws will pass to ISEL. VOLLMER will invest more heavily in the product areas "circular saws" and "rotary tools" and equip them with additional resources to develop new technologies, services and machines.

### **Mazars Continues International Expansion with Strengthened German Desk Support in China**



In 2017, to better serve the German business community, Mazars enlarged its German Desk with the professional support of Ms. Tanja Stahl under the leadership of Mazars China managing partner Mr. Salzmann. Ms. Tanja Stahl benefits from a long experience in serving German mid-sized, family-owned enterprises with international business. Mazars' major Chinese clients are supported by their Global China Services in all major European and USA cities, whereas foreign businesses benefit from specific international divisions in China.

### **TIGER Coatings China Company Elected Deputy Director Committee Member**

On 19<sup>th</sup> March 2018, TIGER Coatings China Company (TIGER) was elected the deputy director committee member of the 9<sup>th</sup> Society of Coatings & Finishing of The Chemical Industry and Engineering Society of China (CIESC)! This reflects that the decades of TIGER customer trust and contributions are being recognized by the industry authorities. No matter if in technical research, safety production, transboundary innovation or in industry alliance, TIGER will be devoted to promoting industry sustained development with diligence!



### **Baidu Uses ZF's AI Control Box for Autonomous Parking**

Right before CES 2018, ZF and Chinese technology leader Baidu presented a new system which can enable autonomous valet parking, without a driver. This was the first public presentation from the strategic cooperation between the two companies. The valet parking functionality is based on ZF's ProAI, a supercomputer with artificial intelligence capabilities developed by ZF and embedded with a chip provided by NVIDIA. The valet parking is initiated with a smartphone app, which relies partially on an intelligent control box from ZF that does all the thinking for the driver. The control box can process data from the vehicle's environmental sensors and from the vehicle-to-x communication and then send the relevant signals to the actuators such as steering and braking systems. The cooperation with Baidu is part of ZF's ecosystem in developing future mobility solutions.



### **Norddeutsche Landesbank Strengthens Shanghai Branch's German Desk**



In April 2018, Roland Arndt joined NORD/LB Norddeutsche Landesbank Shanghai Branch's German Desk as Senior Relationship Manager. With the appointment of Mr. Arndt,

an experienced corporate finance expert, NORD/LB is reacting to the strong demand of German companies doing business in China and seeking structured and innovative solutions for their financing needs.

After obtaining a master's degree in economics and political science, Mr. Arndt joined NORD/LB in 2011 in the Corporate Finance Dept as Transaction Manager by advising German and international corporations in debt capital market transactions.

NORD/LB Shanghai Branch was set up in 2004 and offers a whole range of wholesale banking products both in foreign currency and as well as local currency.

### **Hualin Finishes 4<sup>th</sup> Syngas Separation Unit**

Hualin finished its 4<sup>th</sup> Syngas Separation Unit (SGSU) commissioning work on 1<sup>st</sup> May successfully and will start the commercial operation when their major customer's plant is ready. The new unit will increase Hualin's capability of supplying high purity carbon monoxide (CO) and hydrogen (H<sub>2</sub>) 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 H<sub>2</sub> 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 Linde Gas (Hongkong) Ltd. Hualin has built a high reliable supply network in Shanghai Chemical Industry Park (SCIP) and was awarded a Supply Reliability Award by Covestro on 30<sup>th</sup> June 2017 for 8,760 hours uninterrupted CO supply and continuous efforts to promote reliability.

### **CMS, China Announced Two Promotions**

CMS, China has promoted Mrs. Jeanette Yu, who heads the Employment and Pensions Practice Area Group of CMS, China, to Partner. Mrs. Yu's practice covers all aspects of

Chinese labor law. With more than 18 years' experience of working as a lawyer, Jeanette Yu has been involved in many significant projects and has advised many clients on a wide range of employment law related issues.

Mr. Gilbert Shen, who has been practicing PRC tax law and PRC-related international taxation law for more than 12 years, has been promoted to Counsel. Mr. Shen heads the Tax Practice Area Group of CMS, China and has been working in the Shanghai office for many years. He is particularly experienced in tax matters concerning the establishment of efficient holding structures, company mergers and restructuring, profit repatriation schemes, investment exit strategies, cross-border transactions, and tax due diligences.

### Rödl & Partner Supports Well Construction in Cambodia



Rödl & Partner China supported a social project; the goal of the project is to expand the drinking water supply in rural areas of Siam Reap (Cambodia). During the project, Rödl & Partner was accompanied by the organization "Experience Smart Change" and the NGO ConCERT (Connecting Communities, Environment & Responsible Tourism). Under the guidance of the NGOs, employees built six new wells within a few days. During the trip, new contacts were established with other NGOs, who presented other social projects, such as the Angkor Dream Vision Organization (ADVO) for education development projects. The ADVO have shown how the young project for training of the villagers was implemented. Two years ago, a school could be set up with the simplest means, currently enabling around 200 children's free access to education. Rödl & Partner donated laptops to the school, which offers students the opportunity to learn how to use modern communication and working equipment.

### ESMT Opens Branch Office in Shanghai

ESMT Berlin–European School of Management and Technology has now launched its branch office in Shanghai. This big step is

to fit Chinese "One Belt, One Road" national strategy to prepare and equip the internationalization journey. ESMT Berlin focuses on delivering customized Executive Education programs to meet the needs both from Chinese companies hoping to explore global market and from multinational companies hoping to further localization. Furthermore, its open enrollment "Entrepreneurship Leadership Program" to be held in 2018 across Shanghai and Berlin will benefit international and local companies in China.



### Leadec Industrial Services China Receives 2017 Best Partner Awards from YANFENG

In January 2018, industrial service provider Leadec received their 7<sup>th</sup> award from Yanfeng since establishing its service partnership in 2009. They were proud to receive the 2017 Best Partner for its excellent performance, which Leadec sustainably delivers with passion daily.

As trusted and long-term partner of choice, Leadec provides customized services and solutions for multiple locations of Yanfeng ranging from internal logistics and cleaning at Anting to technical paint shop cleaning and plant optimization for all technical plant installations and utilities as well as robotics at Shanghai. Leadec is recognized for its customer focus to drive for excellence in supporting its customers in becoming leading edge. "This guiding principle is part of the DNA and part of all our service lines: Installation, Automation, Production Equipment maintenance, Facility Management and Big Data analytics," says Business Development Director Florian Gruss.



### Business Cooperation between BLG Logistics Group and Borgward China



Last November in Beijing, BLG Logistics Group signed a strategic cooperation agreement with the automotive manufacturer derived from Bremen in Germany, Borgward China, in which it was agreed that BLG will provide Borgward with international transportation services for finished vehicles, including warehousing, sea shipping and value-added technic services. Thus, BLG became a supportive partner of Borgward, especially for its' vehicles' export business to Germany. In February 2018, the first batch of 56 units of Borgward vehicles were delivered from Tianjin port by Ro-Ro shipping and was estimated to arrive in Bremerhaven, Germany in April 2018. It is worth mentioning that automobile logistics is the core competence of BLG Logistics Group. The business cooperation between BLG and Borgward will surely enhance and accelerate the globalization progress of BLG Logistics Group.

### ALFING received Excellent Supplier Award from CJLR



At the Chery Jaguar Land Rover 6<sup>th</sup> Supplier conference held on 2<sup>nd</sup> March, ALFING Montagetechnik (AMT) won the Excellent Supplier Award. Mr. Xinxin Xu, general manager of ALFING China has received the award on behalf of the parent company. AMT, member of ALFING Special Machine Group, has extensive expertise in conception and construction of manual, partly automated and fully automatic assembly systems. In the past years, AMT has successfully delivered to JLR worldwide several

assembly systems for joining of cylinder liners in cylinder bores. The latest one was installed at CJLR Changshu plant. AMT thanks for the trust of CJLR and looks forward to continuing the partnership with CJLR and JLR worldwide.

### tesa SE acquires the Twinlock product division from Polymount



The Twinlock product division from the company Polymount with headquarters in Nijkerk / Netherlands became a 100% subsidiary of tesa SE.

As a result, tesa will strengthen its market position concerning products for the printing industry, one of the pillars of tesa's industrial business. The self-adhesive Twinlock Sleeves from Polymount optimally complement tesa existing range for the flexographic printing industry that help to accelerate processes, and thus reduce costs.

Under the umbrella of tesa SE with its global infrastructures, as well as its partly world-leading position in the printing and paper sector, there is an opportunity for both tesa and Twinlock to expand the success on an even broader basis.

### One of the Largest AGV and Robotic Rental Operation and Innovation Center in Eastern China Opens

ASAP Rental is a joint venture between ADEN and Arolis, a leader in Independent Equipment Rentals in Europe. In partnership with the Government of Kunshan, ASAP Rental has opened a unique 3,000 square meter facility which includes a state of the art business center, showroom and maintenance facility. It will also feature other functions including a training center for



the handling of advanced equipment and a warehouse of spare parts.

This partnership between ASAP Rental and the government represents a shared vision in supporting the modernization of China's industrial sector, using advanced facility management technologies and innovations. It also signifies a milestone for ADEN in revolutionizing the IFM industry by introducing and showcasing a wide range of robotics leasing solutions including Automated Guided Vehicles (AGV) to intelligently assist companies in inventing, manufacturing, warehousing, safeguarding, cleaning and so forth.

