COVID-19 SPECIAL

Media Image in Times of Crisis

Flash Survey: Impact of the Coronavirus Outbreak on European Business in China

COVER STORIES

The Four Stages on the Road to a Smart Factory

The Role of Intralogistics

FEATURE

An Overview of the Implementing Regulations of the FIL

China Industry Report: Seize the Future of the Commercial Aviation Industry
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<tr>
<th>Name</th>
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</tr>
</tbody>
</table>
Dear Readers,

Do you sometimes wonder if you have already understood ‘tomorrow’? As a production company, do you ask yourself, particularly in times of crisis: what will the factory of the future look like? How can you maintain plant efficiency while at the same time cater to the ever-changing demands of the market? How can the evolution of smart factories – meaning greater machine automation – to intelligent factories – characterized by hyper-agility, autonomous production, the usage of big data and real-time data transfers – can serve as a transformative force for business?

Digitalization already helps us accelerate processes in our private and business lives: navigation systems, smartphones, digital work, and collaboration methods - you name it. During the exceptional situation of the coronavirus epidemic, some companies in China have digitized work processes and business models at breathtaking speed, which can certainly be carried on in many cases - even after the crisis.

Why should companies focus on digitization and transformation, especially in times of crisis (whether it is coronavirus pandemic, declining global growth forecasts, or profit warnings)? And how does a smart factory of the future look like?

The smart factory consists of much more than just a few clever robots or data collection: fueled by Industrie 4.0 and the industrial internet of things, a new kind of factory is emerging to address customer trends, such as the need for customized products in small batches or reduced downtimes – one that is cloud connected and structurally flexible. The factory of the future is smart, connected, and data-driven; a self-managing system of systems; a hub of human-machine collaboration; autonomous and self-adapting. At the core of the smart factory is a precisely-programmed algorithm and thus production lines on demand. How can the expectations of the factory of the future be translated into reality? To use data to accelerate output, generate higher yields, and lower mean time to repair.

In this issue, Ingenics explains how to implement a smart factory in four stages; we explore the field of intralogistics and its crucial role in the factory of the future; Kuka describes their Matrix Production concept and how it will enable versatile production on an industrial scale in the future; and much more.

Finally, in light of the current situation, we will examine the effects of the COVID-19 outbreak on businesses in China, and review the relief efforts made by the German Government and German companies in China.

We hope you enjoy this issue of the German Chamber Ticker.

Yours Sincerely,
Jens Hildebrandt
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- 16:30  Relax in the Club Lounge
- 17:30  Programme wrap-up and departure

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Shenzhen Energy Eco-Park Introduces Sustainable Innovation

In order to meet global goals for sustainability and invoke environmental awareness, China plans to roll out ten demonstration areas nationwide, promoting sustainable growth combined with innovation. Six such zones were inaugurated so far, among them the Shenzhen Energy Eco-Park, located in the city’s suburban Yantian District.

The Shenzhen Energy Eco-Park acts as a green lung in the bustling city, offering vivid scenery and mountain views while promoting eco-friendly technologies and industrial tourism. At the park’s heart is a modernly-designed garbage-fueled power plant, surrounded by gardens and coffee shops.

In the past few years, China has been gradually introducing numerous policies aiming to preserve the environment and halt global warming. The private sector soon followed suit, with the booming sharing economy in China showcasing the practical practices of sustainability: more than 760 million people in China use sharing services in sectors like transport, accommodation, and catering.

Other key industries include research centers targeting carbon emission reduction, solar energy, and sustainability development in China.

China Performs First Robot-Assisted Brain Angiography

A surgical team in Beijing Tiantan Hospital performed China’s first robot-assisted brain angiography in January. The team conducted the minimal-invasive surgery using a remotely-controlled, China-made surgery robot. The use of a medical robot to perform angiographies serves to minimize human involvement in the medical
imaging technique, known to expose medical staff to a high dosage of radiation.

China has been investing heavily in Artificial Intelligent technologies in recent years, and AI-related fields are constantly expanding. China’s AI market is structured to focus on the service sector, health care, and telecommunications. AI research is expected to bring about breakthroughs in healthcare and genetics, as well as transforming traditional market routines by using big data in trading.

**5G Application Accelerates as Research for 6G Begins**

China’s developments in the field of 5G networks continue to pave the way for ground-breaking innovation in the medical, education, and transportation sectors. A prominent example is the new, 5G-based eye hospital that is currently undergoing construction in Xiamen. The hospital is the fruit of cooperation between the Xiamen Eye Center of Xiamen University, China Telecom, and Huawei. The new 5G technology is expected to realize projects such as live streaming an eye surgery and remote surgical guidance.

One of China’s tech hubs, Shenzhen, is undergoing a 5G transformation of local subway systems, implementing new technologies in its stations. The new systems include face recognition and intelligent behavior analysis, allowing to track and identify suspicious behavior. The network will enable transmission of vast amounts of data from the train to the station, and will include functions such as lost luggage alerts and tracking of missing passengers.

5G is also extending its reach to the deep blue seas: Hainan province is developing smart ocean technologies to start aquaculture projects with caged fish. The new technologies allow cages to measure and share environmental statistics deemed vital for fish, such as temperature, water salinity, dissolved oxygen, and chlorophyll levels.

The race for network superiority, however, is not over. Jiangsu’s Southeast University has already begun researching 6G mobile networks. While 6G is not likely to be in commercial operation until 2030, it is expected to bring about a much broader field coverage, with higher speed and greater security.

**Investing for the Future of Automation**

As smart manufacturing is becoming more and more integrated within industries worldwide, the market’s need for specialized talents is steadily increasing.

Gaining the necessary knowledge for the development of smart manufacturing has been a top priority for Guangdong province since 2014. In the province’s city of Dongguan, a staggering USD 5.6 billion were invested in automation, over the course of three years alone. Calculations show that the investment reduced the need for approx. 200,000 workers.

In the southern province of Guangdong there are almost 700 vocational schools, totaling 2.23 million students. In the past, many of these students have attended single, isolated courses to learn a specific skill or technology. But as the market shifts, schools are upping their curriculums’ requirements, and students today must study a range of integrated courses in order to cope with automation. For example, students learning 3D printing are now also required to take additional courses in topics ranging from model building and digital control to design and assembly.
German Companies Take Action

German Companies Actively Support Wuhan’s Fight Against COVID-19

The coronavirus (COVID-19) epidemic broke out late last year, immobilizing millions and sending shockwaves throughout local and global markets. To support China’s efforts in battling the disease, The German government, alongside companies in Germany, donated a total of 14.1 tons of medical supplies to China in February. German companies in China joined the efforts, contributing money and merchandise to support the cause. Based on our research, as of 5 March, German companies donated nearly RMB 274 million worth of cash and supplies. China is one of the most important trading partners for Germany: More than 5,200 German companies operate in the country, having created approximately 1.1 million jobs in China.

