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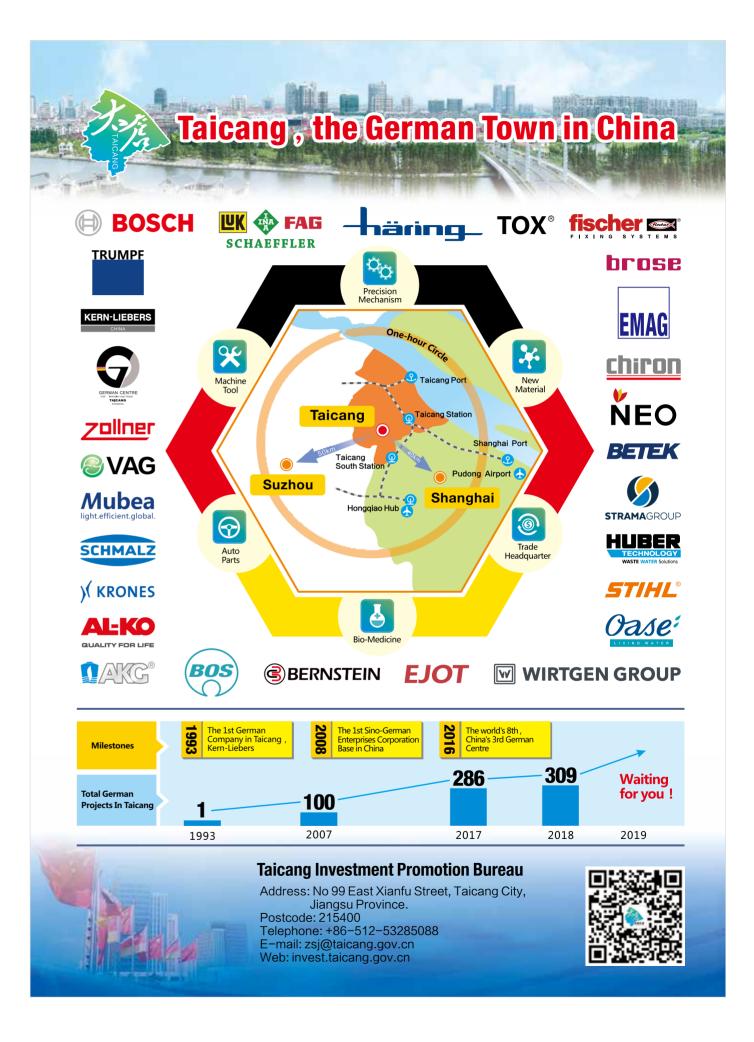
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Mr. Maximilian Butek

GCC | South & Southwest **Executive Director** Delegation of German Industry & Commerce Guangzhou Delegate and Chief Representative

Shifting to a Digital Economy

Today's world is one where smartphones, mobile internet and online shopping are indispensable. China has already become a major player in this digital world, with mobile payments enabling more than 600 million mobile users to conduct peer-to-peer transactions and a mobile-payment infrastructure, which handles far more transactions than the mobile-payment market in any other country with over 85 percent of payments made via mobile. Not only is China providing a large and young market for tech giants, but it has also become a platform for innovation, being home to one-third of the world's unicorns and major investors in digital technologies.

China is the world's largest e-commerce market, accounting for more than 40 percent of global e-commerce transactions, compared with less than one percent just a decade ago. It is estimated that the value of China's e-commerce transactions has now even surpassed the sum of the world's five largest advanced economies, the United States, Japan, Germany, the United Kingdom and France.

While Chinese consumers are enthusiastically embracing digital technologies, the immense amount of venture capital and policy makers, encouraging the investment in the digital economy, are creating favorable conditions for the rapid commercialization of digital business models, the digitization of industries in China still lags behind that of the United States by a considerable margin.

This may provide a good opportunity for international companies. China's huge internet user base can help international companies test the evolving market, making use of big data and help them to achieve economies of scale quickly.

The digitization of industries and of our everyday life is happening globally. Hence, this issue of the German Ticker will take a closer look at how big data, smart manufacturing, Al and the social credit system will affect the future business landscape in China and worldwide. We hope you enjoy reading!

Yours Sincerely,

Maximilian Butek

Masililian Salel



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Main Industry

Equipment Manufacturing Park: high-end intelligent device, automotive parts, medical device, marine engineering equipment.

Zhejiang-Shanghai New Material Park: electronic chemistry,







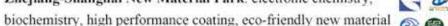


















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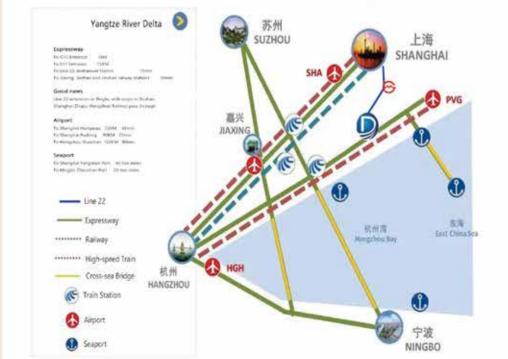
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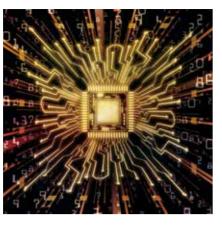
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BUSINESS | China News



Although in its early stages of becoming an affordable product for the commercial market, the share of Quantum Computers (QC) is already predicted to be valued around USD 50 billion, which equals today's general market value of the Super Computer. A QC is said to have a million times the computing power of all other computers presently combined in the world. China's Alibaba, Tencent and Baidu, the USA's IBM, Google and Microsoft and Germany's Daimler, all are pushing their R&D departments to connect with government institutions in the race to build these high-end machines, which are said to excel in Industry 4.0. By investing a combined USD 10 billion in the creation of a National Laboratory for Quantum Information Sciences, China is already on the forefront of the international community when construction in Hefei, Anhui province is finished by next year, according to reports. Another core benefit of this technology is said to be the implementation of secure networks using quantum key distributions (QKD) through an array of satellites. Successfully tested in 2017, these networks already proved the possibility of transmitting massive unhackable packages of sensitive data while securing utmost secrecy for military operations and public communications all over the globe in a short amount of time.

Machine Vision: First 3D Facial Recognition Introduced to Metro Line

Despite passengers still adapting to faster entry methods like NFC or QR codes, China will be amongst the first countries to introduce 3D-Facial-Recognition to speed up the process even further. Metro Line 1 in Jinan City, Shandong Province became China's first public transportation line at the end of March 2019 to commercially adopt 3D facial recognition. By voluntarily uploading one's facial information through an app, passengers can face a new entrance device in order to pass the turnstile in shorter amount of time. The machine caused error rate is only one in a million, passing time is reduced to an impressive two seconds, and the technologyempowered gate is a massive boost to



overall efficiency by giving entry to 30 to 40 passengers per minute. Being a crucial application part of AI, machine vision is more and more becoming key to uniquely identifying people in everyday tasks like paying at the supermarket, fast-food restaurants, using public transportation or in securing China's airports, cities and harbors by aiding its authorities. Having led this economic space, Chinese SenseTime states that its currently in the works of developing software which would be able to match live requests with massive image databases in real-time. In this context, a countrywide FTTP and 5G expansion remains essential for the broadcast of large resolution feeds and an ever faster growing need for instant data synchronization in the foreseeable future.

Mobile Payments, Data, and the Chinese Consumer

As of 2019, 600 million people in China will use their phones to make mobile payments and about 550 million people will use their smartphones on a regular basis to shop online. Mobile payment transactions rose from RMB 1.67 billion (2013) to RMB 60.53 billion (2018) in just five

vears according to the Central Bank and the People's Bank of China. It has also overtaken regular Online Payment methods which rose from RMB 23.67 (2013) to RMB 57.01 (2018) during the same time period. Furthermore, mobile payment has become stronger in the domestic market, according to the Sunning Institute of Finance. Chinese unicorn, Luckin Coffee for example even went so far to completely abandon cash payments and rests its cashier systems on digital currency exchange. Step by step, the various mobile payment wallets seem to be replacing physical bank cards and cash. China is already leading in the field of online payment in stores, with an adoption rate of 94% in comparison to an adoption rate of 34 % for the rest of the world. It also leads in terms of adoption rate for banking transfers (China: 91% / global: 58%) and individual transfers



(China: 94% /global: 50%) in worldwide comparison. 424 commercial banks and 115 payment institutions are connected through a unified clearing platform of the Payment & Clearing Association of China (PCAC). Accounting for a combined market share of 90%, Alipay and WeChat Pay are undoubtedly market forces to be reckoned with by the traditional banking sector.

The Rising Star of Second-hand E-Commerce Platforms

With skyrocketing real-estate prices, tightening purses and more cautious lending, Chinese e-commerce scene could see a further rise in second-hand platforms.



For instance, the GMV of Pinduoduo surpassed the RMB 100 billion milestone in under three years, getting there faster than Taobao (five years) and Alibaba (ten years). Looking into Pinduoduo's user base. it can be noted that its largest share (65 %) is living in third tier and below cities. But its C2C model is plaqued by wilv sellers and counterfeit peddlers. JD's Paipai in comparison is using a C2B2C model which is high-cost for the company but low-risk for the consumer, equaling a happier user base whilst narrowing overall return on value. Startup Yuelin (part of Tencent's allegiance network), which is mostly focusing on optimizing the entire supply chain of the secondhand books trade could be leading per example with the support of Al trying to gather a more loval user base. When asked about most desirable secondhand goods almost three-quarters (70.3 %) of Chinese students stated books to be of the utmost importance. A market with an estimated worth of USD 1.2 billion. Who knows? Maybe there's an even brighter future ahead for used high-end mobile phones or cars in good shape making their way from first tier cities to the hands of third or below tier city consumers.

The Social Credit System

As of 2015, only 380 million of the 1.4 billion citizens have their credit histories recorded by the People's Bank of China. In countries where a traditional credit rating system hasn't been implemented yet, a social credit system might provide the missing link to closing those gaps. The deployment of a nationwide system could prove to be beneficial on many sides, the public as well as authorities and companies. Volunteer work and charitable donations might see a surge through the recompensating factor of adding to one's score, which would provide an equal winwin-situation to the citizens and the public in general. Examples: Sesame Credit by Alibaba's Ant Financial, Mobike's own Scoring System

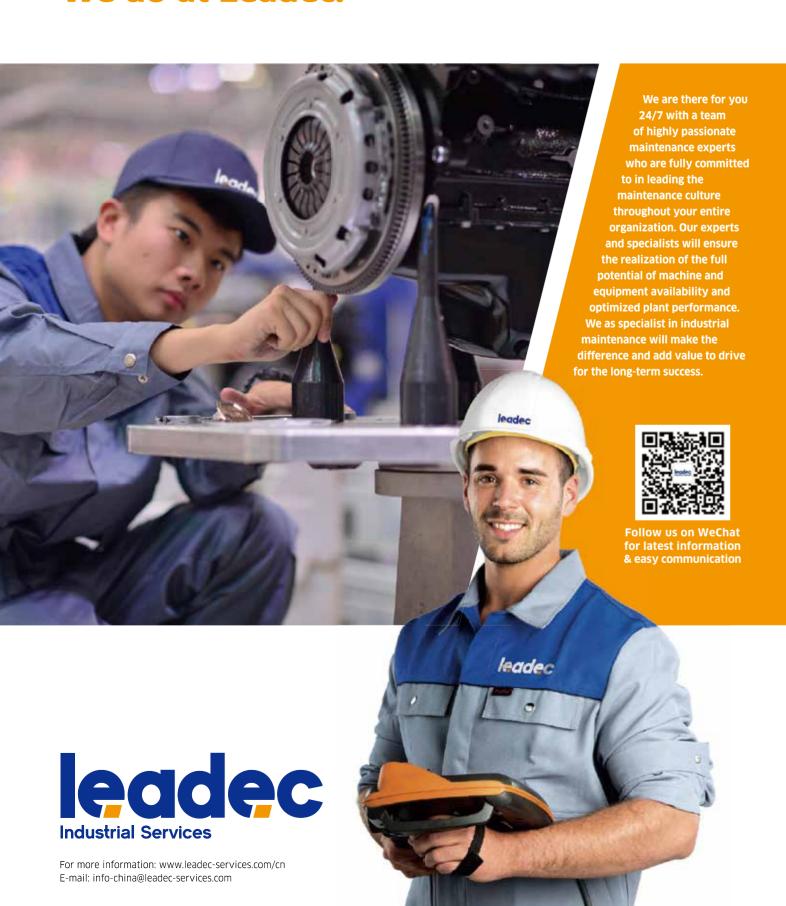


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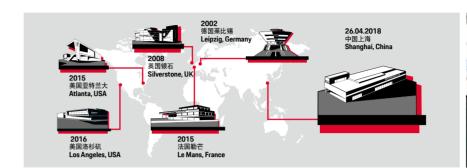




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What Will the Production of Tomorrow Look Like?

Smart Factory, the production of tomorrow, and many other keywords revolve around the representation of modern factories. What will a factory look like in 2025?

BY DR. ING. WALTER HUBER

The overall aim is to increase flexibility, speed, efficiency, sustainability and to position the company as an attractive employer. In general, a Smart Factory is the optimization of the customer order process. Analogous to Smart Products, where the optimization of the product development process and its products is in the foreground. Smart Services on the other hand, are ultimately about new business models.

Challenges

It may sound surprising, but the factory of tomorrow has little to do with specific technologies even though people are constantly talking and arguing about new technologies. In order to be fit for the future, technology must be planned and used in a way that it is interchangeable. This results from the fast changes and rapid development of technologies. Technology is primarily an enabler for optimizing the customer order process.

Nevertheless, technology is a driver of change. In order to achieve the interchangeability of a single technology, OPC-UA (a machine to machine communication protocol for industrial automation developed by the OPC Foundation) is one solution. However, this standard alone will not solve the problem. In principle, machines, systems and tools can be integrated in a standardized manner. It requires a concrete description of how this standard must be applied. Here, a profane example: RFID is one of the basic

technologies for a Smart Factory. In order to be able to identify parts, it requires a uniform definition of the labelling of these parts. Here, both, the supplier and the own production must be taken on board. In conclusion: Technology alone will not solve the problem – even if RFID tags can be embedded wonderfully in the rest of the structure via OPC-UA. In addition, the efficient use of RFID also requires a change in processes. Thus, the whole thing is much more than "just" technology.

The digital twin as an important element of digitization

Now we are getting to a central topic – the penetration of the new factory with data and its digitization. Currently, the digital twin is propagated as a central solution. Here, a short description: All physical objects should be represented in the Smart Factory by corresponding digital images. This also determines the granularity of the digital image. It means that every machine, tool, part and product to be produced, has a digital image. As a result, the digital image of the real factory contains a large number of twins including the factory building. The twin describes the functionality of the real image, but also stores the state and other important data. The digital twin of the factory can thus be understood as a composition of individual digital twins.

Currently, a data lake and a big data system are the ideal "storage locations" for all the twins. This results from different data formats

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and types and the sheer volume of data and requirements. The digital twin can now be accessed via corresponding applications. PLM systems are the "first" users and producers of data in the overall process – at least for the product. The connection between the two worlds is based on a clear identification of all (smart) actors in our In conjunction with smart machines, decentralized control of new factory. This is done using a separate IP address for each actor. This can also be used for reconfiguration or replacement. You can see form. A Smart Factory is dependent on a high degree of data quality.

Smart Machines

All the twins in their different forms must be able to build up knowledge about themselves. They must "know" what they functionality have. Here, OPC-UA comes to mind immediately. Unfortunately, it is still a small jump.

Machines and systems should also be "intelligent", i.e. selfcontrolling and thus self-learning and self-optimizing. The functionality is therefore not a static matter, but a dynamic one. Machines communicate with each other and exchange data as required. Thus, they also have communication units – i.e. they are Cyber Physical Systems (CPS). Here, appropriate smart solutions are to vertical integration, but it is already quite demanding. needed. Automated documentation is essential. It contributes to ensuring the required quality.

Smart Products

Parallel to machines and tools, produced products are becoming smarter. Through the digital twin, they get a "consciousness". They get knowledge about their condition; how to produce and control



themselves. For example, the functionality of autonomous or semiautonomous driving would enable cars to control themselves through final assembly.

production and manufacturing is ultimately possible. The monitoring of such new approaches by humans will be an enormous challenge... that the necessary data must be updated and available in the correct Have you ever tried to monitor a swarm of bees? Smart sensors help with the machines and products. Smart products also require an appropriate infrastructure to exploit this potential. This is not only needed when new products are delivered to the customer, but also for their production.

> However, the approaches outlined so far fall too short. Work plans and inspection plans control the products through production also in 2025. The individual work steps and their quality checks are stored here. In order to do justice to the increased flexibility, both would not only have to be linked with engineering and production data, but also generated as far as possible from corresponding 3D models (automatically). Good old Lean helps here. The keywords are standardization and modularization – which computer science has virtually internalized. This also brings a completely new dimension

Digital Factory

As a result, the image of a digital factory has changed considerably and expanded its functionality, especially with the quideline VDI 4499 as a basis. Admittedly, the quideline dates back to 2008 until 2016. A "face-lift" is certainly appropriate. Via the digital factory, the physical factory should finally not only be planned, but also monitored and continuously improved. A real-time representation of the processes in the real factory is required for control. Various digital twins help here immensely.

This is not only true with regard to control – it takes much more to master the entire complexity and handle the migration of an existing factory. After all, it does not necessarily have to be a new factory. The integration of the individual twins into a digital factory will still occupy companies in the next few years. All in all, the entire physical value stream is digitized, which represents a significant efficiency lever.

In order to use the hoped-for potential of the individual twins and the digital factory, the already mentioned data lake or big data system is required. Big data and advanced analytics represent the "brain" of the digital twins. They will control and continuously improve the Smart Factory.

In 2025, there will be a continuous mapping of data and information, because without it, there will be no functioning Smart Factory. There must be transparency about which data is generated and where it is required. Otherwise, nothing runs in the new smart

The human factor

Of course, people will still play a central role in 2025. Even then, the factory will not be able to control itself completely autonomously. Statements to the contrary testify rather a certain incomprehension with regard to the complexity. Also, for economic reasons, this scenario makes little sense.

Analogous to Lean transformation, the tasks and contents of **Conclusion** employees in production will change. Demographic change is helping to cope with increased productivity. The proportion of It is clear that a Smart Factory is not a trivial matter. Technologies producing activities will decrease in favor of monitoring tasks. As a are already available. Solutions that can be used in practice already result, the demand on employees in production increase enormously and constant further training is indispensable. In order to guickly act around data sovereignty in the future. Who owns the data that and react to events that occur, decisions will be very data-driven. accumulates daily in production? This could provide machine and Advanced Analytics support all those involved in the process, both plant manufacturers with information on user behavior of their humans and machines

Digital logistics

Changing logistics is necessary to maintain adaptability. In a lean factory or redesigning a Smart Factory. sense, logistic efforts are a type of waste. It is necessary, but must be minimized. However, in the design of Smart Factory, logistics are becoming very important. Autonomous transport units organized in swarms and in conjunction with smart products and machines, ensure a significant reduction in costs while maintaining or increasing flexibility at the same time.

Stocks can also be further reduced. RFID as a basic technology plays an important role here. It should be clear; RFID is not the measure of all things. There are a multitude of technologies for tagging and identification. Here we should remember the beginning of the article - technology must be designed interchangeably. In this context, the term "digital supply chain" is also strained. This means that paperless and highly automated logistics must finally be implemented.

Smart Factory production system

Lean ideas have considerable and useful influence and significance in the Smart Factory. It is about transforming ideas from the Lean world into the world of a Smart Factory. Even in a Smart Factory stable, lean and efficient processes are the measure of all things. Nevertheless, we are speaking about a digital transformation. The integrated production system is part of this and thus makes no exception. This is often referred to as Digital Lean or Lean 4.0.

Individual elements from the production system, such as the shop floor meeting, are simply digitized 1:1. Other elements, such as pull control, are not quite as simple. These must be transformed within an autonomous, swarm-based and decentralized control system. Supermarkets must also be technically implemented. Automated solutions are the order of the day. Decentralized control was already propagated during Lean transformation. It's about time to digitize.

With the factory layout, however, minds and spirits are divided. Classic line production versus modular and island production. If you design a Smart Factory today, the line structure is certainly the measure of all things. This is especially true for high quantities and low variance. The situation will certainly be guite different in 2025. By combining digitized Lean production with smart structure will have been broken up in favor of modular and islandbased approaches.

exist. A discussion that has hardly been held so far will revolve products. On the other hand, manufacturers would give considerable knowledge of their production and production system away. The 'battle is still to be fought'; whoever is the winner in the end. Thus, a methodical procedure is required when converting an existing



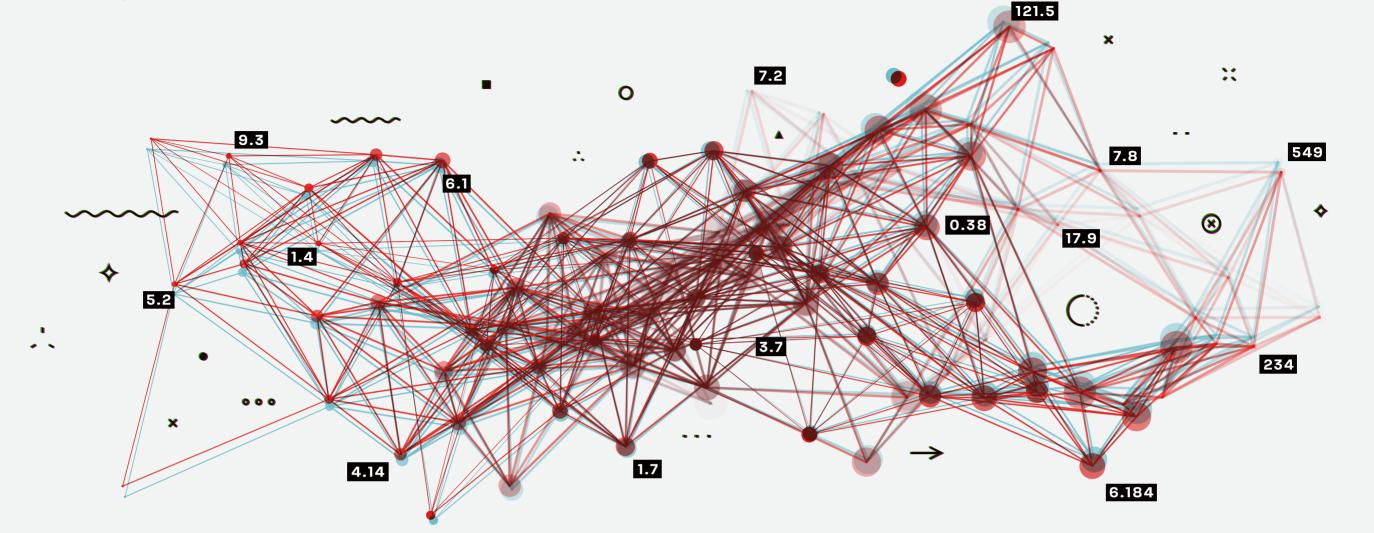
Dr. Ing. Walter Huber

During his professional assignments at Siemens, Staufen AG, MT Aerospace and currently Detecon, Dr. Ing. Walter Huber is primarily responsible for strategic changes.

In the course of his professional career, he has implemented over 30 technology-driven approaches, e.g. the automotive industry Industry 4.0 projects and transformed several companies towards Incan certainly reduce planning costs, personnel costs and space dustry 4.0. Springer Verlag has also published his books "Industrie 4.0 requirements. Thus, in 2025 (another "shot in the dark") the line in der Automobilproduktion" and "Wie Technolgien unsere Wirtschaft und unsere Unternehmen verändern". He can be reached at walter. huber@detecon.com

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China's Social Credit System: How Does Your Company Score?

The system's final form is still in flux, but even if only parts of the plans are realized, this will transform China's legal, social, and economic environment. In order to be prepared, companies need to make sure they stay informed. Even though the system is still fragmented, it is probably wise in the long run to think of it as a whole when deciding how to manage credit ratings.

BY MAREIKE OHLBERG

China's social credit system is a massive policy package that the government has pursued on a fast track since 2014. While the Western media have mainly focused on the social credit system as a tool to monitor and control China's citizens, companies in China, both domestic and foreign-owned are affected at least as much. Many of the sub-systems and policy measures that are presently being rolled out target companies rather than individuals.

So far, companies are primarily affected by blacklists and rating mechanisms maintained by individual government departments. In the future, the Chinese government will intensify data sharing between government agencies and move towards an increasingly automated, big data-fueled system that aggregates and processes data from different sources, possibly in near-real time.

Things you should be aware of

At this stage, the most important thing for international businesses in China – whether wholly foreign-owned enterprises, joint ventures or representative offices – is to better understand how this complex undertaking may already be affecting companies. This requires realizing the connections between seemingly separate initiatives.

A toolkit to enforce existing laws and regulations.

Most policies under the catchphrase "social credit system" are based on the idea that the government wants to steer the actions of individuals and legal entities. The method is to collect data on their activities and assign them grades based on whether these activities comply with rules and regulations or not. The system would then reward those with good ratings and penalize rule-breakers. By forcing companies to exercise "self-restraint," the system is meant to become a tool to enforce laws, regulations or targets set by the Chinese government. These can be labor or environmental laws, regulations on advertising, trademark infringement, and many other aspects of business.

Shared control between agencies

The mega project is spearheaded by the National Development and Reform Commission (NDRC) and the People's Bank of China (PBOC). More than forty other ministries, bureaus and departments are involved in the construction of the social credit system at the central level. This arrangement is replicated at the provincial and lower levels of government. Though they will sometimes work together, each governmental entity involved is responsible for setting up or overseeing credit rating mechanisms within their own jurisdiction or sector. This means that companies must deal

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in parallel with different government agencies to manage their credit ratings.

Major policy goal: Data sharing between agencies

Government agencies and provinces are supposed to make creditrelated information centrally available through the National Credit Information Sharing Platform. Set up in 2015, the platform contains basic information, such as date and place of company registration and the name of its legal representative, but also information about administrative penalties, "irregularities," and inclusion of the company on any blacklist.

To facilitate coordination, every company in China now has a "unified social credit code." This 18-digit code acts like a single identity or "national ID number" for businesses and is a prerequisite for enabling government agencies to share data with each other. Prior to the introduction of the new code, different ministries used their own department-specific codes to identify companies, making it difficult to exchange information and resulting in what the central government calls "data islands." With the new code system, it becomes much easier to cross-check and correlate data as well as to ensure that sanctions against "untrustworthy" businesses are enforced throughout the entire Chinese bureaucracy.

Publishing a blacklists of "dishonest" companies.

One of the most basic features of the social credit system are blacklists for "severely dishonest" companies. "Red lists" are also in use to reward a small number of companies the government considers exemplary, but the focus has so far been on blacklisting. One important example is the blacklist system coordinated by the former State Administration for Industry and Commerce (now



part of the newly-created State Administration for Market Regulation). Violations for which companies can be blacklisted under this system include, but are not limited to, providing false information while registering a company or renewing a registration, or repeated administrative penalties (usually 2-3) for violations relating to such issues as unfair competition, false advertisement, or trademark infringement over a certain period.

There are several additional offenses that can get companies blacklisted throughout the Chinese bureaucracy, including some that may be vague or political. These offenses are generally all things that are already illegal in China; but the Chinese government hopes that the prospect of being blacklisted will act as a powerful deterrent.

Blacklisted companies face restrictions and damage to reputation One of the slogans with which the Chinese government advertises the social credit system is "dishonest in one area – restricted everywhere." Once information about blacklisted companies is put out to other government agencies through the central platform, other ministries are supposed to enforce restrictions against them. For this, government departments have signed various "Joint Rewards and Punishment" agreements. Among other things, blacklisted companies lose access to government land or subsidies, are excluded from government procurement and face restrictions to their social media platforms.

There are also personal consequences for company management. The legal representative of a company that has been cited for "severe dishonesty" can be banned from leading a company in the industry in China from anywhere between two years to life, depending on the offense and the severity. In some cases, this also applies to other leading personnel who are considered responsible for violating Chinese law. In addition, company representatives can be banned from booking travel tickets as well as from other forms of "high-end consumption."

Finally, blacklists are also used to "shame" companies and their legal representative. Aside from being published on credit information platforms, blacklists can be distributed via media, public billboards and other channels. This means that companies could have to deal with potential damage to their reputation long after having resolved the problem that got them blacklisted.