### Kärcher China Showcased at Appliance and Electronics World 2018

3<sup>rd</sup> to 11<sup>th</sup> March 2018, Shanghai, Kärcher China showcased at the Appliance and Electronics World 2018 (AWE 2018). On the first day of AWE, Kärcher China hold a grand Chinese brand name re-name launch ceremony, and announced that Kärcher Chinese name would be changed from "KaiChi" to "KaHe", which was an important step for Kärcher China to start a new round of brand upgrades. Meanwhile, together with strategic partner, TMALL home appliance, Kärcher China firstly released its latest product Steam cleaner SC 2 Deluxe to the public, which would be sold on a brand new TMALL flagship store before the end of March. Due to high quality of product and continuous innovation in home appliance, this year, two outstanding products of Kärcher, Steam vacuum cleaner SV 7 and high-pressure washer K2 FOLLOW ME cordless won the AWE Best ENVIRONMENTAL Award and AWE BEST OF INNOVATION Award respectively.



### International Packing and Logistic Solutions GmbH

IPLS "International Packing and Logistic Solutions GmbH" has recently been awarded to prepared the export packing of a huge bottom shell with a weight of 110 tons. The heavy piece was shrink packed by

one of the mobile teams of IPLS' Shanghai Partner SUNNEW WOODWORKING CO. LTD in Dalian. Parallely lifted onto the transport frame and finally transported by sea-freight to Chile.

The ASIA Business Development Manager of IPLS, Mr. Jürgen Kohnen was in charge of this time-challenging Job what included the static calculation of the transport frame, the manufacturing drawing, supervision of the manufacturing, final assembling of the frame at the Site and final packing.

### Copers Executive Search Nominates Aline Jolly as New Greater China GM



As of March 2018, Ms. Aline Jolly was nominated General Manager Greater China of Copers Executive Search. Ms. Jolly has been part of the Copers Asia team for one and a half years. She has more than 10 years'

experience in HR and has worked in Peru, South Africa, India, Morocco and France prior to moving to China. Ms. Jolly will take over the management of the Shanghai team and continue to support the Copers team in helping companies find their ideal candidates.

### New Legal Representative of German School Shanghai

Frank Schröder took over as Legal Representative of German School Shanghai from Ralph Koppitz in January 2018. Frank Schröder has been a member of the school's management board since 2012 and became chairman in August 2017. Since 2012, he has also been responsible for construction projects on the board and is a crucial member of the French-German Construction Committee. Leveraging his extensive expertise, he will keep driving the school's development forward. Together with his family, Mr. Schröder moved to Shanghai in 2003 and is managing director of a medium-sized mechanical engineering company. Commenting on his new role, Mr. Schröder said "I am excited to bring my knowledge and commitment to the school community. Especially with the upcoming new school building in Yangpu, it will be an exciting time." The German School thanks Mr. Koppitz for his outstanding contribution to the school.



### Mercedes-Benz AMG holds conference with RÖDER



RÖDER helped Mercedes-Benz hold a conference to build brand recognition. RÖDER had canopy with international high-end brands, trusted canopy brand suppliers, and 25m<sup>2</sup> dinner tents. With a 300sq<sup>2</sup> aluminum ballroom structure and inflatable flat top design, the event site accommodated 400 people. The unique superimposed container design entrance and a large area of advertising surface display made banquet more beautiful and a lot of fun.

### SoftNET Asia Announces New Opening

SoftNET Asia is glad to announce the opening of the new office and POP in Manila, Philippines. By broadening their network, they enable their customers in China to interconnect with other branch offices in Asia and provide them with more efficient network infrastructure that is easier to manage.

### Bosch Announces Strategic Collaboration with China's Leading Property Developer, Country Garden

On 21<sup>st</sup> February 2018, Bosch signed a strategic cooperation framework agreement with Country Garden Holdings Company Limited, China's leading residential and mixed-use property developer in Berlin, Germany. Through the cooperation, the two partners will explore possibilities and collaborations in the rapidly expanding field of smart cities in China, by building Featured Towns in Jiangsu, Zhejiang, Shanghai, the Pearl River Delta area, Beijing-Tianjin-Hebei and other regions in China. The establishment of these towns is part of the Chinese urban planning and real estate development to improve quality of life and boost regional economies. Featured Towns are known for their "one town, one industry" policy with each town specializing in one core business while implementing a smart infrastructure. In addition, the two parties will also work to establish the



Bosch-Country Garden Smart Living Lab. The lab will integrate showrooms, training, applications, incubator projects and the opportunity to experience Bosch technology in one space.

### LPKF AG receives the Productronica Innovation Award 2017 in the Semi-Conductor Category for LIDE technology

With the LPKF Induced Deep Etching (LIDE) laser from LPKF, the expert jury of Productronica honors a process that unlocks the full potential of glass for microsystems technology. The LIDE process is a combination of laser modification and wet chemical etching. The microstructures in the glass - through holes or cuts. The heart of the LIDE technology is the Vitron 5000 laser system, newly developed by LPKF. Laser Induced Deep Etching is a two-stage process. In the first step, the glass is laser modified locally according to the desired layout using the LPKF Vitron 5000. The modified glasses are then etched wet-chemically. The modified areas of the glass are removed much faster than the unmodified material, so that the desired microstructures are created.

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## Jiro Tchalikian

### Company:

Atlanta Drive Technology

### Job Title/Position:

General Manager

### Year of Foundation:

2011

### HQ (location):

Bietigheim-Bissingen, Germany

### Main Business:

Rack-pinion drives system

### What is your personal and business background?

As Armenian-German, I grew up in a multi-cultural and multi-language environment. After my studies of Electrical-Engineering in Saarbrücken, I began working at Siemens Automation & Drive where I acquired my technical skills and later worked at Schneider-Electric where I acquired my marketing experience.

I was fascinated about the Chinese language and in 1992, decided to study Chinese civilization at Oriental Languages in Paris.

During the past 13 years, I developed my career in Mechanical Automation in China and got deep understanding of Chinese market. With my strong technical knowledge and multi-cultural background, I have built a strong team, therefore strengthening Atlanta's brand image in China. We have achieved tremendous growth within the last five years.

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

Atlanta Antriebstechnik is a traditional, medium-sized, family-owned German company that specializes in developing solutions in high-quality, driven technology.

New production technologies in an automation system or machine-tools require more complex drive systems and the components that must meet strict requirements in quality and performance.

In 2011, we established our Chinese subsidiary Atlanta Drive Technology in Shanghai to serve our Chinese customers.

### 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 success in China began 20 years ago with introduction of the innovative rack-pinion solution instead of the traditional spindle to machine tool industries in Shenyang, Dalian, Kunming, Jinan, Wuhan, Qiqihar, etc.

Later our technology was adopted in handling systems, gantry, portals, tracks for robots and other automation application (ex. automobile). In the recent years, our technology got a breakthrough in the high-speed laser-cutting application and has won wide acclaim from our customers.

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

Most of our customers have a problem in correct product selection according to the load, speed, acceleration and inertia. An

oversized conservative selection would be too expensive, an undersized product selection would have in the best case an impact on the speed/performance and in the worst case in the failure of the mechanical components.

We offer our professional advice to help our customers make the best product selection with our calculation software. This is what our customers appreciate: the professional advice of our specialists. We are committed to make the optimal product selection to our customers.

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

The implementation of "Made In China 2025" opened us a great potential in the manufacturing industry. We are confident to seize the opportunities, providing to our customers better solutions that will help them make better achievements. According to the concept of Industry 4.0, we will launch this year an Information System stored in our Cloud. Using a smartphone, the customer can access to all characteristics and test data of each product – of each rack: offering a complete transparency about the quality of our products. (eg. pitch-error, tooth-thickness-tolerance, flatness or roller-size, hardness ...)

### Are your main competitors domestic or foreign? Has this changed and how do you see the future?

Our competitors are local and Taiwanese companies which try to copy our products. Some customers are attracted to use these products because they are cheap. These products look similar but are different from ours regarding the hardness and so the transmissible torque and especially the precision. There is a Chinese saying: YiFenQian-YiFenHuo 一分钱一分货, which means you get what you paid for. I believe our customers will continue using our high-performance products to assure their quality.

### What has been your experience working and living in China?

China is moving and changing incredibly much faster than any European country. This is why I believe in the success of China. Our challenge is to build strong teams that combines German creativity and technical skills with Chinese perseverance and combativity skills.

It is important to keep in mind that China is different from Germany. This will also keep the team together.



A large-scale industrial rack and pinion drive assembly is shown in a factory setting. The assembly consists of a long, dark metal rack with numerous teeth, and a corresponding pinion gear. The components are mounted on a blue industrial frame. The background shows a typical industrial environment with blue walls and various pipes and equipment.

# Leader in Rack & Pinion Drive Technologies



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17<sup>th</sup>

January 2018

Event: Workshop Young Leader

Topic: Powerful Habits from and for Entrepreneurs

Venue: DoBe "WE"@BUND

Speakers: Mike Hauge | Founder/Managing Partner at Learning Leaders

Yael Farjun | CEO and Co-founder at ChinaClickGo.com

23<sup>rd</sup>

March, 2018

Event: Workshop Young Leaders

Topic: Demystifying e-commerce—First-hand Insights into the World of Online Retail Business

Venue: ATLAS Workspace

#### GC DEALS

Speaker: Mr. Fabian Schneider | BD Director North Asia, Dr. Wolff China



17<sup>th</sup>

January 2018

Event: Kunshan Roundtable

Topic: "Environmental Enforcement in China"

Venue: Pollman Mechatronic

Speakers: Ms. Julia Coym | Senior Analyst, Control Risks' Global Risk Analysis practice

Moderator: Ms. Johanna Spee | Regional Manager, German Chamber of Commerce in China – Shanghai



15<sup>th</sup>

January 2018

Event: Special Event

Topic: Präsentation des EU Handelskammer „Positionspapiers 2017/2018"

Venue: German Chamber Office

Speakers: Dr. Ioana Kraft | European Union Chamber of Commerce in China, Shanghai Chapter; Mr. Marcus Wassmuth | UniCredit S.p.A., Shanghai Branch; Mr. Andreas Odrian | Deutsche Bank (China) Co., Ltd., Shanghai Branch; Ms. Brigitte Wolff | EIM Executive Interim Management Ltd.