Based on our knowledge and research at the time of editorial deadline, the following companies have donated to Wuhan and other cities in need (in alphabetical order):

- adidas
- B&R Concept GmbH
- B. Braun
- BASF
- Bayer
- Beiersdorf
- BMW
- Bock China Ltd.
- Boehringer Ingelheim
- Borgers (Shanghai) Trading Co., Ltd.
- BOSCH CHINA
- Brose
- BSH Home Appliances Holding (China) Co., Ltd.
- BUTTING
- Covestro
- Daimler Greater China (incl. Beijing Mercedes-Benz Sales Service Co., Ltd., Beijing Benz Automotive Co., Ltd., and their dealership partners)
- DB Schenker
- Devolo Asia Consulting (Shenzhen) Co., Ltd.
- Dräger
- ETS Lighting
- Fresenius Kabi
- Freudenberg
- Goetze Valves (Kunshan) Ltd.
- Grohe
- Hape Holding AG
- HARTING (Zhuhai) Sales Co., Ltd.
- Heraeus Noblelight (Shenyang) Co., Ltd.
- HIPP
- Hugo Boss AG
- Hui Zhou En Tai Sheng Lighting Co Ltd.
- Kärcher China
- KARL STORZ Group
- KRONES
- KUKA China
- LANXESS
- Linde plc
- MEIKO Wash-Up Technologies Ltd.
- Melchers China
- Merck
- MIKRO PARTNER CHINA, (and Clariness GmbH, Kowski Sanitäterhaus, Mr. Jürgen Meyer, Friedrich A. Kruse jun. Internationale Spedition e.K.)
- NIVEA
- Optibelt Power Transmission (Taicang) Co., Ltd.
- QIAGEN
- Ruhlamat Automation Technologies (Suzhou) Co., Ltd.
- SAP China Co., Ltd.
- Schaeffler
- Siemens and Siemens Healthineers
- Employees from Siemens entities in China
- STIEBEL ELTRON China
- Taylor Wessing
- thyssenkrupp
- Vector Automotive Technology (Shanghai) Co., Ltd.
- ViscoTec
- Volkswagen Group (incl. VW, Audi, Porsche, Skoda, Bentley, FAW Volkswagen, SAIC VOLKSWAGEN, etc.)
- Voith Paper (China) Co., Ltd.
- Vorwerk
- Würth (China) Co., Ltd.
- ZENNER
- ZF

Disclaimer: All information listed above is based on companies’ statements, and was compiled to the best of our knowledge and belief. We take no responsibility for the accuracy of information provided by external sources.
Flash Survey: The Impact of the Coronavirus Outbreak on European Business in China

COVID-19 Severely Impacting Business; Trade Associations Call for Proportionate Measures to Get Real Economy Back on Track

Between 18 and 21 February 2020, a total of 577 member companies of the German Chamber of Commerce in China and the European Union Chamber of Commerce in China participated in the chambers’ joint flash survey on the impact of the Coronavirus outbreak on European business in China. The results were released on 27 February in a joint press webinar. The results show that the impact has been severe overall, with every single survey respondent suffering the consequences to varying degrees, while being subject to restrictions and often conflicting regulations. Many companies that have been permitted to reopen lack the necessary inputs/staff to resume full operations, the customers to buy their goods/services or the means to move goods and people to meet demand.

Key Findings

- Almost 90% of the respondents report a medium to high impact, while half plan to lower annual business targets.
- Nearly half of respondents forecast a double-digit drop in revenues for the first half of 2020, and a quarter expect to see a drop of over 20 percent.
- Major challenges include unpredictable rules, highly restrictive quarantine demands and extensive preconditions to restart operations.
- Half of the respondents face inconsistent rules applied across different jurisdictions and at different levels of government, which can frequently change, often at short notice. For example, deliveries can be subject to multiple onerous restrictions when passing through provinces, cities and even districts.
- More than 300 European companies are actively supporting efforts to contain the COVID-19 outbreak, and around 70% have donated medical equipment to crisis regions, contributed financially to the fight against the virus, and supported logistically.

“China finds itself performing a precarious balancing act with two important but divergent tasks: keeping firm with virus prevention measures while fighting for a return to economic normalcy,” said Dr Stephan Woellenstein, Chairman of the German Chamber of Commerce in North China. “This will require the Chinese Government to release supporting measures for those most affected—especially SMEs—until operations normalize.”

“The patchwork of conflicting rules that emerged from the fight against COVID-19 has produced hundreds of fiefdoms, making it next to impossible to move goods or people across China,” said Joerg Wuttke, president of the European Union Chamber of Commerce in China. “While virus containment is the most important task, standardizing measures across larger jurisdictions should also be prioritized to get the real economy back on its feet.”

### ALL RESPONDENTS ARE IMPACTED, AND THE IMPACTS ARE COMPREHENSIVE AND SEVERE: CURRENT IMPACT

<table>
<thead>
<tr>
<th>Impact Level</th>
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<tr>
<td>High impact</td>
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<tr>
<td>Medium impact</td>
<td>30%</td>
</tr>
<tr>
<td>Low impact</td>
<td>7%</td>
</tr>
<tr>
<td>Too early to state</td>
<td>4%</td>
</tr>
<tr>
<td>No impact</td>
<td>5%</td>
</tr>
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### ALL RESPONDENTS ARE IMPACTED, AND THE IMPACTS ARE COMPREHENSIVE AND SEVERE: MAIN EFFECTS

Please specify how your business in China has been affected by the novel coronavirus outbreak so far. (per sector and issue)

### ALL RESPONDENTS ARE IMPACTED, AND THE IMPACTS ARE COMPREHENSIVE AND SEVERE: BUSINESS REVENUE AND OUTLOOK

To what extent will the novel coronavirus outbreak and the resulting prevention and control measures impact your company’s revenue in the first half of 2020? (n=546)

### Expected Impact on Revenue in H1 2020

- Decrease of up to 10%: 22%
- Decrease of 10% to more than 20%: 48%
- Too early to state: 24%

### Do you plan to adjust your company’s 2020 business performance target? (n=546)

- 5%: 6%
- Too early to say: 36%
- Maintain the target (moderate/significantly): 48%
- Lower the target (moderate/significantly): 11%

### A RETURN TO STABILITY IS URGENTLY DEMANDED, AND SUPPORT MEASURES SHOULD BE ROLLED OUT IMMEDIATELY

STABILITY AND SUPPORT NEEDED

Regarding the novel coronavirus outbreak, what kind of support measures would you like to see introduced by the Chinese Government for your specific business? (n=414, a absolute number of entries).