Companies must manage multiple credit ratings with different agencies, for now In addition to naming, shaming, and imposing restrictions through joint rewards and penalty agreements, industry associations and several government agencies have introduced their own credit rating measures. Separate rating systems are maintained, for example, by the General Administration of Customs (GACC), the State Administration of Taxation, and the Ministry of Human Resources and Social Security (MOHRSS). This list is not exhaustive, and more credit rating schemes by other government agencies are sure to follow.

Under these rating schemes, a company is assigned one of three or more grades – for example, A, B, or C. The exact number and name of ratings differs. Companies with the highest rating (or which have maintained the highest rating for several years) enjoy preferential treatment, such as simplified procedures through a "green channel," and other benefits. Companies with the lowest rating face intensified monitoring, fewer opportunities, and other restrictions.

Sectoral credit ratings will likely begin to influence one another. Some authorities have announced that they will consider ratings and information from other agencies when assigning grades. Therefore, for instance, a bad rating with the customs authorities or MOHRSS could result in a worse rating for tax purposes and all the repercussions associated with that.

At present, it is still unclear how individual credit ratings will ultimately influence one another. But, one shoassumed that government departments will increasingly share their ratings with one another. Some provinces like Shaanxi have already specified frameworks for "comprehensive credit ratings" that use a large range of information, such as its financial situation and compliance with various policies, to assess a company.

There are significant regional variations.

As with most laws and regulations in China, the social credit system is highly localized, at least for now. This means that it matters where a company is registered, especially while the system is still under construction and local experiments are encouraged. Many provinces and even municipalities, counties, and districts have introduced additional regulations for specific local industries or on how to collect and handle social credit information locally. This trend of both evolving national and local measures is going to continue for several more years, making it vital to track new regulations closely.

The system will likely continue to evolve after 2020.

According to some reports, the system is supposed to be in place by 2020; however, this is not a fixed deadline but rather a result of the fact that the main plan published in 2014 only covers the period up until 2020. Based on how the Chinese government operates, we should assume that new plans will follow and, building on what has already been achieved, will introduce new goals for the period after 2020.

How you can prepare

The system's final form is still in flux, but even if only parts of the plans are realized, this will transform China's legal, social, and economic environment. In order to be prepared, companies need to make sure they stay informed. Even though the system is still fragmented, it is probably wise in the long run to think of it as a whole when deciding how to manage credit ratings.

Stav informed

One of the most important steps is to understand national, provincial, and other local regulations and to track them in real time. The same is necessary for industry-specific regulations at all three levels. To avoid unpleasant surprises, companies should check for publicly available information on a regular basis.

The most important resources for the National Credit Information Sharing Platform are Credit China (https://www.creditchina.gov.cn), and the National Enterprise Credit Information Publicity System (www.gsxt.gov.cn). Provinces and some municipalities have their own equivalents of these two platforms. Even though local governments are supposed to feed information into the national databases, more information on a company may be stored in the database at the locality of its registration. Individual central government agencies also have their own platforms that should be checked for information (such as the Credit Publicity Platform of the GACC, credit.customs.gov.cn).

Manage credit ratings inside the company with an internal credit system

For deciding who should manage a company's credit ratings, it is important to think of social credit both as many systems as well as one large umbrella initiative. There is a plethora of subsystems managed by different bureaucracies and spanning many different areas. This will likely remain the case for some time to come. At the same time, all these measures and ratings are part of the same umbrella initiative and will likely be partially consolidated or at least begin to impact each other soon. While each company must decide how to handle this, both the breadth of expertise needed to manage different credit ratings and the interlinkages between the different parts of the system need to be kept in mind.

Be wary of illegal services that manage credit ratings for you

A service industry for managing credit ratings is already forming in China. Some of these services are legitimate and offer to work with authorities to improve a company's rating where it is legally possible to do so, for instance by providing more information voluntarily. However, the Chinese government is already wary of companies offering services to boost credit ratings or expunge penaltye records

If the U.S.-China trade war becomes the "new normal", then foreign companies can expect to receive extra scrutiny. That makes it even more important not to resort to anything you suspect might be illegal, or to let a third party do anything that may be illegal on the company's behalf.

Stay flexible to adjust to new measures

We still do not know what the social credit system(s) will look like in the end, so over the next few years, companies will have to remain flexible to adapt to substantial changes in the system. In the end, the social credit system may not become the all-seeing, all-knowing system that some fear it will turn out to be. But at the very least, the various new social credit measures will make it more difficult for foreign businesses to navigate China's increasingly complex regulatory environment and will substantially raise the costs both of compliance and of non-compliance.



Mareike Ohlberg

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Evolution & Opportunities in China's Artificial Intelligence

Al is quickly finding solid feet in China, benefitting also from a favorable socio-political environment. Chinese people, especially the new generations, are very tech-savvy and rather welcoming of new technologies. They are also much keener to share personal information online compared to their western counterparts, fueling Chinese Al start-ups with a huge amount of data they can use to test and refine their technology.

BY DOMENICO DI LIELLO

China has clear ambitions to become a global Al superpower. In Beijing's plans, China will have reached and surpassed the United States at the forefront of Al innovation by 2030, securing its leading role in the sector worldwide.

To prove their determination, PRC's planners have drafted dedicated policies, set up a state-owned VC fund of USD 30 billion and urged local governments to do the same (Shanghai has recently announced a fund of USD 15 billion, Beijing has committed to USD 2 billion investment while Tianjin has plans to roll out a USD 15.7 billion fund to speed up the development of new generation Al).

China's strong commitment to Al cannot be understood without considering the country's position in this critical phase of its development. After four decades of sustained economic growth, the PRC is now face the issues of sluggish productivity, an aging population, a shrinking labor force, severe environmental pollution, and imbalances in wealth distribution. To add to this complexity, international

strains, such as the recent trade tensions with the United States of America, have weighed down an already slowing GDP.

To address its domestic challenges and to sustain its plans of global leadership, Beijing has embarked on massive economic structural adjustments, from reducing its reliance on exports and investment, to bolstering domestic consumption (which means enhancing the national social safety net) and upgrading its industrial system towards a more high-added value production.

In each of these single areas, Artificial Intelligence is expected to bring major contributions. In the eyes of China's planners, Al is the enabler of the country's future economic development and, at the same time, a strategic imperative, the ultimate arena where China seeks to claim recognition and global leadership.

The history of AI in China

PRC's first efforts towards the development of Al can be somehow traced back to the late 1970s, when initial contributions to research began to appear. At the time, the focus was more on basic research in areas such as automated theorem proving and logic reasoning, but it gradually shifted towards big data and infrastructure to finally reach Al itself and IPR protection after 2017.

It is in that year that China's State Council unveiled the country's A [New] Generation Artificial Intelligence Development Plan (AIDP), a top-level blueprint mapping China's approach to developing AI research, technology and application. The plan, which echoes other important strategies such as Made in China 2025 and Internet+, draws the path for China to become a global leader in AI by 2030, when the industry is expected to reach total value of USD 150 billion (EUR 134 billion).

The AIDP also sets out interim goals to be reached in the coming years, namely:

- 2020 close the gap with the rest of the world in terms of overall technology and application of AI, making it a new important driver for future growth;
- 2025 achieve breakthrough in certain areas of AI research, and to become global leader in selected technologies and applications;
- 2030 become the overall leader in AI theories, technology and applications, guiding global innovation and achieving visible results in intelligent economy and intelligent society applications.

Soon after the unveiling of the AIDP, other Chinese ministries followed suit by issuing their own plans, while local governments all over the country began to fund AI ventures.

Results, so far, have been astonishing. In just a decade, the country has progressively moved away from the peripheral echelons of the AI developing countries, positioning itself at the core of AI innovation. According to a 2018 report on the status of AI in China published by the Tsinghua University, China's AI papers have increased from 4.2% of total world contribution in 1997 to a total of 27.8% in 2017, ahead of any other country globally.

Similarly, the PRC has also become the largest owner of AI patents worldwide, followed by US and Japan, especially in the areas of voice and image recognition, robotics and machine learning. Furthermore, the PRC now enjoys the world's second largest AI talent pool (18,232 or 8.9% of global total), behind only the US (13.9% global total).

Also, China is home to the second largest number of Al companies worldwide: there were 1,011 registered companies by the end of 2018, mainly concentrated in Beijing, Shanghai, Shenzhen, Hangzhou and Guangdong province.

It is expected that this number will continue to rise in the near future, on account of robust political support and growing business opportunities. The Al industry is indeed growing at a fast pace: at the end of 2017, total market value reached RMB 23.7 billion (EUR 3.1 billion), following a 67% y-o-y increase, with the top three segments being computer vision (34.9%), voice (24.8%) and natural language processing (21%).

Al is quickly finding solid feet in China, benefitting also from a favorable socio-political environment. Chinese people, especially the new generations, are very tech-savvy and rather welcoming of new technologies. They are also much keener to share personal information online compared to their western counterparts, fueling Chinese Al start-ups with a huge amount of data they can use to test and refine their technology. This is something difficult to obtain by some western countries, especially those with a small population. Such a widespread attitude has produced a general acceptance and extensive support to the use of Al in the country.

In such an environment, Chinese AI start-ups have thrived with some of them already receiving global recognition. This is the case of SenseTime, one of the world's leaders in computer vision, or DJI, whose AI powered commercial drones have gained 74% of the world total market share.

With AI spreading to virtually every sector of the economy, we shall expect the insurgence of Chinese global leaders in many other downstream industries, including healthcare, finance, education and security, environmental protection, urban operation, judicial service and retail, just to name a few.

Weaknesses, of course, do exist. If, as mentioned above, on the one hand China has the largest pool of Al talent worldwide, when it comes to top-tier talents, it is still the US that has the upper-hand. In addition, although China is showing strength mainly in Al applications, the same cannot be said on the front of core technologies, especially hardware and algorithm development.

It is worth to mention that, when it comes to R&D and knowledge production, much of the contribution is coming from universities and research institutions, whereas the input form AI companies is still lagging far behind that of their foreign counterparts. Even China's tech giants like Baidu, Alibaba and Tencent, do not perform as well in terms of AI talents, papers and patents compared to companies of the likes of Alphabet, IBM, Apple or Microsoft.

This means that opportunities lie ahead, especially in the macroareas of knowledge creation, technologies & data and Industry applications. To find specific prospects, however, EU SMEs shall first develop a sound understanding of the recent evolution of the Al industry and try to grasp its future trends. Starting by searching for the strengths and weaknesses in the upstream and downstream industries is advisable and strongly recommended.

Upstream and downstream strengths and weaknesses

From the upstream side, high level education, for example, is one area of opportunities. Research is the fuel for constant innovation

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paramount. A good percentage of China's top AI talents have studied and trained abroad, and the PRC has also published a significant considering that many state-affiliated entities will prefer to work number of papers in collaboration with other countries (USA, UK, with domestic companies making it difficult for foreign companies Australia, Germany, Italy and France), signaling that cooperation at alone to supply products and services to them. this level is not just welcome, but also needed. Advanced hardware is another source of potential opportunities. Although it might not be a typical industry for SMEs, companies could still find niches along the supply chain for such technology.

On the downstream side, we already mentioned AI is finding rapid adoption in healthcare, security, finance and education. Retail is also increasingly opening to Al, especially for facial recognition (see the 2017 opening of the unmanned Suning Biu store in Nanjing and Shanghai, which rely heavily on AI technology). However, there are segments that so far haven't received the same attention. Energy. for example, has been under addressed by AI specialists, and it is open to solutions from companies in this sector. Thorough research will reveal these and many other opportunities.

Strategies to access AI market opportunities

Accessing those opportunities could be challenging though. Foreign companies can be faced with issues at a regulatory and practical level. Restrictions and barriers to entry do apply, for example in the form of ownership requirements or access to financing, especially in those sectors deemed of special interest for the country. Partnering up with local companies already established in the field could help solve part of these issues and at the same time help foreign businesses tackle practical challenges such as access to data, setting up of local servers, opening offices in the mainland and others. De-

in AI, and the role of universities and research centers is therefore veloping the market could be also another area where partnership with local Chinese companies could be beneficial to foreign SMEs,



Domenico Di Liello

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The EU SME Centre is a European Union initiative that provides a comprehensive range of hands-on support services to European small and medium-sized enterprises (SMEs), getting them ready to do business in China. Our team of experts provides advice and support in four areas – business development, law, standards and conformity and human resources. Collaborating with external experts worldwide, the Centre converts valuable knowledge and experience into practical business tools and services easily accessible online.

QUALITY WORKS.



LANXESS embraces digitalization

In May 2019, LANXESS launched a pilot project to deploy artificial intelligence in product development. In partnership with materials Al leader Citrine Informatics, LANXESS has achieved faster development of high-performance plastics.

LANXESS launched its digitalization initiative in 2017. The core action areas are to develop digital business models, introduce new technologies throughout the value chain, develop and utilize big data, and foster digital expertise among employees.





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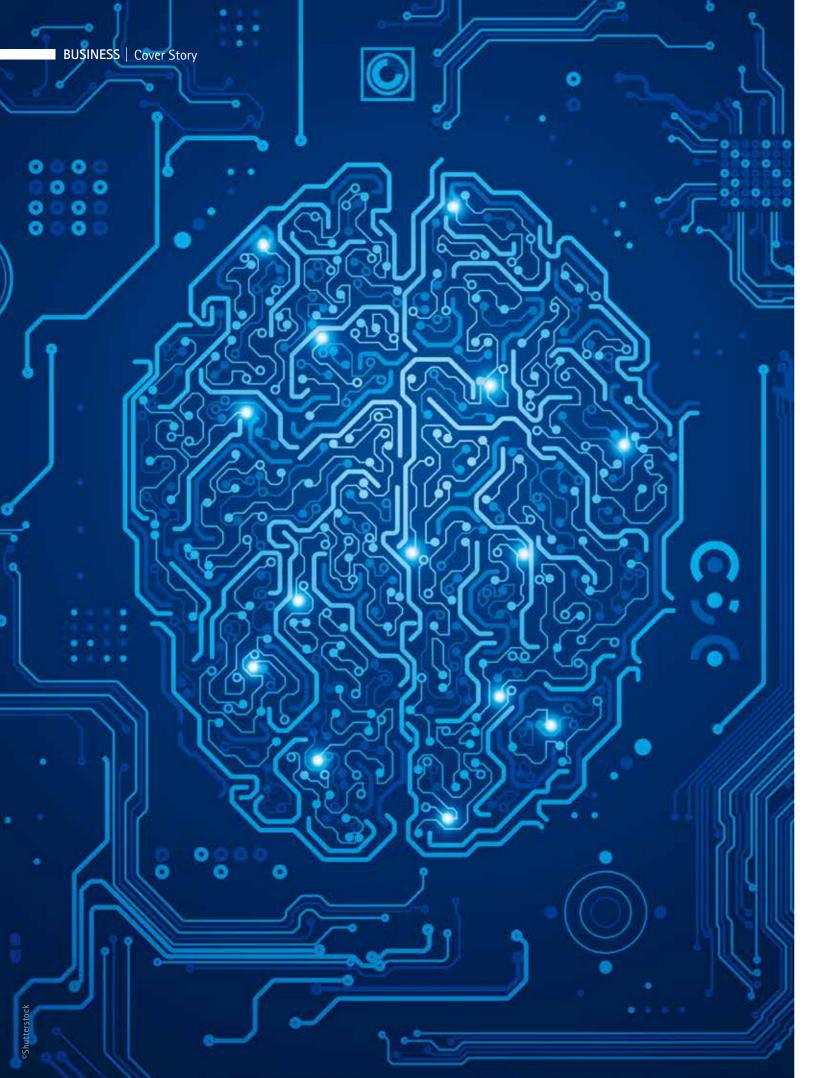
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International Competition in Artificial Intelligence and Chances for the Cooperation between **China and Germany**

A comparative analysis of demand and potentials clearly reveals that a cooperation between China and Europe in the field of AI offers great opportunities for both sides, as research and technology development on both sides exhibit complementary strengths. A closer cooperation could broaden and shorten the path from excellent basic research via dedicated application research to speedy commercialization.

BY PROF. DR. HANS USZKOREIT

International competition in Al has become a major topic for science, business and politics. Together with the Internet and technology for handling massive volumes of data, Al is the driver of the upcoming economic revolution. However, compared to Internet and Big Data, Al will play the central role in this development, because it enables technologies that will replace huge numbers of humans in white collar jobs, assist and empower other humans in creative work and complex decision making and extend the boundaries of human cognitive capabilities both on the individual and the collective level. The new industrial revolution is only one part of a greater revolution of economy and culture, since Al-

The AI revolution coincides with a radical shift in global balance. While China is rapidly reducing the remaining gap between the most developed countries and its own economy, the Chinese government and the entire Chinese society seem to be committed to capturing a place on the vanguard of the AI revolution right in its beginnings. Backed by the Next Generation Artificial Intelligence Development Plan, which was issued by the Chinese government in July 2017 and by an unprecedented enthusiasm for AI that seems to be shared by the entire society, Al has developed faster and more massively than in any other country of the world.

True success stories of innovation we see in internet-based

business sectors such as e-commerce, social media and other internet-based and internet-controlled services. Partially shielded off against US competition by governmental policies, the Chinese Internet sector has been thriving. Al contributes also to Internetsupported service industries such as in ride-hailing, food delivery, cashless payment and tourism. Other impressive cases of worldleadership emerge in the application areas of computer vision such as face recognition and video scene analysis.

China's AI market on US heels

driven technologies will profoundly change every social subsys- A 2018 survey of China Money Network counted 14 young Chinese AI companies that valued at USD 1 billion or more. Together they have a market evaluation of more than USD 40 billion. This group of AI unicorns does not include state-owned enterprises such as iFlytek and Hikvision as well as other technology giants that utilize Al such as Alibaba, Tencent, Didi or Toutiao. In Beijing alone, more than 1,200 Al startups have received venture capital.

> In robotics, China is not yet the technology leader, but with enormous research spending, commercialization by close to 7.000 robotics startups and a number of successful products on the market, China has the potential to take the lead in this booming sector. Closely connected to traditional robotics is the field of self-driving cars, trucks or buses. Although China entered this field later than Europe and the US, it may assume global leader-

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industry and massive governmental support.

China is overtaking the US in some areas already, especially in market-ready technologies and actual products. China is guickly catching up with the US in research and it will take the overall lead, at least in the sheer quantity of research and in selected areas of high economic potential. Analytic surveys by the scientific publishing house Elsevier, the Al Index and the Allen Al Institute have revealed that despite the huge number of AI papers and patents from China, the research publications from the US and Europe are still superior in average quality. Most recipients of "best paper awards", i.e authors of selected outstanding papers at scientific conferences also came from the US followed by Europe. But US leadership is largely based on intellectual contributions and academic human capital from the Old Continent. Many essential contributions to the latest and most successful AI technologies, especially in the area of Deep Learning came from Europeans.

But, as we all know, Europe is not very successful when it comes to turning the promising technologies into commercially successful innovation. Europe including Germany has not been able yet to adopt the successful innovation model that became the foundations of the US supremacy in IT and other high-tech areas: the appropriate combination of long-term strategic technology funding, attractive working conditions for top-talent, a large unfragmented entry market and sufficient volumes of venture capital.

As a result, the spirit of entrepreneurship in Europe is much lower than in the US and in the field of Al also much lower than in China. VC funding has improved but is still rather underdeveloped compared to the US and recently also China. The existing VCs are much more risk-averse than their American and Chinese colleagues. The efforts, a company has to invest in order to raise funding are much bigger than in the US and China. Evaluations of companies and volumes of investments are much smaller. Since in the past, many startups were not able to overcome the restrictions in market size by expanding operations to North America or other areas outside Europe, the best exit for most European startups was their acquisition by a US company. Therefore, the number of IPOs has remained very low so that an early acquisition is still the preferred goal for many entrepreneurs. Nevertheless, exciting and prolific AI startup scenes have emerged in several European cities such as London and Berlin.

Building business AI

In his best-selling book Al Superpowers, the renowned Al research leader and investor Kai-Fu Lee reduces the international Al competition to a race between just two contestants, the USA and China. His insightful analysis concentrates on the aspect of economic success and thus neglects the European contributions to AI research. In most AI technology areas, Lee expects China to assume the leading position in the near or midterm future.

However, as Kai-Fu Lee observed, there is one area, in which China is far behind the US, which he calls Business Al. The term does not only refer to AI for business processes, but it actually encompasses most applications of AI in the entire enterprise, ranging from the challenges of the so-called digital transformation to the facturing sector is eagerly waiting for AI solutions supporting vision of the intelligent enterprise, in which all decision and planning processes are supported by Al. Smart manufacturing is an important subarea. Thus, Business AI in this wide sense may may

ship boosted by the explosive growth of the Chinese automotive very well become the Al application area of largest growth and highest economic impact in the coming years.

> This is an area, in which Europe, but especially Germany has a great potential, probably much more so than North American Al. The visionary program of Industrie 4.0 that brings the Internet of Things (IoT), big data and AI into the factories, has turned into a true success story. Pushed by the demand from the strong German manufacturing sector, the Federal Government allocated more research and innovation funding to the themes of Industry 4.0 than it would normally assign to strategically important IT

> A comparative analysis of demand and potentials clearly reveals that a cooperation between China and Europe in the field of Al offers great opportunities for both sides, as research and technology development on both sides exhibit complementary strengths. A closer cooperation could broaden and shorten the path from excellent basic research via dedicated application research to speedy commercialization.

> China features strong AI technology in the Internet services and in the consumer product markets, whereas the focus in Germany is on Al for business and manufacturing, a sector in which China is still far behind Europe and the US. Germany has lost many ICT industries such as the manufacturing of computers and smartphones and most global Internet-based services such as search, e-commerce, social networks and cloud computing. But it still has a very strong B2B software industry with SAP, Software AG and other players among them also younger companies. Most applied Al research in Germany focuses on solutions for Industry 4.0. intelligent enterprise, smart logistics and smart city.

> Both China and Germany have export-oriented economies with strong manufacturing sectors. Although Germany's GDP is only one third of the GDP of China, Germany is the fourth-largest economy in the world, and it features a high trade surplus. China is Germany's strongest trade partner, achieving a surplus in the

> Although China has put more Al out into the homes and into the streets, Germany has put more Al into factories and business. Today. China is stronger in many popular Al application areas than in broad fundamental AI research, whereas German researchers have created many of the new methods for deep learning and knowledge processing. Transforming these novel methods into applications often requires huge volumes of realistic data that are not easily available to research in Germany.

> The availability of large numbers of well-educated young ambitious energetic students and professionals who are eager to broaden and deepen their knowledge in AI is an incentive to seasoned scholars and advanced technology experts from Germany.

> Many highly innovative German startups with leading AI technologies suffer from the limitations of the domestic market. Often their only chance is being acquired by US companies that then successfully take their solutions to the American markets. The Chinese business world and especially the export-targeted manuenterprise transformation. But German high-tech startups that do not even manage entering the US business market, are not able to approach the Chinese market without strong partnerships.





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China and Germany have already enjoyed a long tradition of exchange and cooperation. However, in high-tech and science, both countries are very much focused on the USA as their prime target for scientific exchange. Although there have been projects in the sciences funded jointly by the German Science Foundation (DFG) and the National Science Foundation of China (NSFC), there is very little cooperation in the area of Al. A very important infrastructural cooperation is taking place in the area of Smart Manufacturing - Industrie 4.0. The joint project funded by the the next leading technology paradigms of Al. Chinese Ministry of the Information Industry Technology (MIIT) and the German Ministry of Economy and Energy (BMWi) also has an expert working group on Al. However, the project focuses on standardization, awareness and industrial exchange and does not support technology research and development.

How China and Germany can help each other

Among the goals of a closer cooperation in research should be the following: Germany can help China to broaden and deepen the education and research foundations in Al. Chinese research and industry can assist German AI research to find, test and Prof. Dr. Hans Uszkoreit is Scientific Director at the German Research realize applications by embedding it in innovative products and services. German research and industrial high-tech providers can help Chinese enterprises in digital and intelligent transformation, especially in the manufacturing sector. As the Chinese industrial customers are eager to get the very latest AI technologies and to develop their own talent base, German technology providers may consider teaming up with German research institutions for client Beijing and Berlin.

projects in China. To this end, German research must be willing and able to be present in China.

Chinese advanced AI technology and new methods from Germany, especially in the combination of Deep Learning and industrial knowledge can lead to new products and services. With their partially complementary backgrounds, competencies and priorities. Chinese and German researchers together may be able to create



Prof. Dr. Hans Uszkoreit

Center for Artificial Intelligence where these days he is responsible for China cooperation. He is also Chief Al Advisor for Lenovo. He has more than 30 years of experience in AI research and teaching, documented in more than 200 scientific publications. For the last two years he has lived in Beijing. Uszkoreit has co-founded several Al companies. His latest startup, Giance, dedicated to Enterprise Intelligence, is located in





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China and the Digital Frontier

Between Innovation, Cooperation and Competition

BY DR. CLEMENS VON GOETZE, AMBASSADOR OF THE FEDERAL REPUBLIC OF GERMANY IN CHINA

Digital platforms and their services change the way we organize our economies and societies, including fundamental aspects of our daily lives: From communication to finances, from shopping to working. In China, this - sometimes disruptive - digital transformation is happening particularly fast creating broad opportunities, but also challenges. This issue of the German Ticker titled "A Digital World" is hence addressing a development of the utmost importance for German companies in China. It raises a broad range of not only economic and technical, but also ethical gues-

While digitalization is practically happening everywhere around the world, China is a special case because of its unique ecosystem for digital innovation:

Firstly, China offers tremendous market potential despite a still heavily protected market environment. With a large home market of more than 800 million Chinese citizens "online", rising disposable incomes and a solid ICT infrastructure. China, to many, has become a global digital frontier and testbed for innovation - not least due to a tech savvy, young generation and a technologically skilled workforce.

Secondly, the Chinese leadership has embarked on an ambitious digitalization strategy and is harnessing vast resources of the state to promote innovation. The Chinese Government is increasing public investment in research (only surpassed by the USA) and provides venture capital not least through its State Owned Enterprises. According to the McKinsey Global Institute and a recent MERICS study. China is among the global top three countries for venture capital investment in key technologies such as Fintech, robotics, AI and machine learning. China has invested USD 50 billion in quantum encryption, registered around 30,000 Al patents, and is home to one third of global start-ups valued beyond USD 1 billion, thusly called "Unicorns". Despite current macro-economic uncertainties, there is ample room for further development through connecting rural areas, where internet penetration of 35% of households is only half that of urban areas.

Thirdly, China is developing its potential to shape the digital transformation also in other parts of the world. The "Digital Silk Road" adds the dimension of cyberspace to the Belt and Road Ilnitiative. At the same time, China is nurturing the international expansion of flagship companies such as Baidu, Alibaba and Tencent. China's digitalization will therefore have effects on the rest of the world and in particular on important trading and investment partners such as Germany.

New opportunities for businesses and economic cooperation are opening up: German companies are well positioned to contribute to China's efforts to upgrade its manufacturing industry and move from an export driven to an innovation driven growth model. China's appreciation for high tech "Made in Germany" continues to be high and makes it an ideal partner for German companies. In order to give this cooperation a boost. Germany joined forces with China to work on "Industry 4.0". This move will enhance the mutual understanding of the technical and regulatory frameworks of both countries and will further foster the cooperation between companies.

Digital transformation, however, will also create more competition between German and Chinese businesses. Such competition is welcomed if it is based on equal and fair conditions. Therefore, market access and investment barriers as well as restrictive requlatory frameworks should be further removed, intellectual property rights fully protected and German companies in China be treated on an equal footing with Chinese companies. Recent regulatory measures such as the Cybersecurity Law and the limitation of VPN services have raised concerns, which we are addressing regularly with our Chinese partners in order to find solutions satisfactory for both sides. We welcome the new Foreign Investment Law as a step into the right direction and will follow with great attention the drafting of the implementing rules. These rules will ultimately define the scope of foreign investors' rights and obligations.

We look forward to the "Comprehensive Agreement on Investment" between the European Union by 2020, as agreed on by both sides at the recent EU-China Summit. Germany and the EU continue to welcome Chinese investment. In fact, the overall investment conditions in Germany for Chinese companies are much more open than vice versa. Investment screening procedures, which are in place in Germany, are transparent and restricted to clearly defined areas.

Lastly, I am convinced that sustainable cooperation in a "digital world" needs to include a profound normative and ethical discourse on fundamental rules and values, on the future of work and education, on the protection of personal data and on security in cyberspace. The relevant questions are by no means theoretical: Chinese businesses active in the European Union are covered by the EU General Data Protection Regulation, which mandates a broad range of protective measures in dealing with personal data. Both regions are currently debating regulatory frameworks for the use of Artificial Intelligence. We need a common understanding not only about direction and speed of technological development, but also about policies addressing its consequences for our societies in a global digital economy.