On 15<sup>th</sup> January 2018, a special evening event cooperation with the European Chamber of Commerce took place at German Chamber office, which attracted around 40 people. During Dr. Ioana Kraft's speech, she mentioned that in this year's paper, the European Chamber evaluates how Chinese authorities have so far lived up to the commitments towards economic globalization and openness expressed during President Xi's speech at the World Economic Forum. It also looks at the pace of implementation of State Council Document No. 5, which was released in January 2017 and includes 20 points organized under three themes: Take further steps to open to the outside, further create an environment of fair competition, and further strengthen efforts to attract foreign investment.



18<sup>th</sup>

January 2018

Event: Workshop HR

Topic: Work Place / Office-Transformation to the Next Level "A Practical Process Example of Engaging People for Change"

Venue: InterContinental Pudong

Speakers: Mr. Norbert Reichert | Vice President Corporate Human Resources, Region Asia Pacific, ZF Group; Ms. Noriko Takagi | Managing Partner, Steinbach & Partner

On 18<sup>th</sup> January, the German Chamber organized an interesting HR workshop about the work place, and office transformation at InterContinental Pudong hotel. Change Management is today one of the essential skills great leaders demonstrate. Mr. Norbert Reichert shared a case from ZF in Germany about "Workplace 3.0" and discussed the challenges in realizing it in Europe and China. Through a free dialogue style, audiences applied unique ways to share thoughts and to experience how change affects the workplace. Ms. Noriko Takagi from Steinbach & Partner divided the audience into few groups to play different roles, simulating the process of engaging people, which was very successful. Attendees liked the interactive style of the event.





**25<sup>th</sup>**  
**January 2018**

**Event:** Chamber Meeting January: „Deutschland und China 2018 – Ein Bewegtes Internationales Umfeld und Innenpolitische Herausforderungen“  
**Venue:** Mandarin Oriental Pudong, Shanghai

#### GC DEALS

**Speaker:** Dr. Christine Althausen | Consul General for the Republic of Germany in Shanghai  
**Moderator:** Ms. Bettina Schoen-Behanzin | Chairwoman of the Board, German Chamber of Commerce

The first Chamber Meeting of 2018 was held on the 25<sup>th</sup> of January and was attended by more than 130 participants. The topic of the speech, held by Dr. Christine Althausen, Consul General of the Republic of Germany in Shanghai, was “Germany and China 2018 – An eventful international environment and challenges for domestic politics”. Following a short introduction by moderator and Chairwoman of the Board Ms. Bettina Schoen-Behanzin, a feature video of the “More than a Market” initiative was shown. Afterwards, new members had the chance to present themselves on stage.

After the buffet dinner, Dr. Althausen began her speech by wishing everyone a happy New Year and recapping last year's developments, such as the higher influx of visa applications and which delegations have visited China.

She elaborated on the topics of the current international environment, Germany's and China's roles and what this should mean for domestic politics. According to Dr. Althausen, Germany's economic situation is very good, but there are a lot of challenges in global politics at the moment: The EU has to handle issues such as Brexit and the spread of nationalism and the US pulling back from the global stage leaves space for other players to grow in importance, such as Russia and China. China's strong economic power also translates to more power in foreign policy and it is clear that China is striving for more influence on the world stage. All this means that Germany needs to develop strategies in order to successfully handle global politics.

In the aspect of the German-Sino relationship. Things that need to be addressed are creating a level playing field for foreign companies, the protection of intellectual property right, legal certainty and a transparent information policy. The German embassies are in a constant dialogue with the Chinese government to achieve progress in all these aspects. Dr. Althausen also stressed the importance of European cooperation in the face of growing competition. The evening ended with an engaging Q&A session.





**1<sup>st</sup> February 2018** Event: Workshop Legal & HR TAICANG & SUZHOU  
**Topic:** "Retention Management-how to keep your employees from leaving after Chinese New Year"  
**Venue:** German Center Taicang Xinghai Building (East Wing), Suzhou  
**Speakers:** Ms. Miriam Wickertsheim | Director at Direct HR Group; Mr. Ralph Koppitz | Chief representative of the Taylor Wessing Shanghai Office  
**Moderator:** Ms. Johanna Spee | Regional Manager, German Chamber of Commerce in China-Shanghai



**1<sup>st</sup> February 2018** Event: Workshop Legal & Tax  
**Topic:** Understanding the New Anti-Unfair Competition Law – A New Era in Fighting Commercial Bribery?  
**Venue:** InterContinental Pudong  
**Moderator:** Mr. Roger Haynaly | Partner, Rödl & Partner  
**Speaker:** Mr. Mike Goldammer | Partner at Taylor Wessing, Munich Office  
 Ms. Cara Meng | Senior Associate at Taylor Wessing, Shanghai Office

On the 1<sup>st</sup> February 2018, the German Chamber Shanghai hosted a Legal & Tax workshop about the New Anti-Unfair Competition Law which has become effective on 1<sup>st</sup> January 2018. Mr. Mike Goldammer started with an introduction, which gave the audience a general overview on AUCL changes. He made comparisons between the 1993 and 2018 version in civil liability, administrative fines and the IP perspective. Furthermore, he differentiated between administrative liability and criminal liability. He continued with mentioning major changes of the anti-bribery clauses. The core question: "Do the benefits offered by the counterparties (such as various sales incentives and promotions) no longer count as commercial bribery?" was answered with: "It is still on observation period, the rules relating to discount, tokens are still effective and also new considerations came up, such as whether it restricts the consumers choice or involves false advertising." Ms. Cara Meng continued with a presentation and description of enforcement cases. The key focus industries for anti-bribery in 2018 which are typically mentioned by authorities are Automotive, Construction, Education, Funeral, Insurance, etc. A key takeaway from the workshop was that old risky patterns are still risky due to improper accounting and direct treatment to the retailer bypassing middleman distributors. The need of setting up effective and updated compliance management systems is strong and companies shall revisit internal policies in regards to engagement of intermediaries.



**1<sup>st</sup> March 2018** **Event:** Chamber Meeting March 2018  
**Topic:** Cyber Security, Control and Privacy: A New "Beijing Consensus"?  
**Venue:** Kerry Hotel Pudong Shanghai  
**Moderator:** Mr. Sven Becher | Managing Director of P3 Technical and Management Consulting  
**Speaker/ Panelist:** Mr. Philip Lazare | Partner at Luther Law Offices,  
**Panelists:** Mr. Tobias Steinig | Regional Vice President Digital Operations APAC at KUKA Management; Mr. Dietrich Henne | Senior Vice President at Voith Digital Solutions; Mr. Michael Tan | Partner at Taylor Wessing Shanghai Representative Office

On 1<sup>st</sup> March 2018, the German Chamber of Commerce in Shanghai hosted the 2<sup>nd</sup> Chamber Meeting this year on the topic of Cyber Security in Kerry Hotel Shanghai. The Chamber Meeting was opened by Mr. Sven Becher, Managing Director of P3 Technical and Management Consulting and member of the board, who gave a welcome speech greeting the guests and speakers. With new rules and guidelines from the "China Cyber Administration" concerning the way in which we access and use the internet, Mr. Philip Lazare, Partner at Luther Law Offices, who has nearly two decades of legal practice in China, gave an overview about this hot topic. The Chinese Cybersecurity Law which came into force in June 2017 is, according to Lazare, a natural response to our evermore globalized and complex business environment. After giving insights into the new regulations, differences between China's and Europe's Cyber security were depicted. He stated that the main difference lays in the approach between both sides. China lays more importance on a controllable system while Europe attaches more importance to each individual's privacy and its protection. There are still uncertainties in respect of the regulations. Detailed guidelines still need to be formulated and issued by the Chinese authorities. Afterwards, a panel consisting of Mr. Tobias Steinig, Regional Vice President of Digital Operations Asia and Pacific of KUKA Management, Mr. Dietrich Henne, President and SVP of Business Applications and IT Voith Digital Solutions China, and Mr. Michael Tan, Partner of Taylor Wessing Shanghai Representative Office voiced their views and gave guidance to the question of what challenges international businesses operating in China can expect. The panel discussion was followed by a Q&A, where many questions were asked.







**13<sup>th</sup>**  
March 2018

**Location:** Workshop Controlling & Finance  
**Topic:** Risk Management & Controlling – Challenges and Opportunities in China  
**Venue:** German Chamber of Commerce in China | Shanghai Office  
**Moderator:** Mr. Alexander Prautzsch | Tax Director at China Tax & Business Advisory Services, PwC  
**Speaker:** Mr. Bernd Pichler | CMO at ICONIQ Motors  
Mr. Philipp Senff | Partner at CMS China

During the event, Mr. Bernd Pichler mentioned new risks and challenges facing risk management & controlling in China. He gave examples in marketing & sales and in procurement in the automotive industry to introduce practices of risk management & controlling in business. Mr. Philipp Senff mentioned risk management & controlling from a legal & compliance point of view. Furthermore, he talked about protection against Personal CEO and CFO Liability Risks in China. He also provided an overview about practical tools for the prevention and crisis management in conjunction with compliance cases in China and several real-life case studies with a focus on procurement and sales, which show typical hidden compliance risks and realistic strategies for responding to these risks. Moreover, he gave advice how to deal with whistleblower allegations and how to protect senior executives against personal liability risks in China.