<table>
<thead>
<tr>
<th>Support Measure</th>
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<tr>
<td>Financial support to reduce operational costs (e.g. rent reduction, wage compensation, bank loan)</td>
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<tr>
<td>Corporate tax reductions/deferrals</td>
<td>97</td>
</tr>
<tr>
<td>Release of transportation and commuting restrictions</td>
<td>89</td>
</tr>
<tr>
<td>Provision of health protection equipment (e.g. surgical masks)</td>
<td>36</td>
</tr>
<tr>
<td>Unified regulations to ensure business (no bureaucracy)</td>
<td>70</td>
</tr>
<tr>
<td>Transparent communication to/from authorities</td>
<td>32</td>
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</tbody>
</table>

### EUROPEAN COMPANIES ASSIST IN FIGHTING THE VIRUS

**DONATIONS AND SUPPORT GIVEN**

Is your organisation providing any of the following to support the Chinese Government’s efforts to contain the novel coronavirus outbreak?

- Medical equipment: 49%
- Business advice: 18%
- Financial guarantees: 18%
- Legal support: 14%
- Business advice: 14%

We provided special UV lamps for the newly built hospitals in Wuhan.

We donated safety wear and comfort items for frontline medical staff.
Media Image in Times of Crisis: How COVID-19 Impacts Companies’ Reputation

News about a spreading epidemic cannot be good news. But does it necessarily have to be bad news for companies?

UNICEPTA analyzed Chinese print and online media news coverage of 15 companies from five industries: automotive, aviation, chemical, IT, and pharma. The systematic media analysis examined the amount of media exposure, the tone of the coverage, and the main topics of reporting. A total of 4,770 articles were analyzed, all published in the four weeks from 20 January to 19 February 2020, and all mentioning the outbreak of the novel coronavirus and one of the 15 companies.

While the 15 companies are not representative of all enterprises in China, they are nevertheless interesting case studies. COVID-19 is a topic relating to all companies in all industries. This is no surprise: in a time of crisis, not communicating is not an option. On the contrary – over-communication is better than a lack of information.

According to the analysis, IT and automotive companies were more often in the news than other industries. Airlines were quite prominent in the first two weeks, but received less media attention later. Pharmaceutical and chemical companies had less coverage throughout the duration of the research.

The Story Unfolds

Epidemic-related news coverage of corporates started on 20 January. Beforehand, China alerted the WHO about mysterious new pneumonia (31.12.); the virus was identified as 2019n-CoV (07.01.); and Xinhua news agency reported the first novel coronavirus death in Wuhan (11.01.). During this early period, the outbreak was not a news topic in any way connected to company news.

This changed, however, when Xi Jinping addressed the public on 20 January, giving orders on how to contain the outbreak. On the same day, China confirmed human-to-human transmission of the novel virus, and the first articles concerning companies were published. On 21 January, People's Daily featured a novel coronavirus story on its front page. From then on, domestic Chinese media covered the unfolding crisis, and many of their stories were related to companies and business operations.

Tourism and travel companies were among the first ones to appear in the news. That poses little surprise, given the Chinese New Year holiday on 24 January and the travel rush associated with it. The public learned about emergency plans and special refund policies, but also about falling aviation stocks.

Source: UNICEPTA
The lockdown of Wuhan on 23 January started a second phase: the stage of early donations. In the following days, companies from various fields – and especially from pharma, automotive, and IT sector – outtrumped each other with donations of money and goods.

Starting from 30 January, a new topic gained visibility: the impact of the outbreak on the economy. Flights to and from China were suspended; stores and plants were closed, holidays extended.

Production lagged behind; deliveries were delayed.

**Services Catch the Media’s Attention**

The crisis is a challenge, but also an opportunity, and so positive news about new business opportunities followed. The IT companies were especially active, launching platforms for online education services such as “learning at home” programs, or the sourcing of medical supplies delivery. On 10 and 17 of January, peaks in media coverage were caused by companies resuming work and restarting their operations.

Although the continuing spread of the outbreak was a serious situation for everyone, media coverage remained mainly positive, especially for pharma, chemical, and IT companies. The coverage of the automotive industry seemed to be more critical, and there was far less positive news about airline companies.

By combining media exposure and tone of coverage, three clusters could be identified: automotive and IT industries were the ‘media darlings,’ with a lot of positive coverage. The tone of the coverage was even better for chemical and pharma enterprises, but they received less visibility. Finally, the airline companies enjoyed high media exposure, but the news was not very positive.

Companies responded to the coronavirus contagion with many different activities, but not all of them sparked the media’s interest. It was not the safety measures, the donations, nor the business impacts that dominated corporate coverage, but rather news about services: the suspension of services, the adjustment of services, or even brand-new services were highlighted in the media. Donations or other types of support were nearly as visible, followed by the impact on business, safety measures, and cooperation with the government.

**Companies Give Back**

The epidemic was – and still is – the right time to boost CSR activities, and 14 of the companies analyzed made donations or gave some sort of support. Some did it once, others twice, a few even gave three times during the first weeks alone. While the situation evolved and the needs changed, activities had to be adjusted accordingly: In the beginning, we saw an urgent, critical need for medical supplies and protective equipment for the frontline workers in Wuhan. For companies that could not contribute anything that was urgently needed, there was no need to rush, but better to wait and evaluate what would be needed at a later stage.

Donations or other types of support were a topic in four out of ten articles, and media coverage was nearly always positive. With so many companies competing for attention, it was not easy for companies to stand out. If you cannot be the first mover, it could be a good strategy to be the first one who supports another region, while everyone else is concentrating on Wuhan. Another option is to donate a unique product or service, or to support a unique target group. Medical staffs were not the only ones that needed support - their families needed it too. There were tourists who could not return home, workers who did not get paid. Juneyao and Hainan Airlines, for example, earned praises for bringing tourists home to Hubei from Osaka and the Philippines.

Media interest is also guaranteed if the donation is just big enough: Alibaba donated RMB one billion, Tencent donated RMB 1.5 billion. The ones who donated at an early stage might have realized that the sum was not high enough, and so a second donation might have followed.
The Quarantine Economy

And then there are operations themselves. Some companies suffered from the outbreak more than others, but it is safe to say that the epidemic disrupted everyone’s business life. For many, it meant a decline in business, cancellations, decline in revenues, share price falls, supply chain and logistics challenges, storage problems, limited production capacity, and many more. One-third of the articles referred to impacts on business, and this topic earned the most negative news. Some companies had to publish their financial results during this period, and the impact on business growth was naturally not positive.