BUSINESS | Industry Report



China Industry Report:

The Dawn of China's Sports Industry

BY SHOTO XIAODONG ZHU

Many Chinese leaders associate with sports in their own ways. The previous Chinese president Hu Jintao was a big Ping-Pong fan, while it is well-known that the current president Xi Jinping has three dreams in football: entering, hosting, and winning a World Cup. Fewer people will know that the first ever published article written by Mao Zedong, the founding father of P.R. China, was titled "the study of sports", in which Mao quoted sports as the maneuver of "barbarizing the body, civilizing the spirit".

Rather than being an "industry", sports in China, until recent years, had been more often regarded as political means, such like the "Ping-Pong Diplomacy", or the way to achieve national pride through snatching as many gold medals as possible for China in the Olympic Games.

The earliest sign of commercialization in Chinese sports would be the launch of the national professional football league — "League A" in 1994, when for the first time in history, an American brand became the title sponsor of a Chinese national sports league. (for the first five years Marlboro, then switched to Pepsi afterwards due to the ban against cigarette advertisements)

"League A" was then reformed and rebranded as the "China Super League" in 2004, which now spends top dollars on players and coaches, and is marching its way to one of the major football leagues in the world.

Beijing 2008 Olympics: sports into the spotlight

During the development of Chinese sports industry, if "League A" was a shimmer of light glowing in the early ages, then Beijing Olympic 2008 would be the gigantic flame lighting up the whole

landscape. Besides being a great opportunity for China politically, the Beijing Games received the biggest revenues from sponsorship in the history of the Olympic Games and demonstrated to Chinese society how sports might become a lucrative business.

The Beijing 2008 was also a turning point, from where the Chinese government appeared to start re-positioning sports. As its slogan "One World, One Dream" had indicated, the Beijing Games clearly carried political missions including: promoting the country internationally by hosting a welcoming sports extravaganza, and uniting China from within by showing supremacy on the sporting fields. But when the party ended and those missions considered accomplished, sports were to be given new roles and expectations by the officials. Creating a "harmonized society", the goal launched by the government of the time, needed sports to play some new part, by contributing to people's happiness and well-being, or in the founding father's words, "civilizing the spirit".

Aside from the social functions being integrated into sports, there was also some other force would awaken, from the market level. From around 2008 and continuing for the next decade, middle class in China would quickly expand, and eventually grow into the world's most populated one.

Some economists had a theory that a country's entertainment and sports industries would often take off once its annual per capita GDP reaches the level of USD 8,000, the line which China surpassed in 2016. The so-called "Chinese aspiring middle class" is now spending money more than ever, on improving their own experience, including fine dining, traveling, education, entertainment, and sports. The fast and steadily growing demands for sports from the consumers, certainly helped paving the way for Chinese sports speeding up towards its industrialization.

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So when the Chinese government issued an act in the end of 2014. claiming its ambition to promote sports into "one of the main-pillar industries" in the year of 2025, and reaching industrial size of RMB 5 trillion (USD 800 billion), many believed that the golden age of Chinese sports industry has finally dawned.

Chinese economy sports rush

The time between late 2014 to mid-2016, also happened to be the later-called "bubble period" of the Chinese stock exchanges, when market liquidity was at one of its historically highest points. With the huge imaginations toward so-far almost untouched Chinese sports industry, the government's sports-is-the-future sort of encouragement, and excessive amount of money from the market, an But a crazier thing happened later during the second round: the unprecedented gold rush started in Chinese sports.

Money flooded into sports all of sudden. Back then, if you were a listed company in traditional business such as manufacturing, trading or land development, whose growth rate slowed down over the last decade and valued around 30-time multiples, you profited in the stock exchange. But if you considered investing in some projects related to sports, the star industry of the future, it would most likely dramatically improve the companies' publicity and obviously, the share prices as well.

So it is not very hard to understand why many big Chinese companies started to buy European football clubs over the night: if something is highly "politically right" (helping Chinese football and approaching the leaders' football dreams), in the same time almost unconditionally makes you richer, why not do it? This movement went a bit too far and was finally banned by the state government in early 2018, because of "spending up too much China's precious foreign currencies on not very useful things," after more than a dozen major European football clubs acquired by Chinese capital. Most of the companies who bought clubs before the ban didn't finish in a "happy-ever-after" way either. When the stock exchanges cooled down and the Chinese investors recognized the difficulty of running football clubs, the happy shopping started to become liabilities.

There is a famous story about the Chinese investor who bought AC Milan by paying EUR 740 million, had to release it to his creditor in only 15 months' time. A few other clubs relegated from the top leagues after the ownership being switched to Chinese investors, resulting in sharp clubs' income drop from broadcasting, sponsorship and ticketing. It is said that the investment bankers who were busy helping Chinese clients buy clubs a while ago are now busy helping the same clients to sell these clubs.

In these instances, Warren Buffett appears to be very right again when he said, "only when the tide goes out do you discover who has been swimming naked".

Startups and sports

In the same time when Chinese companies were chasing football clubs in Europe, more than 1,000 sports start-up companies were set up in 2015 and 2016, into which approximately RMB 20 billion was invested, in the matter of just two years' time. Money went into the areas like sports IP rights, sports apps, sports tech companies, sports training, and even E-sports.

Among all those. LeSports was no doubt the biggest star and an epic phenomenon. Established in 2014 as the subsidiary of a listed company called LeTV, LeSports provided sports contents throughout OTT, PC and mobile phone platforms. Moreover, other than a pure contents distribution platform, LeSports was aiming to build up an "ecosystem" where consumers can watch live matches, buy sports merchandises and purchase tickets to participate sports events. by simply tapping on their screens. The idea hit many investors in China who see it as a brilliant idea and the best chance they could have in sports industry. So. 14 months after the company's birth, it received the first-round investment from Wanda and YF Fund-one of Jack Ma's personal funds. RMB 800 million at the evaluation of RMB 2.8 billion: almost too good for a newly born company.

company raised RMB 8 billion and evaluated as RMB 21.5 billion, in just another 11 months' time! Unfortunately, only two years after the money being raised during the "golden age", in the beginning of 2018 LeSports had already run out of its cash and lost most of its contents due to the inability of paying bills to the rights holders. The company then had collapsed. In some ways, the abrupt rise and sudden fall of LeSports is the symbol of Chinese sports industry in the last few years, a gigantic bubble with very short existence.

What does the future hold for the sports industry?

Does Chinese sports industry still have a bright future? Most likely yes, given the big and still growing number of sports fans, the willingness of the young generations to spend on sports, and the government's determination of promoting sports industry. But it will need some more time and patience, and especially more efforts to make changes. From last year, the Chinese Ministry of Sports started the process of privatizing all sports associations, by changing the nature of which from government agencies to NGOs. Associations of football, basketball, vachting, baseball and many other had already be "released" and it is said that all sports associations will be privatized by 2020. This would definitely stimulate the sports organizations in China to become more market oriented and work together from inside to establish and improve sports as industry.

Beijing will have its Winter Games in 2022, and China might bid for the FIFA World Cup 2030 or 2034. Looking back from the future, we might have just reached the dawn of the industrialization of Chi-



Shoto Xiaodong ZHU

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■ BUSINESS | Features | Legal Update

Introduction to the Foreign Investment Law

By DR. ULRIKE GLUECK AND ANGELA CHEN

On 15 March 2019, the National People's Congress of the People's Republic of China (the "PRC") promulgated the PRC Foreign Investment Law (the "FIL"). The FIL will come into effect on 1 January 2020.

With six chapters and 42 articles, the FIL covers different aspects of foreign investment, i.e. general provisions, investment protection, investment promotion, investment management, legal liability and supplementary provisions. The key issues of the FIL are its replacement of the FIE Laws (defined as below), national treatment of foreign investment and the negative list for foreign investment. The FIL also focuses on the promotion and protection of foreign investment and provides general principles of a foreign investment management system such as an information reporting system and a security review system.

To give you an overview of the FIL, we summarize its main content and highlights as below:

1. Replacement of the FIE Laws

Article 42 of the FIL stipulates that it will replace the existing special laws and regulations on foreign-invested enterprises ("FIEs"), i.e. especially, the PRC Sino-foreign Equity Joint Ventures Law, the PRC Wholly Foreign-owned Enterprises Law and the PRC Sino-foreign Cooperative Joint Ventures Law and their respective Implementing Rules (collectively the "FIE Laws"). After the FIL comes into effect, the FIE Laws shall be abolished at the same time, and the main legal basis for foreign investments in the PRC will be the FIL. The FIL requires all FIEs established before 1 January 2020 to transition to the requirements under the PRC Company Law, the PRC Partnership Enterprise Law, and other laws by 31 December 2024.

Therefore, the organization form, institutional framework and standard of conduct of the existing FIEs, which are not consistent with the PRC Company Law or the PRC Partnership Law, shall be changed respectively within five years after the FIL comes into effect. This will have considerable impact on FIEs, especially Sino-foreign Equity Joint Ventures ("EJVs") and Sino-foreign Cooperative Joint Ventures ("CJVs"). For example, for CJVs, which are not legal persons, the organization form shall be changed into a partnership or a company. For all the EJVs and CJVs in the form of a limited liability company, the Articles of Association shall be amended to be in accordance with the PRC Company Law, which will bring many corporate

changes, e.g. the highest authority shall be changed from the board of directors into the shareholders' meeting. For foreign investors that have existing joint ventures in China, they must carefully review and amend their corporate governance structures to make sure they meet the new requirements set out in the FIL, and more importantly, their existing rights are properly protected going forward.

2. Pre-establishment National Treatment and Negative List Administrative System

Article 4 of the FIL provides that the State shall implement a Preestablishment National Treatment and Negative List Administrative System for foreign investment. The State shall give national treatment to foreign investments which do not fall into the negative list.

According to Article 28 of the FIL, a foreign investor shall not invest in any sectors in which foreign investment is forbidden by the negative list. A foreign investor shall meet the investment conditions stipulated under the negative list for any sector restricted by the negative list. For sectors which are not mentioned in the negative list, management shall be conducted under the principle of consistency of domestic and foreign investment. Article 9 further extends equal treatment to national policies that previously applied only to domestic Chinese enterprises, allowing foreign invested enterprises to benefit under the very same regimes.

The negative list approach is not new and has already been implemented since October 2016. The currently valid Negative List was published on 28 June 2018 and only includes 48 items. At present, the State is preparing the 2019 version of the Negative List. In such amended version the number of industry sectors, in which foreign investment is prohibited or restricted, is expected to be further shortened.

3. Promotion and Protection of Foreign Investment

Chapter two and three of the FIL deal with the promotion and protection of foreign investment.

a) Local Policies and Local Governments' Commitment

According to Article 18 of the FIL, local People's Governments at county level or above may lawfully formulate policies on promo-

tion and facilitation of foreign investment within their respective statutory authorities. Article 25 of the FIL further states that local People's Governments shall keep policy commitments lawfully made to foreign investors and FIEs and perform all executed contracts according to the law. If any changes or amendments are to be made to the policy commitments or contracts, lawful procedures shall be followed, and relevant compensations shall be made.

It is not uncommon that in the process of attracting foreign investment, many local governments currently offer and agree to some preferential treatments, such as reductions of rents etc. However, some of these preferential treatments are beyond the actual authority of the local governments and if they do not implement these treatments, it is difficult for FIEs to claim or get compensation. According to Article 18 of the FIL, it may become possible for local governments at or above county level in the future to legally implement respective investment promotion policies and to validly and bindingly agree to preferential treatments which would then result in corresponding legal rights and claims of the relevant FIEs. As an enhancement, Article 25 of the FIL also emphasizes that the policy commitments lawfully made to foreign investors and FIEs shall be kept and all contracts entered into according to the law shall be performed. Legally speaking, if local governments do not fulfill their contractual obligations, foreign investors and FIEs can sue them at the competent People's Court. The question that remains is if this is actually feasible in practice.

b) Participation in Standardization Work and Fair Competition in Government Procurement

Article 15 and 16 of the FIL stipulate that the State shall guarantee that FIEs can equally participate in setting standards in accordance with the law and in government procurement activities through fair competition. The same treatment towards FIEs in these two aspects are emphasized by the FIL.

Similar requirements had already been mentioned in the Circular on Several Measures concerning the Expansion of Opening-up and the Active Use of Foreign Capital promulgated by the State Council on 1 December 2017. This circular requires that a fair competition environment shall be further created. It is proposed to promote the fair participation of domestic and foreign-invested enterprises in the PRC's standardization work, promote the fair participation of domestic and foreign-invested enterprises in government procurement bidding, and support FIEs to expand financing channels. The above requirements have now been expressly reflected in the FIL.

In addition, for fair participation of FIEs in government procurement, the PRC is now in the process of acceding to the Agreement on Government Procurement, which is a multilateral agreement within the framework of the WTO with the fundamental aim of mutually opening government procurement markets among its parties. The Agreement on Government Procurement further establishes rules requiring that open, fair and transparent conditions of competition be ensured in government procurement.

What remains unclear under the FIL is whether such equal treatment also applies in procurement activities concluded not by governmental entities directly but by State-owned enterprises.

c) Protection of Intellectual Property

The FIL emphasizes the protection of intellectual property including trade secrets of foreign investors and FIEs.

According to Article 22 of the FIL, the State shall protect the intellectual property rights of foreign investors and FIEs, protect the legitimate rights and interests of holders of intellectual property rights and the relevant right holders. In case of any infringement of intellectual property rights, legal liability shall be investigated strictly in accordance with the law. During the process of foreign investment, the State shall encourage technology cooperation on the basis of free will and business rules. Conditions for technology cooperation shall be determined by all investment parties upon negotiation under the principle of equity. No administrative department or its staff member shall force the transfer of technologies by administrative means.

Forced technology transfer is a problem that many foreign investors and foreign governments focused on in the recent months. The PRC has stated in Article 7 of the WTO Accession Protocol that in the PRC technology transfer shall not be the pre-condition of approval of foreign investment. The PRC has made similar commitments in relevant international agreements as well. Now, it is further expressly stipulated in the FIL that administrative departments and their staff members are prohibited from forcibly transferring technology.

Article 23 of the FIL also emphasizes the protection of trade secrets. Administrative departments and their staff members shall keep confidential any trade secret of foreign investor or foreign-invested enterprise they are aware of during the performance of



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their duties, and shall not divulge or illegally provide to others the secret. Otherwise, the relevant staff member of an administrative department shall bear the legal liabilities stipulated in Article 39. i.e. a penalty will be imposed, even worse, he/she will be held criminally liable.

4. Management of Foreign Investment

In Chapter Four of the FIL, some management systems of foreign investment are introduced.

a) Foreign Investment Information Reporting System

The FIL specifically provides for a foreign investment information reporting procedure under Article 34. A foreign investor or foreign-invested enterprise shall submit investment information to the competent Authority of Commerce through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information to be reported shall be determined under the principles of necessity. The investment information able to be obtained by interdepartmental information sharing shall not be required to be submitted again.

Only one article is included in the FIE regarding the Foreign Investment Information Reporting System. We expect that after enactment of the FIL, detailed regulations regarding this system will be issued.

The information reporting system covers a wide range of content and is expected to include initial reports, alteration reports and periodic reports. The initial reports and alteration reports may partially replace the current filing system for establishment and changes for FIEs, and the periodic report is similar to the current joint annual reporting system for FIEs. Reporting matters may be more streamlined than in the current filing information, since Article 34 also stipulates that the contents and scope of information report shall be determined under the principles of necessity.

If any FIE violates such obligation of reporting information, the legal liabilities shall be borne according to Article 37. First the relevant FIE shall be ordered to make corrections within a prescribed time limit; if such corrections are not made timely, a penalty of not less than RMB100,000 yet not more than RMB 500,000 shall be imposed.

b) Foreign Investment National Security Review System

The State shall, according to Article 35 of the FIL, establish a safety review system for foreign investment, under which the safety review shall be conducted for foreign investment influencing or probably influencing the state security. A decision on safety review made according to the law shall be final.

Under the current regulations, M&A projects as well as investments in free trade zones related to certain security-related industries, such as military, national defense as well as certain key agricultural products, energy, resources and infrastructures, are subject to national security review. The FIL only includes one article regarding the Foreign Investment National Security Review System. According to the wording of the FIL, any foreign investment "influencing or probably influencing the state security" shall be subject to national security review in the future. As a consequence, greenfield investments outside of free trade zones and

investment projects in industries not covered by the current security review regulations may be required to go through national security review in the future. If really implemented, this would be a step back compared to the current situation. We expect that after the FIL comes into effect, detailed regulations regarding such system will be issued, which will hopefully bring further clarity.

5. Tit-for-Tat Clause

Article 40 of the FIL contains a tit-for-tat clause. Where any country or region takes any discriminatory prohibitive, restrictive or other similar measure against the People's Republic of China in terms of investment, the People's Republic of China may take corresponding measures against the said country or region in light of the actual

Although such provision is, generally, in line with international practices, it appears guite remarkable that this is expressly stated in the FIL. The background and reason for such article may well be seen in the recent PRC-US trade war and the PRC's intention to emphasize its strength and importance in the current global economy and, thus, to make clear that the PRC will strictly act in line of a tit-for-tat strategy and not accept any treatment which the PRC government

Summary

In the past months, foreign investors and foreign governments increasingly asked the Chinese government for national treatment of FIEs and open market access of foreign investors. Also, a lot of criticism in the areas of intellectual property protection and licensing

regulatory system is a long-term project and the FIL only contains rather general principles on foreign investment in the PRC and the provisions are relatively general, short and vague, which leaves room for interpretation and detailed implementations in other laws. It is expected that after the FIL comes into effect, implementation rules and other ancillary regulations will be issued accordingly and that these implementation rules and ancillary regulations will provide the decisive details and show the real impact of the FIL on the PRC foreign investment regime. Eventually, only these implementation rules and the actual implementation practice of the FIL will show whether it will indeed bring major improvements for foreign investors in the PRC or not.

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

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considers as unfair.

have been voiced. It seems that these lobbying activities have paid off, since the FIL addresses them all one by one and promises national treatment, investment safety and further market liberalization. The promulgation of the FIL is a significant milestone for foreign investment in the PRC. However, the reform of the foreign investment

Angela Chen is Junior Associate at CMS, China.

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Labor Prospects for Expatriates in China

BY JUANJO CARDONA

Spotting Trends with the Data we Have

What is the outlook with regards to the labor prospects of foreign nationals in China? Is the era of professional expatriates coming to an end? To answer these questions, we first need to take a look at the data is available. At the China-level, the most "recent" data comes from the Sixth National Population Census of the People's Republic of China, completed in November 2010. Based on the census, there were nearly 600,000 foreigners in China in 2010, with South Korea (20%), U.S. (12%) and Japan (11.1%) making the top-3 foreign nationalities in China. No previous data exists, for that was the first time foreigners were 7.9% yoy in 2016. included in the census.

conditions today bear little resemblance to the traits that defined it in 2010.

The 2018 Shanghai Statistical Yearbook offers a proxy that is more relevant timewise (see Figure 1).

The overall foreign population in Shanghai reached its peak in 2015. Especially pronounced is the downward evolution in 2017 of U.S., French and Japanese nationals. Foreigners coming for work present the highest decrease: a 10.4% year-on-year (yoy) in 2016; however, those who come to China to study are on the rise, with an increase of

Figure	1: Foreign	Residents	in	Shanghai

						Year-on-Year Evolution (in %)		
	2005	2010	2015	2016	2017	2016	2017	
Total	100,011	162,481	178,335	175,674	163,363	-1.5	-7.0	
Japan	27,812	35,075	33,440	31,230	28,870	-6.6	-7.6	
South Korea	14,047	21,073	21,178	21,497	20,823	1.5	-3.1	
Singapore	5,547	7,545	6,421	6,134	5,786	-4.5	-5.7	
Germany	4,591	8,023	8,446	8,111	7,583	-4.0	-6.5	
United Kingdom	2,904	5,591	6,543	6,446	5,993	-1.5	-7.0	
Canada	4,279	7,306	8,012	7,880	7,439	-1.6	-5.6	
United States	14,329	24,358	25,537	23,974	21,903	-6.1	-8.6	
Australia	3,729	6,165	7,444	7,400	6,995	-0.6	-5.5	
France	4,181	8,238	9,993	9,453	8,659	-5.4	-8.4	
For Work	_	91,372	88,933	79,701	_	-10.4	_	
Studies	_	16,030	17,588	18,985	_	7.9	_	
Reunion	=	17,112	16,505	16,367	_	-0.8	_	
Private Affairs	_	48,915	46,497	42,769	_	-8.0	_	
Journalists	-	98	97	102	_	5.2	_	
Long-term visas	_	948	2,404	3,027	5,439	25.9	79.7	

However, China's economy and labor market Another source is the number of householdgoods shipments (see Figure 2). Again, the data does not tell us about the whole foreign population in China but is a good proxy to get a glimpse at the underlying trends

> The total number of sea shipments in Shanghai's bonded warehouse peaked in 2013, totaling 15,334 shipments according to Thomas Coupat, China country manager at AGS Four Winds Shanghai. After 2013, shipments have decreased by an average of 9.8% yoy, though with varying degrees of intensity: shipments went down by almost by 12% in 2015 and 2016 and tumbled 16% in 2017. In 2018 the decrease was much more moderate (3.7%), with the catch that the number of imports increased by 1% yoy: for the first time since 2013 there had been an increase in the number of relocations to China (that is via Shanghai only).

We talked with Ryan Metz, Director at Crown World Mobility: "The probable consensus you get from talking to people is that in the last five years companies have reduced their expat populations. We also see that in our clients. I would say on average companies have reduced their expatriate populations by 40% to 50% in the last five vears."

Jason Will, Country Manager China at Asian Tigers Mobility, offers a very similar account for an almost identical period: "based on the number of personal effects shipments we have been handling, we have seen an ongoing contraction of the expat population in China. Over the last three

Figure 2: Relocation Activity in Shanghai

Number of sea shipments through Shanghai bonded warehouse

	2010	2013	2014		2015		2016		2017		2018	
	#	#	#	evo² (%)	#	evo (%)	#	evo (%)	#	evo (%)	#	evo (%)
Inbound relocations (imports)	4917	7316	6382	-12.8	6795	6.5	6087	-10.4	4238	-30.4	4279	1.0
Outbound relocations (exports)	4426	8018	8022	0.0	5901	-26.4	5144	-12.8	5186	0.8	4801	-7.4
Total	9343	15334	14404	-6.1	12696	-11.9	11231	-11.5	9424	-16.1	9080	-3.7

Source: Data by Mr. Thomas Coupat, China country manager at AGS, Four Winds Shanghai, (1) Approximate data; collected through several custom brokers, (2) year-on-year evolution

to four years, we have seen a continual exodus of expatriates, especially families. Many of the international schools in China that we have spoken to also testify to the reduced number of western expatriate stu- As China's GDP continues to reflect the dents enrolled".

Express International Movers: "Today we foreign professionals. are seeing more outbound than inbound relocations. We had a slight decrease in One of these forces is the speed of China's our traditional trading business lanes economic growth. Overall, the Chinese from countries such as USA, Australia and Europe during the period 2013 - 2017. est pace of growth since 1990. Companies However, we have noticed a significant increment on domestic relocations for both corporate and private business in China moving out of the so called first tier cities to second and third tier cities. We have also noticed an increase of relocations A second force is the quality of homegrown within the South East Asia region with a higher number of assignees looking at opportunities in China. We are expecting bigger growth from developing economies such as Vietnam and Myanmar as their talent pools become more attractive for higher skilled opportunities in China".

When turning to business confidence surveys and similar research conducted by chambers of commerce in China, we find traces that concur with this. Findings from the Labor Market and Salary Report by the German Chamber of Commerce in China (disclosure: a report elaborated in partnership with Direct HR Group since 2016) show that, whereas in 2013 about 33% of German companies were considering replacing some or all of the positions held by foreigners by local staff, in 2018 that proportion went up to 41.5%. (see Figure 3).

In 2017's China Business Report by the American Chamber of Commerce in Shanghai, 34% of AmCham members had reduced senior foreign executives headcount (another 8% had increased it).

What are the underlying forces behind the dwindling numbers of foreigners?

economy's careening towards its domestic market, other factors shape the centripetal Isaac Trallero, General Manager at Asian forces that are driving down the number of

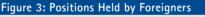
> economy grew by 6.6% in 2018 - the weakare more realistic about the return-oninvestment they can expect, and they are becoming extremely cautious on how they spend their resources.

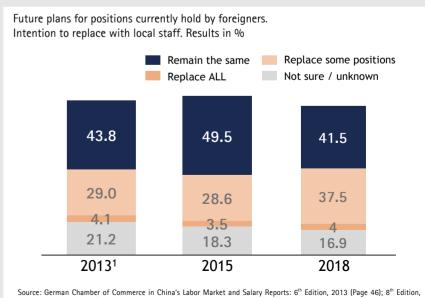
talent. Marcel Austin-Martin, Sr. Manager - Marketing & Admissions at CEIBS Global Executive MBA (GEMBA) tells us: "there

are many Chinese private-owned companies that have reached such state of maturity that they've outcompeted their foreign competitors here and now they are looking to extend their reach outside of China. Over the last five years, positions that were previously held by expatriates have either been localized because the local talent certainly has improved; or some of those expat positions have been eliminated as companies have shrunk and scaled back their investment in China "

The world of Global EMBA programs in China is another vantage point from which to observe underlying trends about the labor prospects of foreigners in China.

To the question of how registrations from foreign students have evolved, Mr. Austin-Martin says: "during the period 2009 -2019 our English EMBA has kept, in average, a 30 to 40% proportion of foreigners. In 2013 we

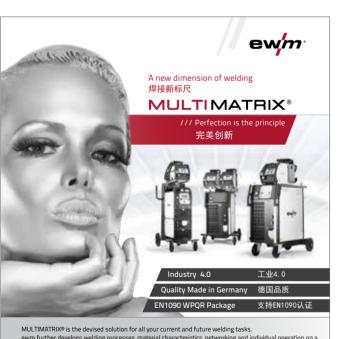




2015/2016 (Page 28); 11th Edition, 2018/2019 (Page 35). (1) In 2013 1.8% of companies contributing to the survey replied they had no foreigners

40 Summer 2019 Summer 2019 41 saw the EMBA market reach its peak in terms of players. Two things followed: at China level, there was an excessive offering; and, globally, there was a shift in companies' sponsorships. If two or three years ago you could still find a majority of companies sponsoring in full their employees' EMBA fees, today only around 50% of students have company sponsorship, and of those, only half are fully sponsored by their companies."

As Mr. Austin-Martin ads: "in the past, the majority of our international students were living and working in China for mul-



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tinational companies with operations here. This proportion has been decreasing, and today we have an increasing number of international students that fly in once every month or every two months to participate in the program. I would say about 25% of our GEMBA international students are based outside China. These are senior executives that might not want to live here necessarily but want to do business, and therefore have an interest in learning more in China."

Paul Shao, Managing Director of EMBA Program at Washington University, Olin Business School & Fu Dan University adds: "Five or six years ago, international students represented about 15% to 20% of the total; today they account for about 10%. The total size of the program has remained stable as Chinese students' relative weight has increased. Although the total number of students sponsored by their employers has declined, those who are being sponsored still see the same level of financial commitment from their companies. Our take on the decrease in the relative weight of international students is that China overall is seeing fewer expats, and especially the most senior type in major cities like Shanghai."

A third vector contributing to the dwarfing numbers of foreign professionals working in China stems from their perception about the living conditions. According to HSBC's 2018 Expat Explorer Survey, China ranks 27 out of 31 countries in terms of its attractiveness as a destination. There are specific dimensions where China is fairly attractive and thus more competitive than other geographies, especially in the economic arena: disposable income, savings, wage growth, or career progression. However, those do not outbalance other aspects where China scores low: quality of life, work-life balance, health & healthcare, childcare, and school quality.

Although the survey does not provide results by age groups, nearly 60% of the expatriates in China contributing to it are in the range of 35 - 54 years. This group is more likely to place higher importance to factors such as childcare, school quality, or health & healthcare than younger cohorts, and matches the demographics of foreign professionals that are most likely to leave China.

Final remarks

China's steering towards its domestic market is the factor that will have the most significant impact in the employment prospects of foreign professionals, by narrowing the scope and range of activities

There are, of course, exceptions to this. For instance, professionals coming from South East Asia regions that share important social, demographic and cultural commonalities with China, such as Singapore or Malaysia might see their employability in China

Another relevant exception refers to those activities where China remains eager to attract investment from which it expects technol-

- Boeing's "737 Completion and Delivery Center" project in Zhoushan (Zhejiang province), along with its Chinese partner Commercial Aircraft Corporation of China Ltd (COMAC). The first Boeing plant outside the U.S., the agreement was signed in 2016 and delivered its first plane in November 2018.
- first wholly foreign-owned car plant of any overseas car manufacturer in China.