**19<sup>th</sup>**  
March 2018

**Location:** SUZHOU Workshop Finance & Controlling  
**Topic:** "Customs Update and Challenges on Outbound Payment from Customs Valuation Perspective"  
**Venue:** Hyatt Regency Suzhou  
**Speakers:** Ms. Kelly Guan | Partner, Tax & Business Advisory Services at Deloitte China  
Mr. Roger Chen | Senior Advisor, Indirect Tax, Customs and Global Trade at Deloitte China  
**Moderator:** Ms. Sarah Oemmelen | Manager at PwC





20<sup>th</sup>

March 2018

**Location:** TAICANG Workshop Legal & Tax (Chinese)

**Topic:** "企业环境法风险控制, 应急处理及实际案例分析 / Enterprise's Risk Control, Emergency Response under the PRC's Environmental Law and Case Study"

**Venue:** German Center Taicang

**Speaker:** Ms. Annie Zhu 朱海婴 | Partner at Hylands Law Firm, Shanghai Office

21<sup>st</sup>

March 2018

**Location:** Workshop Machine Building & Plant Construction

**Topic:** Anxious Optimism—"Key PwC CEO Survey Findings from Global and China Industrial Manufacturing Industries"

**Venue:** The Kunlun Jing An Hotel

**Moderator:** Mr. Daniel Tweer | General Manager at ROSLER Surface-Tech (Beijing) Co., Ltd. Shanghai Branch

**Speaker:** Mr. SiuFung Chan | Partner and the Consulting Leader at Industrial Products & Services at PwC China and Hong Kong

PwC has conducted an annual survey with global and China CEOs for the past 20 years. Mr. SiuFung Chan, PwC China Consulting Leader for Industrial Products & Services, shared key survey findings and insights from the PwC CEO Survey during the event.

According to the survey, Mr. Chan reported the results that were dependent on three aspects. He said that there is a significant jump in CEO optimism regarding global growth in the next 12 months. Also, executives in China are optimistic about their revenue growth in the short term. Moreover, business optimism is also being reflected in the upward PMI trends.

Mr. Chan asked attendees what key challenges and concerns they have. More importantly, he shared some valid data and the efficient key take-aways to show how they are pursuing growth and overcoming challenges.



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11<sup>th</sup>

April 2018

Event: Workshop Legal & HR KUNSHAN

Topic: "Performance Prediction – How to Assess Performance Aspects under HR and Legal Point of View?"

Venue: Swissotel Kunshan

Speakers: Ms. Miriam Wickertsheim | Director at Direct HR Group

Mr. Ralph Koppitz | Chief representative of the Taylor Wessing Shanghai Office

Moderator: Ms. Johanna Spee | Regional Manager, German Chamber of Commerce in China – Shanghai



12<sup>th</sup>

April 2018

Event: Workshop Legal & Tax (Chinese)

Topic: Mitigating Labor Disputes – How to avoid legal pitfalls when formulating and implementing internal rules and regulations

Venue: German Chamber Office

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

Speaker: Mr. Will Shen | Attorney at River Delta Law Firm

During the event, Mr. Will Shen, attorney at River Delta Law Firm mentioned that more and more enterprises are facing increasing labor disputes with the Chinese government's continuous improvement and adjustment on the regulations between labor and management and that the controversial clauses in internal rules and regulations can put enterprises in an unfavorable situation. Therefore, it is important for enterprises to establish feasible and legally enforceable enterprise's rules and regulations to protect the interests of employers. Mr. Shen analyzed and discussed the controversial rules and regulations of enterprises combining problems in actual cases, which make the problems easy to understand. Furthermore, Mr. Shen elaborated that the enterprises should also revisit the common issues arising in employment in a timely manner and take precautionary measures, for example, how to treat attendance records as proof in labor disputes; how to regulate sick leave, maternity leave for second child and leave for preventing miscarriage etc.; as well as how to prove the necessity of overtime to deal with claims for overtime pay; and whether confidentiality and non-competition rules will have an impact in the demission case, etc.







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## German Pavilion of First China International Import Expo Well on Track

AHK/GIC Shanghai, as the German Pavilion organizer, received more than 50 companies' inquiries for the First China International Import Expo (CIIE). Around 600 sqm booth space are already reserved for the trade fair, which will take place at the National Exhibition and Convention Center in Shanghai from 5-10 November, 2018. Among the registered companies are EVONIK, Bayer, Toennies Food, Wacker, TÜV Rheinland, MARCO, HOPPECKE Battery System, ALBA, Kaiser+Kraft Europa, and more...

The CIIE organizer reports that already companies from over 165 countries are scheduled to participate to meet the more than 150,000 buyers from China and across the world, that are expected to visit the fair. With an exhibition area covering over 59 acres (240,000m<sup>2</sup>), CIIE signals the Chinese government's latest push towards a new era of opening-up and is seen as a landmark in the further opening of the Chinese market to the world.

"The first CIIE will not only help satisfy the demands of Chinese consumers for better products, but also encourage countries to develop products and services that will help them to boost trade, further advancing economic globalization and an open world economy" remarked Sun Chenghai from the CIIE organization office.

The Enterprise and Business Exhibition Area will consist of displays of goods in different categories, including:

- High-end Smart Equipment
- Consumer Electronics & Appliances
- Automobiles
- Apparel, Accessories & Consumer Goods
- Food & Agricultural Products
- Medical Equipment & Medical Care Products

The sections for services will include:

- Tourism
- Emerging Technologies
- Culture & Education
- Creative Design
- Service Outsourcing

For more information, please contact:

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## AHK Plant Tour at Stihl Qingdao and the 16<sup>th</sup> German Business Community Get-together in Qingdao

On 11<sup>th</sup> May, 2018, the German Industry & Commerce Qingdao Office organized 25 local German companies to visit ANDREAS STIHL Power Tools (Qingdao) Co., Ltd. in Qingdao. Mr. Winfried Michels, GM of Stihl Qingdao warmly welcomed the enterpriser, introduced the development process and plan. Afterwards, the guests were divided into two teams for the eagerly-awaited workshop. As Sino-German Dual VETnet Project Partner, Stihl has employed 35 apprentices from AHK-Jinan Sino-German Vocational Training Base in North China, who provide the most basic support for high quality German products.

After the visit, the participants returned to downtown Qingdao to participate in the 16<sup>th</sup> German Business Community get-together at the BeBa in Hyatt Hotel. During the dinner, representatives of the participating enterprises introduced their business areas and exchanged potential cooperation opportunities. Sponsor Wine 925 held a wine tasting, while Mr. Martin Fischer from Baden Württemberg introduced German wine culture.

Senior executives and representatives from FAW-VW, Siemens, Bosch, Stihl, Gerb, IFE- VICTALL, German Center, Bavaria Office in Qingdao etc., CIAAS in Weifang, Huf and MSE in Yantai, Refratechnik in Zibo were in attendance of this gathering.

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



## Trade Fair Outlook

Major exhibitions in the following months are:

**ISPO SHANGHAI** - China's multi-segment sport show in summer 05.07.-07.07.2018 at SNIEC

**China BevTek** - International Beverage & Liquid Technology and Materials Exhibition

**ProPak China** - International Packaging, Food Processing and Supplies Exhibition 11.07-13.07.2018 at SNIEC

**CBME** - Children Baby Maternity Industry Expo 25.07-27.07.2018 at NECC

**ACLE** - All China Leather Exhibition 29.08-31.08.2018 at SNIEC

**ISH Shanghai & CIHE** - Shanghai International Trade Fair for Heating,

Ventilation and Air-Conditioning 03.09-05.09 at SNIEC

**FURNITURE CHINA** - China International Furniture Expo 11.09.-14.09.2018 at SNIEC

**China International Industrial Fair**

19.09-22.09.2018 at NECC, NEAS area will be supported by GIC Greater China | Shanghai

\* SNIEC - Shanghai New International Expo Center

\* NECC - National Expo & Convention Center

For more information on Trade Fairs in China, please contact us directly:

Ms. Dong Wen | Tel. 021 3858 5052 | ✉ dong.wen@sh.china.ahk.de

4 <sup>th</sup> – 8 <sup>th</sup> June	Improve Maturity of your Manufacturing Process to 6 Sigma
5 <sup>th</sup> – 6 <sup>th</sup> June	Effective Communication and Presentation Skills
5 <sup>th</sup> – 6 <sup>th</sup> Jun	Working Smart with MS Project
7 <sup>th</sup> – 8 <sup>th</sup> June	Leadership Skills in Workplace <b>new</b>
7 <sup>th</sup> – 8 <sup>th</sup> June	Lean Leadership Basics (Module1)
11 <sup>th</sup> – 12 <sup>th</sup> June	Lean Leadership Basics (Module2)
11 <sup>th</sup> – 12 <sup>th</sup> June	Crash Course Controlling for Non-Financial Managers& Professionals
12 <sup>th</sup> – 13 <sup>th</sup> June	Essential Leadership Skills (Module 1)
13 <sup>th</sup> – 15 <sup>th</sup> June	Controlling in 5 Stages: Stage 3 “Controlling Implementation”
14 <sup>th</sup> – 15 <sup>th</sup> June	Human Resource Management for non-HR Professionals <b>new</b>
15 <sup>th</sup> June	Preventive Quality Assurance – Design and Process FMEA
19 <sup>th</sup> – 20 <sup>th</sup> June	Working Smart with Excel
20 <sup>th</sup> – 22 <sup>nd</sup> June	IATF 16949:2016 Internal Auditor Course
21 <sup>st</sup> June	Data Management and Analysis with Excel
21 <sup>st</sup> – 22 <sup>nd</sup> June	Key Account Management Workshop
21 <sup>st</sup> – 26 <sup>th</sup> June	Lean Manufacturing
22 <sup>nd</sup> June	7 Steps to Effective Problem Solving for a High-performance Team
23 <sup>rd</sup> June	Bikablo®basics – your First Step into Visual World <b>new</b>
27 <sup>th</sup> June	Managing Emails and Schedules Using Outlook
27 <sup>th</sup> – 29 <sup>th</sup> June	ISO 9001:2015 Internal Auditor Course
28 <sup>th</sup> – 29 <sup>th</sup> June	Working with Excel Macro & VBA