Therefore, it is important to balance critical issues with positive news, and the analysis shows that many companies did exactly that. During a crisis, companies need to get back to business and rebuild market confidence as soon as possible. One narrative most companies told was that the negative impacts are only temporary, and a noticeable rebound is expected once the outbreak comes to an end. The results showed that some companies even profited from the outbreak: IT companies announced revenue growth.

In Chinese, the word ‘crisis’ is made up of two characters: danger, and opportunity. During times of crisis, it is important to stay close to the customers, and to adjust products and services to the new situation, preferences, and demands. Nearly half of all articles mentioned services, and, most often, coverage was positive. For example, some companies helped with more flexible payment terms, or offered services free of charge. For others, the crisis even brought new business opportunities: When everything is closed, people stay at home and use online and e-commerce services, such as online shopping, gaming, entertainment, education, and even online work. The outbreak has radically changed consumer behavior, resulting in what some call the “quarantine economy” or “homebound economy.” To accommodate this growing trend, companies are shifting from in-person transactions to digital ones.

These services now also attracted older consumers and lower-tier residents, who did not necessarily use them before. IT companies were naturally at the forefront of this revolution, but companies from other industries also launched various online services.

During the peak of the outbreak, people spent more time with their families and were interested in all kinds of indoor activities, like home cooking or in-home fitness exercises. Health was a prominent topic: how to strengthen the immune system, how to stay healthy, where to find medical information, how to consult a doctor without a physical examination, etc. IT and pharma companies helped to promote such services.

Safety Measures from the Media’s Point of View

Unlike services, the companies’ safety measures were not a big topic in the news. The safety of employees is, of course, a prior concern for all companies, and internal communication is extremely important in order to provide facts and safety instructions. Companies documented the whereabouts of their employees, took daily temperatures, stocked up on protection gear, regularly sanitized all work areas, and much more. When possible, companies let their employees work from home and restricted travel.

Safety measures are essential, and everyone implements them, but this is not a topic for headlines. Only one out of four articles mentioned them, typically focusing on the impact on business and touching on safety measures passingly, often in the context of companies resuming work. The only exception was safety measures that target not only employees, but also customers (such as in travel or restaurants). Having said that, safety measures were a positive topic, and no coverage criticized the precautions the companies took.

Finally, the last main topic the study identified is cooperation with the government. Companies needed to closely monitor all announcements, fully cooperate with the government, follow the instructions, and report back. While it is an extremely important issue for corporate affairs’ teams, it is not an interesting topic for journalists. Cooperation with the government received very little news coverage, only mentioned in passing in one-tenth of the articles, often along with other topics like the resumption of work or safety measures.

Conclusion

During the first few weeks, since the outbreak became public, all companies analyzed were featured in the news. Although the situation was severe, the tone of the coverage was predominantly positive. COVID-19 presented the companies with the chance to position themselves as close to the customer as possible, engage in social responsibility, commit to the safety of their employees, and comply with government regulations.

But COVID-19 was also – and still is – a challenge for external communications. The challenge of presenting the negative impact on business as only temporary, and to counter it with positive news about new services and business opportunities, still remains. While the virus outbreak in China seems to be nearing its end, it continues to spread across the globe, further straining the economy and challenging individual companies.

UNICEPTA’s analysis was conducted between 20 January 2020 to 19 February 2020. The research included the following companies: BMW, Tesla, Didi Chuxing, BASF, Wanhu Chemical, Evonik, Lufthansa, Juneyao Airlines, Hainan Airlines, Roche, Pfizer, Novartis, Lenovo, Alibaba, and Tencent.

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The Four Stages on the Road to a Smart Factory

Business owners and managers, faced with the decision of whether or not to initiate digitization measures, often only have a vague idea of what this process actually entails. If you could show them that production processes in the future will be dominated by greater product individualization and shorter product life cycles, they’ll agree. They also understand that major changes to the factory system are to be expected. The concrete benefits of digital transformation and complete connectivity – efficiency, adaptability, decentralization, modularization, adaptation to people’s needs, intelligent buildings – are utterly convincing.

In many cases, big data, advanced analytics, visualization via augmented and virtual reality, and collaboration and communication platforms are already established tools. But only the use of artificial intelligence (AI) will allow the company to tap into its full potential. The use of AI in production requires a goal-oriented, multistage approach: Companies will only be able to fully leverage the potential of AI as the final step after developing scenarios to simulate and calculate parameters such as batches, batch sizes, and production orders, on the basis of data transparency and intelligent real-time processing. In practical terms, reorganization and restructuring around the use of AI means that they need to consider modifications or the construction of new buildings in order to maximize the benefits of the smart factory as a source of added value and to secure their long-term competitiveness.

Regardless of whether companies modify factories or build new ones – the number of greenfield and brownfield projects being carried out is roughly the same – the process of “becoming smart” can be divided into four stages.

Even though such a project is always planned and implemented in several stages, digitization must be considered from the very beginning and play a role in every decision. If possible, all modules should be planned at the same time, in order to take all possible dependencies into account when designing the IT processes.

**Connectivity Follows Analysis**

Although Industrie 4.0 has been a hot topic for many years, numerous companies still stand at the beginning of their own digital transformation. Some of them haven’t even begun consistently converting paper-based information into electronic formats. In stage one, the "Transparent Factory," companies must analyze the existing KPIs and business intelligence to determine and assess what has already been achieved and what effects can be generated from the existing systems and technology.

On this basis, in stage two, the "Responsive Factory," the company then needs to expand connectivity in order to digitize and integrate new systems, machines, and processes. Real-time information already comes into play at this point, in order to make planning predictions through the use of algorithms. If before people could only look into the past and analyze historical information to determine what the problem was, now the objective is...
to gain real-time capabilities to identify acute problems and find solutions.

Stage two already enables the use of a digital shadow that provides information about problematic areas and, as a digital representation of the physical factory, supports management in making decisions. To achieve this, machines must be given the ability to share real-time data, e.g., via intelligent connectivity and sensors. When it comes to older machines, image recognition using cameras increasingly offers opportunities to capture data. Open and standardized interfaces such as OPC UA are becoming increasingly important as a basis for automation decisions - particularly in order to transfer machine data to the control level in a uniform manner and to include a semantic description of the transferred information.