To finalize, it might be that the best employment prospects for foreign nationals in China's lay not in China but away from it, riding on the wave of China's national champions overseas expansion (Huawei,

Much in the same way many foreign companies failed to read the seek to gain market share overseas.

Juanjo Cardona is the Marketing and Content Information Manager at Direct HR Group where, among others, he develops China talent market insights. This article is a reduced version of a piece originally published at www.chinahrnews.com in May

China is the world's second largest foreign direct investment (FDI) recipient, according to the 2018 World Investment Report. In 2017, 35.652 foreign-funded companies were set up in China (up 27.8%) from 2016), and investment in China's 11 free trade zones totaled USD 16 billion (up 18.1% from 2016), according to Santander Trade. Thus, foreign-invested entities remain committed to China.

However, as the economy keeps cooling-off, it is only natural that doubts arise with regards to business expansion, as shown in the figures relative to American and European companies in Figure 4.

where hiring such professionals will make sense.

go up.

ogy transfers. Two recent examples:

• Tesla's Gigafactory 3 in Lingang, Pudong, Shanghai. It will be the

Alibaba, Tencent, Xiaomi).

market and localize their strategies when entering China in the '90s and 2000s, Chinese corporations are also experiencing their fair share of cultural and business misreading as they expand globally. If the influx of foreigners coming to China for studies is indeed growing, it will result in a new cohort of millennials well positioned to support the international expansion of Chinese corporations as they

2019. You can find Juanjo at j.cardona@directhr.cn.



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Fourth 'More than a Market' **Awards Honor Corporate Social Engagement Projects**



Chinese society.

face new challenges every year: While the companies protect their global vocational education, supply chain sustainability, and social inclusion. presence, they also must take feet into the local market conditions and integrate in many different cultures. The slogan 'think global, act local' directly reflects 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.

On 30th May 2019, for the fourth time, the German Chamber of To share learnings from this process and make the achievements visible, Commerce in China together with the Bertelsmann Stiftung and magnificent projects are honored at the annual 'More than a Market' supported by the German Consulate General Shanghai, and the legal Awards Gala in Shanghai. Considering this, German companies with center for NGO (ForNGO), awarded the 'More than a Market' Award to operations in Mainland China were able to submit applications for this five German projects to honor their magnificent social engagement in year's 'More than a Market' Awards between September 2018 and February 2019, 102 applications highlighting inspirational CSR projects of German companies were received from all over China. The projects The importance of Asia, especially China is continuously increasing in cover many different thematic areas, such as environment sustainability. today's multinational business landscape, wherefore German companies healthcare, safety, internal CSR, poverty alleviation, sports, school and



A Glance at the Winning Projects

The large number and variety of submitted projects reflect a far-reaching and impactful engagement of German companies in Chinese society. This year, projects dedicated to environmental protection, visually impaired children, education, social inclusion and migrant worker's children were among the winners.

Consideration to the need for the protection of human health and the environment, prompted the initiative to create an additional category "Environmental Protection" for 2019. Also, the outstanding efforts of smaller CSR projects, often driven by only a few individuals, led to a special category "Passion & Potential".

In the category "Small Enterprises (1-500 employees in China)", Taicang Inclusion Factory received an award that honors their partnership with Flex Zhuhai, in which both parties teamed up to develop a manufacturing unit (Mechanical Inclusive Factory) where all operators are people with intellectual disabilities.

In the category "Medium Enterprises (500-5,000 employees)", E.G.O. Components was selected for their "Summer Camp" for left-behind children of migrant workers, which is dedicated to reuniting rural workers and their families who are otherwise separated due to the increase of high mobile labor force.

In the category "Large enterprises (more than 5,000 employees)", Siemens China was awarded for their outstanding efforts in the company's flagship project "I-Green Education Program" which aims to educate migrant children in the field of science and technology of environmental protection.

This year's winner of the special category "Environmental Protection" is Henkel (China) Investment's program "Flying Hope", which aims to save the life of a bird species which is close to extinction due to land reclamation in East Asia and continuously adds new ideas and enriching partnerships to their efforts.

Due to this year's high number of applications, 'More Than a Market' has awarded yet another organization for their outstanding performance in 2019: German School Shanghai-Honggiao (DSS-Honggiao) and its partner, the NGO Mifan Mama, have been selected as the winner of the category "Passion & Potential" for their project "Illumine+ Eye Care Outreach" which is a comprehensive program for the benefit of poor children to provide measures for the prevention, treatment and rehabilitation of visual impairments, including free checkups, information on how to avoid and treat problems, as well as the organization and financial support of treatment and surgery when needed.

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/



Winner Projects

Winner 1: 1 – 500 employees in China



Winner 2: 500 – 5,000 employees in China



Winner 3: over 5,000 employees in China



Winner 4: Collaborative projects



Winner 5: School projects



Award Category Longlists





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Small Enterprise Finalists. Winner Taicang Inclusion Factory



Medium Enterprise Finalists, Winner E.G.O. Components



Large Enterprise Finalists. Winner Siemens China



Environmental Protection Finalists. Winner Henkel (China) Investments



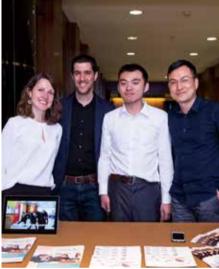
Passion and Potential Finalists . Winner German School Shanghai-Hongqiao







Shanghai

















Inspiring Keynote Speeches

By giving a warm welcome to all invited guests and participants, Ms. Liz Mohn, Vice-Chair of the Executive Board of Bertelsmann Stiftung, gave an encouraging introductory speech. In her role as a leading female entrepreneur and dedicated philanthropist, Ms. Mohn emphasized that German companies active in China perceive the country as an extended home, a place for collective and personal growth, which they want to positively impact for future generations to come. In conclusion, the 'More Than a Market' initiative paves the way for the German business community to growing roots and in making a lasting difference through engaging with the Chinese society in an array of meaningful social projects. After Ms. Mohn's opening speech, moderator for the evening, Ms. Bettina Schön-Behanzin, Chairwoman of the German Chamber of China - Shanghai and Regional Representative Asia of the Freudenberg Group, led the invited guests and attendees through the evening.

The initiative was honored to welcome H.E. Shi Mingde, former Ambassador of the People's Republic of China to the Federal Republic of Germany as keynote-speaker at the Awards Gala. H.E. Shi held an inspiring speech about the vital responsibility multinational companies and their employees play in shaping a society by give back to their surrounding environment and contributing with relevant projects and initiatives. He encouraged nations, companies, and people of all kinds to follow international rules and to engage and develop a stronger and more multilateral world, that takes care of not only the strongest but everyone. The scale of submitted projects impressed H.E. and he took great pleasure in pointing out the variety and meaningful purposes they stand for. He ended his speech by wishing everyone involved good fortune for recent and future projects and encouraged more companies to lead through example.



The 'More than A Market' Awards aim to showcase exemplary approaches and best practices for engagement of German companies in China to a broader audience of stakeholders. It sheds light on otherwise lesser known honorable causes that put human capital first instead of just focusing on capital itself. Centered around the goal of strengthening the good standing of German industry in China and through the creation of stronger ties by expanding its roots in society, the partnership between Sino-German organizations and people flourishes. Therefore, 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 Mr. Titus von dem Bongart, Chairman of the More than a Market Steering Committee, Member of the Board, and Partner; Head of GBN Greater China, ASEAN, and Korea Ernst & Young (China) Advisory Ltd. Shanghai Branch Office and Mr. Bernhard Bartsch, Senior Expert "Germany and Asia" Program at Bertelsmann Stiftung. The two moderators led the participants through the afternoon and presented the newest iteration of the 'More than a Market' publication.

In her opening speech, Ms. Liz Mohn, praised the successful development of the initiative in reaching 102 submitted projects for this year, which account for about half a million jobs in China. Further on, she showed great admiration for German companies dedicated to promoting CSR projects, to sincerely do good and not only for reputational reasons. She concluded her speech by stating, that the good cooperation between Germany and China is of utmost importance for the people in both countries, even at times of economic uncertainty.









Mr. Thilo Koeppe, Managing Director North Asia at HUBER+SUHNER and Chairman of the Inclusion Factory gave the keynote speech at this year's forum opening. Mr. Koeppe elaborated on the great opportunities that are created by the 'More than a Market' initiative, when it comes to learning from one another and that it serves as a catalyst and motivator to create new CSR projects. Therefore, the event can be regarded as a mean to further catalyze and promote social engagement of German company operating in China more so than giving out trophies for rewards sake. Mr. Koeppe also addressed the main challenges companies face while implementing corporate social engagement and showcased examples of why it is still worthwhile to pursue these values.

Moreover, a Social Marketplace gave room for guests to get to know ten NGOs and to meet potential cooperation partners for future CSR projects. During the 'More than a Market' Forum, participants experienced a day filled with two extensive breakout sessions, equally distributed into six workshop sessions, two panel discussions and networking possibilities on how to further expand social responsibility in China. The workshops and panel discussions gave room for idea sharing, project development and topical discussion on CSR.

Overall, the event was well attended and met with acknowledgment and appreciation from all parties, with around 200 people participating in the Forum and almost 300 people attending the 'More than a Market' Awards Gala. 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 a variety of social and environmental challenges. The overall shared vision of the participants provided better understanding of partnerships with NGOs and the Chinese customer perspective for further social engagement of German companies in China.

In late autumn 2019, German companies with operations in Mainland China will be again able to submit applications for next year's 'More than a Market' Awards on 14th May 2020.

We very much look forward to receiving inspiring new and meaningful projects which can provide ideas, best practices, and CSR strategies for next year's event. We also hope that the Forum fostered new networks and new supporters of our joint '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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Kempinski Hotel Beijing Lufthansa Center has undergone an extensive 480-room revamp

When it first opened in 1992, Kempinski Hotel Beijing Lufthansa Center held the distinction in Beijing as the first European-run hotel in modern China. Today, the iconic property debuts a stunning new look after completing the most substantial renovation in its 26-year history. Kempinski's 480 rooms and suites have been completely overhauled to the tune of US \$30 million, reinterpreting its dual Chinese and European heritage while expressing impeccable personal service and the best of both Asian and western hospitality.

The hotel is conveniently located in Beijing's thriving lifestyle, diplomatic, and upper residential district next to the head office of Fortune 500 companies, embassies, international schools, and renowned shopping centers.

New Executive Lounge Haven

The new portfolio of rooms and suites displays a decor that aims to convey the contemporary elegance of china and its cultural influence. Business travelers should opt for the executive floor rooms, which come with 24hour butler service and access to the brand-new Lounge 15. Here, breakfast buffets, afternoon tea. happy hour drinks, and bitesized delicacies are served in a private and tranquil setting with a view of Beijing's ever-changing skyline.

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A Valued Part of the Community

Kempinski Hotel Beijing Lufthansa Center takes a personal approach to hospitality and social activities and has a highly-regarded standing in the community. The hotel remains a prominent venue on Beijing's social scene. It hosts some of the capital's biggest National Day celebrations, galas, and signature events like the Vienna Ball Beijing in April, the upcoming new Shake Beijing international music festival in September, which will feature over 8 worldrenowned swing and blues artists and musicians, and Oktoberfest at Paulaner Bräuhaus in October. For event sponsorship opportunities, contat us at pr.beijing.com

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New Psychologist Dr. Birgit **Mathon Joined Raffles Medical Beijing Clinic**

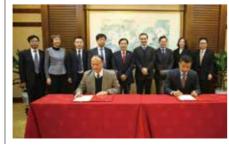


In January 2019, psychologist Dr. Birgit Mathon joined Raffles Medical Beiiing Clinic, Dr. Mathon is a US-trained psychologist (PhD in Psychology at Stanford University) and systemic psychother-

apist. As a generalist, she has treated a variety of mental and psychological issues and works with families, teens and adults with a wide range of diagnostic presentations including trauma, depression, other mood disorders, anxiety disorders and developmental disorders. She was born and grew up in Vienna, Austria. She studied music and psychology and got her first qualification as a music therapist at only 21 years old. Since 2004, she has been practicing psychotherapy.

Bayer Crop Science and NATESC Joined Hands in "Embracing the **Green Program**"

On 27th February 2019, Bayer Crop Science China and the National Agricultural Technology Extension and Service Center (NATESC) signed the "Embracing the Green Program" at the Ministry of Agriculture and Rural Affairs (MARA). This large-scale non-profit training program aims to build green development capacities and share the latest concepts, standards, technologies and best practice among key players, e.g. local officials and technicians in the field of agriculture and executives of new types of



agribusinesses and co-operatives. The program will be implemented in the next five years (2019-2023) and covers all provinces and autonomous regions.

Mr. Bernhard Wimmer Appointed as General Manager of NUO Hotel Beijing



NUO Hotel Beijing is delighted to announce the appointment of Mr. Bernhard Wimmer as General Manager. Mr. Wimmer will be responsible for the operational management of the hotel as well as its devel-

opment strategy. In addition to his mother tongue German, Mr. Wimmer speaks fluent English and French as well as basic Spanish and Chinese. He has over 30 years of experience in the international luxury hotel industry and worked with Kempinski, Ritz-Carlton, Rosewood and Shangri-La hotels

honor to be the General Manager of NUO Hotel Beijing. I am looking forward to working with the NUO team to provide guests with the experience of our unique brand of Chinese luxury, and to lead the team in achieving further success and accolades for the hotel."

Neuman & Esser Beijing Celebrates Ten Years



Neuman & Esser Beijing Co., Ltd. used the occasion of its tenth company anniversary to celebrate a ceremonial event with customers and business partners at the Marriott Northeast Hotel in Beijing. More than 60 representatives in the fields of natural gas, chemicals, petrochemicals, renewable energy and further industries in China participated. The NEA experts deliberated about the market developments in China with regard to new applications, products and services. The NEA Group officially founded the Chinese subsidiary in 2008. thus terminating the previous decades' customer support in China via a sales office. NEA Beijing assumes the responsibility for more than 400 NEA compressor systems within the domestic market, and also provides spare parts and service.

MAN Truck & Bus China Won the **Charity Practice Award**

The 8th China Charity Festival was successfully held in Beijing on 14th January 2019. Thanks to efforts in environmental protection through fuel saving and efficient driving, as well as continuous work in corporate social responsibility, MTBC received the "Charity Practice Award". Especially,



worldwide. Mr. Wimmer said, "It is my great | the MAN Fuel Competition, which kicked off on 13th July 2018 and lasted for 33 days received widespread recognition from the organizing committee of the Charity Festival and customers. The competition consisted of sub-competitions in Dalian, Jinan, Shanghai and Shenzhen, and the finals in Chengdu. On 16th August 2018, one day after the competition finals, MTBC went to Ya'an to convert the fuel saved during the competition into funds for offering better education resources for the Yaoji Tibetan Primary School.

Via Roma at Kempinski Presents New Chef



Via Roma presents its new Italian chef Andrea Giannini Andrea, hailing from Italy's gourmet heavyweight region of Abruzzo, has 16 years of experience in cooking organic, homemade Italian

dishes throughout the world. He will lead Via Roma's culinary team in incorporating authentic Italian techniques and cooking methods. Andrea will also introduce and inaugurate the "Little Italy" family Sunday lunch, a buffet featuring Italian classics like pizza, antipasti, dessert stations and more, as well as the new Kid's Pizza Party initiative. Via Roma is excited for the new addition in its culinary family and looks forward to the new programs and experiences Andrea has planned for the upcoming months.

Line Construction Demonstration of National Highway G105 Beijing - Macao



On 22nd March 2019, Mobile Automation Co., Ltd. (MOBA) demonstrated their construction machines to OEMs and construction parties on the G105 Pingyin Raocheng base construction site in Jinan. More than 100 people attended the performance of the new grader Liu Kun, Product Manager of MOBA, was invited to give a speech about the working principle and advantages of 3D intelligent leveling systems.

New Plant Opening of Wörwag



In 2018, Wörwag opened a new plant in Shenyang, Liaoning Province, that covers an area of about 28.162m². The company was founded by Karl Woerwag in Stuttgart, Germany in 1918 and develops high-quality coatings for a wide variety of industrial applications.

New Edelmann Plant in Beijing Receives First Award

Only three months after setting up a new plant in Beijing. Edelmann received its first packaging design award in April 2019. Edelmann was amongst 200 companies and institutions worldwide, who participated in the "Marking Award", a global packaging design competition in Hangzhou. In total 500 entries have been submitted. In the future, the Edelmann Group wants to expand its services in China beyond the health care industry and to include beauty care and consumer brands.

Regroup Media Acquired by Melchers

Melchers recently closed the acquisition of the London-based digital marketing agency Regroup Media. Regroup already has a running operation in China and provides digital marketing services for brands wishing to enter or expand their markets online in China. Clients are from the luxury retail, education, property and B2B space. Through the acquisition, Melchers will strengthen its competency and reach in the digital space in China and will be able to help more Western brands to develop a strategy to reach the ever-growing Chinese online mar-

Bader Leather is Our Passion

On 28th March 2019, Bader China held a



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public forum in Dalian on how to inherit and carry on craftsmanship. Bader invited its customers, as well as Mr. Jiafeng Zhao and Ms. Zhishan Qiu, a third-generation craftsman and his wife. For one hundred years, Mr. Zhao's family has been operating its handmade leather product business in the old town of Fuzhou. They have also received the Dalian Intangible Cultural Heritage prize for their work.

Tagal Wins FAW Car Quality Service Award



On 24th January 2019, the FAW Car purchasing conference was held in Changchun on the theme of "Innovative BESTUNE, Brilliant Gathering". Tagal stood out from more than 600 suppliers and won the "Quality Service Award".

Santa Fe Relocation Shortlisted for 2019 Relocate Awards



Santa Fe Relocation is delighted to share, that it has been shortlisted for the 2019 Relocate Awards. The categories Santa Fe Relocation has been shortlisted in are: Relocation Management Company/Consultant Innovation of the Year, Destination Services Provider of the Year and Technological Innovation – Corporate Support & Employee/Family Support. The ceremony was held in London on 15th May 2019.

Dräxlmaier Sets Up Second Dual-Professional Education Program in Shenyang

On 28th February 2019, Dräxlmaier and the Shenyang Light Industry Art School signed a cooperation agreement. Dräxlmaier will carry out dual professional training for students of the school.

Previously, Dräxlmaier set up two dual-



professional education programs in China in collaboration with Benxi Electromechanical Engineering School and Shenyang Polytechnic College, with focus on mechatronics, injection molding, production and logistics. With the new cooperation, sewing and lamination will be added as new subjects to the trainings. Dräxlmaier Group started an international vocational training program in 2012, which fosters young talents at its sites worldwide. As a partner in the region, Dräxlmaier aims to solve the shortage of trained specialists and assure uniform education standards globally.

Grand Opening Ceremony for Carcoustics Automotive Parts (Shenyang) Co., Ltd



On 20th March 2019, Carcoustics Shenyang plant had a grand opening ceremony together with government representatives, customers and the Carcoustics management team. Carcoustics Shenyang plant is the second wholly-owned subsidiary in Asia and covers an area of about 4,000m². At the production site in Shenyang, aluminum forming, thermoforming and vacuum forming technologies are used and components are manufactured for BMW Brilliance Automotive Ltd.

2019 LEONI Spring Campus Job

On 28th March 2019, LEONI Wiring Systems (Tieling) Co., Ltd. held a Spring Campus Job Fair at the campus of the Northeastern University, Tieling with the aim to recruit graduates as future leaders of the company. The members of the management team were also attending the fair. Mr. Rich Ji,



General Manager of LEONI Wiring Systems (Tieling), introduced the company and its development. Afterwards Ms. Evelyn Fu, Human Resource Manager, introduced the company's compensation system, benefits and the management trainee program.

Great Place to Work in Practice



e m p l o y e e s with a stable working environment and productive collegial atmosphere. Due to this ethos, .CPC is rapidly expanding in Europe

Once again,

.CPC has been

honored with

the 'Great

Place to Work'

in Consulting

2019 Award.

It is impor-

tant to .CPC

to provide its

customers and

and China.
.CPC also invests in comprehensive personnel development measures and skills transfer. For this reason, two senior colleagues from Germany, Jens Sorg and Jasper Peters, joined .CPC China at the beginning of the year. Both are experienced in change man-

joined .CPC China at the beginning of the year. Both are experienced in change management and traditional and agile project management. Additionally, Jens Sorg is specialized in organizational development and business coaching, whereas Jasper Peters expertise lies in leadership development and process optimization.

Aden Showcases IoT Innovations and Big Data Solutions at World Workplace Asia (WWPA) Conference

Aden ASEAN and China joined the 3rd annual WWPA conference, where Aden served as a strategic partner in IFMA's flagship event. Aden's theme for the conference "Digitalized Global Asset Management Platform", gave the company a chance to showcase its vision for a new, fully data-powered model of IFM and asset management. It was also



a chance for Aden to share its mission of consistently pushing IFM's scope beyond traditional services to serve the emerging needs for Asia: clean energy transition, SMART tech and data; robotics and automation. Mr. Fulvio Bartolucci, General Manager of Aden's subsidiary Adenergy, was invited to give a keynote speech entitled "How SMART Is Smart? Going Beyond Buzzwords with IoT and Big Data". In addition, Aden was honored to have been presented with a certificate of appreciation by the IFMA.

Mubea Wins Supplier Quality Excellence Award 2018

Mubea Automotive Components (Shenyang)
Co., Ltd. is honored to receive the "Supplier Quality Excellence Award" by General
Motors (GM). To earn this award, a supplier
must meet or exceed a very stringent set of
quality and delivery performance metrics.
Mubea Automotive Components (Shenyang)
Co., Ltd. was founded by Mubea Group in
2013 and is the second plant established in
China.

Beijing Singu Keller to Exhibit at Shanghai Auto Show and Manufacturing Expo in Thailand

The joint venture between A&E Keller Germany and Xingtai Steel China will attend the Auto Shanghai exhibition 2019. The Auto Shanghai exhibition has become a key platform for local and international automotive enterprises to exchange and cooperate. Beijing Singu Keller will also exhibit at the Manufacturing Expo in Thailand, which is ASEAN's leading machinery and technology fair. On both exhibitions, Beijing Singu Keller will present new developed products and latest cold forming technology.

Hilton Shenyang Hosts Family-Themed Event to Celebrate Earth Hour

Hilton Shenyang celebrated Earth Hour with a "Mini General Manager" family event on 30th and 31st March to reaffirm its commitment to environmental protection and conservation. Mr. Paul Wu, Hilton Shenyang's General Manager, mentioned that the event sought to educate children on the



importance of environmental protection. As part of efforts to mark Earth Hour, the hotel invited a marine expert to present an interactive class for kids. The hotel has implemented various measures to reduce its environmental footprint, including dimming all non-essential lighting in its public areas, condensate heat recovery systems, LED lighting, and a ban on shark fins at its restaurants.

New EY Senior Consultant in Beijing

From 1st April 2019, Mr. Jonathan Wagener is seconded from Germany to China and is now supporting the People Advisory Service Line of EY China. He is based in Beijing and is providing individual tax services especially for China inbound assignees. Mr. Wagener focuses on EY German clients based in China where EY is providing expatiate tax, social security and mobility services. Mr. Wagener holds a bachelor degree in Economic Laws from the University of Kassel.

APAC President of EUROIMMUN Honored with the International Business Elite 2018 Award



Mr. Li Chuan, APAC President of EUROIM -MUN Medical Diagnostics (China) Co., Ltd was honored with the "International Business Elite 2018 Award" by the Beijing Municipal Government

of Chaoyang District. He has achieved tremendous success and accomplishments in medical diagnostics. Mr. Li Chuan commented "This award is not only a personal achievement, but an honor to all APAC [employees] who have contributed to achieve what EUROIMMUN has become today."

Siemens and State Power Investment Corporation Limited Agree on Comprehensive Cooperation

Siemens AG and State Power Investment Corporation Limited (SPIC) signed a comprehensive Strategic Partnership Framework Agreement (SPFA) on 26th March 2019 in Beijing. This follows a Technology Collaboration agreement on heavyduty gas turbines between Siemens AG and China United Heavy-duty Gas Turbine Company (UGTC). The SPFA will further expand the cooperation in power generation in addition to the earlier agreed technology collaboration between Siemens AG and UGTC and will create a China-based supplier eco-system. Both companies will also collaborate in high-technology product demonstration e.g. in the field of digitalization of power plants or in hydrogen utilization projects and smart energy management for a decentralized energy system. Furthermore, both parties agreed to cooperate in project execution, and will jointly develop proper Gas-to-Power projects worldwide.



Know How! China on Exhibition in March

As a German e-learning training expert, Know How! China participated in the 3rd Sales and Enablement Conference, organized by the HR Excellence Center (HREC). At the conference, Know How! China presented its new product: 唯学慧 WeLearn. WeLearn is a training ecosystem, which combines high quality training contents from Europe and smart technology from China. The European training content covers



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hot training topics such as PMP, business communication, sales training, leadership, compliance and MS Office.

Zero Harm is Possible!



To strengthen its management and operation standardization, DBEST (Beijing) Facility Technology Management Co., Ltd. achieved the integrated ISO certification in March 2018. Besides quality management (ISO9001) and environmental management (ISO14001). DBEST also pays great attention to occupational health and safety management (ISO45001). To further intensify the employees' safety awareness and encourage their safety behavior even after the ISO certification process, the DBEST management office has launched a quarterly safety campaign in January 2019. The first "Quarterly Safety Award" went to the service team in Siemens Center Shanghai for their "scaffold project group".

Lean & Smart Manufacturing Journey of Leybold Equipment (Tianjin) Co., Ltd.

On 9th April 2019, Leybold Vacuum Tianjin held an "Excellent Lean Enterprise" review at their facilities. The meeting was attended by Ms. Xuejun Zhu, General Manager of Leybold Vacuum Tianjin, the lean project team of the company, consultants authorized by Toyota Engineering Co., Ltd. (TEC) in China and consultants of Zhilian Consulting Group. The project team members started off the meeting with reviewing the lean manufacturing journey of Leybold. During the second session, Leybold Tianjin was honored to receive the "Excellent Lean Enterprise" certification.

Opening Ceremony of Kern-Liebers Precision Technology (Tianjin) Co., Ltd.

On 6th March 2019, the opening ceremony of Kern-Liebers Precision Technology (Tian-jin) Co., Ltd. was held in its new plant, located in Beichen Hi-tech District, Tianjin. The celebration was attended by the CTO of the Headquarter in Germany, China Groups'



CEO, CFO, COO, the General Manager as well as representatives of BEDA.

Pixida Enters a Long-Term Partnership in China

In 2017, Pixida extended its global network to China and since then has recorded a continuous growth in the development of digitalization and mobility solutions. Pixida China will now enter a long-term partnership with one of the largest premium automobile manufacturers worldwide. They will work together in the fields of digitalization, navigation, location based services and driver assistance systems.

Wenfei Attorneys-at-Law Ltd. Published 2019 Edition of its China Legal Framework

Wenfei Attorneys-at-Law Ltd., a Sino-European law firm, has recently published its latest edition of its publication "China Legal Framework", including basic knowledge on foreign direct investments in Greater China, customs and international trade systems, taxation, capital markets, foreign exchange, intellectual property rights and labor law.

German Business Incubator Vietnam and the German Centre GmbH Signs Cooperation Agreement



German Business Incubator Vietnam, operated by the Delegate of German Industry and Commerce in Vietnam (AHK Vietnam), and German Centre for Industry and Trade GmbH, a member of Landesbank Baden-Württemberg (LBBW), signed a cooperation agreement in March 2019. Both institutions

want to support German companies in their ventures into the Southeast Asian region, which is more and more developing into a real heavyweight throughout Asia.

The German Business Incubator Vietnam offers small offices and flexible workspace on 350 square meters. "German companies will benefit from the cooperation between German Business Incubator and the German Centers, in particular those in Beijing and Singapore, not only by sharing the respective local infrastructure but also by getting connected beyond national markets," says Christian Ricken, member of LBBW's Board of Managing Directors in charge of International Business.

Bundesliga New China Office Hosted Jürgen Klinsmann



German soccer legend and former Germany coach, Jürgen Klinsmann made a tour in Beijing from 12th to 14th April, as the first "Bundesliga Legend Tour" hosted by the newly opened Bundesliga International China office and PP Sports, the league's official broadcaster in China. As a promoter of the Bundesliga. Klinsmann made close interaction with fans, by watching a youth game, visiting Suning's supermarket, cooking Chinese pancake and "working" as an intern for PP Sports. His presence in the Fan Fest at Brotzeit on 13th April attracted hundreds of people. Some even flew from other cities to meet him. "I have always wanted to visit the Great Wall and now I can check the box on my bucket list." said the 54-year-old former World Cup winner. "Every day is a learning opportunity. I am enjoying this trip to China to learn more about Beijing and Chinese football."