5 <sup>th</sup> – 6 <sup>th</sup> July	Effective Selling Skills
5 <sup>th</sup> – 6 <sup>th</sup> July	Essential AutoCAD skills: 2-D Drafting Intermediate
5 <sup>th</sup> – 6 <sup>th</sup> July	Finance Course for Non-Financial Managers
5 <sup>th</sup> – 6 <sup>th</sup> July	Lean Production Enabled by Industry 4.0
9 <sup>th</sup> – 10 <sup>th</sup> July	Working Smart with Word
10 <sup>th</sup> – 11 <sup>th</sup> July	Storytelling for Sales <b>new</b>
11 <sup>th</sup> – 13 <sup>th</sup> July	IATF 16949:2016 Internal Auditor Course
12 <sup>th</sup> – 13 <sup>th</sup> July	Communication, Influencing & Negotiation Skills
13 <sup>th</sup> July	Design Your Production Line Lean and Intelligent
16 <sup>th</sup> – 17 <sup>th</sup> July	Working Smart with PowerPoint
16 <sup>th</sup> – 17 <sup>th</sup> July	Hoshin Kanri
16 <sup>th</sup> – 18 <sup>th</sup> July	Controlling in 5 Stages: Stage 4 "Reporting & Communication"
16 <sup>th</sup> – 18 <sup>th</sup> July	ISO 9001:2015 Internal Auditor Course
17 <sup>th</sup> – 18 <sup>th</sup> July	Highly Effective Talent Recruitment and Selection <b>new</b>
17 <sup>th</sup> – 18 <sup>th</sup> July	Interpretation of New Customs Policy and HS Code, Royalties for Customs Inspection under New Situation <b>new</b>
19 <sup>th</sup> July	Say It with Charts: Presenting Data Graphically in Excel
20 <sup>th</sup> July	Flexible Production Planning-The Key to Competitive Edge
23 <sup>rd</sup> July	Fundamentals of Access Database
24 <sup>th</sup> – 25 <sup>th</sup> July	Advanced Applications of Access Database
25 <sup>th</sup> – 27 <sup>th</sup> July	ISO 14001&OHSAS 18001 Legal Requirements Compliance Evaluation
26 <sup>th</sup> – 27 <sup>th</sup> July	Value Proposition Design: How to Create Products and Services Customer (Internal customer too) Wants? <b>new</b>
26 <sup>th</sup> – 27 <sup>th</sup> July	MS Office Advanced Skills for HR Professionals
26 <sup>th</sup> – 27 <sup>th</sup> July	Upgrade Your Internal Logistics to Lean and Smart

Year	1997	1998	1999	2000	2001
1997	1997	1998	1999	2000	2001

## AEVO-training-An Important Link of Quality Assurance of the Dual Vocational Training in China

Finding qualified staff has been one of the top business challenges for German companies in China since 2011 according to the Business Confidence Survey of the German Chamber of Commerce in China. AHK Shanghai has been helping German companies in China since 2006 to overcome these challenges with a home recipe – the dual vocational training.



To assure the quality of the dual vocational education programs throughout China, AHK Shanghai checks the qualification of the participating partners as well as the program content, monitors the training procedure, organizes AHK exams comparable to German vocational training standards to verify the competences of the apprentices and issues AHK certificates to the ones having successfully passed the exam.

Next to this, the AHK has also introduced through its AEVO program (Ausbildereignungsverordnung), a qualification program on the aptitude of instructors, to enhance the competencies of the instructors and examiners involved in dual vocational training.

### Topics of AEVO training

The instructors in the dual vocational education program typically guide the apprentices to obtain the practical skills and hands-on experience, which are essential for their future occupation.

The instructors are not only required to be equipped with vocation-specific knowledge and skills, but also asked to show general understanding of vocational education and practice the didactic approach as well as the various learning methods.

All these elements are covered in the four modules of the AEVO training course:

1. Checking the training prerequisites and planning the training;
2. Preparing for the training and participating in the recruitment procedure;
3. Conducting the training;
4. Closing the training.

The future instructors will learn, before launching the training program how to present its benefits, integrate it into the company's overall HR strategy and career development of individual staff, determine the target vocations to meet the company's personal requirements, introduce outside service providers for a company unable to cover the whole training program alone, guide other company staff to perform their training duty and coordinate with the local AHK.

In the kick-off phase, the instructors will learn to determine the company specific training program, construct a learning friendly environment in the company, cooperate with local vocational schools, screen suitable apprentice candidates, and assess the suitability of the apprentice candidates during the trial period.

During the training program, the instructors will develop training tasks according to the company's training program, choose training methods and tools, motivate the apprentices to overcome learning difficulties, encourage them to acquire additional qualifications such as foreign language and IT skills and evaluate their learning outcomes. At the end of the training program, the instructors then can arrange the preparation for the AHK exam, issue company training certificates or job references and introduce further advanced training possibilities to the students.

### Localization of the training program in China

AHK Shanghai is in charge of the localization of the program, hence the adaptation of the training programs in accordance with Chinese law and practices for all mainland China. The localization is based on the "full version of AdA international" of the Association of German Chambers of Commerce and Industry, also known as DIHK, the umbrella organization of all the IHKs in Germany and AHKs over the world.

The training program is aimed at the trainers in the company, but extended in China also to the vocational school teachers, who are typically not familiar with hands-on trainings but are required to integrate them to support the theoretical training and meet the needs of their German partner companies. To this end, local trainers are introduced to effective training approaches based on research in the fields of cognition, memory, motivation and learning management.

### AEVO training program 2018

To meet the large demand of the AEVO training, AHK Shanghai offers 10 public training slots in its 2018 training brochure. Interested companies and schools/colleges may also contact AHK Shanghai for exclusive inhouse training. Mr. CHEN, Xiaorong, project manager and AEVO trainer of AHK Shanghai, can be reached through [chen.xiaorong@sh.china.ahk.de](mailto:chen.xiaorong@sh.china.ahk.de).



### Training Highlights - Shanghai

#### Value Proposition Design:

How to Create Products and Services Customer (Internal customer too) Wants? **New**

Based on the book "Value Proposition Design" (Wiley), [www.strategyzer.com/vpd](http://www.strategyzer.com/vpd). The most efficient way to grow your sales is by converting more of the prospects you already have in your pipeline. Basic understanding of the Value Propositioning canvas tool, Know how to clearly communicate an effective value proposition, and Business cases of best value proposition companies happening within China versus EU & USA will be discussed in classroom, especially a "WOW" Customer Experience! Journey!

Shanghai contact: Ms. Wang Xueting  
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✉ [wang.xueting@sh.china.ahk.de](mailto:wang.xueting@sh.china.ahk.de)





# Simone Pohl on “Digital China” at the AHK World Conference

The AHK World Conference is a firmly established key event for all actors involved in German foreign trade promotion. Every two years, representatives of the German Chambers of Foreign Trade (AHKs) alongside their board members from 90 countries, business executives, and political stakeholders gather in Berlin for the AHK World Conference. This year the conference took place in Berlin at the Haus der deutschen Wirtschaft between 14<sup>th</sup> to 17<sup>th</sup> May 2018.

Apart from an in-depth analysis of current economic trends, the conference is dedicated to shedding light on topics that will shape future German foreign trade relations. In that vein, Delegate and Chief Representative Simone Pohl was invited to give a presentation on digital trends in the People's Republic of China and deciphered topics such as China's digital ambitions. She walked the audience through the

digital everyday life in the Middle Kingdom and illustrated China's unique relationship to the age of big data. “There's hardly any other country that drives the digitalization of its industry, economy and society as resolutely as China”, Pohl said.

German Chamber of Commerce in Shanghai Board Member, Clas Neumann, Senior Vice President, Head of SAP Global Labs Network at SAP China Co. Ltd. shared his insights on China during an exclusive exchange with Federal Minister of Germany for Economic Affairs and Energy, Peter Altmaier as part of the traditional AHK Ehrenamtstag, which honors board members for supporting the work of the AHK network with their honorary engagement. Our colleagues and board members from across the Greater China region were also widely represented.



## World Manufacturing Convention Held in Hefei

The World Manufacturing Convention kicked off on 25<sup>th</sup> May 2018 in Hefei, capital of east China's Anhui Province, a major gathering of global leaders in the manufacturing sector and highlighting the new industrial revolution. The three-day convention is hosted by The Global Alliance of SMEs, the Federation of German Industries (BDI), the United Nations Industrial Development Organization (UNIDO), the Chinese People's Association for Friendship with Foreign Countries, and Anhui Provincial Government. A total of 165 domestic companies and 315 overseas companies including Volkswagen, HP, GM, SAP, Whirlpool and Microsoft and more have sent representatives to the convention, which featured forums on the advancement of manufacturing technologies in the areas of artificial intelligence, smart homes, integrated circuits and smart manufacturing.

Foreign dignitaries, including former German president Christian Wulff attended the event and released the "World Manufacturing Convention 2018 Hefei Manifesto", along with other international and Chinese officials and business leaders. Mr. Clas Neumann, member of the Board of the German Chamber of Commerce I Shanghai and Senior Vice President and Head of Global Labs Network SAP also provided a keynote speech at the opening of the forum alongside Mr. Jochen Heizmann, Member of the Board of Management of Volkswagen AG, President and CEO of Volkswagen Group China, Vice President of SAIC VOLKSWAGEN, Mr. Ulrich Grillo, Vice President of the Federation of German Industries. Furthermore, a four people delegation from the German Chamber of Commerce I Shanghai had the chance to deepen the relationship with many high ranking officials from Hefei city and Anhui Province and discuss matters of Sino-German economic cooperation.