**From Simulation to Digital Twin**

As soon as the conditions for generating and using real-time data for production and logistics are in place, companies can start looking for suitable mechanisms, algorithms, and models to make predictions. Which problems will require which solutions? How can we avoid the problems of the past using predictive systems in the future? In stage three, the “Predictive Factory,” companies can simulate future processes and develop new scenarios. AI has now, at the very latest, become a key success factor. Initially, "weak" AI reveals technical possibilities that will enable machines to interact intelligently with their environment. These kinds of smart systems have long been elements of everyday applications, such as smartphones, translation services, or navigation systems. But this is all still predominantly based on predefined rules and scenarios. The greatest challenge is replicating process rules so that information can be interpreted and systems themselves can make suggestions for improvement.

Taking one step forward, we finally reach stage four: the “Intelligent Factory.” We know we’ve reached this point when we have the ability to create complex, partially or fully autonomous systems. This is the ultimate goal of the four-stage model – implementing algorithms that grant autonomy to individual subsystems and control themselves, meaning they respond “benevolently” and intelligently to changes in the underlying conditions. Machine learning as a subdomain of AI is a fundamental component at this stage, in which algorithms are used to reveal patterns and relationships in the data. These then serve as the basis for a precise, intelligent, and autonomous process control. Machine learning thus lays the foundation for an intelligent, programmable factory. Of course, the road to machine learning systems is paved with time-consuming periods spent training complex neural networks (which are based on the processes in the human brain and are used, for example, in simulation environments to train recognition and gripping performance in robots). For this purpose, adaptive systems are gradually created using large quantities of data to model complex issues. Individual machines and systems can be connected to an AI-controlled and cloud-based software layer that enables “autonomous” flexible factories to be configured, monitored, and managed in such a way that rapidly-changing requirements can be implemented quickly and easily.

During the transition to stage four (at the earliest), we can finally close the loop to the extent that, on the basis of real-time data, the digital shadow becomes an operational digital twin that can automatically evaluate and adjust data or predict future system behavior, thus constantly improving the quality of our forecasts. Maintaining the balance between human and machine expertise in a smart factory will become one of the main challenges of the future.
You Can’t Have Digital Without Lean

Implementing the intelligent factory in the real world, however, will not take place quite as schematically as it does in theory. This is because each stage of our four-stage model has very different requirements. One of the fundamental ones is an agreement on standards: if the stakeholders cannot reach a consensus, the factory will not make it to the first stage. In order to be able to digitize processes at all, we need to have a good handle on them. This is where the lean approach comes into play: only a lean process can be digitized to the extent necessary to even be able to identify it as a requirement for passing through these four stages.

Another basic requirement, that is likely to be no less important in practice, relates to mindset: In order to get people on board right from the beginning, companies need to analyze employees’ attitudes and behavior patterns and help them adjust their mindset accordingly. For example, it’s crucial to heighten their awareness of the importance of managing data systematically, while at the same time making sure that talking about standards or semiautonomous systems doesn’t fuel individual fears of becoming redundant and trigger defensive reactions. Although the transformation to an intelligent factory won’t necessarily lead to a “black factory” that can continue to operate without requiring people on the shop floor, employees’ roles will continue to change dramatically. Someone who used to plan and organize processes may, in the future, work as an analyst, interpreting data, drawing conclusions, and monitoring systems.

In the People’s Republic of China, some technologies are developing faster than Western societies’ standards, regulations, and ethical concepts can keep up with. If a country with 1.4 billion people can process a correspondingly enormous amount of data and thus rapidly “train” AI without being too hampered by privacy regulations, it can achieve competitive advantages that will be difficult to match. Open AI, a non-profit research organization dedicated to AI and supported by figures such as Elon Musk, warns against this development. However, this is not expected to change anything: The economic race is determined by the question of data sovereignty. The company that generates the most customer information and data with its products will usually be the one that succeeds in the market.

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As digitalization and automation are gradually taking over every aspect of our lives, factories around the world face existential questions: How will new technologies shape the factory of tomorrow? How do we maximize the production line’s capability? How do we increase the turnover rate in the factory warehouse?

An intralogistics specialist could answer these questions and more. Intralogistics supports the optimization and automation of production and distribution procedures, whether it is information flow or materials handling. With Industry 4.0 well on its way, the traditional methodology of intralogistics is changing rapidly. New startup companies come out every so often, trying to resolve the various pain-points of the industry. This article examines several aspects of intralogistics and its role in the factory of the future.

**IoT and Scanning**

IoT (Internet of Things) is undeniably the key to future factories in every aspect – running state monitoring, product tracking, predictive maintenance, and so on. From the intralogistics perspective, however, every material should be labeled with a certain technology, such as a barcode, QR code, RFID, NFC tag, etc. These empower the material by becoming digitalized in the digital world. For example, the barcode scanner has been slowly developed over the decades. Recently, due to technological breakthroughs in the battery, laser, and mobile devices, the scanning device is transforming from a hand-held device to a wearable one, such as ring scanners, glove scanners, and smart glasses. In the traditional warehouse surroundings, the picker usually works with a trolley and a hand-held scanner. The picker then needs to walk to the right location, grab the scanner, scan the products, lay down the scanner, then move the products from the rack to the trolley. With the wearable scanner, however, the action of picking up and laying down the scanner would be eliminated. The scanning and moving of the products will be combined – a move that, as data shows, could increase productivity by 29%.

**Computer Vision**

With the ongoing developments in machine learning, computer vision moved from mere research to the stage of practical application. Nearly all cloud computing platforms today are equipped with image recognition capabilities to identify the objects in a picture. These capabilities extend to several applications, including:

- Automatic quality check: A quality check that compares the tested image to the expected one. Through the camera and the originally-design blueprint, computers run the quality check to ensure the manufactured products are aligned with the original design.
- Verification of parts during assembly: Assuring the right parts have been selected in the assembly process to reduce manufacturing rework.
- Automatic picking by robotic arms: Using 3D cameras to empower robotic arms with the capability to pick the right products out of a group of merchandise.
- Batch scanning and counting: Traditional scanners usually require the employee to scan each tag separately. The RFID was designed to resolve this issue, yet its accuracy rate has been affected by various factors. Computer vision, however, could help to scan and count using only an image, with a fast and easy-to-use system.

**Smart Yard**

Logistics is not restricted to the warehouse or the assembly line – it happens on the road and in the factory’s surroundings. IoT and mobile technology can also help implement a smart yard in many factories. Actions such as communicating with the truck driver in the warehouse or checking which dock is available were traditionally done with a ‘walkie-talkie.’ But now, with new IoT and computer vision abilities, factories can use IoT sensors to monitor the loading/unloading dock and report the status to the dispatch center. IoT sensors provide a wireless solution to reduce installation and maintenance costs. In some cases, if the factory is brand new, the IoT sensor will be replaced with a video camera, which is more accurate and brings the added value of security. Meanwhile, the front gate car plate recognition could integrate with the smart yard system to ensure only approved trucks could sign into the factory area. With mobile technology, the driver could know which dock to go to, reducing congestion in the factory.