New Members North China

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

Ms. Ling Hu

General Manager Benteler CAPP Automotive System (Changchun) Co., Ltd. www.benteler.com

Mr. Zhirui Yu

General Manager Changchun NOK-Freudenberg Oilseal Co., Ltd. www.nok-freudenberg.com

Mr. Danijel Pankovic

General Manager INDEX Dalian Machine Tool Ltd. www.index-traub.com

Mr. Fena Li

General Manager Pixida Technical Consulting (Shanghai) Co., Ltd. www.pixida.com

Mr. Dieter Rahnefeld

General Manager Sinoplastics (Shenyang) Co., Ltd. www.sinoplastics1.com

Mr. Jianyu Wang

Managing Director
AZO Ingredients Automation System (Tianjin)
Co., Ltd.
www.azo.com

Mr. Patrick Stüber

Bundesliga Chief Representative China Bundesliga International GmbH Beijing Representative Office https://bundesliga.com

Mr. David Boyle

Supply Chain Manager Edelmann (Beijing) Co., Ltd. www.edelmann-group.com

Prof. Dr. Hans Uszkoreit

Founder Giance Technologies www.giance.ai

Mr. Roger Xu

Director of Operations H&R China (Fushun) Co., Ltd. www.hur.com

Ms. Elaine Yao

HR Assistant
Vector Automotive Technology (Shanghai)
Co., Ltd. Beijing Branch
www.vector.com

Mr. Vincent Crimi

Business Development Manager Abacare (Beijing) Consulting Ltd. www.abacare.com

Ms. Emma Sun

General Manager CarGarantie (Beijing) Consulting Service Company Ltd. www.cargarantie.cn

Ms. Chao Han

HR Manager Changchun Integral Accumulator Co., Ltd. www.freudenberg.com

Ms. Yana Zhao

Associate Director Colliers International www.colliers.com/zh-cn/china

Mr. Harald Feurstein

General Manager Conrad Beijing www.conradhotels3.hilton.com

Mr. Rolf Dieter Weinowski

President and CEO FEV Powertrain Technology Co., Ltd. www.fev.com

Mr. Patrick Na

LBU Manager Hamburg Sud (China) Limited Tianjin Branch www.hamburgsud.com

Mr. Lawrence Huebschmann

General Manager Huebschmann Zhan (SY) Industrie Vertretung Co., Ltd. www.klhuebschmann.de

Mr. Florian Kuhn

General Manager InterContinental Beijing Sanlitun www.intercontinental.com

Ms. Emily Hou

Finance & Controlling Manager KSB Pump & Valve Technology Service (Tianjin) Co., Ltd. www.ksb.com

Mr. Mukesh Sharma

Country Head Greater China Tech Mahindra Shanghai Co., Ltd. www.techmahindra.com

Ms. Chunyan Fan

Admin & HR Senior Specialist voestalpine Automotive Components Tianjin Co., Ltd.
www.voestalpine.com

Mr. Andreas Dirring Private Membership

Mr. Fabian Knopf Private Membership

Mr. Eduard Ergenzinger

Private Membership

Dr. Andreas Pfadler

Private Membership

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January 2019

Event: Intern's Regulars' Table in Beijing

Venue: Café Zarah

30th

January 2019

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

GC DEALS

30th

January 2019

Event: Kammerstammtisch in Shenvang Venue: Vimark Kitchen GC DEALS

19th

February 2019

Event: Intern's Regulars' Table in Beijing

Venue: ARCADE

27th

February 2019

Event: Kammerstammtisch Tianjin Venue: Drei Kronen 1308 Brauhaus Tianjin

GC DEALS

27th

February 2019

Event: Seminar in Shenyang

Topic: Key Points of Custom Declaration & Clearance in China – Suggestions for

Automotive Companies

Venue: Le Meridien Hotel Shenyang

Speaker: Prof. Darwin Wang | Custom Affairs Expert at Suzhou H-Line International Forwarding Co., Ltd.

27th

February 2019

Event: Kammerstammtisch in Shenyang Venue: Fat Dragon Alehouse GC DFALS

Event: Special Event in Changchun [Media Partner] Topic: VDA QMC Regional Conference - Quality Improvements and New Standards in Automotive Industry for New Digital Era January 2019

Venue: FAW-Volkswagen Automotive Plant Changchun

Speaker: Mr. Tilman Tilmann | General Manager at VDA QMC China





17th Event: Seminar in Beijing

Topic: ChaVent the Change Management Forum – How to handle January 2019 technology-driven changes impacting our organization?

Venue: German Centre Beijing (GC Deals Partner)

Speakers: Mr. Michael Babilon-Teubenbacher | General Manager at CPC Consulting (Beijing) Ltd.

Mr. Carles Cortes Costa | Associate Director of MCON China Ltd. Dr. Stefan Eberhardt | CIO at Daimler Greater China





January 2019

Event: HR Workshop in Shenyang Topic: Effective Recruiting: Sourcing, Assessment Tools & Background Checks Venue: Le Meridien Hotel Shenyang

Speakers: Mr. Hsiao J. Chiu | Managing Partner at JP International Search Consultants Shanghai Ms. Ying He | HR Manager at Dr. Schneider Automotive Parts (Liaovang) Co., Ltd. Mr. Daniel Albrecht | Managing Counsel at Starke Consulting Co., Ltd.





On 17th January 2019, the German Chamber of Commerce in China - North China organized a HR Workshop in Shenyang, which was well attended. Several guest speakers introduced effective and upto-date recruitment tools and provided insights into the rising challenges for recruiters and HR managers from a professional HR, legal and headhunting perspective.



Event: Member Training in Shenyang Topic: Compliance Management in China January 2019 Venue: Wuerth Industrial Park Shenyang Speakers: Dr. Falk Lichtenstein | Partner & Lawyer at CMS Beijing Office Ms. Roxie Meng | Associate at CMS Beijing

By the request of a member company, the German Chamber of Commerce in China - North China organized a Compliance Training at Wuerth Industrial Park in Shenyang on 23rd January 2019. Dr. Falk Lichtenstein, German Attorney at Law and Partner of CMS Beijing and his associate Ms. Roxie Meng briefed participants mainly in questions about Anti-Corruption, IT Security, Anti-Trust and Export

The training was structured to give a comprehensive overview on these very relevant topics that are important for any manufacturing company in China. Each presentation part was followed by a Q&A session, where participants were invited to discuss related case studies and share their own work experiences.



Event: Workshop in Dalian

Topic: Enhance Your Personal Efficiency @ January 2019 Your Workplace

> Venue: Liebherr Machinery (Dalian) Co. Ltd. Speakers: Mr. Thomas Roesler | Managing Director of UNIQUE Business Consulting Shanghai

Ms. Julie Marx | Senior Consultant at CWS (Shenyang) Consulting Management Co., Ltd.



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12th

March 2019

Event: Intern's Regulars' Table in Beijing

Venue: Brotzeit

19th

March 2019

Event: Special Event in Tianjin Topic: Biz Socializer: Interchamber

Business Networking Venue: Pan Pacific Tianiin

22nd

March 2019

Event: Microsoft Office Training in Tianjin Topic: Perfect Work Reporting with Help

of PowerPoint Presentation Venue: GCC Tianjin Office

Speaker: Mr. Pasta Pei | Eddic Training

Center

23rd March 2019

Event: Special Event in Tianjin

Topic: Tianjin Walking Tour: Historic Hiahliahts

Venue: Tianjin City Center

26th

March 2019

Event: Workshop in Dalian Topic: Train the Trainer Venue: BADER China Ltd.

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

27th

March 2019

Event: Kammerstammtisch in Tianiin Venue: Paulaner Brauhaus Tianjin

27th

March 2019

Event: Kammerstammtisch in Shenvang Venue: CHEZ AMIS GC DEALS

30th Event: Workshop in Shenyang

Topic: Enhance Your Personal Efficiency @ Your Workplace

Venue: Le Meridien Hotel Shenyang January 2019

Speakers: Mr. Thomas Roesler | Managing Director of UNIQUE

Business Consulting Shanghai

Ms. Julie Marx | Senior Consultant at CWS (Shenyang) Consulting

Management Co., Ltd.



Event: [Members Only] Seminar in Beijing

Topic: New German Business Visa Process for German Chamber

February 2019 Members: Information for Applications

Venue: German Centre Beijing GC DEALS

Speakers: Mr. Thomas Giese | Deputy Head of the Visa Section at

German Embassy Beijing

Ms. Li Nan | Visa Service Manager at German Industry & Commerce

Greater China - Beijing



February 2019

Event: Special Event in Tianjin

Topic: 2019 Spring Reception and 10 Year

Anniversary Night

Venue: The Ritz-Carlton Hotel Tianjin

GC DFALS













On 22nd February 2019, the German Chamber of Commerce in China-North China hosted the 2019 Spring Reception and 10 Year Anniversary Night at the Ritz-Carlton Hotel Tianjin. More than 90 guests attended the event. It has been ten years since the establishment of the German Chamber office in Tianjin, throughout the past ten years, our office has grown from a small branch supporting only 16 local members in Tianjin to a well-connected business network of 75 members.

The event started off with a cocktail reception, followed by an opening speech by Mr. Xingliang Feng. Treasurer of the German Chamber of Commerce-North China, in which he looked back on the history of the office in Tianjin, expressed his deepest gratitude to the supporting partners and members and shared his positive outlook for the future.

After the welcome speech, a panel discussion was moderated by Dr. Björn Lindemann, Board Member of the German Chamber of Commerce-North China and former Regional Manager of the Tianjin office. Dr. Lindemann took the guests on a photo journey through the past ten years, while stories of the German Chamber in Tianjin were shared by Ms. Claudia Barkowsky, Chief Representative of VDMA Beijing and former Regional Manager and Executive Chamber Manager of the Tianiin office, Ms. Yan Zeng, Deputy Director of Tianjin Commission of Commerce and Mr. Christoph Kaiser, Board Member of the German Chamber of Commerce-North China and Managing Director of Turck (Tianjin) Technology.

Another highlight of the evening was a performance by the children of the Sun Village Tianjin, a non-government charity organization. The Sun Village organization is dedicated to the children of incarcerated Chinese citizens by providing them a home, educating them, and providing psychological counseling. To support the Sun Village, the German Chamber organized a lucky draw and raised over RMB 4000, by the end of the evening.

We sincerely thank all guests and sponsors for their attendance and great support, and we look forward to seeing you at our 20 Year Anniversary!

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26th February 2019

Event: Automotive Roundtable in Shenyang Topic: Managing China Customs & Opportunities in Railway Logistics Venue: Schenker Jinbei Logistics (Shenyang)

Speakers: Mr. Lark Zhu | General Manager at Schenker Jinbei Logistics (Shenyang) Co., Ltd. Mr. Markus Fischer | Senior Manager Enterprise Accounts - Multimodal & Dedicated Solutions at DB Schenker

Prof. Darwin Wang | Custom Affairs Expert at Suzhou H-Line International Forwarding Co., Ltd.





On 26th February, the German Chamber of Commerce in China-North China organized the first Automotive Roundtable in 2019 on the topic "Managing China Customs & Opportunities in Railway Logistics" at Schenker Jinbei Logistics Shenyang. The General Manager of Schenker Jinbei Logistics, Mr. Lark Zhu, took the opportunity to welcome all quests and introduced current status, service portfolio and future of the joint venture between Schenker and Jinbei in Shenvang.

Guest speaker Mr. Markus Fischer, Senior Manager Enterprise Accounts at DB Schenker Shanghai introduced the main characteristics of logistic railway routes between Europe and China. Currently DB Schenker operates several rail links between cities in Germany and cities in China, including Shenyang. The roundtable continued with an overview of China Custom Know-How for Automotive Suppliers by Prof. Darwin Wang, Custom Affairs Expert, who teaches at Shanghai Fudan University and was followed by a lively discussion with questions from company representatives about the latest custom regulation changes, disputes with local custom authorities and future developments in Automotive Logistics. During the guided facility tour, guests were able to look and see the current usage and storage systems of the spacious facility.

The Automotive Roundtable brought together logistics experts from major local automotive manufacturers in the northeast region including their suppliers and provided a platform to present the latest industry information, exchange ideas and share experiences.





Event: Special Event in Beijing Topic: All Chamber Networking February 2019 Venue: JW Marriott Beijing



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How long has your hospital been established?

Beijing United Hospital was founded over 21 years ago. As the first private international standard hospital established in China, it is the flagship of the United Family Healthcare hospitals and clinics network.

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

Patients of BJU have the benefit of full service, patient-centered, international standard medical care. Our family doctors can keep an overview of the patient's history and needs in order to optimize care and provide counsels for preventative care. Additional benefits include direct billing service for most patient, and service in English. Interpreters are also available for some 15 other languages including German.

What are your aims and hopes for the future?

We aim to expand the benefits of primary care including the benefits of preventative medicine striving for ever higher standards with emphasis on evidence-based medicine, and integrative care.

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

Language problems. Problems with emergency ambulance services. On the positive side, many of our German patients state that they can get

重症监护室

卒中中心

Stroke Center

Intensive Care Unit

耳鼻唱科

ENT Clinic

启望种中中心

New Hope Oncology Center

Anesthesiology

(Ear, Nose, Throat)

better access to good healthcare with BJU than they can get in their previous Healthcare system ("Gesetzliche Krankenversicherungen") where the waiting times for certain specialists have increased during recent years.

Any top tips for keeping healthy in China?

Some tips include avoiding inhalation of polluted air, when possible, by wearing a protective mask and exercising outdoors only on days with low air pollution or using indoor sport facilities with air filtering systems. Keeping vaccinations up to date, during outbreaks of influenza wearing protective masks and washing hands very frequently with warm water and soap, drinking bottled water, choosing steamed foods rather than foods prepared with oil. Be very careful in traffic, as traffic rules differ from Germany. ("Keine oder andere Linksabbiegerregeln")

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

I have experienced the friendliness of the Chinese people. As that I work in an international hospital, the working environment has not been very different from working in Germany or the UK. I only wished my Mandarin language skills were better to enjoy the experience living in China. My family (wife and 2 daughters) agree that it is a wonderful experience they would not want to have missed.



Dr. Christian Lemm

Hospital Job Title/Position: Family Doctor in the Department of Family Medicine Year of Foundation: 1998 HQ (location): Beijing Main Business: Healthcare Provision

Number of Employees: 1000+

Company: Beijing United Family



Sports Medicine and

Radiology and Imaging





























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28th Event: Seminar in Shenyang Topic: Briefing on New Visa Application February 2019 Process for Chinese Business Traveler

> Venue: German Consulate General Shenyang Speakers: Ms. Viviane Weyh | Head of Visa Section & Consular Affairs at German

Consulate Shenyang

Ms. Li Nan | Visa Service Manager at German Industry & Commerce Greater China - Beijing

In cooperation with the German Consulate General Shenyang, the German Chamber of Commerce in China – North China organized a visa briefing at the German Consulate in Shenyang on 28th February 2019 to inform German Chamber members in the northeast region about the new visa application process for Chinese Business Traveler. During the seminar, Ms. Viviane Weyh, Head of the Visa Section & Consular Affairs at the German Consulate Shenyang provided all participants with updated information about the new application process, the responsibilities of the new service provider VFS global and the new visa regulations at the German Consulate. Following this, Ms. Li Nan, Visa Service Manager at German Industry & Commerce Beijing, explained how and where member companies can apply through the AHK Visa Desk for business visa to Germany. All German Chamber member companies can benefit from the reduced document list and shorter processing time for visa applications.







1 st Event: Business Event in Beijing

Topic: IT Workshop: Business Case Simulation - How Digitalization Enables Your Business March 2019 Transformation and Improves Your Business

Performance

Venue: Hilton Beijing

Speakers: Dr. Nils Seibert | Regional Manager East China at CPC Consulting (Beijing) Ltd. Mr. Krishnamoorthy Prasath | CEO and Founder of P-CATION









1 st Event: Member Training in Shenyang Topic: LEAN Manufacturing Basics

March 2019 Venue: voestalpine Automotive Components

Shenyang Co., Ltd.

Speaker: Mr. Zifeng Li | Senior Consultant at STAUFEN Academy Shanghai

On 1st March 2019, the German Chamber of Commerce in China – North China organized a training on LEAN Manufacturing at the facilities of voestalpine Automotive Components in Shenyang.

The technical training was mainly attended by production leaders. engineers and CIP managers from local member companies in Shenyang, Dalian and Changchun. Mr. Zifeng Li, an experienced senior consultant from STAUFEN Academy Shanghai, lead the training and introduced the basic LEAN principles as well as necessary steps for implementation. During the afternoon session, all participants took part in the hands-on simulation, which was simulating a whole supply chain from supplier to customer. Through the experiences during the stages of the exercise, participants were able to develop an awareness of where and how to successfully apply LEAN elements in their own production environment.



Event: Young Professionals Workshop in Beijing Topic: How to Beat the Smog and Stay

March 2019 Healthy in Beijing?

Venue: German Chamber of Commerce in China - North China - Beijing

Speakers: Mr. Yann Boquillod | Director of Air Quality Monitoring at IQAir China

The German Chamber of Commerce in China - North China invited Mr. Yann Boquillod, the founder of AirVisual (now part of IQAir) and developer of the popular air pollution app "AirVisual" and the smart air quality monitor used to inform and protect



Event: Special Event in Beijing

Topic: New Year's Reception with Chairman of AmCham China March 2019

> Venue: Kempinski Hotel Beijing Lufthansa Center GC DFAIS

Speaker: Mr. Timothy P. Stratford | Chairman of the American Chamber of Commerce in







families, schools, embassies and companies. Yann brought clarity about particles and smog by using data generated insights and information and shared how to breath the healthiest air possible in Beijing.



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Tobias Monden

Company:

Staufen (Shanghai) Consulting Academy Ltd.

Job Title/Position:

Managing Director

Year of Foundation:

1994 (Germany), 2005 (China)

HQ (location):

Stuttgart, Germany

Main Business:

Lean Management consulting service and academy

Number of Employees:

320 worldwide, 40 in China

N PERSON

What is your personal and business background?

After studying Industrial Engineering and Management in Germany, I gained 15 years of leadership and consulting experience covering various areas such as in automotive, aerospace, transportation, manufacturing, as well as in service sectors (B2C, B2B). During my career, I worked in several management positions in Germany, Czech Republic and China. Following my previous assignment as Managing Director of MBtech Group China, I was advising clients in improving their operations including strategic positioning as well as structural and operational adjustments in China, Germany and in cross-border projects. I have profound experience in interim management, restructuring and turn-around management. Moreover, I am a member of ATTA (Asia Turnaround and Transformation Association). I joined Staufen Shanghai in 2016 as Managing Director and have more than 12 years of working experience in China.

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

Staufen is a consulting firm specialized in lean transformation, leadership and smart manufacturing. By combining our strong local industry and market expertise with our international expert resources, methodologies and competences, we offer unique and customized solutions for our clients.

Most companies in China, no matter if e.g. international or domestic, manufacturing or service background are facing a fast changing market environment: product life-cycles becoming shorter, customers demanding higher customization and individualized products and services, costs are rising, digitization entering a private, public and professional environment with even faster changing market trends, supply chains relocated, just to name a few. To be able to cope with these challenges, it is becoming even more important, to implement lean processes, structures and an empowering leadership and open improvement culture, to achieve the required flexibility, transparency and responsiveness. Smart manufacturing and digitization of processes are playing a steadily growing role. Therefore, it is important to identify real value adding solutions, to develop and qualify the leaders and the workforce and to support the transition with a professional change management.

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

We are now more than 13 years successfully active in China; since these beginnings many things have changed. Our market entry and

growth were until recently majorly focused on our core strength - lean management. As mentioned above, the market is on the one hand rapidly developing towards smart manufacturing and Industry 4.0, but on the other hand still struggling with inefficiency and rising cost, we have emphasized and strengthened our service portfolio and strategy. We strongly believe that the future success of companies and businesses will be based on three key success factors: stable and efficient processes (Lean Transformation) as the solid operational foundation, smart solutions and manufacturing in the context of I4.0 and China 2025 (Smart Transformation), and strong leadership in this fast-changing environment (Lean Leadership). Additionally, qualification and personnel development are becoming more and more important – not only because of companies own changes in the business environment (e.g. automation and digitization), but also because the younger workforce (e.g. Millennials) have different values and expectation towards work life.

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

As the Chinese market is very diversified and highly inhomogeneous, there are many different challenges depending on various factors, e.g. the industry, location and company type – large SOE's, POE's, joint ventures and so on. This requires flexibility and constant adaption in the way we work, which makes it very interesting and brings new surprises and challenges day by day.

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

By working with Staufen, our clients will benefit from our hands-on and practical consulting approach. One of the main targets is to enable our clients to be able to deal with futures challenges themselves and to continuously improve in their operations. The only way to achieve this, is by implementing and optimizing together and thereby qualifying our clients.

What are the most valuable things you have learned from working and living in China?

After living and working in China for more than 12 years, the most valuable learnings for me personally are to have become more patient and thereby see the long-term aspects, to be more humble and to see changes in life and business as opportunities and last but not least how important and personal network (Guanxi) can be.

15th March 2019

Event: HR Training in Tianjin

Topic: Labor Risks and Disputes During the

Economic Downturn

Venue: GCC Tianjin Office

Speaker: Mr. Puhai Shi \mid Yan Ru Ding Law

Firm

On 15th March 2019, the German Chamber of Commerce in China - North China organized a HR Training on the topic of "Labor Risks and Disputes During the Economic Downturn" at the Tianjin office. During the economic downturn, making profit became a tough issue for enterprises. Meanwhile, with the growing awareness of employees' rights and the greatly reduced lawsuit costs, more and more companies are struggling with labor. It is undeniable that with the successive implementation of new labor laws and regulations, most enterprises have adjusted the traditional labor concept, but some of the remaining labor disputes such as labor dispatch, occupational injury, labor contract, social insurance, overtime pay etc. are still puzzling the enterprises. Therefore, learning how to deal with employment issues while handling labor disputes became one of the major challenges. During the full-day training, hot topics such as "Current Employment Circumstances of the Enterprises", "Labor Dispatching Risk Prevention", "Dealing with Undisciplined Employees", etc. were discussed among the speaker and the attendants with professional HR-background.







19th

March 2019

Event: Business Event in Beijing
Topic: Women in Business - Future Women

Leaders

Venue: Kempinski Hotel Beijing Lufthansa Center GC DEALS

Speakers: Ms. Em Roblin | Co-founder of Inner Circles; Ms. Susanne Rademacher | Partner and Chief Represenative of BEITEN BURKHARDT and Vice Chair at German Chamber of Commerce – North China; Ms. Yasmine Riechers | Director Operations of Sennheiser Greater China; Ms. Xiaofang Zhao | IT Wholesale Senior Manager at Daimler Greater China Ltd.

On 19th March 2019, the German Chamber of Commerce in China – North China and the Wirtschaftsjunioren/Young Business Leaders Beijing held the first event of the new Women in Business event series. The evening was opened by Ms. Susanne Rademacher, Vice Chairperson at the German Chamber of Commerce – North China, who kicked off the new series. The Wirtschaftsjunioren/Young Business Leaders Beijing introduced themselves and presented a short video of their core team and mission.

After an inspirational key note speech by Ms. Em Roblin. Co-founder of Inner Circles, and a networking dinner, the participants enjoyed an insightful panel discussion with Susanne Rademacher, Partner and Chief Representative of BEITEN BURKHARDT Beijing Representative Office, Yasmine Riechers, Director Operations of Sennheiser Greater China, and Ms. Xiaofang Zhao, IT Wholesale Senior Manager at Daimler Greater China. The panelists shared their personal experience on women's leadership and the challenges of women in management positions. We would like to thank all speakers and panelists as well as the 70 participants for joining us at our first Women in Business event. The Women in Business event series aims to connect upcoming and accomplished women leaders from diverse professional backgrounds by providing a strong network to share valuable and inspirational insights on a wide range of issues. We want to encourage organizations to identify and empower strong women leaders and promote an inclusive culture that leads to a genuinely diverse management team.







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21st Event: Member Training in Shenyang Topic: Improving the Administrative Skills of March 2019 Office Managers & Assistants

Venue: SIASUN Education Technology Group Speakers: Mr. Yingjian Zheng | Trainer at SIASUN Education Technology Group



On 21st March 2019 the German Chamber of Commerce in China - North China organized another Member Training in Shenyang to give attendees the chance to learn ways how to improve their administrative skills.

The training was mainly attended by office managers, team assistants and secretaries from local member companies. Mr. Yingjian Zheng, an experienced trainer from SIASUN Education Technology Group, gave valuable insights in methods as well as useful approaches to improve personal organizational skills such as time management, efficiently organizing a meeting schedule, the ability to solve problems as well as communication skills. During the training, participants were engaged in typical daily work situations to find out more about their own qualifications and on how to use applicable tools to manage and improve their administrative skills in their own work environment.

March 2019 Century

Event: HR Roundtable Topic: Impactful Digital Learning for the 21st

Venue: German Chamber of Commerce in China - North China - Beijing Speakers: Dr. Oliver Prüfer | Deputy General Manager and Head of Human Resources, Recruitment & Training at German Industry & Commerce Greater China - Beijing Mr. Michael Teubenbacher | General Manager at CPC Consulting (Beijing) Ltd. Mr. Christopher Tripp | Manager at CPC Consulting AG

After the successful kick off of the HR Round Table series last Regularly organized by AHK Beijing, the series of HR Round December, the second HR Round Table took place on 26th March 2019. The topic for this time was Impactful Digital Learning for the 21st Century. Dr. Oliver Prüfer, Deputy General Manager and Head of the Human Recourses, Recruiting & Training Department of AHK Beijing warmly welcomed Michael Teubenbacher, General Manager



at CPC Consulting (Beijing) Ltd. and Christopher Tripp, Manager at CPC Consulting AG who greatly guided more than ten company representatives and leaders with hands-on experiences and real case examples. The event started with a detailed and insightful presentation by Christopher Tripp on the challenges and difficulties faced by integrating online trainings into the company system, followed by a constructive group discussion where all attendees shared their opinions and experiences based on the current situation in their companies. Some interesting topics were addressed through this event: the significance of creating the participants' interest for the training topics beforehand, the importance of motivation and attitude in online training, the cost for the implementation of online training, etc.

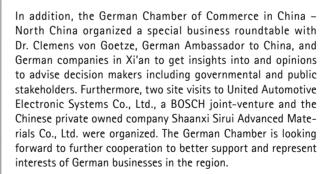
Tables provide the unique chance for general managers and HR professionals in North of China to network, exchange their ideas and valuable experiences. Don't miss our next HR Round Table in the second quarter of 2019! You and your company are more than welcome to join.



First Xi'an Sino-German **Technical Cooperation Summit Successfully Launched**

With the aim to strengthen cooperation and exchanges between China and Germany in Midwest China, AHK Beijing successfully launched the first Xi'an Sino-German Technical Cooperation Summit focusing on aviation, automotive and manufacturing in Xi'an on 26th March 2019.

Besides more than 100 representatives of locally invested German and Chinese companies, 14 German aviation related manufactures and service providers of the business initiation trip "Aviation in China", conducted by Germany's Federal Ministry for Economic Affairs and Energy and lead by Thomas Jarzombek, the Federal Government Coordinator of German Aerospace Policy and Arndt Schoenemann, Vice President Equipment and Materials at the BDLI, used the event to learn about the strong aviation base in Xi'an.











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The 8th German Soccer Championship in Beijing!



great sports and family day.