## Mr. Lothar Grad at the 7<sup>th</sup> World Business Leaders Conference

On May 16<sup>th</sup>, 2018 German Chamber of Commerce Vice Chairman Lothar Grad delivered a keynote speech during the 7<sup>th</sup> World Business Leaders Conference in Kunshan, Jiangsu Province. Organized by the Ministry of Commerce, the China Council for the Promotion of International Trade (CCPIT) and the Jiangsu Provincial Government, the event aimed to increase international cooperation in an increasingly globalized economy. The more than 600 participants included high-level Chinese officials such as the Vice Minister of Commerce, the chairman of the CCPIT as well as the Vice Governor of Jiangsu Province alongside esteemed experts such as Rajesh Aggarwal, director of the Trade Facilitation and Business Policy Department of the United Nations World Trade Center; Roger Fisk, world-renowned strategist and the senior advisor of U.S. President Obama's presidential campaign team; Li Jie, executive vice president of the Chinese Government Affairs and Joint Office of Jaguar Land Rover Automotive Co., Ltd. And Tatsuo Sugiyama, president of Nippon Express (China) Co., Ltd.

Mr. Grad delivered a speech on the German perspective on industrial upgrading and the inherent opportunities in large-scale initiatives such as Industrie 4.0 and Made in China 2025. "The trends and developments happening here right now in the fields of e-commerce, digital services, life sciences and, of course, manufacturing aiming to use less resources and increase productivity will drive our digital age, whether we are in China, Germany or the rest of the world. And Germany perfectly complements these efforts and are well positioned to partner with China during this transformation and beyond," Grad said.



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# Annual General Meeting & Board Election - GCC Shanghai

This year's General Meeting and Election of the Board of Directors, which was attended by 150 participants, began with a welcome speech by Ms. Simone Pohl, Executive Director, German Chamber of Commerce | Shanghai and Delegate and Chief Representative, Delegation of German Industry & Commerce. The Chairwoman of the board Ms. Bettina Schön then presented the Chamber's Activity Report 2016-2018. The German Chamber in Shanghai had two very successful years, reaching a total of 1,567 members in 2017 and implementing a new structure, which is focusing on improved services and points of

contact for members. Therefore, the Chamber functions as a comprehensive platform for its members offering a quality workshop series, annual surveys, events with selected high-level speakers, and a selection of useful publications, such as the GC Ticker, the new WeChat channel GermanChamberSH, and the WIRE and events newsletters, and much more. Focus topics of the last two years were Industry 4.0, Innovation, and Cyber Security. Also, several new events and activities were introduced. In this context, the CSR forum of German companies in China "More than a Market" was expanded to all German Chambers





in Mainland China, a new regional strategy was implemented, and a greater focus was placed on government relations and inter-chamber cooperation.

Following up the outlook for 2018, Mr. Lothar Grad Vice Chairman of the Board presented the Treasurer's Report 2017 including the year end financials 2017 and the budget 2018. Afterwards, Ms. Simone Pohl announced the call for elections, which took place while event participants could enjoy an exclusive buffet.

It was a privilege to have Mr. Jörg Wuttke, who held a keynote speech entitled "New Wine in Old Bottles: What Has Really Changed After the Party Congress?". In his speech, Mr. Jörg Wuttke touched upon political challenges the Chinese government has been facing over the last decade and the role of the U.S. as China's most important trade partner. Moreover, he discussed the impact of the current trade conflict between China and the U.S. and its impact on the local economic development.

After the speech and Q&A session, the election results were announced, and acknowledgements and small presents were given to the workshop leaders, the chamber team, as well as a thank you to the former board for their service for the 2016-2018 year. This included a farewell to Mr. Rolf H. Koehler. Following, the new board members for 2018-2020 were presented and a thank you went out to the election committee for their help during the evening.

## 2018-New Board of Directors at German Chamber of Commerce | Shanghai

The German Chamber of Commerce | Shanghai would like to welcome the new Board of Directors:

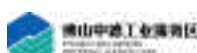
Ms. Bettina Schön-Behanzin will continue as Chairperson of the Board  
 Ms. Simone Pohl, Executive Director  
 Mr. Lothar Grad is Vice-Chairperson  
 Ms. Brigitte D. Wolff is Treasurer  
 Mr. Michael Mäder  
 Mr. Markus Mildner  
 Mr. Clas Neumann  
 Mr. Titus von dem Bongart  
 Mr. Richard Zhang

The Chamber team would also like to thank the former board of directors. Special thanks to Ms. Bettina Schoen-Behanzin as Chairperson, Mr. Alexander Seitz as former Vice-Chairperson and Mr. Steffan Huber as former Treasurer as well as Mr. Sven Becher, Mr. Lothar Grad, Mr. Rolf H. Koehler, Mr. Michael Maeder, Mr. Marcus Wassmuth and Ms. Brigitte Wolff.



## Thanks to Our Yearly Sponsors 2018

### Guangzhou Office



### Shenzhen Office



### ZAMA Appoints New Plant Manager in Huizhou



Following the completion of the re-location of its China plant from Shenzhen into the new factory established in Huizhou, Guangdong Province, ZAMA decided with the STIHL board to hire a plant

manager. The decision was made to put closer attention on China operations, which with 1,900 workers is the biggest manufacturing location and the backbone of ZAMA operation.

The new ZAMA Vice President Huizhou Operations and legal representative of ZAMA Precision Industries (Huizhou) Ltd., Mr. William Yang, took over responsibility as of 1<sup>st</sup> May 2018. He reports directly to Group President, Mr. Jan Grigor Schubert, who also formerly headed the Shenzhen plant and will now focus more on managing Zama's four other locations in Hong Kong, Japan, United States and the Philippines, and on the transition of the carburetor manufacturer to new post-fossil-fuel business.

### German Companies Continue to Invest in Taiwan's Wind Energy



Taiwan's plan to phase out nuclear power by 2025 and shift towards green energy continues to attract major German companies to invest and expand their operations in the island's renewable energy market. Siemens Gamesa, the German-Spanish merger company, has recently been contracted to supply 120 megawatts of capacity for the second phase of Taiwan's pioneering Formosa I offshore wind power plant. Enercon, the fourth largest wind turbine maker in the world, also opened a new office in Taipei, aiming to invest about USD 264.2 million over the next ten years. Earlier in February, EnBW, Germany's third largest energy company, acquired 37.5 percent in three offshore wind projects in Taiwan. Wpd Taiwan Energy, the local subsidiary of Germany-based Wpd group, recently stated that it is to receive about USD 2.8

billion in project financing from 12 domestic banks to develop offshore wind farms.

### CW CPA's First Tax Workshop at the New Shenzhen Office of German Chamber of Commerce

To commemorate German Chamber of Commerce's new office set up in Shenzhen, CW CPA gave a workshop on new China tax policies at the new Shenzhen Office on 26<sup>th</sup> March 2018. The content of the workshop was whether the automatic exchange of financial information (AEOI/CRS) would make a company subject to China worldwide tax; under what circumstances a company is considered as having high tax risk; and whether a company should prepare pricing documentation in advance or wait until the tax authorities ask. Also new tax incentives were brought to the participants' attention. The speaker Bolivia Cheung, CW CPA's consultant and member of the Board of Advisors, elicited good responses from the participants.





## Hanover Coffee Opens New Coffee Machine Experience Centre

The Hanover Coffee manufactory has opened its new coffee machine showroom in German Town in Changde City. The center displays a wide range of machines from espresso machines to fully-automatic coffee machines.

With the vision of establishing middle-European coffee culture in China, this showroom is a step towards a better understanding of the typical German taste of gently roasted coffee in combination with carefully manufactured machines.

With the machines being a vital part of the several coffee solutions for offices, visitors can learn, taste and experience the different types of coffee specialities. A school and training center are also planned to better educate and train professionals as well as hobby baristas.



As coffee solutions for offices are becoming more and more needed, this showroom will be a clear milestone for coffee culture in Hunan.

## BMZ China Invests Ten Million Euros in its 12-Story Headquarter in Shenzhen

By the middle of the year 2018, around 1,000 employees of BMZ China will move into the new building in Shenzhen. BMZ Group with its headquarter in Karlstein, Germany is a global player in the production of lithium-ion system solutions.

BMZ China will invest around ten million euros in the new location to meet future project requirements and to create the necessary capacity for further growth in the Chinese market. The existing production lines will move gradually. BMZ China was founded in Shenzhen in 2006 and has been continuously growing since then. In 2017 sales increased by almost 70 percent compared with the previous year. The total area of the new building complex comprises a total of around 35,000 m<sup>2</sup> and will thus be more than five times in comparison with the currently available space.

## TÜV SÜD Certifies ENEC & ENEC+ for Electrical and Lighting Products for the European Market

TÜV SÜD offers ENEC/ENEC+ local certification services in Greater China, which allows manufacturers and importers to demonstrate compliance of their electrical and lighting products with the product safety requirements of the European market. This will heavily reduce the testing time for Chinese manufacturers.

TÜV SÜD laboratories in Guangzhou, Shanghai and Taiwan received local testing qualifications under the ENEC scheme. Additionally, the Shanghai laboratory was issued the ENEC+ Acceptance for lighting products. The ENEC+ scheme can also reduce the need for separate performance testing. Since ENEC+ testing generally covers all initial specification elements, TÜV SÜD Shanghai branch can certify products according ENEC+ scheme.



## New Members South & Southwest China

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23<sup>rd</sup>  
January 2018

Location: Guangzhou  
Event: German Wine Tasting  
Venue: ME+ Dining Room





**25<sup>th</sup>**  
January 2018

Location: Guangzhou  
Event: VDA QMC China Regional Conference  
Venue: PULLMAN Guangzhou Baiyun Airport  
Speakers: Mr. Tilman Tillmann | GM of VDA QMC China  
Mr. Markus Doenni | President of GAB Group,  
Mr. Thomas Roesler | Director Manufacturing Asia Pacific of Formel-D,  
Mr. Yang Zhixin | Vice President of Zhongde Metal Group,  
Mr. Tian Xiaogang | Project Manager Automotive SPICE of VDA QMC China,  
Mr. Wang Yanmeng | PM Tianjin Automotive Test Center

On 25<sup>th</sup> January, the regional conference of the German Association of the Automotive Industry was successfully held in Guangzhou for the first time. Over 120 guests attended the conference that was co-sponsored by VDA QMC China and the license partner GAB and Formel D. With the support of AHK, the Huadu district government and Nissan factory had an interesting tour around the Huadu district, including a company visit at Nissan which was additionally organized in the morning.