**Material Handling – Moving Robots**

The acquisition of Kiva by Amazon proved that the goods-to-person method is a valid and efficient way for warehouses of e-commerce businesses to operate. Various robotic products started their journey in these kinds of warehouses. Among them are different types of moving robots, such as:
• Moving robots guided by 2D barcodes (Kiva-like). These types of robots have been in common use in the goods-to-person warehouses. They move products from the rack to picking stations, reducing the picker’s walking distances. The robots have various payload capacities, with some able to carry up to one ton.

• Collaborative moving robots. Zone picking technology is applied to these robots in most cases, and they are used to move around the warehouse instead of the employees. The pickers could then focus their attention on certain areas. Most types are equipped with light detection and ranging (LIDAR) or computer vision technologies to support automated travel in the warehouse.

• Robots with a combination of two/three features:
  1. ASRS shuttle with moving robots: Provides a low-cost solution similar to ASRS for warehouses with four to five floors. Robots equipped with a shuttle to retrieve and return bin boxes from the rack to the human picker and vice versa. The robot can fetch 4–5 bin boxes in one round.
  2. ASRS shuttle with elevating and moving capabilities: In the traditional ASRS design, the shuttles are fixed in the ASRS system. However, this type of robot could lift itself to the ASRS rack, fetch a bin box and move to the picking station. Through its flexibility in elevation and movement, the number of shuttles could be increased in a high density warehouse. The picking capacity increases accordingly.

Material Handling – Robotic Arm

The robotic arm is the most widely used piece of automated equipment in the modern factory. The current trend is to leverage computer vision to take the flexibility of the robotic arm to the next level. In the field of intralogistics, the following scenarios are commonplace:

• Palletize/Depalletize. Normally, the parts/products are shipped using pallets. Therefore, in intralogistics, a great deal of work goes into palletizing and depalletizing materials. From the warehouse management perspective, sorting and re-palletizing are essential elements in the inbound process, used to store non-pallet parts in the warehouse as well. Internally, the robotic arm could help lift the box to the conveyor belt, which is the most labor-intensive work in the process. For the outbound process, the arm could help move the products/package from the conveyor belt to the pallets, fulfilling the palletizing procedure.

• Co-packing. Since robotic arms usually lack any safety sensor, a small fence is installed around them to ensure the safety of the employees. For that reason, the co-packing collaborative robotic arm was invented: this small, flexible robotic arm has a strong learning capability and sensors, and is able to work together with workers. It provides a low-cost alternative for the production line and allows a certain level of flexibility to the customization production.

System Integration

New technologies often generate ‘buzz.’ A fancy new product is a good showcase for internal stakeholders or customers. However, for buyers to capitalize on these new technologies, the product must maximize their productivity and reduce their costs. In many cases, companies apply new technologies and products prematurely, neglecting to integrate them with the IT systems. Many technologies still require a lot of human intervention, reducing their positive impact. As long as they integrate with MES (Manufacturing Execution System), WMS (Warehouse Managing System), and RCS (Robotics Control System), these new technologies could work together smoothly. With modern big data and data analytics capability, they can provide valuable information to the company.

Looking to the Future

Nowadays, intralogistics is facing two significant challenges: One is the labor shortage – millennials treat the supply chain as an ‘old’ and boring profession. With new technologies emerging, however, intralogistics is transforming from manual labor to a more technology-powered environment. It helps companies attract the new generation of employees and increase productivity. The second is pressure from upper-management - With the development and maturity of automation designed for future factories, intralogistics is getting more attention from the executive team and technology innovators – for better or worse. The field continues to grow and evolve, and we are likely to see more and more innovative products in the future.

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With prosperity on the rise worldwide, individual fulfillment and the freedom of the individual are growing in importance. Consequently, consumer behavior is shifting toward customization, shaking the foundations of mass production and significantly impacting production costs. Companies came to realize that it is no longer possible to satisfy individual customer requests using traditional mass production – new, innovative approaches to production are required.

In order to answer the growing need for personalization in production, the Matrix Production system was invented. Matrix Production is part of the flow production method and is based on categorized, standardized production cells. The cells are arranged in virtually any number on a grid layout. Unlike traditional production processes, in Matrix Production, the logistics and production operate separately, allowing for greater flexibility and diversity in the process.

**Customized Mass Production**

In order to accommodate the trends of individual customers, while remaining cost-efficient, companies should develop customer-focused business models and employ intelligent, adaptable production technologies. The objective of customer-oriented mass production (mass customization) is to maintain overall factory efficiency. The crucial factors of availability, performance, and quality must not drop to a level lower than that of traditional series production. Additionally, companies must ensure an attractive return on investment and the fastest possible time to bring new products to market.

The key lies in establishing standardization and automation in the highest levels, which in turn will provide the scope for variations on customer-relevant product features. Furthermore, modularization – which allows customers to configure products based on a modular system – is a cost-efficient way of satisfying individual customer requests in high quantities and with a high-quality product.

Mass customization is the personalized mass production of customized products and services. This production method combines the advantages of two production modes – mass production and custom production. Mass customization aims to meet the needs of consumers for individuality through ‘customization,’ all the while ensuring the economic benefits of the enterprise and reducing product costs – through the ‘mass.’ This not only leaves the customers satisfied, but also allows the company to remain profitable – a ‘win-win’ situation for customers and enterprises.

**Industrie 4.0: Flexibility and Automation**

The era of Industrie 4.0 and increasing customization marks a much-needed shift in production methods. Volatile markets make the manufacturing in small batch sizes ever more important. Companies face the challenge of increasingly producing an ever-growing number of variants and models of a certain product, in constantly-shifting quantities. Several factors contributed to this phenomenon, among them the increased degree of customization in the automotive industry.

In the future, flexible systems such as the Matrix Production will enable versatile production on an industrial scale, with connectivity throughout the entire process. The system adjusts itself to changing product types ‘on the go,’ offering flexibility and cutting down on waiting time and production downtime. The manufacturing of customized products could then become an integral part of Industrie 4.0, free of the limitations of industrial mass production.

**The Principle of Matrix Production**

The Matrix Production system is based on categorized production cells that are equipped with product-neutral equipment and product-specific functions. Inside the cells are turntables for the set-down of parts, tool locations, and robots which perform the relevant procedure. These production cells can each be added, removed, or expanded, and almost any process – from welding and adhesive bonding to brazing and clinching – can be integrated.