For the first time this year, we had a referee sive ierseys signed by FC Bayern München

And the Winner 2019 is...BMW! from Germany's first league with us. Our On Saturday, 25th May 2019, it was time again for the traditional German Soccer the referees of the German Football Associa-Championship at a new venue: the British School of Beijing in Shunyi. The Sino-German 8th German Soccer Championship in Beijing. business community came together to cheer Well-experienced trainers from Germany's Colberg Fitness and Chinese classes by the first league soccer club Bayer 04 Leverkusen Hutong School. for the twelve teams of the tournament, who competed with great commitment and pasgave children the great opportunity to gain sion for the title of the 8th German Soccer first-hand practice in a professional soccer. The various sponsors of this year's tourna-Champion in Beijing. The players as well as training. the more than 1000 spectators enjoyed a

Another highlight was the goal shooting contest (Torwandschießen), where all quests had The tournament's opening ceremony was held by Jens Hildebrandt, Delegate and Executive Director of the German Chamber of provided by Skoda, competitors had to score Beijing, Shunyi. Commerce in China - North China. At 9:00 six successive goals. For 5 out of 6 goals, am, the games were kicked off by Yildiz Miller, Representative of the German Embassy of stay at Robinson Club Khao Lak (Thailand). Chinese food, and refreshments were served the Federal Republic of Germany.







players, staycations provided by the NUO banner sponsor DEKRA, as official partner of Hotel, Kempinski Hotel Beijing Lufthansa Center, Hyatt Regency Beijing Wangjing tion (DFB) invited Mr. Marco Fritz to join the and China World Hotel, high-end earbuds by Sennheiser, personal training classes by

ment offered a wide range of entertainment activities for Young and Old. The children had a great time at the kids' corner provided by Eduwings Kindergarten, Crown Rethe chance to win amazing prizes. In order to locations, our gold sponsor Raffles Medical win the main prize, a Kodiag GT SUV Coupe and our venue partner the British School of

participants could win a 4-night all-inclusive Throughout the day, delicious German BBQ, For 4 out of 6 goals, guests could win excluby Der Landgraf as well as deserts, sand-





Hyatt Regency Hotel Beijing Wangjing pro- ship Beijing in 2012. vided water for our players and helpers.

fered at the booths of our other generous sorships: CIM Mover as tent sponsor, Beijing ner, the Beijing German Centre for Industry Adidas as equipment sponsor.

rating soccer matches, Ameco was in the team Aichelin.







wiches, fresh juice and ice cream by Kemp- finals for the third time in a row and cominski Hotel Beijing Lufthansa Center. Wine, peted against BMW for the trophy. In the cocktails and coffee were provided by Cheers end. BMW defeated Ameco 1:0 and won and Nespresso. Our gold sponsor The Aeppler the tournament for the 4th time since the served apple cider from Germany and the beginning of the German Soccer Champion-

Before the players and their friends and Great activities and products were also of- family moved on to the After Party at "Keesmann Brau 1308" for celebration, gold sponsors: Bayer AG, Colberg Fitness the German Soccer Championship 2019 and HomeSickBox. We also would like to closed with the award ceremony presented thank all other event partners who sup- by Dr. Matthias Göbel, Board Member of ported the tournament with various spon- the German Chamber of Commerce North China and Chief Representative of Deutsche United Family Hospital as medical aid part- Lufthansa AG and Mr. Marco Fritz, FIFA and DFB referee. The Most Valuable Player and Trade and SAP as silver sponsor and and Top Scorer of the day was Christopher Homm from Ameco, the award for the Best Goalkeeper went to Li Xiaohang from BMW After a day full of turbulent and exhila- and this year's Fair Play Award went to the







he final table of results of the $\mathbf{8}^{ ext{tr}}$ erman Soccer Championship in Beijing

- Big Dutchman

- Baver AG
- Volkswagen Group
- Transmission Tianiin

- 12 Hidden Champions

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.



































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Event Partners









Der Landgraf

HYATT

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NUO

诺金



和题家医疗

























Erich Kaisereder

ш

Company: Conrad Shenyang Job Title/Position: General Manager Year of Foundation: 2019 HQ (location): U.S Main Business: Hospitality

What is your personal and business background? I am an Austrian National with over 30 years' hotel experience across countries and areas East, Philippines and Europe. I worked with international hotel brands like Ritz-Carlton and Shangri-La. Prior to joining Conrad Shenyang, I held the role of General Manager at The Langham Haikou. Currently I am preparing for the opening of Conrad Shenyang, a luxury hotel occupying the top floors of the prestigious Forum 66 shopping mall and office tower.

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

As one of the luxury brands of Hilton, Conrad delivers a more inspired stay to our quests. The brand personality of Conrad is Stylish. Inventive, Adventurous and Contemporary. Conrad is the destination for the Smart My first working experience in China was in Luxury traveler to never just stay but stay inspired. There are currently eight Conrad hotels in Greater China, i.e. Beijing, Xiamen, Guangzhou, Dalian and Hangzhou. Three more Conrad hotels in China will open this year including Conrad Shenyang.

What is your competitive advantage/selling using your products/services in China get?

Conrad Shenyang is the tallest iconic building in the city and holds central location connected with the subway. The average room such as Mainland China, Taiwan and Hong Kong size more than 50sqm with walk-in closets SAR, U.S., UAE, Singapore, Indonesia, Middle and Nespresso machines in each room. All rooms have unobstructed city views. All bathrooms are equipped with double sinks, floor heating, heated towel racks, and automated washlets. Our wellness area with a swimming pool. Gym. Spa. various wellness concepts and lessons is located on level 86. The intuitive and genuine caring service of our team members will ensure a relaxing, inspired stay for all quest.

> Tell us a little about your personal life in China: what do you enjoy doing in your free time, have you travelled much in China, are you here with your family - how have they adapted to life here? Etc.

1992 in Beijing. China was very different then and it is amazing for me to see many positive changes. Since then and prior to my arrival in Shenyang, I also worked in Shanghai, Taiwan and Hong Kong SAR as well as Haikou. My wife, who was born and raised in Changehun, and our daughter live here with me. We thoroughly enjoy our time in Shenyang. We point, what kind of benefits can companies have visited many amazing places together in China and we plan to see many more.

German Ball 2019 Under Preparation

Every 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 16th November 2019. Ticket sale starts in September 2019.



Companies interested in sponsoring the German Ball please contact: Ms. Johanna Heinzmann Senior Project Manager



New Project Leader for the Partner Support Program



As of March 2019, Anina Haussmann has been promoted to Project Leader for the Partner Support Program (PSP). Before her promotion she was working as Project Manager for the Partner Support Program for eight months.

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. Haussmann is responsible for the PSP China-wide and organizes events,

trainings and workshops in the fields career, further education and social engagement.

Ms. Haussmann studied Media and Communication Science at Leipzig University. After her studies, she worked for several years in Human Resource as a product manager and training expert, before she moved to Beijing for a new job in 2014.

Please feel free to contact her at haussmann.anina@bj.china.ahk.de or +86 -10 6539 6682.

Regular Social Events in North China

The Wirtschaftsjunioren | Young Business Leaders Beijing

"Kneipentour" - every second Friday 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)

Kammerstammtisch – every last Wednesday of the month at Paulaner Brauhaus, Tianjin 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: https://china.ahk.de/membership/north-china/

Beijing Training Calendar July-September 2019

1st-2nd July Standard Time Management with REFA (CN/EN) 2nd August Best - Practice Logistics Planning Tools (CN/EN) 20th-21st August Empowering your Support Staff (EN) 22nd-23rd August Effective Cross-Functional Cooperation (CN/EN) 28th-29th August Leadership: Coaching to Engage Teams (EN) 2nd-3rd September MS PowerPoint Design Ideas for Business (CN) 5th September Emotional Intelligence (EN) 6th September Tendering Logistics Services (CN/EN) 11th September Advanced Excel Training in Data Management (CN) 16th-17th September Management Transition & Managing Performance 19th-20th September Effective Communication (CN) 23rd-24th September German Business Culture - Successful Cooperation with German Colleagues & Business Partners (EN) 25th-26th September Communication, Influencing and Negotiation Skills

Leadership: Coaching to Engage Teams Date: 28th-29th August 2019

Objectives and Content

Leading teams to engage people first comes with understanding your own motivation at work and in your personal life. In this course, you will explore the complex dynamics of individuals and teams and gain further knowledge on how to identify motivators within teams. You will also learn how to apply crucial foundational skills to shift from being an individual contributor to a well-respected manager who can achieve team success and drive bottom-line performance.

Managers and leaders new to their position, top-performers seeking learning opportunities to enhance their skills.

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

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Thanks to Our Yearly Sponsors 2019 Shanahai Office COMMERZBANK Be sure. (CS) The bank at your side KUKA KERN-LIEBERS

Opening Ceremony for KERN-LIEBERS Precision Technology (Tianjin) Co., Ltd.



On 6th March 2019, KERN-LIEBERS had an opening ceremony for the new KERN-LIEBERS Precision Technology (Tianjin) Co., Ltd, located about two hours from Beijing by car. The company will produce wire springs, strip springs, stamped parts, and stamped-bent parts at the site, and offer various heat-treatment services. The plant is an addition to the already existing KERN-LIEBERS production sites in China, based in Taicang and Guangzhou. Currently, KERN-LIEBERS employs more than 1,200 people in China.

The ceremony was attended by delegates of official authorities, such as the director of Tianjin's business development corpora-

tion (BEDA) Mr. Liu Chunhai, as well as by | started in December 2017 and was com-Mr. Dirk Heers. CTO of the KERN-LIEBERS Group, and by the upper management of the KERN-LIEBERS Group in China, which led by Mr. Richard Zhang (CEO), Mr. Alexander Tobert (CFO) and Mr. Simon Veit

CMS, China and Ulrike Glueck are Nominated for 2019 ALB China Law Awards

CMS, China was nominated as "IP Law Firm of the Year - International". "Real Estate Law Firm of the Year - International" and "Tax Law Firm of the Year" for 2019 Asian Legal Business (ALB) China Law Awards. Dr. Ulrike Glueck, Managing Partner of CMS, China Shanghai Office has been nominated as "Dealmaker of the Year - International" for a second year in a row. ALB owned by Thomson Reuters will award the outstanding performance of law firms and lawyers to recognize their accomplishments and efforts.

Hirschmann Automotive Expands Nantona Plant

The Hirschmann plant in Nantong has expanded to accommodate the rapid growth of the Chinese automotive industry. Construction work to increase production capacity pleted after a period of only eleven months. The result is an extension with a total usable area of 10,000m², including a 4,500m² production area.

The extension comprises a production hall, warehouse, tool-making as well as office and social rooms and is directly connected to the original building. The production and storage areas have tripled. Around 800m² of the entire production area will be used for high-voltage products in future. In addition, the new 450m² building offers sufficient space for professional toolmaking. This makes the plant Hirschmann Nantong much more flexible and far less dependent on external tool suppliers than before. Furthermore, the extension has created more workplaces.



Grand Opening of Miji BFC Flagship Store



The Miji Flagship Store in the Shanghai Bund Financial Center was grandly opened in March of 2019. With a heart of sincere craftsmen, Miii has created a new smart store. It is the first Miii flagship store that combines its four brands: Miji Design, Miji Home, Miji Pro and MKY together. Miji hopes to bring the concept of "BETTER ME" and its highly sophisticated products to more people.

MPS Construction Engineering (Shanghai) Co., Ltd. Carries Out 100th Construction Project in China



From 2001 until now, MPS has supported their clients to establish new facilities all around China. From site analysis, concept design, design management, procurement and realization until acceptance and handover. they are working independently for the clients in every step of the process.

General Manager, Winfried Mayer states: "In Chang Shu, Kaercher, another client that MPS is following worldwide put its new facility into operation. We are proud that this project is already our 100th in China. Collaborations with our clients are always fruitful and so we are looking forward to the upcoming tasks in

LASER World of PHOTONICS CHINA: Setting the Stage for the Future

As an international OEM partner for customer-specific solutions from concept creation through to series production the new Jenoptik Light & Optics division focuses primarily on supplying advanced photonics solutions. With decades of experience, customers rely on Jenoptik for cutting-edge, custom solu-



tions based on an even broader portfolio of technologies, from optics, micro-optics, lasers, digital imaging, opto-electronics, sensors and software. Jenoptik provided at LASER World of PHOTONICS CHINA an overview of its key photonic technologies, which are being used to successfully address future challenges in bio imaging, laser-based therapy, industry and semiconductor manufacturing. These include for example its modular imaging platform JENOPTIK SYIONS, compact laser beam sources for hair removal and dermatological applications, solutions for laser material processing as well as high-performance technologies for the mobility and industrial automation sec-

HIMA China One of the First Companies in China to Receive New IEC 61511 Certification



HIMA China is one of the first companies in China to receive the Functional Safety Management Certificate for Safety Instrumented Systems Integration related to IEC 61511 Ed. 2 after two years of effort. Mr. Richard WANG, VGM of TÜV Shanghai, handed the certificate over to General Manager Mr. Peter Sieber and Eng. Dir. Michael on 11th October, during the HIMA China Symposium 2018 fes-

Kistler Shanghai New Office **Grand Openina**

The Kistler Group celebrated the opening of its new office in Shanghai. The new building strengthens Kistler's presence on the Chinese market, enabling it to offer products and services from one single source to local customers in the future. Kistler's CEO Rolf



Sonderegger opened the ultramodern building in the presence of the entire workforce and about 50 invited customers. The new building offers modern workplaces for more than 100 employees on around 4,200 square meters and combines all divisions and a Tech Center.

New CEO Visits Nabertherm Shanghai



On 25th-26th March, 2019, Mr. Timm Grotheer, the new CEO of Nabertherm Group, undertook his first visit to Nabertherm Shanghai. He said, "as our main international organization, I find it more than relevant to meet you soon and to visit your place." Nabertherm wants to continue positioning itself as a key partner within thermal process technology for the Chinese and international companies which are active in China. Consequently, Timm Grotheer visited China as the first international stop after taking office. During his visit, he met the complete Chinese team and discussed the development of Nabertherm in China and its future goals with Ms. Connie Wang (Country Manager Nabertherm China) and the team.

Weidmüller Certified as Top **Employer Again for 2019**

The Detmold-based electrical engineering company Weidmüller has once again been certified as a Top Employer for Engineers 2019 by the Top Employers Institute. On the basis of a multi-stage analysis process, the family-owned company convinced the independent expert jury of its attractiveness for engineers. "We are delighted to have been certified as a German Top Employer for Engineers for the eleventh time running," says Andreas Grieger, Head Global Human Resources at Weidmüller.

Weidmüller particularly caught the jury's atten-



tion with its outstanding employee orientation. "This award from an independent organization proves that we are able to shape growth and the challenges of digitalization and Industry 4.0 in an employee-focused manner," explains Grieger. "We have also ensured first-class working conditions in our new Customer and Technology Centre and we have been supporting the individual needs of our employees with various attractive options for many years."

Atradius Moves to a Bigger Home



Atradius celebrated its China office move in Shanghai in March together with its key partners. The move to the new office is a clear demonstration of Atradius' commitment and continued investment in the important China market. On this auspicious occasion, it was a perfect opportunity to meet with long-standing partners who have been helping local and global customers with trade credit solutions. Atradius looks forward to continuing to build on successful relationships with the aim of achieving a mutual benefit to all of our existing and future customers and partners.

Continental Chonqing R&D Center Starts Operation

Technology company Continental announced official operation of its R&D center in



Chongging on 6th March. With an investment of RMB 280 million and an area of 15,000m2 at phase I, it marks Continental's 18th R&D center in China. This R&D Center is committed to developing automotive electronic products and solutions, covering body electronics and powertrain. The focus will lie on projects dealing with Gateways, Power Closures, Body Control Module and Transmission. The new R&D Center is expected to create jobs for 400 engineers working on the future mobility till the end of 2020. It will further enhance local R&D competence, attracts more qualified R&D talents, promotes cross-industry cooperation and strengthen collaboration with local customers. It also accelerates the company's R&D progress in technology innovation, to ensure its leading technologies in the future mobility.

2019 VDMA China Management Meeting Successfully Held at Lenze China Automation Forum



On 13th March 2019, Lenze, a member of VDMA, co-organized its 2019 China Management Meeting. VDMA is one of the largest industrial associations in Europe with more than 125 years history and more than 3,200 member companies including OEMs, systems integrators, factories, system suppliers, service suppliers etc. Experts from Lenze, VDMA and its member companies discussed topics about digital manufacturing, Industry 4.0, manufacturing industry in China, etc. during this annual event. Digital engineering is the main topic of this year's CMM. Mr. Michael May, automation expert from Lenze SE introduced Lenze's latest digitalization technology, such as Digital Twin and Plug & Produce. "Lenze will focus on market and customer, to achieve "Automation goes blue". We will simplify and optimize customer process as much as possible in order to provide more cost efficient products and solutions for local customers." said Mr. Sean Xie, President of Lenze East Asia, General Manager of Lenze China.

Mazars Welcomes its First Data Scientist in China

Mazars China has recently launched a new service line providing data-driven solutions for complex and critical business issues. Mazars is pleased to welcome Viphone Rathikoun, a data scientist who formerly worked



for Zettafox, to join and take charge of the data analytics practice in mainland China. With more than five years of data analytics experience across the US, Europe and Asia, Viphone has a deep knowledge of pro-

viding data analytics services across various industries such as banking, finance, chemical, marketing, social media and luxury. Viphone will be part of Mazars consulting service line to provide high-value strategic advice to Mazars' clients in China and Asia-Pacific. In the meantime, he will work with Mazars China innovation team to help transform Mazars' businesses and enable us to offer our clients a broader range of expertise and services.

German Schools Shanghai Celebrating on the Double

Both German School Shanghai campuses

have reasons to celebrate; German School Shanghai Honggiao was once more awarded "Excellent German School Abroad" from the German Assembly of Ministers of Education. At regular intervals, German schools abroad are put through their paces by representatives from Germany regarding their compliance with global education standards. Amongst others, the inspectors did not only praise the education quality but also the school's parental involvement and satisfaction. On the other side of the Huangpu River, the German School in Pudong is proud to be the first German school abroad worldwide offering Chinese as a foreign language from school year two to twelve. With the approval from the Standing Conference of the Ministers of Education and Cultural Affairs of Germany, native Chinese speakers can now also graduate from upper secondary school in Chinese as a foreign language.



BASF and Partners Launch Project to Improve Waste Facility Cleaning in Rural Guangxi

In March, BASF and its supporting partners launched a project in rural Guangxi which aims to improve hygiene at sanitation facili-



ties such as trash bins, trash trucks and waste transfer stations. With a newly developed cleaning solution, a training and education program, and a donation to local school, the project combines both business benefit and social benefit in a format known as a "Starting Venture".

The Starting Venture project, entitled "Better Environment, Better Life", will be implemented in Du'an Yao Autonomous County, in the region of Guangxi. With a total investment of EUR 750,000, the project will help improve waste disposal conditions and thus support low-income residents, contributing to China's national strategy of "Rural Vitalization".

Accelerating Cell and Gene Therapy in China



Today, more than 130 companies in China are developing cell and gene therapies to treat cancer. To accelerate cell and gene therapy industrialization and commercialization in China. Merck recently announced the signing of a non-binding Memorandum of Understanding with Chinese biotech company GenScript for a strategic alliance focusing on plasmid and viral vector manufacturing. The parties envision an alliance that will accelerate the industrialization and commercialization of cell and gene therapy in China. GenScript, a leading biotech company headguartered in Nanjing, China, aims to create a global-standard platform of plasmid and virus manufacturing service in the country. Merck plans to provide GenScript with comprehensive products, training and consulting services covering process design, facility concept design and quality management system setup from lab development to large-scale GMP manufacturing.

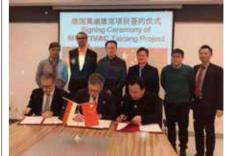
Messe Düsseldorf Repositions Itself in China: Marius Berlemann Becomes New General Manager



On 1st April 2019, Marius Berlemann took over as General Manager at Messe Düsseldorf Shanghai Co. Ltd., where he will be in charge of all projects and personnel for the portfolio of Messe Düsseldorf in China.

He succeeds Heiko M. Stutzinger who left the company on 31 January 2019. Commenting on the move, Werner M. Dornscheidt, CEO at Messe Düsseldorf GmbH, says: "The Messe Düsseldorf Group will continue to push ahead with the expansion of new business and development of our portfolio in China. Berlemann will play a key role here." Axel Bartkus, Managing Director at Messe Düsseldorf China Ltd., will continue to coordinate the representation of Messe Düsseldorf Group's worldwide events from China. Bartkus will also be responsible for monitoring and implementing suitable acquisitions and participations in new trade fairs.

MULTIVAC Signs Investment Agreement in China



In February, MULTIVAC signed an investment agreement to establish a new production company in Taicang in China. The new production facility will enable MULTIVAC to react to the requirements of customers in China with even greater speed and focus in the future The production of packaging machines and their peripheral components is planned for the new site.

In addition to manufacturing, the Taicang facility will also have development and design departments. Steven Shen, who has worked for MULTIVAC since 2012, most recently as Technical Manager for the MULTIVAC sales company in China, is taking over the management of the new company on 1st March 2019.

BASF Expands Innovation Scope in Asia Pacific with New Facilities and Solutions



BASF is enhancing its regional innovation capabilities with new facilities at the Innovation Campus Shanghai, to further strengthen collaboration with the automotive industry and to offer new process catalysts to the chemical industry. With an investment of approximately EUR 34 million, the new 5,000m² facilities include the Automotive Application Center and the Process Catalysis Research & Development (R&D) Center. Since 2012, BASF has invested nearly EUR 180 million at the Innovation Campus Shanghai.

At the inauguration ceremony held on 12th March, the company also presented a range of locally-developed innovations which support customers in industries like automotive, construction and consumer goods, and which address important market trends to reduce emissions, increase energy efficiency and enhance performance. BASF launched an innovative waterborne coating system on the same occasion.

FUCHS Petrolub SE Opens New Plant in Suzhou



On 25th April, FUCHS China celebrated the opening of its new plant in Suzhou Wujiang. As FUCHS' business grows and the requirements for technology and sustainability become higher and higher in China, a new plant became necessary to better serve its Chinese customers. The state-of-the-art 80,000m² plant meets the highest quality and conforms to FUCHS' latest standards worldwide. The fully automated plant has an output capacity amounts to 100,000 tons for phase 1, covering a wide range product portfolio for high-

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end lubricant products.

"During the past 30 years, FUCHS has written a true success story in China and China has become one of our most important markets. The Wujiang new plant is another important milestone for the future of FUCHS in China," emphasized Stefan Fuchs, Chairman of FUCHS Petroblub SE at the opening ceremony. "It is also a commitment to our Chinese customers".

170 Years – 170 Trees: Freudenberg Employees in China Celebrate Company Anniversary on "China Arbor Day"



2019 marks the 170-year anniversary of the Freudenberg Group. On 12th March, China Arbor Day, Freudenberg employees in China celebrated the anniversary by planting each 170 trees at multiple locations all over the region. The number of 170 trees symbolizes each year and represents the Group's commitment to foster sustainability and nature preservation. Local employees from Freudenberg Group and its subsidiaries organized the tree planting activities close to their sites in Nantong, Chengdu, Dalian, Shanghai and Hangzhou. In China, the tree planting activity is also part of the "e2" (education and environment) international program initiated by Freudenberg to give people access to education and to encourage environmental protection. To that end Freudenberg is making a total of EUR 12 million available over six years globally.

First Smart Manufacturing Application Sharing Forum Held in Suzhou



The first Smart Manufacturing Application Sharing Forum (SMASF) was held in Suzhou Industrial Park on 25th October 2018. Nearly 300 experts, scholars and enterprise repre-

sentatives attended the conference, including guests from the Chinese and German government, the German Chamber of Commerce, German Fraunhofer Institute, Tongji University Modern Manufacturing Technology Research Institute, Hong Kong Productivity Council, Brose (China), Festo (China) and ruhlamat (China). They analyzed and discussed the application and future direction of the Chinese manufacturing industry under Industry 4.0. Speakers talked about "Intelligent Technologies to enable Agility Manufacturing", "Industry 4.0-from a global automotive supplier's perspective" and so on.

The audience not only got to network at this high-level industry forum & innovation platform, but also was led to understand more industry trends and new technologies, and received suggestions about rapid developments in intelligent & digital manufacturing, and innovation methodology.

MoU to Develop the Asia Digital Alliance



IOT ONE, Ward Howell International, MING Labs, and Alibaba Cloud have signed a memorandum of understanding (MoU) to form a partnership for supporting product creators to leverage the digital innovation potential of Asia's rapidly developing technology and innovation ecosystem. The four parties will jointly launch the Asia Digital Alliance to support industrial companies in developing digital strategies and solutions in Asia. The guiding principle is to connect technology and domain experts to simplify the task of implementing cross-border digital innovation initiatives. The Digital Alliance is open to partners of all sizes who seek win-win cooperation. Two flagship programs anchor the alliance. The Industrial Digital Lab accelerates digital innovation in Asia by decreasing time and cost to validate and build a concept. The Asia Digital Office provides ongoing access to the alliance partners to ensure small and medium organizations have the right capabilities to realize their digital strategies in Asia.

BMP Goes West

BMP Construction Consulting, headquartered

in Shanghai, opened its Chengdu Branch Office beginning of 2019 in order to increase its presence and momentum in China's fast developing Western and Southern Markets. Headed by Operations Director Chris Dong, a team of more than 20 Engineers is already working in these regions on various projects. Managing Director Ingo Sibbe will support from Shanghai Office, assuring that international profile and standards of BMP are upheld in all aspects also in Chengdu.

Thesis on Commercial Vehicles Air Spring Awarded



On 7th November 2018, the outstanding thesis contest sponsored by the China Automobile Maintenance and Repair Trade Association and organized by the Auto Maintenance & Repair magazine was successfully completed. The thesis titled "The Advantages of Air Springs for Commercial Vehicles and the Prospects of New Technologies Applied in Their Use and Maintenance," written by Lianping Wang, Key Account Sales Manager of Continental Air Spring Systems, won the third prize. "I'm honored to receive the third prize, which is the recognition of Continental Air Spring Systems in the commercial vehicle field. In the future, I hope that we will continue to make breakthroughs in this field, bring more practical value to users, and use intelligent and digital technologies to help upgrade the use and maintenance of commercial vehicles and fleet management," said Lianping Wang.

Sino-German Industrial Park in Changxing/Zhejiang

Thomas Fritzsche, founder and head of design of thomas fritzsche architects | tfa announced that the first companies are now moving into the Sino-German Industrial Park 1 in Changxing/Zhejiang. The Sino-German Industrial Park 1 was designed by thomas fritzsche architects | tfa in 2015 after the successful participa-



tion in a design competition and it has been opened at the end of 2018. This project is the starting project of the whole Sino-German Industrial Park in Changxing, which was also designed by thomas fritzsche architects | tfa and which has a total area of 4.96km².

TÜV Rheinland's 2019 "All Quality Matters" Solar Congress Ends on High Note



On 21st-22nd March 2019, the 5th "All Quality Matters" Solar Congress cum Award Ceremony, organized by TÜV Rheinland and supported by the China Photovoltaic Society, took place in Suzhou, Jiangsu. The congress brings together more than 400 representatives, experts, and scholars from the PV industry chain, focusing on the PV revolution in the Asia-Pacific and global economy. At the congress, TÜV Rheinland and PwC China jointly released the China PV Power Plant Assets Transaction White Paper 2019. And 15 companies were announced as winning the "All Quality Matters" award.

Boehringer Ingelheim Cooperates with Shanghai East Hospital to Conduct Early-Stage International Clinical Trials of New Cancer Drugs in China



Boehringer Ingelheim and Shanghai East Hospital signed a strategic partnership agreement on early-stage international clinical trials of new cancer drugs in early April. The two parties plan to collaborate in Phase I clinical research in multiple solid tumors including lung cancer, digestive system cancers, and malignant melanoma. The collaboration will help accelerate R&D and product launch in China and contribute to meeting the urgent medical needs of Chinese cancer

patients. In recent years, Boehringer Ingelheim has been continuously increasing R&D investment in China, and the Chinese medical needs have been considered in the company's decision-making for early-stage R&D globally. The signing of this strategic partnership agreement marks that Shanghai East Hospital will become the preferred partner for Boehringer Ingelheim's first early-stage clinical research program on innovative cancer drugs in China.

Kitchen of the Future with SCHOTT CERAN® at AWE 2019

SCHOTT AG brought its three-time "Brand of the Century" award winner SCHOTT CERAN® to the Appliance and Electronics World Expo 2019 on 14th-17th March. As one of the highlight booths of the German Kitchen Pavilion by AMK (German Association of Modern Kitchen Industry), SCHOTT presented its newest light-inspired CERAN EXCITE® portfolio – one of the most recent iF Gold Award 2019 winners. Moreover, the company displayed the smart FUSICS cooking table prototype, designed for an elevated cooking experience even in limited urban spaces.



Zimmer Opens New China Branch on 50th Anniversary

In February 2019 after Chinese New Year, Zimmer MedizinSysteme opened its new China branch establishment in Shanghai on the company's 50th anniversary. With the establishment of the China branch, Zimmer is looking forward to serving and expanding the Chinese medical market with consistent product quality.

Opening Ceremony of tesa's Chongqing Office



On 8th March the opening and ribbon cutting ceremony of tesa's Chongqing office was held. Mr. Frank Kolmorgen, President of tesa tape Greater China, officially opened the new office which is located in Guanyinqiao Business Circle, Jiangbei District. The investment into this new location fosters tesa's presence in Central and Western China supporting mainly the customers of the automotive and electronic industry.