**1<sup>st</sup>**  
February 2018

Location: Shenzhen  
Event: Visit of OOCL Germany  
Venue: Yantian International Container Terminal

On 1<sup>st</sup> February 2018, the German Chamber of Commerce | South & Southwest China was invited to join an exclusive visit of the world's biggest container ship OOCL Germany at Yantian International Container Terminals (YICT) Shenzhen. The visiting group, joined by the German Consul Generals of Guangzhou, Hong Kong, and their spouses, consisted of business representatives from Shenzhen and Hong Kong. Patrick Lam, Managing Director of YICT gave an introduction into the history and development of the port, followed by a lunch with the stunning view of the harbor from the 21<sup>st</sup> floor. Finally, the captain of OOCL Germany welcomed the delegation on board and gave a tour around the vessel. A sincere thanks to the YICT management, OOCL, and Port of Hamburg Marketing for making this visit happen.





**6<sup>th</sup>**  
**February 2018**  
 Location: Guangzhou  
 Event: GCC Insights – The Sino-German Business Talks  
 Venue: GT Club  
 Speakers: Ms. Valeria Manunza | Assistant Manager Dezan Shira & Associates  
 Topic: New Investment Landscape in the Greater Bay Area

The German Chamber invited Guangzhou's Chinese and international business community to a new series of Sino-German Business Talks with the GT Club. Each GCC Insight will feature a high-quality input on current business topics by an international expert, followed by a get-together in the inspiring atmosphere of Guangzhou's exclusive GT Club. The series started with a lecture on the investment policies, opportunities and predictions that come with the Guangdong – Hong Kong – Macao Greater Bay Area project of the Chinese Government.



**8<sup>th</sup>**  
**February 2018**  
 Location: Shenzhen  
 Event: General Manager Roundtable  
 Venue: GCC Office  
 Speaker: Ms. Valeria Manunza | Assistant Manager Dezan Shira & Associates  
 Topic: New Investment Landscape of the Greater Bay Area: Opportunities & Risks, New Policies, Predictions and Results



**26<sup>th</sup>**  
**February 2018**  
 Location: Guangzhou  
 Event: German Chamber Spring Reception  
 Venue: ART23 Contemporary Gallery

On 26<sup>th</sup> February, the German Chamber invited its members and long-term partners to the second German Chamber Spring Reception in Guangzhou, this time at the ART23 Contemporary Gallery. Jens Hildebrandt, Executive Director and Board Member of GCC | SSW introduced the Chamber activities of 2018 and the development of the chamber throughout the past year. Then, all new members had the chance to introduce themselves and their companies. The Sino-German Contemporary Art Exhibition [Intuition] was explained to everybody interested in a guided tour, while an international buffet by BEAMS and wine by ME+ dining room invited the guests to stay and network. Thanks to everyone who made this event possible, especially to the new members and generous sponsors of this event, Hard Rock Hotel and P3.





**1<sup>st</sup>** Location: Chongqing  
Event: New Year's Reception  
March 2018 Venue: Kempinski Hotel, Chongqing  
**GC DEALS**



Numerous guests from business, politics, science and culture joined the New Year's reception of the German Consulate General. The New Year's reception event, which was organized in cooperation with the German Chamber of Commerce, took place for the first time ever in Chongqing, following the past two years in Chengdu and Kunming.

In the welcome speech, Consul General Dr. Schmidt underlined the importance of Chongqing as an industrial and commercial location. The freight train connection from Chongqing to Duisburg has developed dynamically since 2012. The relationship of the twin cities, Düsseldorf and Chongqing, is also shaping up positively.



**2<sup>nd</sup>** Location: Chongqing  
Event: Info-Day: Smart Manufacturing in Germany  
March 2018 Venue: Meeting Room Xingguang Mansion, Chongqing

At the Info-Day, the Delegation of German Industry and Commerce, jointly with Chongqing Economic and Information Commission and Chongqing Liangjiang New Area Commission, invited German experts to share their insights and experience on smart manufacturing to inspire enterprises and institutes in Chongqing to have a deeper understanding of the concept.

The representative of Chongqing Economic and Information Commission and Chongqing Liangjiang New Area Commission and Dr. Klaus Schmidt, German Consul General in Chengdu gave opening remarks, Mr. Jonathan Schoo, the China Director from Germany Trade & Invest, Mr. Shen Jun, the operations director from Siemens and Mr. Christian Engels, general manager from GIC Guangzhou gave presentations on the event.



8<sup>th</sup>

March 2018

Location: Guangzhou

Event: Insurance-Seminar

Venue: GCC Office

Speakers: Mr. Sven Janssen | Hofmann  
Versicherungsvermittlungs GmbH

Topic: Optimum Insurance Packages for  
German Expatriates Working Abroad

10<sup>th</sup>

March 2018

Location: Guangzhou

Event: Football Match: Guangzhou R&F  
vs. Dalian Yifang

Venue: Yuexiushan Stadium

15<sup>th</sup>

March 2018

Location: Guangzhou

Event: Guangzhou R&F Business  
Networking

Venue: Yuexiushan Stadium

Topic: Stadium Tour and Networking  
Opportunities with RFFC Staff

16<sup>th</sup>

March 2018

Location: Zhuhai

Event: GCC Business Delegation to  
Greater Bay Area-Zhuhai/Hengqin New  
Area

6<sup>th</sup>

March 2018

Location: Shenzhen

Event: Stammtisch

Venue: Eden Garden, Hilton Shekou

GC DEALS

Topic: Joint Event for German Business Community, Young  
Professionals, and Students

15<sup>th</sup>

March 2018

Location: Foshan

Event: GCC Insight: FAW-VOLKSWAGEN

Factory Visit

Venue: Foshan FAW-Volkswagen Factory

The factory visit at FAW-Volkswagen in Foshan was an event jointly organized by the German and French Chamber and included an introduction to the factory as well as a guided tour through the plant and its units.


6<sup>th</sup>

March 2018

Location: Guangzhou

Event: Tax Workshop

Venue: GCC Office

Speakers: Ms. Bolivia Cheung | Founder and  
Director BC Training, external consultant of  
CW HK CPA Firm

Topic: Tax Health Check

In this workshop, the speaker shared cases on tax traps as well as planning and tax health-check review. From these cases, the participants learned more about the transfer pricing risk, how to handle the challenges from the tax bureau, how to get exemption on VAT, the statute of limitation for unpaid taxes and more.





27<sup>th</sup>

March 2018

Location: Guangzhou

Event: Interchamber Networking Drinks

Venue: Crown Plaza City Centre

GC DEALS

13<sup>th</sup>

April 2018

Location: Guangzhou

Event: German Wine Tasting Dinner

Venue: ME+Dining Room

27<sup>th</sup>

April 2018

Location: Guangzhou

Event: HR Roundtable

Venue: GCC Office

Speakers: Ms. Luo Ai | Partner of King &amp; Wood Mallesons

Topic: Personal Information Use and Privacy Protection in the Process of Enterprise Management

3<sup>rd</sup>

April 2018

Location: Shenzhen

Event: Interchamber Networking Drinks

Venue: Alenha at Intercontinental

22<sup>nd</sup>

March 2018

Location: Dongguan

Event: Wolf Factory Tour

Venue: Wolf Lingerie Factory

20<sup>th</sup>

March 2018

Location: Chengdu

Event: Sino-German Cooperation Roundtable: Vocational Education and Enterprises

Venue: Pujiang, Chengdu

Vocational training is becoming increasingly important and has played a vital role for German companies for a long time. An important aspect of the dual system in Germany is the close cooperation between German companies and vocational training institutions. The Delegation of German Industry and Commerce runs a successful example of a vocational education training facility in Pujiang, which is an important human resource base for German companies. Through the visit and the introduction, the participants gained insight in how the cooperation between German vocational education and enterprises works. During the roundtable, the attendees had the opportunity to see what a successful German vocational education training program looks like and to exchange directly with the Pujiang Government and German Chamber of Commerce on whether and how the project in Pujiang can support their own business in HR.

26<sup>th</sup>

March 2018

Location: Shenzhen

Event: Tax Workshop

Venue: GCC Office

Speakers: Ms. Bolivia Cheung | Founder and Director BC Training, external consultant of CW HK CPA Firm

Topic: New Tax Policies in 2018

One of the first events in the new German Chamber of Commerce in Shenzhen office was a workshop on China's new tax policies together with CW CPA on 26<sup>th</sup> March 2018. In the workshop, the participants got insight into whether the automatic exchange of financial information (AEOI/CRS) would make a company subject to China worldwide tax; under what circumstances the company would be considered as having high tax risk; and whether a company should prepare transfer pricing documentation in advance or wait until the tax authorities ask. The speaker also brought the participants' attention to the new tax incentives. Many thanks to the speaker Bolivia Cheung, CW CPA's consultant and member of Board of Advisors, for sharing her in-depth knowledge.