Automated guided vehicles (AGVs) are used to transport workpieces and tools. The AGVs navigate to the individual cells using a Simultaneous Localization and Mapping (SLAM) navigation algorithm. The workpieces are then machined using intelligent robotic applications: Two robots are each holding a different part and locking them in, while a third robot welds them together.
Matrix Production consists of four parts:
1. AGV library: AGV standby area.
2. Warehouse: storage room for all production-related parts / components.
3. Tool library: a dedicated area for tooling and process equipment.
4. Production cell: consists of four robots processing parts.

As previously mentioned, Matrix Production separates the logistics processes from production, and the two are linked by software. This concept means that with variable parts logistics, the system is always able to respond swiftly to any change in production.

Smart Logistics is the Cornerstone of Industrie 4.0

Industrie 4.0 not only makes the production process intelligent, but also redefines production and logistics processes, putting forward higher requirements on the efficiency and flexibility of the company’s logistics. Smart logistics uses information technology to ‘intelligentize’ equipment, changing the development and operation modes of the enterprise to improve efficiency and effectiveness, and reduce costs.

The AGV system is the heart of the smart factory. AGV trolleys with different loading and transportation methods form a logistics network between the warehouse and the production vehicle, thereby significantly reducing operating costs and improving storage logistics efficiency. AGV trolleys in smart factories are not only used as unmanned automatic handling vehicles, but also as movable assembly and processing stations. They can work independently or form a unit by combining with other AGVs.

By installing a rotatable laser scanner on the AGV, the autonomous navigation system relies on the laser scanner to emit a laser beam. It then receives the laser beam reflected from the positioning marks around it, detects the surrounding environment, and calculates the current position and movement of the vehicle’s direction. The system then chooses the most effective way for the AGV to reach its destination and avoid obstacles. It provides the best alternative route and safe detours, which can also ensure the progress of material production and transportation.

Smart Factory

The intelligent factory of the future is a production facility in which manufacturing and logistics systems, robots, products, and their components, are all able to organize and operate autonomously. The smart factory is undergoing a paradigm shift toward an entirely new production logic: smart products, components, tools, and machines are identifiable, can be localized at all times, and are aware of their history, their current status, and the multiple ways to the desired goal.

With the smart factory’s high degree of flexibility, customization with a batch size of one, in the context of industrial mass production, will soon become a reality. To achieve this, the production systems must, on the one hand, be networked vertically – for example, with business processes within factories and companies. On the other hand, they must also be linked horizontally across company boundaries – from the purchase order, through the process, and to the outbound logistics – to create distributed value-creating networks that can be controlled in real time.

In the wave of Industrie 4.0, the Matrix Production concept challenges the traditional linear production system. It integrates intelligent logistics and systems in the field of big data, in order to automatically monitor and respond to the production process under almost real-time conditions. The system thus ensures that the internal production process can carry out extensive optimization and intelligent manufacturing, bearing in mind costs, logistics, safety, reliability, and sustainability.

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Industry Report:

Seize the Future of the Commercial Aviation Industry in China

Albert Varenne
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For over a decade, the aviation industry is experiencing continuous growth, especially in the field of commercial aircraft. The in-service fleet kept its steady growth (as shown in picture 1). Even events that sent shockwaves across global markets - such as the terrorist attacks of 09/11 on the world trade center in New York or the financial crisis of 2008 - could not change this long-term stable growth, as it is driven by the expansion of the middle-class worldwide and the increase in people's wealth. This report gives some industry insights on the aviation market in China and focuses on the mid and long-term prospects of this market.

Today, airplane manufacturers worldwide can proudly present their shareholders with order books that guarantee stable production for the years to come. The demand for commercial aircraft from China is so immense that currently, around 20% of all produced large commercial aircraft (above 150 seats) are sold to China. But what drives the demand for commercial aircraft in China? And what is in store for the local aviation industry?

**China: An Emerging Global Market Leader in Aviation**

As mentioned before, the booming commercial aviation industry can attribute its stable growth to the rise of the middle-class and the steady increase in personal wealth worldwide. In order to increase operational efficiency and, consequentially, benefits, the major international carriers strive to have the most fuel and cost-efficient aircraft in their fleet. In addition, the need for new aircraft is driven by the fact that airlines have to replace aircraft at the end of its service life. Chinese major carriers seem to follow a different strategy and rejuvenate their fleets earlier, generating even higher demand for new aircraft than their western competitors. Finally, the strong Chinese ambition and capability to grow as a modern industrial nation is the overarching driver for the country's aviation boom. China's forecasted GDP growth for the upcoming 15 to 20 years translates into a scenario where, by 2038, 84% of the Chinese population will have an annual income surpassing USD 20,000 - a threshold that only applies to 41% of the Chinese population today. These predictions, illustrating a tremendous increase in people's financial resources, will most likely fuel the desire to travel. Chinese's growing wanderlust will further boost international travel, continuing the trend of recent years for prioritizing outbound tourism over domestic air travel. Chinese tourists today already have an immense impact on the global tourism industry - yet this is just the tip of the iceberg, as Chinese passport holders constitute only 10% of the population.

Aside from the strong economic driver, there is another China-specific, often underestimated factor in China's demand for aircraft: the Chinese government has clear intentions to evolve its aviation capabilities and infrastructure, as part of the country's overall growth. This ambition was translated into concrete
objectives with the 2016’s publication of the 13th Five-Year Plan (FYP), where the government announced its plans to operate 260 airports and increase the number of aircraft in service up to 4500 by the end of 2020 (as shown in picture 2). Since having commercial aircraft is still a major objective for a leading industrial nation, China tries to go beyond economic growth and pushes its own aircraft programs ahead. The China Manufacturing 2025 (CM2025) initiative is even more ambitious, targeting a 10% market share for Chinese wide-body aircraft by 2025. Aviation is identified in CM2025 as one of ten key industries that China wants to become a global market leader in. Another example is the Commercial Aircraft Cooperation of China (COMAC), and its focus on obtaining the type certification for their first domestically-manufactured, single-aisle aircraft C919, aimed to deliver the first jet to its launch customer by the second half of 2021. The overall business environment for the commercial aviation industry remains positive and well-supported.

The forecasts for aircraft demand worldwide predict that by 2038, 16,540 new aircraft will be needed in the Asian region – around 45% of them in China alone (see picture 3). Despite the promising prediction, one has to be aware, especially in China, that with the rapid construction of the high-speed train, air transportation has a real competitor, at least on short-haul flights. On the route between Beijing and Shanghai, for example, people choose the train ten times more often than flights. Nevertheless, in recent years China has become the most important single-country market for the two global leading aircraft manufactures, Airbus and Boeing. The Chinese market accounts for 20% of their commercial revenue, and both are seeking to further enhance their industrial footprint in the country. Expanding their operations in China allows them to serve the sizable domestic market, while the country acts as a base to serve the Asian region.