S+E China Awarded by Liaoyang Government to Develop New Smart Industrial Park



On 3rd January 2019, S+E China and Liaoyang Vice Major Ma Liyang signed a cooperation agreement to develop an area of a new smart industry park of 4.5km². The signature was witnessed by Mr. Jan Block, the Head of the North Region of the AHK, Mr. Wang Fengbo, the Liaoyang First Party Secretary, Mr. Wang Yibing, Liaovang City Major and the S+E Team from Shanghai. The Zone will use new energy and waste treatments methods to aim to fulfill a zero-waste concept, which was developed by German partners of S+E and introduce a new traffic concept in industrial areas supported by fortune 500 Germany smart manufacturers. The project will be designed and built to new international standards and aim to be one of its kind in China. The ground breaking ceremony will be held on the 1st July 2019, including a signing ceremony for the first international smart factories.

Smart "x-align" – Successfully Localized

On 30th January 2019, after successful customer acceptance, Schenck Shanghai Machinery and Dürr Assembly Products presented the



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localized rear axle setting system "x-align" at a customer day. At the Baoshan site, visitors from leading OEM's and automotive suppliers were introduced to the advantages of rear axle alignment as well as the successfully established localization process in in-depth presentations. Afterwards, the visitors could directly convince themselves of the localization competence of SSM during a viewing of the "x-align" system. The "x-align" system presented was commissioned by a German premium automobile manufacturer to equip its Chinese production facilities and was successfully installed on site in advance. A special feature is that this system will be used to produce rear axles for battery-powered automobiles in the future.

'CRRC hofer powertrain' Opens New Offices in Wuxi



On 12th April, Wuxi CRRC hofer powertrain celebrated the opening of its new office location in Huishan District of Wuxi, after its official establishment last year in October. The company combines the expertise of CRRC and hofer powertrain to develop and produce powertrain solutions for new energy vehicles. As the next step the company will open its high-volume production facilities electric drive units. The large facility is located within a short distance of the new office and will include a fully-equipped testing centre for state-of-the-art electric powertrain testing, covering the full testing range from component- to system-level. "Today's office opening is the first important step for our new Sino-German venture to become a key contributor to the success of the global new-energy vehicle industry," Chairman Mr. Chen Jian said during the office opening ceremony.

Wibu-Systems at 30: Celebrating Three Decades Ahead of the Curve

1989-2019: A new milestone on Wibu-Systems' path towards its role as the fully dedicated global leader in secure license management. In 1989, while software piracy was in its infancy, Oliver Winzenried and Marcellus Buchheit, were working on WibuBox, a novel dongle-based DRM method using tough cryptographic capabilities. "When we started the



know what the future held, but we wanted the world to be secure nonetheless. Now that the IoT is becoming reality, we are continuing on that same mission - brought to life by our great people and enjoyed by our users everywhere," stated the two entrepreneurs. Their basic idea would then develop into CodeMeter, a cutting-edge software, hardware, and cloud-based monetization technology that safeguards the invaluable digital IP, which is aiding more and more our lives, from desktop applications to smart factories and critical infrastructures.

Brunel Welcomes New Hire Mr. Stefan Schmutzler as Account Manager



After five years in the People's Republic of China, during which he previously served for three years as Regional Manager of Marketing and Strategy for an EPCM contractor, Mr. Schmutzler will now work to further

strengthen Brunel's operations in Mainland China. As a German national with a strong China-related background and high proficiency in the Chinese language, Mr. Schmutzler will be co-responsible for the company's nationwide project-based contracting activities and permanent recruitment solutions, especially catering German companies and the German-speaking community. Brunel is set to further expand its business in China, marked by the recent office move to a new, more spacious location in the center of Jing'an. Shanghai.

In the Name of Innovation: **German Minister Delegation visits** Nanjing, Hangzhou, Shanghai and Shenzhen

The "Jiangsu- Baden-Württemberg Corporate Innovation Promotion Event" took place on 25th of February 2019 in Nanjing. About 100 delegates from Germany's southern state, Baden-Württemberg, under the guidance of Dr. Nicole Hoffmeister-Kraut, Minister of company, there was no Internet. We did not Economic Affairs of Baden-Württemberg,



visited Nanjing as the first stop of their China tour after which they went on to Hangzhou, Shanghai and Shenzhen. The delegation consisted of representatives of state government. enterprises, research institutes, associations and the media. This event provided an opportunity for companies from Jiangsu and Baden-Württemberg for an open exchange in NEV, AI and Intelligent Manufacturing. Wu Zhenglong, Governor of Jiangsu, welcomed the delegation in Nanjing for the celebration of the 25th anniversary of the partnership between Jiangsu and Baden-Württemberg. Both sides have expressed to consolidate the foundation of cooperation in different areas and to achieve more fruitful results.

Award-winning FAULHABER at "Factory of the Year"



In the competition "Factory of the Year", Dr. Fritz Faulhaber GmbH & Co. KG won in the category "Excellent Small Series Assembly". The awards ceremony took place 21 March 2019, in Ludwigsburg/Germany as part of the 27th "Factory of the Year" congress. The Factory of the Year competition is open to manufacturing companies from all industries that have at least one factory and one business unit and more than 100 employees. Production Manager Hubert Renner accepted the award on behalf of the whole company. In addition to the "Excellent Small Series Assembly", FAULHABER's social commitment was also appreciated on stage. "Your support of Schönaich's voluntary fire brigade by letting employees leave their workplace to answer a call is a great service to the public. Outstanding! Each of your volunteer firefighters had an average of more than 20 calls last year. Please express our gratitude for this service to the rest of your company. "

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Event: IT Workshop Topic: Business Case Simulation - How February 2019 Digitalization Enables Your Business Transformation and Improves Your Business Performance

> Venue: German Chamber Office Shanghai Mubea Taicang

Speakers: Ms. Anne Babilon-Teubenbacher Manager at CPC Consulting (Beijing) Co., Ltd Mr. Krishnamoorthy Prasath | CEO and

Founder of P-CATION

Mr. Nils Seibert | Regional Manager East China at CPC Consulting (Beijing) Co., Ltd.









26th

Event: Special Event

Topic: Vertragsgestaltung, Sozialversicherung und private Vorsorge für deutsche Expats February 2019 Venue: Modern Media Plaza, Office Star

Suzhou

Speaker: Mr. Klaus-Peter von der Eltz Geschäftsführer at Expatriate Care Consult

Moderator: Ms. Johanna Spee | Regional Manager Neighboring Provinces at German

Chamber of Commerce, Shanghai

Living abroad can bring many benefits, but do German citizens living in China know how their insurances can benefit them? On 26th February 2019 the Special Event 'Vertragsgestaltung, Sozialversicherung und private Vorsorge für deutsche Expats' took place at Modern Media Plaza, Office Star in Suzhou.

In the workshop, the speaker Mr. Klaus-Peter von der Eltz firstly defined which insurances are available in Germany. Then he introduced different insurance systems in China. Afterwards, he compared the ask questions, which were answered with great detail.



two systems and gave many examples to help the attendees have a better understanding of his key points. 'Occupational disability insurance' and 'pension insurance' were discussed in great detail because it was important for all in attendance to understand these two types of insurance. Another interesting topic was 'Insurance for Foreigners Working in China', which gauged a lot of guestions from the audience. From the beginning to the end, participants had the chance to



1 th Event: Special Event Topic: 25th Year Anniversary Gala

March 2019 Venue: Grand Hyatt Hotel For the full event review, please refer to 25th

Event: [Taicang] Workshop Legal & Tax Topic: Foreign Investment Law March 2019 Venue: German Center Taicang Speaker: Mr. Ralph Koppitz | Partner, Chief

Representative at Taylor Wessing law firm Moderator: Ms. Johanna Spee | Regional Manager Neighboring Provinces at German Chamber of Commerce | Shanghai

While a new draft of the Foreign Investment Law is being reviewed by the Standing Committee of the National People's Congress (NPC), Mr. Ralph Koppitz opened the event by explaining the effects of the upcoming Foreign Investment Law. He went on by shifting the focus to the highlights of the new law draft, which were clarified in detail, such as Market Access System, Reporting System, National Treatment and so on. Furthermore Mr. Koppitz also talked about the impact this new law will bring to Company Law and Partnership Enterprise Law. During the Q&A, Mr. Koppitz shared his insights and answered questions from the participants.



Event: Joint Workshop

Topic: CSR Activities of Commercial March 2019 Companies - Philanthropy, Marketing Tool. or Business Strategy?

Venue: German Chamber Office

Speakers: Ms. Frances Luk | Head of Corporate Affairs Greater China at BASF Ms. Evelyn Engesser | General Manager at UNICEPTA Information Consulting (China) Mr. Stefan Justl | General Manager at Storymaker

Mr. Bernd Pichler | Chief Marketing Officer at ICONIQ Motors

Moderator: Ms. Brigitte Wolff | President at EIM Executive Interim Management Ltd.

On 6th March 2019, a joint workshop entitled "CSR Activities of Comteristics. They discussed the "do's and don'ts" and the "how to do's" mercial Companies - Philanthropy, Marketing Tool, or Business Strategy?" took place at German Chamber Office where attendees learned how to properly incorporate CSR into their daily business activities. In the beginning of the workshop, the speakers Ms. Evelyn Engesser and Mr. Stefan Justl introduced what CSR deals with and its charac-



from the view of CSR. Then the participants had the chance to listen and participate in two case studies which were given by Ms. Frances Luk and Mr. Bernd Pichler.

The topic 'Economic Responsibilities' also attracted a lot of interest and attention during the event.







11th Event: Workshop Production & Logistics Topic: "Smart Logistics in China" March 2019 Venue: Schaeffler (China) Co. Ltd. Plant 2 Speakers: Mr. Armin Fuhr | Project manager at UNITY Business Consulting (Shanghai) Co., Ltd.; Mr. Hans-Peter Roesch | Senior Manager Operations Strategy and Process at Schaeffler Holding (China) Co., Ltd. Moderator: Mr. Xiaolong Hu | Partner, Managing Director of UNITY Business Consulting (Shanghai) Co., Ltd

On 11th March 2019 a Production & Logistics Workshop "Smart Logistics in China" took place at Schaeffler (China) Co. Ltd. Plant 2. In this workshop, the speakers Mr. Armin Fuhr and Mr. Hans-Peter Roesch introduced the three key elements about 'Smart' Automation: flexibility, workforce and space. They talked about challenges that must be faced in regard to logistics and about possible solutions to overcome the challenges. Questions about 'General Planning' raised the attention of the participants and led to an interesting discussion. The topic about overproduction and about how logistics can provide better conditions for reducing waste were clearly structured and well visualized.





What is your personal and business back-

I am from Germany and have worked in German companies for more than ten years. In the beginning of 2018, I joined Schaefer group as Managing Director China. My experience of China has allotted me full knowledge of the local culture and I speak Chinese fluently.

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

The SSI Schaefer Group is the world's leading provider of modular warehousing and logistics solutions. It employs over 11.000 people at its group headquarters in Neunkirchen, Germany, at more than ten domestic and international production sites, and at approximately 70 worldwide operative subsidiaries. SSI Schaefer designs, develops and manufactures systems for warehouses, industrial plants, workshops and offices.

Our portfolio includes manual and automated solutions for warehousing, conveying, picking and sorting, plus technologies for waste management and recycling. With the intelligent logistics and Industry 4.0 background, SSI includes manual and automated solutions for warehousing, conveying, picking and sorting, plus technologies. SSI Schaefer is now a leading provider of modular, regularly updated software for in-house material flows.

Why did your company choose to locate where

SSI Schaefer China Hub is located in Shanghai. Since our main customers are from southern China, and many companies choose to locate in the Yangtze River Delta region, it was more convenient for us to locate our company here. Besides, western companies are our main target customers. Also, many foreign companies are located in this area located which can help us to expand business.

What is your competitive advantage? What kind of benefits are there from using your products?

The biggest advantage and selling point of our products is the high quality. I admit that our products are expensive, but what we provide to customers is worth the price. We provide a one-stop service, from containers to automated systems and software so that we can customize plan based on customers' requirements.

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

Our main competitors are foreign companies. As our products are high priced, there is no competition to domestic companies. So, our main competitors are foreign ones. But, as the development of local Chinese companies increases, the quality of their products has improved a lot over the years. I believe that in the near future, some Chinese companies can also be a threat to us.



Kaan Guclu

Company: SSI Schaefer Systems International (Kunshan) Co., Ltd. Job Title/Position: Managing Director China

Years since Foundation: 80 Years HQ (location): Germany Main Business: Products and Systems for intra-company material flows Number of Employees: 11,000



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19th Event: Workshop Legal & Tax (Chinese) Topic: Navigating in Uncertain Trade March 2019 Environments

> 在不确定的贸易环境中寻找航向 Venue: German Chamber Office Speaker: Mr. Alex Qian | Director of Worldtrade Management Services, PwC Moderator: Ms. Vivian Yao | Partner at Rödl & Partner China

After one year marked by US-China trade conflict, Chinese enterprises are now also facing uncertainty as well in daily business. At this workshop. Mr. Qian first talked about the recent developments of the Sino-US trade friction and the reflection brought about by the trade conflict. In the second part, he introduced the business reform of the Chinese customs agencies, including Customs merged CIQ and Customs internal restructure and the introduction of the provisional tax rate. At the end of the speech, Mr. Qian also mentioned the customs inspection trend and the recent research results. During the Q&A part, questions about customs inspection and risk control on customs were raised from the participants.

March 2019

77th Event: [Members Only] Human Resources

Topic: Developing Leadership Skills for Successful Strategy Execution

Venue: ATLAS Workplace

Speakers: Mr. Andrew Nip | Head at Talent Asia; Ms. Lucy Qi | Managing Consultant, CEO of Fengsou Shanghai; Ms. Usha Raghavachari | Marketing Director of Ford Motor Company

a plan into action is what attendees of this event came to learn more about.

The speakers Mr. Andrew Nip, Ms. Lucy Qi and Ms. Usha

They also talked about the development of strategies for successful leadership, and the statement: "If my people are happy, my company is happy as well" raised the participants' attention and



Acquisitions, Learning & Development, Hays

On the road to career advancement, many people want to encompass what it takes to be a great leader. Using these skills to put

Raghavachari started the workshop by talking about the important key qualities a leader should have to be successful. Skills such as workforce improvement, how to deal with the members health mentally and physically, as well as how to fast and clearly adopt things in the working process have been discussed.

led to a vivid exchange between all in attendence.

72nd Event: Wirtschaftsjunioren | Young Leaders

April 2019 Topic: "DISCOVER AGILE - Start Your Agile Journey Toda"

Venue: German Chamber Office

Speakers: Ms. Evija Geka | Co-founder of Agile Minds; Mr. Baksheesh Singh | Founder

of Agile Minds

Moderator: Vivien Newrzella | APAC Account Manager & Facilitator at Celemi Consulting

(Shanghai) Co., Ltd.

In the workshop, the speaker Evija Geka and the workshop facilitator Mr. Baksheesh Singh started the event with a little warm-up as an audience icebreaker. Afterwards, the group was split into four teams, where their task was first to try and define what 'Agile" means.

After discovering and discussing the difference between 'Agile' and 'Traditional' Project Management, there were a few activities to get closer to 'Agile' or what a 'Scrum Framework' means. As a team, participants constructed buildings out of Legos and manged other tasks, which lead to a great and diverse atmosphere where everyone actively joined in.



Event: Workshop Legal & Tax

Topic: How to Control the Last Line of Defense for Contracts - Settlement of April 2019

Dispute Clause

Venue: German Chamber Office Speakers: Ms. Zheng Zhang | Partner at

Luther Law Offices

Moderator: Ms. Vivian Yao | Partner at Rödl

& Partner China















Event: Chamber Meeting Topic: China's Outlook in 2019 March 2019 Venue: Sheraton Grand Pudong

Speaker: Ms. Mary Boyd | Director of the Economist Corporate Network Shanghai of

the Economist Group

Moderator: Ms. Brigitte Wolff | President, EIM Executive Interim Management China Ltd.

On 28th March 2019 the German Chamber of Commerce in Shanghai hosted its Chamber Meeting on the topic "China's Outlook in 2019" at the Sheraton Grand Pudong. Giving elaborate insights on the subject, invited keynote speaker Ms. Mary Boyd, Director of the Economist, Corporate Network Shanghai of the Economist Group, shared her comprehensive knowledge with the audience. After a short introduction by moderator Ms. Brigitte Wolf, Ms. Boyd opened her speech by reflecting on China's path of growth and the perception of its current state of ecosystem in a globalized world. Acknowledging that the country is facing obstacles of demographic change, reform ideas were mentioned. She went on to elaborate on the general rise







of consumption and the shift in importance of overall contribution to national wealth away from exports, towards infrastructural spending and a matured local consumer market. Contextualizing China's debt situation, its stimulus policies and summarizing a recent decline in profits for certain key industries, Ms. Boyd visualized China's economic transformation brought about by digitization and the challenging scenarios of the trade conflict. She assessed "Made in China 2025" and the evaluation of effectiveness of state-led investments in infrastructural programs leading to her closing arguments, where Ms. Boyd shifted to labor cost driven diversification and gave an outlook on China's economic targets for 2019. With American tariffs imposed and the European Commission sending out more hawkish tones, the longtime planned EU-China investment agreement was called an even more probable factor for the nearer future. Concluding the presentation, Ms. Wolff lead a Q&A session, where Ms. Boyd exchanged with event participants. The event was attended by about 200 participants, who went on to network through cross industry



11th Event: Workshop Production & Logistics Topic: Environmental Regulation in China: April 2019 Impacts to Manufacturing Companies Venue: German Center Taicang Speakers: Mr. Jan Michael-Hähnel | Senior Consultant and German Attorney-at-Law at BURKARDT & PARTNER: Mr. Thomas W. Scholz | General Manager at Gustav Wolf Wire Rope (Suzhou) Co., Ltd.; Mr. Robin Zhang | Operations Director of PETER-LACKE

> Moderator: Mr. Xiaolong Hu | Partner, Managing Director of Unity Business Consulting (Shanghai) Co., Ltd.

The Chinese government recently intensified controls on factories' environmental compliance with regulations. In response to possible impacts of this new trend, this workshop was held on German Center Taicang to learn about the latest regulations by the Ministry of Environmental Protection, to gain insights on best practices and solutions, plus have a chance to openly share experiences with other manufacturing companies.

Shanghai Ltd.

After a warm welcome speech by moderator Mr. Xiaolong Hu, he summarized some potential environmental pollution factors like water, soil, air and noise. The participants were encouraged to come forward to talk about their company's current problems. Three speakers also shared their insights by taking examples of relevant project cases. During the Q&A, concerns about the future development prospects of chemical plants in Jiangsu Province were discussed.









April 2019

Event: Workshop Legal & Tax Topic: China's New Foreign Investment Law - How Will It Affect You Venue: InterContinental Hotel Pudong

Speaker: Mr. Ralph Koppitz | Partner, Chief Representative at Taylor Wessing Law Firm Moderator: Mr. Roger Haynaly | Partner at Rödl & Partner Management Consulting (Shanghai) Co., Ltd.

The Foreign Investment Law that came into effect on 1st March has raised many questions on how this will affect their day to day business. This workshop, entitled "China's New Foreign Investment Law - How Will It Affect You" was led by Mr. Ralph Koppitz from Taylor Wessing Law firm. He started with a brief framework introduction of China's formal foreign investment environment. Compared to the past, three separate existing regulations will be merged into the new investment law. Starting from the composition of the new draft in March of this year till 2024, companies are given five grandfathering years, during which six aspects should be focused on, all which Mr. Koppitz discussed in great detail. Mr. Koppitz then shared his forecast for possible effects of the new law. In the Q&A session, questions from individual enterprise were raised and answered in detail.





Event: Chamber Meeting

Topic: April Chamber Meeting "Football in

April 2019 China – Hype or Opportunity?" Venue: Sheraton Grand Pudong

Speakers: Mr. Brian Cupps | Adidas Greater China; Mr. Kasper | FC Bayern Munich China; Mr. Patrick Stüber | Bundesliga International: Mr. Zhu Shoto Xiaodong | OCEANS Sports &

Entertainment Marketing)

Moderator: Mr. Michael Mäder | Managing Partner at Ward Howell International & IOT

ONE Shanghai

Under the sportive topic "Football in China - Hype or Opportunity", Mönchengladbach and FC Schalke 04 attended the evening. The the German Chamber of Commerce in Shanghai hosted its monthly Chamber Meeting with about a hundred attendees, on 25th April 2019, at the Sheraton Grand Pudong. Among the invited panelists ties as well as private entities, and why it must be understood as an were Brian Cupps, Senior Director - Sports & Entertainment Marketing of Adidas group (Greater China), Rouven Kasper, Managing Director of FC Bayern Munich China, Patrick Stüber, Chief Representative / Head of China at Bundesliga International GmbH Beijing Repre- Unified in their belief that a football nation can't be created through sentative Office and Shoto Xiaodong Zhu, Founder and Chairman of OCEANS Sports & Entertainment Marketing Inc., who shared their intricate insights with the attendees.

After a short introduction by this evening's moderator Mr. Michael Mäder, the group of five began elaborating on the general status and the broader value of football in China. Of the currently established six foreign branches of German Bundesliga clubs present in China, representatives of Bayern Munich, Borussia Dortmund, Borussia liga clubs will be visiting China in 2019 in order to establish deeper



audience got a thorough understanding of how well football is perceived in Chinese culture, how ambitiously it is promoted by authoriemerging sport within China, and not a sidelined sport, which promises an increase in overall market value.

vast amounts of subsidies and sponsoring, the group urged the importance of a lasting plan and a long-term vision. As for the value, the panelists unanimously agreed upon that, with a passionate core fanbase of more than 240 million Chinese stating that football is their number one sports and an average of more than 300 million weekly consumers, the Chinese football market is more than just a hype-if not, an industry where a general "gold rush" can be felt. This general expectancy therefore explained why all first league Bundesties within the Middle Kingdom.

> After their closing statements, the panelists went on to engage with the audience in a Q&A session. The highly informative evening concluded with networking and exchange between the participants.









Preparations for "An Enchanted Evening" Underway



We are thrilled to inform you that our most glamorous event: the German Ball, will be held on 23rd November 2019. The German Chamber Team has already started planning a splendid night that will be held at the Grand Hyatt in Pudong.

We are looking forward to celebrating the 22nd German Ball in Shanghai, Last year, we welcomed more than 1,200 quests, who enjoyed "A Galactic Night" in a celebratory atmosphere with dinner and dancing.

This year, the German Team is excited to present the theme:

"Fairy Tales - An Enchanted Evening"

with which to delight the German Community in Shanghai with an unforgettable event.

We would like to offer you the opportunity to represent your company as a partner at the German Ball. Please find more details on partnership structure of German Ball 2019 in the list down below. We are looking forward to welcoming you at our 22nd German Ball!

For more information about partnership, please contact Ms. Daisy ZHU | E-Mail: zhu.jingjing@sh.china.ahk.de

7th Sino-German Controlling Forum Controlling 4.0: Efficiency & Digitalization



Under the core theme "Controlling 4.0: Efficiency and Digitalization", 7th Sino-German Controlling Forum will feature several keynote speeches as well as six in-depth workshops. Throughout the day, networking between all participants will offer knowledge exchange and give an opportunity to connect with other companies within controlling. This year's topic will focus on how companies controlling performance can be

improved with efficiency and digitalization in times of economic slowdown and rising costs.

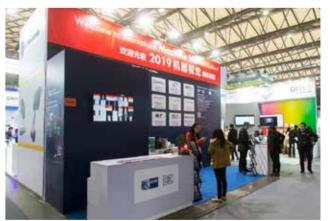
About the Sino-German Controlling Forum:

In its seventh year, the Sino-German Controlling Forum is a unique platform for finance and controlling professionals from the Sino-German business & industry community. It gives companies the extraordinary opportunity to share and exchange their knowledge about how their company's controlling performance can be improved. Carefully selected, highly qualified speakers attract a unique target group of approx. 100 participants, with the majority of attendees being of senior management.

For more information or for partnership opportunities, please contact: Ms. Jessica QI 威嘉颖 | Project Manager Events Tel: +86(0)21- 3858-5050 | Fax: +86(0)21- 5081 2009 ext. 5650 E-mail: qi.jiaying@sh.china.ahk.de



International Machine Vision Pavilion Successfully Exhibited in "Vision China Shanghai" Fair in March 2019



From March 20th to 22nd once again, AHK Shanghai organized the International Machine Vision Pavilion at one of the most important trade fairs for machine vision: "Vision China Shanghai". For the first time, VDMA machine vision members joined the pavilion. Twelve exhibitors participated and presented their latest products and services during the trade fair. Most of these companies produce industry core components and parts for different kinds of applications within several industry sectors. The exhibitors were very satisfied with the fair and visitors and hope to join again next

Baden-Wuerttemberg Economic Delegation in Shanghai 27th-28th February



A delegation of one hundred political and company representatives from Baden-Wuerttemberg, led by Minister Dr. Nicole Hoffmeister-Kraut visited Shanghai from 26th to 28th February. Besides getting a deep impression of Shanghai's technological transformation, the political delegation had an exchange on China's current business environment with members of the Board of Directors of the German Chamber of Commerce in Shanghai, moderated by Simone Pohl. Delegate and Chief Representative of the Delegation of German Industry and Commerce Shanghai. In addition, a dinner gala was hosted by the GIC Shanghai, including a high-profile panel discussion, providing a platform for further exchanges between Baden-Wuerttemberg and local German companies.

AHK Shanahai Awarded "Green IT Classrooms **Against Poverty" Certificate**



On Thursday 23rd May, the AHK Greater China | Shanghai donated desktop computers, monitors and a variety of other secondhand IT devices to 'Zhonggu Charity'.

The handed over peripherals will be part of Zhonggu's project 'Love Passing and Recycling Computer Classroom' and will be sent to China's western area in order to help facilitate rural schools and their pupils. AHK Shanghai shares Zhonggu's social responsibility vision of committing "to launching public welfare and sharing the education, various resources and teaching equipment of developed cities in a less developed area". The AHK Shanghai has been awarded the "Green IT Classrooms Against Poverty" sustainability certificate by the charity and would like to thank everyone involved at the office for making this happen.

German Aviation Delegation in Beijing, Xi'an & Shanghai 24-29 March



Along with representatives from the German Federal Ministry of Economic Affairs, more than a dozen highly specialized German SMEs visited China to experience the fast growth of the local aviation sector first-hand. The five-day trip included various business meetings, tailor-made matchmakings and high-profile company

Starting in Beijing, the delegation has been welcomed with expert briefings by Dr. Clemens von Götze (German Ambassador to China) and Dr. Christoph Schrempp (National Vice Chairman at Environment Working Group European Union Chamber of Commerce in China). On the second day, the participants visited the Aero Engine corporation of China (AECC), the China Aerospace Science and Industry Corporation (CASIC) and the Aviation Industry Corporation of China (AVIC). Each visit was packed with exciting impressions and the chance getting in touch with knowledgeable staff in various professional fields.

Welcomed by the vice governor of Shanxi. Mr. Zhao Gang and vice mayor of Xi'an, Mr. Gao Wei, the German delegation took part in the Sino-German Technical Cooporation Forum in Xi'an, discussing the future of the aviation industry, lightweight construction in China and smart manufacturing. The stay in Xi'an has been concluded by an exchange with the China Aviation Industrial Base (CAIB) and an outlook of the aviation industry in China.

The final stage of the trip was in Shanghai, home of the Commercial Aircraft Corporation of China (COMAC). The two-day visit included an exchange with a local Shanghai Aviation Association. followed by tailor-made matchmakings, a dinner event at the Residence of the German Consulate (by invitation of Dr. Christine Althauser, Consul General of the Federal Republic of Germany in Shanghai), a meeting with the Vice President of COMAC, as well as a visit at the Shanghai Aircraft Manufacturing Company (SAMC).

With almost five days of constant exchange, networking opportunities, and a deep dive into China's aviation industry, the delegation left with memorable impressions and a solid base for further business development.