**12<sup>th</sup>**
**April 2018**

**Location:** Guangzhou  
**Event:** Social Innovation in China: German Companies' CSR and Local Initiative  
**Venue:** Wang Jing & Co. Law Firm  
**Speakers:** Ms. Sun Haiyan | Chief Editor of Business Ecology Magazine, Ms. Marina Kalnitski | Job Coach, Inclusion Consultant and SIA Program Director at Taicang Inclusion Factory, Mr. Liang Haiguang | Initiator and Co-founder of Stars Youth Development Center, Ms. Sarah Albert | CSER Senior Manager at Flex Zhuhai



The More than a Market initiative of the German Chamber of Commerce in China has its main event with the award gala in May, but there are more events to provide information about Corporate Social Responsibility throughout the year. In cooperation with the Konrad Adenauer Foundation and Business Ecology, the German Chamber organized workshops in Guangzhou and Shenzhen to give companies the opportunity to share their best practice and to inspire others. Furthermore, local NGOs provided insight into their activities and interactive team work encouraged participants to discuss current problems in society and to find solutions. The event was used as a CSR networking platform by the participants and speakers and new partnerships are being formed. Thanks to our venue partners Wang Jing & Co. Law Firm and Runaccelerator and especially to all speakers for sharing their experience of social engagement.

**13<sup>th</sup>**
**April 2018**

**Location:** Shenzhen  
**Event:** Social Innovation in China: German Companies' CSR and Local Initiative  
**Venue:** Runaccelerator  
**Speakers:** Ms. Sun Haiyan | Chief Editor of Business Ecology Magazine, Ms. Marina Kalnitski | Job Coach, Inclusion Consultant and SIA Program Director at Taicang Inclusion Factory, Ms. Zeng Yalin | Director at Shenzhen Innovation Corporate Social Responsibility Development Center, Ms. Eva Wu | Assistant Project Manager TÜV Rheinland, Ms. Yang Jing | Independent Consultant for sustainable supply chain and CSR





# Annual General Meeting & Board Elections - GCC SSW

The members of the German Chamber of Commerce in China | South & Southwest China elected the new Board of Directors at LN Garden Hotel Guangzhou on 29<sup>th</sup> March.

While receiving the ballots, the participating members enjoyed networking opportunities with each other as well as with the candidates. The Election Auditor, Mr. Qiang Cao, Senior Associate of Roedl & Partner, officially opened the polling station and members, who had not voted online, could cast their vote.

After the closing of the ballot, the Election committee proceeded to count the votes. Meanwhile, the guests enjoyed an exquisite dinner while listening to the keynote-speech by Dr. Harley Seyedin on the current development of Sino-US economic relations. Afterwards, the results of the election were officially announced and Mazars was confirmed as the Chamber's Honorary Auditor.

The German Chamber of Commerce in China | South & Southwest thanks all nominated candidates for their participation and the







election committee for their support and especially the former board for the years of serving as members of the board.

#### Members of the German Chamber of Commerce in China | South & Southwest China 2018 – 2020 Board of Directors:

Chairman: Mr. Ulf Reinhardt  
 Treasurer: Mr. Tim Leitschuh  
 Mr. Jens Hildebrandt  
 Mr. Dong Duong  
 Mr. Bernd Leuthner  
 Mr. Ralf Mazet  
 Mr. Jan Grigor Schubert



#### Save the Dates

Discover Germany is growing and will be held in Guangzhou, Shenzhen and Chengdu in September! The Sino-German festival, organized by GCC | South & Southwest and in cooperation with the German Consulates promotes Germany's business landscape, brands, culture, travel destinations, and F&TB. Take this unique opportunity to present your company, products and services to a large Chinese and international crowd and create a lasting impression.

The 2<sup>nd</sup> HR Summit South China will take place at the 2<sup>nd</sup> November 2018! More information about the event and registration will follow.

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#### Training Calendar South & Southwest China

8 <sup>th</sup> June	Psychological Thinking and Application in Talent Management
11 <sup>th</sup> June	Cross Cultural Effectiveness
22 <sup>th</sup> June	Cross Department Communication Skills
28 <sup>th</sup> June	How to Carry Out Machinery Risk Assessment
12 <sup>th</sup> July	How can SME Increase Their Competitiveness for International Markets
13 <sup>th</sup> July	Supply Chain and Logistics Management
20 <sup>th</sup> July	Win-win Negotiation Skills
27 <sup>th</sup> July	Creative Problem Solving & Decision Making
10 <sup>th</sup> – 11 <sup>th</sup> August	Business and Finance Integration – Making Profit for the Enterprise
16 <sup>th</sup> – 17 <sup>th</sup> August	Excellence in Customer Service
20 <sup>th</sup> August	Business Email Writing
25 <sup>th</sup> August – 5 <sup>th</sup> January	Business German Course A1



## GCC Board North China



**Dr. Stephan Wöllenstein**  
Chairperson  
CEO Passenger Cars Brand  
Executive Vice President Volkswagen  
(China) Investment Co. Ltd.,  
Volkswagen Group China  
Volkswagen Passenger Cars



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



**Ms. Susanne Rademacher**  
Vice Chairperson  
Partner  
Chief Representative, Rechtsanwältin  
BEITEN BURKHARDT Rechtsanwalts-  
gesellschaft mbH Beijing Representative Office



**Mr. Xingliang Feng**  
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Chief Representative  
NRW.INVEST China/Beijing



**Dr. Matthias Göbel**  
Chief Representative  
Deutsche Lufthansa AG



**Mr. Jochen Goller**  
CEO & President  
BMW Group Region China  
BMW China Automotive Ltd.



**Mr. Christoph Kaiser**  
Managing Director  
Turck (Tianjin) Technology



**Dr. Björn Lindemann**  
Volkswagen Group China  
Executive Vice President



**Mr. Yongxin Wu**  
Executive Vice President  
Chief Government Affairs Officer  
General Manager Regional  
Organization  
Siemens Ltd. China

## GCC Board Shanghai



**Ms. Bettina Schoen-Behanzin\***  
Chairperson  
Managing Director, Regional  
Representative Asia Freudenberg Group  
Freudenberg Management (Shanghai)  
Co., Ltd.



**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



**Ms. Brigitte Wolff**  
Treasurer  
Managing Director  
EIM Executive Interim Management  
Ltd.



**Mr. Michael Maeder**  
Managing Partner  
Direct HR Shanghai / Ward Howell  
Management Consulting (Shanghai)  
Co., Ltd.



**Mr. Markus Mildner**  
Executive Vice President Siemens Ltd.  
China General Manager of Energy  
Management Division, Siemens Greater  
China



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Senior Vice President, Head of SAP  
Global Labs Network  
SAP China Co., Ltd.



**Mr. Titus von dem Bongart**  
Partner; Head of GBN Greater China,  
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Shanghai Branch Office

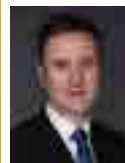


**Mr. Richard Zhang**  
General Manager  
KERN-LIEBERS (Taicang) Co., Ltd.

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Chairperson  
Foshan ARC Industrial Equipment  
Manufacturing Co., Ltd.  
Chairman



**Mr. Jens Hildebrandt\***  
GCC | South & Southwest  
Executive Director  
Delegation of German Industry &  
Commerce Guangzhou  
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Treasurer  
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**Mr. Dong Duong**  
Trolli Guangzhou Confectionery Co.,  
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# Ningbo Meishan International Health Industrial Park

Ningbo Meishan International Health Industrial Park is located in Ningbo Meishan Free Trade Port Zone, the state-level development platform, where on the south-east of Ningbo City. As a beautiful overlooking island, here are international port linking to main ports worldwide, bonded warehouses and efficient port clearance formalities available. By virtue of this area's advantages in function, policy and service, the park has attracted more than one hundred medical enterprises whose business covering R&D, production, investment, trading and service additionally. To support rapid innovation and development of those enterprises, an industry guidance fund of 1 billion RMB has been set up specially.

Following investment projects are welcomed warmly.

## Medical Equipment Intelligent Manufacturing Base

focusing on international cooperation and production projects for mid-high end medical equipment, aims to fully raising China's medical equipment industrial development level by applying world-leading technologies. The representative project is Kangda Intercontinental Meishan Health Industrial Park. Invested 2.5 billion RMB, it covers an area of 318 acres, aiming to constructing an over 330,000 m<sup>2</sup> world-class factory and flagship medical base.



## Health Services Complex

focusing on high-end medical service for cancer therapy and medical cosmetology, aims to creating a national health tourism demonstrative base by utilizing Meishan's superior tourism resources. The representative project is MBM precision medicine project. MBM has actively expanded a world-wide innovation platform and dedicated to providing clinical case and patient with a vertical precision medical solution. MBM and OCB have together established MBM-OCB joint laboratories in Oxford, Britain and Meishan, China respectively.

## Medical Innovation Park

focusing on medical investment and Financing Organization with localization request on overseas M&A project, self-raised fund investment project and LP investment project, aims to creating a shared space for resources and benefit to meet the asset-light strategy of the start-ups.



Ningbo Meishan Free Trade Port Zone Investment and Cooperation Bureau

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# 国家级 · 嘉兴经济技术开发区

## JXEDZ National Level Jiaxing Economic & Technological Development Zone

### Main Industries

Auto Parts  
Equipment Manufacturing  
High-end Food Processing  
Healthcare

### Advantages

1. Advantaged Natural Condition
2. Developed Transportation Network
3. Abundant & Quality Human Resources
4. Attractive Tax-incentive
5. Highly Competitive Investment Cost
6. Pleasant Living & Working Environment with Complete Infrastructure
7. Efficient and Honest Government Service
8. Demonstration Area of Fully Connecting to Shanghai



### Transportation

#### > High-speed Railway

Distance	Time
To Shanghai	15km 25min
To Hangzhou	25km 23min

#### > Highway

Distance	Time
To Highway Entrance	10km 10min
To Shanghai	80km 60min
To Hangzhou	65km 60min

#### > Airport

Distance	Time
To Shanghai Hongqiao Airport	90km 60min
To Shanghai Pudong Airport	120km 25min
To Hangzhou Xiaoshan Airport	90km 60min

#### > Port

Distance	Time
To Jiaxing Port	10km
To Shanghai Port	130km
To Ningbo Port	240km
To Yangshan Port	70km

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# 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**