13-14 August

14-16 August

19-20 August

19-21 August

21-22 August

26-28 August

23 August

27 August

28 August

29-30 August

3-4 September

4-5 September

4-5 September

5-6 September

5-6 September

6 September

10 September

11 September

16 September

16 August

Working Smart with Excel

Working Smart with MS Project

Lean Leadership Basics Module 2

Communication" (Suzhou)

(together with Module 1)

Implementation"

Sustain Impact

Lithium Batteries

10-11 September Field Sales Management (NEW)

Data Analysis in Production

Time and Stress Management

Essential Leadership Module 2

German Business Culture

Moderation'

Controlling in 5 Stages: Stage 5 "Presentation and

Controlling in 5 Stages: Stage 4 "Reporting &

Controlling in 5 Stages: Stage 3 "Controlling

Convincing & Influential Power - Persuade Others and

Controlling for Non-Financial Managers & Professionals

Creative Problem Solving and Decision Making

Essential AutoCAD Skills: 2-D Drawing Basics

Managing Emails and Schedules Using Outlook

Successful Design with PowerPoint

16-18 September Controlling in 5 Stages: Stage 1 "Controlling &

Controller" (Suzhou)

Dangerous Goods Transportation How to Deal With

INDUSTRY 4.0 Solutions and Implementation Approach

How to be a Professional Receptionist

Business Models in the Era of Intelligent Manufacturing

Training Calendar Shanghai			
Shanghai			
1-2 July	Lean Leadership Basics Module 1	17-18 September Effective Communication and Presentation Skill	is
	(together with Module 2)	17-18 September Lean Leadership Advanced Module 2 (together	with
3 July	Excel Data Management and Analysis	Module 1)	
4-5 July	Practical Operation of Import and Export Customs	19-20 September Building High Performance EA / PA / Assistants	Training
	Clearance and Its Risk Control (NEW)	19-20 September Conflict Management	
4-5 July	MS Office Advanced Skills for HR	19-20 September EHS- Product Safety Regulatory Compliance Tra	ining of
5 July	Flexible Production Planning - The Key to Competitive	China GHS, Chemical Safety Data Sheet and Lal	oel
	Edge	19-20 September The Heart of Coaching (NEW)	
8 July	Fundamentals of Access Database	23 September Working with Excel Functions	
9-10 July	Advanced Application of Access Database	23-26 September Lean Logistics	
9-12 July	ISO 14001&ISO 45001 Internal Auditor	24-26 September Dangerous Goods Transportation Regulations Co	oncerning
10-12 July	Controlling in 5 Stages: Stage 2 "Controlling Toolbox"	Road Transportation of Dangerous Goods	
11-12 July	Lean & Smart Internal Logistics Management	24 September Unveiling the Secret of Data: PivotTable in Dept	:h
15-16 July	Working Smart with Word	24-25 September Leader as Coach (NEW)	
15-16 July	MS Excel Advanced Skills for Finance	24-25 September Leading with Global Perspective	
15-17 July	Controlling in 5 Stages: Stage 4 "Reporting &	26-27 September Quality Design and Management (NEW)	
	Communication"		
26 July	Digital Shopfloor Management		
1-2 August	Essential Leadership Module 1	Training Highlight - Shanghai	
5-6 August	Working Smart with PowerPoint		
6-9 August	Lean Logistics	Essential Leadership Module Two	
8-9 August	Communication, Influencing and Negotiation Skills		
9 August	Changeable Manufacturing: Enabler for Meeting New	Increase personal effectiveness as a manager	
	Challenges	Execute advanced leadership performance by transform	ing into
9 August	Shop Floor Management	a coach	٦
12 August	Office 365/2019: Improved Experience in Desktop	 Learn how to conduct goal setting and performance app 	raisal
	Productivity	Establish systematic approach to manage change	

- Establish systematic approach to manage change
- Find productive way to lead team to adapt to change
- Learn to structure coaching session with team members
- Sustain high performance by motivation and monitoring
- Reflection of key learning through Essential Leadership Skills

Convincing & Influential Power - Persuade Others and Sustain Im-

In today's ever changing and challenging work environment, managers strongly rely on your ideas and input as an experienced employee to drive the business.

Nevertheless, many well-trained experts of all industries are rich in creative ideas, but lack influence and the power and abilities to push for them and persuade others.

In this workshop, you will gain core insights and learn on how to access and evaluate the main motives and triggers, that in the best way will support your new ideas, concepts, and plans etc.

Subsequently, you will learn and train essential skills to organize, design and deliver them in way that is easy for your managers to grasp and comprehend core issues in an efficient way.

Shanghai contact: Ms. Wang Xueting Tel. 021 6875-8536 ext. 1824 | Fax 021 6875-8573 ext. 5657 wang.xueting@sh.china.ahk.de

Roundtable with Shanghai Municipal **People's Government**

On May 17th, Ms. Simone Pohl, Chief Representative of the Delegation of German Industry and Commerce, along with nine German company representatives joined a roundtable discussion with the Shanghai Municipal People's Government:

Ms. Shang Yuying, the Deputy Secretary General of Shanghai Municipal People's Government, Mr. Yang Chao, Vice Chairman of Shanghai Commerce Commission and leaders from other relevant departments including Shanghai Development and Reform Commission, Shanghai Economy and Information Technology Commission, Shanghai Science and Technology Commission, Shanghai Municipal Finance Bureau, Shanghai State Taxation Bureau, Shanghai Human Resource and Social Security Bureau, Shanghai Municipal Bureau of Planning and Land Resources, Shanghai Ecological Environment Bureau, Shanghai Emergency Management Bureau, Shanghai Market Supervision Bureau, Shanghai Foreign Affair Office, the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government (SHSASAC), Shanghai Intellectual Property Bureau, Shanghai Customs, Shanghai Entry-Exit Administration and Shanghai Branch of Foreign Exchange Bureau all participated in this roundtable meeting.

In her opening statement, Ms. Simone Pohl reviewed the current state of Sino-German business relations and took the opportunity to address the most pressing challenges for German companies in Shanghai. Representatives of German companies mainly from the automotive, consumer and chemical industries were also invited to join and raise questions related to daily business operations directly to the government representatives. Shanghai Municipal People's Government announced that further dialogues were planned, in order to improve government service efficiency and to optimize the local business environment for foreign enterprises.

As an initial outcome, some companies were approached by the government shortly afterwards, to follow up on the addressed questions.

Delegation Visit from One of Germany's Biggest Media Companies, Herbert **BURDA Media to AHK Greater China** Shanghai

A high-level delegation from one of Germany's biggest media companies. Hubert BURDA Media, visited the AHK Greater China Shanghai in order to get an overview on China's current business and political environment. This was the kick-off of their "Digital China" Tour, where they aim to learn more about China's digital landscape. German media organizations and publishing associations are increasingly engaged with China's digital development.









AHK Plant Tour to CLAAS Agricultural Machinery (Shandong) Co. Ltd. and the 22nd German Business Community - Get Together

On 10th May 2019, the German Industry & Commerce Qingdao Office organized a visit to CLAAS Agricultural Machinery (Shandong) Co. Ltd., a company that manufactures agricultural engineering equipment, for local German companies. After the visit, the group had the opportunity to exchanged view with the local government of Gaomi to learn about local industries. The close exchange of economic and technological between China and Germany was well welcomed by all.

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





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EuroEyes Brings Light to Tibet



EuroEyes Medical Team traveled all the way from Europe to Gannan, China to bring light to the local Tibetans. Due to the unique geographic features of the region, the difference between the highest and lowest elevations in the Gannan Prefecture is 3,748 meters. The medical team overcame altitude sickness and hard living conditions to launch a one-week charity mission to treat local cataract patients in poverty.

Lufthansa Group Orders 40 Boeing 787-9 and Airbus A350-900

Lufthansa Group is consistently forging ahead with the modernization of its long-haul fleet. The Supervisory Board approved

the purchase of a total of 40 state-of-the art aircrafts for the group's airlines. The 20 Boeing 787-9 and 20 additional Airbus A350-900 planes will primarily replace fourengine aircrafts. The new planes will be delivered between late 2022 and 2027.

The investment in new technology, efficiency and passenger comfort is a continuation of the group's airlines ongoing fleet modernization. After the long-haul aircraft rollover, the company will be offering its customers one of the world's most modern fleets. This will also involve a significant increase in comfort and reliability. Furthermore, this order highlights the company's desire to invest in cutting-edge technology with the environment and the reduction of its CO_2 footprint in mind.



RIB and Saint-Gobain Announce Joint Venture SGTWO



RIB Software SE and Saint-Gobain Germany announced the formation of the joint venture SGTWO. For RIB. the 100% subsidiary YTWO will act as shareholder of the new company, whose headquarters is in Düsseldorf, Germany. SGTWO combines Saint-Gobain's rich competence in innovative building solutions with RIB's 5D BIM and Al technologies to offer a new suite of online services, improving digitalization for general contractors, builders and architects. With Saint-Gobain, one of the world's largest producers of building materials, and RIB, a leading provider of 5D BIM technology to the construction and real estate industries, SGTWO is poised to increase the efficiency of planning by creating a more realistic and better presentation of the building than in a classic BIM model. In addition to optimized

planning, the JV will benefit project execution by allowing users to compare, in real time, construction targets and actual values.

Micro Mobility Systems Opened First US Flagship Store in New York



On 20th March, the Swiss brand Micro Mobility Systems opened its first US flagship store in the new Hudson Yards shopping center in New York. The entire range of practical mobility products for young and elderly are presented in a stylish 100m² showroom. In addition to the new store in New York, Micro has 15 other flagship stores in nine different countries, including Korea. France. Canada and Switzerland.

Mr. Wim Ouboter, the founder of Micro, invented the very first kickboard in 1997. After decades, Micro products are selling globally in more than 80 countries and 15,000 POS. Starting in 2012, Micro China is dedicated to bringing urban lifestyle and making mobility eco-friendlier. In order to meet the needs of its local customers, Micro China focuses on both online and offline channels. The popular product, Micro Trike, was a huge success in the past three years.

Bock at the International Furniture Fair in Guangzhou

From the 28th to 31st March, the annual International Furniture Fair (CIFF), the world's largest furniture fair took place in Guangzhou. For the first time, Bock presented its office and lounge components, as well as successful customer projects to the China market

Bock was pleasantly surprised by the considerable interest from local and international visitors; many questions, lively discussions



and idea exchanges on innovative solutions and concepts were expressed on Bock's displayed products. During CIFF, Bock became keenly aware that with the continuous expansion of the office furniture export industry, the emerging new generation of local designers, and the growing demand for both standardized and customized products with inspired concepts and smart solutions, it is time for Bock to enter the vast China office furniture market.

Herrenknecht Starts Bauma 2019 with Coveted Innovation Award



During the opening ceremony, Herrenknecht AG received the coveted Bauma Innovation Award 2019 in the category "Machine" for its innovative E-Power Pipe® installation method. Under the motto "The Future Tunnels", Herrenknecht was presenting cuttingedge tunneling technology, outstanding projects and innovative concepts for the future to the international visitors at the world's largest trade fair.

The Herrenknecht Group was represented at Bauma 2019 with four booths on a total of approximately 1,600m² of exhibition space. At the main booth focusing on tunneling, Herrenknecht demonstrated the future trends of tunneling. Pioneering technology that makes the tunneling process faster and more efficient, web-based services, 400 features and functions for safer operations as well as Europe's largest urban infrastructure project "Grand Paris Express" were on display.

ABICOR BINZEL Announces Five-Year Plan

The German welding torch brand ABICOR BINZEL announced that from 2019, their goal for the next five years is to increase sales performance of their robot and manual welding equipment by three times, making use of its abundant product lines and strong research and development capabilities. This equals an increase of their market share by about one percent every year. At the same time, ABICOR BINZEL has announced its pilot plan, which has the purpose to achieve ABICOR BINZEL's ambitious goal of becom-

ing the strongest welding torch and welding equipment supplier in China. The strategy of the pilot plan is the dealer policy, which can provide a reliable and guaranteed profit share for the majority of dealers, regulating the market and strictly controlling the price to protect the end users' use and experience rights and interests.

New CEO of Lufthansa Technik Shenzhen



On 1st March 2019, Mr. Benjamin Scheidel became the new CEO & President of Lufthansa Technik Shenzhen (LTS), which was founded in 2000 as a joint venture between Lufthansa Technik AG, Germany and Beijing Kalian Aviation Technologies. Mr. Scheidel holds a degree in International Business and Marketing and has comprehensive knowledge and extensive experience in various fields of aviation management. He joined Lufthansa Cargo Spain/Portugal in 2003. During the past 16 years of his Lufthansa Group career, he had the opportunity to work in various entities, international locations, and fields of business. Before joining LTS, Mr. Scheidel worked in APAC for nine years and since October 2015, based in Hong Kong as Vice President of Lufthansa Technik North East Asia. Mr. Scheidel said: "With our DNA for impeccable quality, compliance, and outstanding productivity, we will manifest our position as a 5-star MRO facility and true gem in China as well as the LHT portfolio."

TÜV Rheinland Cybersecurity Trends 2019

The capabilities of companies and large organizations to ensure data and IT security in the digital economy is increasingly a critical factor for their success or failure. "The modern world is rapidly transforming into a digital, knowledge-based 'Industry 4.0' economy. This change has an equal significance to the industrial revolution," explains Mr. Frank Luzsicza, Executive Vice President for Digital Transformation & Cybersecurity at TÜV Rheinland. "That's why the existential question for many companies will be about mastering the cyber-physical challenges of

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the digital economy. It may simply amount to a binary: success or failure, without the option to compromise."TÜV Rheinland released its Cybersecurity Trends 2019 in April 2019, a report that contains eight important developments in cybersecurity as identified by TÜV Rheinland experts.

ICCS Launched New Website and Logo



International Cargo Centre Shenzhen (ICCS) has launched a new website and designed a new logo and new posters in the beginning of 2019 to fulfill their mission of providing safe and high-quality cargo handling services to meet various needs and diversified requirements. ICCS will continue to offer highly developed processes supported by e-services to improve efficiency and convenience for its customers and employees.

Certiz Hosted China's 1st Riesling **Birthday Party**

Wine lovers gathered in Canton Club Guangzhou on 13th March to celebrate Rieslings 584th birthday. This evening party was hosted by German Wine Institute and Certiz, a German wine importer. The event got support from the German Consulate General Guangzhou, the German Chamber of Commerce, the European Chamber, Guangdong



Wine Industry Association, and HongKong Quality Assurance Agency, Mr. Dirk Lechelt. the Vice Consul from German Consulate General Guangzhou, and Mr. Allan Kwong, Chairmen of Certiz, cut the birthday cake and raise their glasses to Riesling. Guests got to taste 30 different Riesling from three classical regions and six different VDP wineries, among them many with high scores from well-known wine magazines and wine critics. For many quests it was the first time to try so many different styles of Riesling. On that night, Ms. Riesling and Mr. Riesling, who are loval fans of Riesling, were selected among the guests.

Business Forum of Chinese and German Enterprises Successfully Held

On 17th – 25th September 2018, the government of Birkenfeld in Germany and Oak Garden (CNDE) Holdings GmbH successfully held a Business Forum of Chinese and German Enterprises in Shenzhen, Guangzhou,



Shanghai, Taiyuan and Beijing. The Business Forum aimed to provide opportunities for cooperation between the Sino-German business community.

ISS Announces Leadership Changes in Asia-Pacific Office

Over the past three decades, International Schools Services (ISS) of Princeton, New Jersey, has nurtured Shekou International School (SIS) into a thriving 'ISS School of the Future!'. Effective in the 2019/2020 academic year, ISS will change its leadership structure in the Asia Pacific Office. Dr. Dale Cox will step down as ISS Vice-President, Asia Pacific to assume a faculty position at Utah Valley University in the U.S. Mr. Greg Smith, Head of School at Shekou International School (SIS), Shenzhen, China, will assume the leadership role for the ISS Asia-Pacific Office when Dr. Cox steps down. Smith will also continue to serve as Head of School for SIS. To support these changes. a Deputy Head of School will be added to SIS's administrative team, ensuring that the transition to this new leadership structure is seamless.



New Members South & Southwest China

Mr. Benoit Stos

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Mr. Thomas Klöhr

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Mr. Marko Unger

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Marketing Manager Germany EuroEves Group Shenzhen Clinic www.euroeyes.com

Mr. Julian van Gemeren

Deputy CEO Micro Trading (Shanghai) Co., Ltd. www.micromobilitv.cn

Location: Guangzhou Event: Stammtisch Venue: Ginstar



On 27th and 28th of February, the German Chamber of Commerce in China | South & Southwest held their traditional Spring Reception in both Guangzhou and Shenzhen, celebrating the new year with its members and warmly welcoming the new members and friends of the chamber.

Chairperson of the German Chamber in South & Southwest China, opened the reception in Guangzhou and Shenzhen respectively. The new members and friends then had the chance to introduce themselves. This was followed by a summary of the 2018 highlights and event outlook for 2019, with many new event formats by Mr. Maximilian Butek, Executive Director and Board Member of the German Chamber. This year, the German Chamber will continue to strive to be a strong partner for the German Community in the Greater Bay Area. Embracing the new challenges and opportunities that China has on offer, the German Chamber is looking forward to making 2019 even more successful and eventful with and for its members!

We would like to express our gratitude for the continuous support





27th+28th

Location: Guangzhou & Shenzhen Event: German Chamber Spring Reception

February 2019

Venue: Park Hyatt Guangzhou GC DEALS & The Langham Shenzhen

Speakers: Mr. Martin Fleischer | German Consul General; Mr. Ulf Reinhardt | Chairman of the German Chamber of Commerce in China South & Southwest: Mr. Maximilian Butek | Executive Director and Board Member of German Chamber

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from our long-time members and partners and sincerely welcome all the new members again. Special thanks to our venue partners Park Hyatt Guangzhou and The Langham Shenzhen, media partner That's PRD and Urban Family and especially to our beer and wine sponsors HB Beer, Certiz and button up for their generous cooperation and German Consul General Mr. Martin Fleischer and Mr. Ulf Reinhardt, excellent drinks. We look forward to seeing you all at the future events and expanding our German Chamber Network!

February 2019

Location: Chengdu Event: Factory Visit Metro Venue: Metro High-Tech Shop Speaker: Ms. Ming Mei | General Manager, Metro Chenadu





On 28th February, the German Chamber members and partners had the chance to take a look behind the scenes at the Metro Shop in Chengdu High-Tech zone. They not only saw the area where the regular customers enter, they also took a look in the areas that are only meant for staff, including the storage room and icehouse. After the guided visit Metro Chengdu, General Manager Ms. Ming Mei explained the history of Metro Chengdu, the differences between Metro and other big supermarkets and how Metro can keep the promise to always serve fresh food. The delegation was really impressed by the effort that is needed to run a shop like Metro efficiently and of the high level of quality. Thanks to Ms. Ming for the explanations and insights into the day-to-day operation of Metro.

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April 2019

Location: Guangzhou

Event: InterChamber Business Networking

Venue: Jojo's Riverside

April 2019

Location: Chengdu

Event: Spring InterChamber Mixer Venue: MOOD Lounge, Kempinski Hotel

Chenadu GC DEA

April 2019

Location: Shenzhen

Event: InterChamber Business Networking Venue: Galleon, InterContinental Hotel

April 2019

Location: Chengdu

Event: Seminar on New Visa Application Venue: Procedure for Business Traveler CCEC Chengdu

Speakers: Ms. Vera Schaposchnikow Consul, Consulate General of Germany Chenadu : Mr. Xiaofei Wen | Regional Director, German Chamber of Commerce

April 2019

Location: Shenzhen Event: Visa Seminar

Venue: GCC Office Shenzhen

Speakers: Mr. Philip Xia | Zonal Manager VFS Global: Ms. Chiling Qin | German

Industry & Commerce

March 2019

Location: Shenzhen

Event: Pitching for the Dragon - 2nd AHK Innovation Night

Venue: Bee+ Futian GC DEA

Speaker: Participants of the Startup Delegation from North Rhine-

Westphalia

On 28th March, the German Chamber of Commerce in China South & Southwest and German Industry & Commerce Shenzhen hosted "Pitching for the Dragon - 2nd AHK Innovation Night" partnering with the federal state North Rhine-Westphalia, IHK Dortmund and V-Next. 12 startups from North Rhine-Westphalia, the economic powerhouse of Germany, pitched and competed in front of the jury and audience to be the winner of the evening. It was fully booked and attracted over 100 participants from various backgrounds, such as VC companies, corporates, and young and ambitious entrepreneurs. Congratulations to Dr. Volker Sinhoff from AlXaTECH for winning the dragon trophy symbolizing the wish for his future success in China. We would like to thank our three members of the jury from V-Next, Ping'An Cloud Accelerator and Hong Da, a Miele Group Company, and our venue support BeePlus Futian who provided us a warm and open environment to host the 2nd AHK Innovation Night.





Location: Chongging

Event: Seminar on New Visa Application March 2019 Procedures for Chinese Business Travelers

Venue: Jinaxin Center

Speaker: Ms. Melanie Freund | Consul, Consulate General of the Federal Republic of Germany in Chenadu, Chenadu : Mr. Wen Xiaofei | Regional Director, German Chamber of Commerce in China, Chengdu

The Consulate General of Germany Chengdu and the German Chamber of Commerce held the seminar on the New Visa Application Procedures for Chinese Business Travelers in Chongging. In the seminar, Ms. Melanie Freund, Consul of the Federal Republic of Germany in Chengdu, gave a detailed introduction about the new visa service provider VFS Global, the requirements and regulations of applying for a Schengen Visa, and answered all the participants' questions about the visa application. Mr. Wen Xiaofei, Regional Director of the German Chamber in Chengdu, explained the benefits and preferencial handling of visa applications of German Chamber members.





Location: Guangzhou Event: HR Roundtable March 2019 Venue: GCC Office Guangzhou

> Speaker: Ms. Cherry Wu | Manager of HR & Payroll, Dezan Shira & Associates

On 29th March the German Chamber of Commerce in China | South & Southwest hosted the HR Roundtable in Guangzhou about the topic HR Compliance Audit and Risks in the Hiring Process, in cooperation with the British Chamber of Commerce Guangdong and Dezan Shira & Associates. The presentation consisted of two sessions, with one focusing on HR compliance audit in China and another highlighting risks during hiring and recruitment using case studies. The presentation was followed by an active discussion about the employment of retired employees, hiring Chinese students as interns and the establishment of an overtime agreement.



Location: Guangzhou **Event:** Visa Seminar April 2019 Venue: GCC Office Guangzhou Speaker: Mr. Martin Schwarz | Consul, Consulate General of Germany Guanghou; Ms. Lily Huang | VFS Global; Ms. Chiling Qin

On 23rd April 2019, the German Chamber held a Visa Seminar in order to provide its member companies with updated information about the new process, the preferential handling of visa applications for German Chamber member companies and to explain how and where companies can apply for business visas to Germany. Consul Mr. Martin Schwarz, Ms. Lily Huang from VFS Global, and Ms. Chiling Qin from the German Industry and Commerce presented the new regulations

and requirements for the Schengen business visa.

German Industry & Commerce

oth Location: Foshan

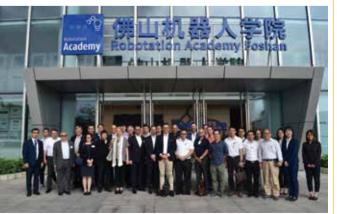
Event: GCC Business Delegation to Greater April 2019 Bay Area: Foshan

> Venue: FAW-Volkswagen, Foshan Investment Promotion Agency, Robotation Academy,

HSG Laser

On 9th April 2019, the German Chamber of Commerce in China | South & Southwest and Hong Kong led a group of 30 delegates to Foshan, the third largest city in Guangdong Province. The full-day program started with a company visit to the automobile manufacturer FAW-Volkswagen, where the delegates were given a company briefing, followed by an impressive visit to the assembly plant. The group was then invited by Foshan Investment Promotion Agency (FIPA) for a luncheon to better understand the investment environment in Foshan. In the afternoon, the group visited the Robotation Academy Foshan, the strategic platform for intelligent manufacturing, brand licensed by Deutsche Messe Technology Academy, as well as the industrial laser manufacturer Foshan Beyond Laser Technology Co., Ltd (HSG LASER). The day provided fruitful insights to the industrial ecosystem in Foshan and enabled further exchange in the Greater Bay Area.





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New Project Manager - Recruitment & Training **Services**



Ms. Ashley He obtained her degree in German language and literature from Guangdong University of Foreign Studies. Before she joined German Industry & Commerce (GIC) in Guangzhou, she has gained experience in human resources with a focus on recruiting international talents in a Germany company. As the successor of Ms. Frances Qiu. Ms. He will be the first contact person for recruitment services. Please feel free to contact her in Mandarin, Cantonese, English or German via +86 (0)20 8755 8208 or he.ashley@gz.china.ahk.de

Training Calendar - Guangzhou

4th-5th June Professional Administration Assistant & Secretary

Training (CN)

14th June Storage Rack Safety & Lifecycle Guarantee (CN)

15th June – 14th December Business German A1

27th-28th June Leadership Skills in the Changing Era (CN) 5th July Effective Business Presentation (CN) 16th July Business Email Writing (EN)

26th July Conflict Management (CN)

16th August Electrical Safety Management and Emergency Plan

22nd-23rd August Project Management Essentials (CN)

5th September Work Report Slides Designing and Presentation

Skill Training (CN)

6th September Advanced Business Applications in Microsoft Excel

Save the Date

The 3rd HR Summit South China will take place at 20th September 2019! More information about the event and sponsorship opportunities will follow.

For more information please contact:

Suzanne Su,

Senior Event and Marketing Manager Shenzhen

Tel.: 0755 8635 0485

Email: su.suzanne@gz.china.ahk.de

Training Highlight - Shenzhen

Communication, Influencing and Negotiation Skills

Date: 19th – 20th September 2019

Communication and negotiation skills are vital and the key success factors to all kinds of business nowadays. The program trainer will lead the participants to understand their own and others' interpersonal styles by applying the most updated methods. Participants will learn to improve their relationships with co-workers, customers, friends and family members to achieve success from various kinds of negotiation situations. The trainer will use real business cases and role playing to let participants be involved and experience the latest communication skills and negotiation process from different angles.

Target Group

Those who want to improve their communication skills and enhance negotiation skills in order to perform better in their career.

South & Southwest Contact:

Ms. Milly Zhao Tel.: 020 8755 8209

Email: zhao.milly@qz.china.ahk.de

Training Calendar - Shenzhen

13th June How to Create a Video Strategy for Your Company

15th-16th June Overall Risk Control and Enterprise Internal Control

12th July Highly Effective Talent Recruitment and Selection Skills

19th July Cross Department Communication Skills (CN)

2nd August Developing Sales Strategy (CN)

19th-20th September Communication, Influencing and Negotiation Skills

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Scan here to follow us on WeChat





SAVE THE DATE

ized by the AHKs in Greater China from 3rd to 5th of December 2019 in Shenzhen, the heart of the Greater Bay Area.

The main focus of the GCXD is the business to business exchange among Chinese and German entrepreneurs, executives, officials and stakeholders with an emphasis on interactive and innovative discussion formats, that allow for maximum turnover and meeting effectiveness.

Featuring interactive workshops, project sessions an exhibition area as well as social events. GCXD is a unique platform to meet new customers and potential cooperation partners, an opportunity not to be missed!

The first Greater China Xceleration Days (GCXD) will be organ- The Greater China Xceleration Days, Shenzhen, P.R. China December 3, 2019: AHK Innovation Night December 4-5, 2019: 1st Greater China Xceleration Days

> Please mark the dates in your calendar or email gcXdays.shenzhen@gz.china.ahk.de to receive program and event updates.

> We are looking forward to welcoming you in Shenzhen in December!

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* GCC All-China Board Member

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Introduction

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





Important Pillar

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



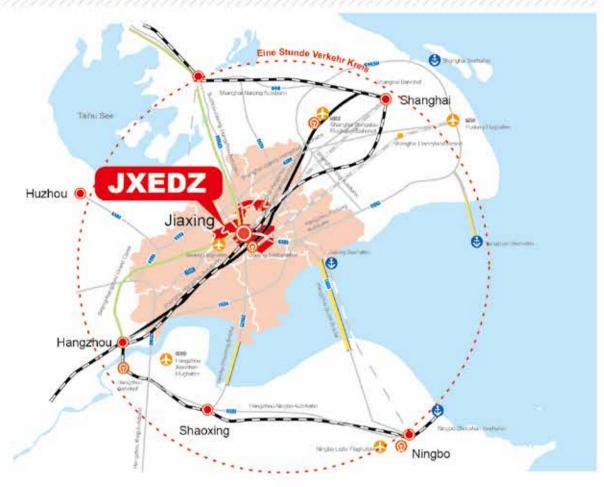
The core area of Sino-German (Cixi) SME Cooperation Zone is located in the Cixi High-tech Industrial Development Zone, with a planned area of 22 square kilometers. The plan will focus on autos and auto parts, smart equipment, new materials, as well as life and health industries. Gathering high-quality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







JXEDZ National Level Jiaxing Economic & Technological Development Zone





Verkehr

> Hochgeschwindigkeitsbahnlinie

Nach Shanghai 75km 25min Nach Hangzhou 75km 23min

> Autobahn

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

> Flughafen

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

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

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