The Evolution of China’s Aviation Industry

In order to make sense of the aviation industry in China, we first need to examine the world’s largest employer in aviation, Aviation Industry Corporation of China (AVIC). AVIC currently has over 450,000 employees worldwide - more than Airbus and Boeing combined. For its Chinese-certified and military aircraft, AVIC runs the entire supply chain internally. For aircraft operating under western airworthiness authorities, however, AVIC performs in a way that hints toward the future: A vertical integration of the supply chain for non-Chinese certified aircraft and its assemblies, and the extension of the scope of the Chinese aviation industry from airframe only to engines, systems, and cabin.

Nevertheless, before talking about the supply chain in China’s aviation industry, one should first observe the current practices of international companies. The vertical integration of their aviation supply chain in China is a logical next step in the evolution of the industrial footprint in China. As of today, the Chinese aviation industry has a strong presence in the field of the aircraft structure. Sourcing structural parts in China was one of the first steps foreign manufactures took in the Chinese market over three decades ago. Over time, the international cooperation advanced to partnerships in sub-assemblies, assemblies, and even the production of complete major constituent assemblies, described in aviation as the final construction group that is put together in an aircraft assembly line. Yet the traditional supply chains have remained intact: historically, parts from around the world were imported to China, where the aircraft segments were assembled. This practice, however, is about to change, as global transportation is time, energy, and money consuming, and is simply no longer necessary. Throughout the years, China-based suppliers have demonstrated that they meet the high international standards of the industry. The increased capabilities of these suppliers allow the aircraft manufactures to drive a vertical integration of their supply chain in China, meaning both materials and parts will be sourced in China. This approach assures that the manufacturer can use the most competitive parts and assemblies for his aircraft. After years of shipping parts
across the ocean, the aviation advanced to a responsible and sustainable method of supply chain in China.

A Promising Future with New Opportunities

As mentioned before, China’s aviation industry still has the upper hand in the manufacturing of aircraft structures. However, it still needs to further develop industrial capabilities for aircraft engines, systems and cabins, as China still plays a minor role in these fields globally. The development of these capabilities is also strongly linked to the Chinese efforts to build their own single-aisle aircraft C919 and the twin-aisle aircraft CR929 in cooperation with Russia. For both aircraft types, the preferred suppliers are based in China. This supply chain will continue to expand in the upcoming years, bringing about numerous opportunities for new businesses in China. Since becoming an aviation supplier for an aircraft manufacturer requires time and effort, new Chinese companies might choose to partner with established suppliers. These types of partnerships could prove to be a ‘win-win’ situation: The local entities typically have access to funds and valuable contacts, whereas the non-Chinese partner, as the established aviation supplier, can provide the ‘know-how’ and the customers.

In conclusion, the overall outlook for the commercial aviation industry in China looks positive, as the country is pushing for the rapid development of this industry. Approximately one in five aircraft produced is intended for the Chinese market. This prosperous environment offers plenty of new business opportunities for both Chinese and non-Chinese companies. Finally, there is an entire market for upgrading and retrofitting of aircraft in China, which is still a “sleeping giant.”

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About Airbus
Airbus is a global leader in aeronautics, space and related services. In 2018, it generated revenues of €64 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as one of the world’s leading space companies. In helicopters, Airbus provides civil and military rotorcraft solutions worldwide.
On 31 December 2019, the State Council of the People’s Republic of China ("PRC") finally promulgated the Implementing Regulations of the Foreign Investment Law of the People’s Republic of China ("Implementing Regulations"). Such promulgation was made virtually at the last minute before the implementation of the Foreign Investment Law of the People’s Republic of China ("FIL"), which had been promulgated by the National People’s Congress on 15 March 2019. Both the FIL and its Implementing Regulations have entered into effect on 1 January 2020. The content of the Implementing Regulations largely corresponds to the provisions of the FIL, while providing more details on certain aspects.

In addition to the Implementing Regulations, various other supporting documents regarding foreign investment have also entered into effect on 1 January 2020, i.e. the Interpretations of the Supreme People’s Court on Several Issues Concerning the Application of the Foreign Investment Law of the People’s Republic of China, the Measures for the Reporting of Foreign Investment Information, the Announcement on Matters Concerning the Reporting of Information on Foreign Investment, the Circular on Effective Work on Registration of Foreign-invested Enterprises for the Implementation of the Foreign Investment Law, and the Notice on the Reform of “Multi-Report Integration” of Annual Reports. The FIL, its Implementing Regulations and the other above-mentioned legal stipulations have brought considerable changes to the foreign investment regime in the PRC. Below we summarize some of the key issues of the new regulations especially the changes compared to before and the impact of these new regulations on foreign investment in the PRC:

1. Foreign Investment by Participation of Chinese Individuals

According to Article 3 of the Implementing Regulations, Chinese individuals should now be allowed to directly establish joint venture companies or invest in new projects in the territory of the PRC together with foreign investors. In some regions in the PRC this has already been confirmed by local regulations, e.g. the Administrative Measures on Permitting Domestic Natural Persons to Invest in and Establish Foreign-Invested Enterprises jointly issued on 26 December 2019 by the Shanghai, Jiangsu, Anhui and Zhejiang Market Supervision Administrations ("MSA(s)"). This is a big change compared to before. In the past, Chinese individuals were, generally, not allowed to jointly establish cooperative joint venture or equity joint venture companies in the PRC with foreign investors in the form of greenfield projects. From now on, foreign investors will have more possibilities to cooperate with Chinese investors.

2. Emphasis of Equal Treatment for Domestic and Foreign-Invested Enterprises and Enhancement of Foreign Investment Protection

Based on the FIL, the Implementing Regulations further emphasize that domestic enterprises and foreign-invested enterprises ("FIEs") shall be treated equally. FIEs shall be treated equally to domestic enterprises with regard to government funding arrangements, land supply, tax/fee reductions and exemptions, qualification licensing, project declarations and human resources policies. Equal treatment shall further be ensured regarding applications to PRC authorities and their treatment as well as in the fields of formulating and amending national standards, industrial standards, local standards and group standards, the application of mandatory standards, participating in government procurement, the protection of intellectual property and licensing formalities.

The Implementing Regulations also emphasize the strengthening of protection of foreign investments based on the FIL in terms of transparency of administration, expropriation, cross-border remittance, intellectual property, trade secrets, policy commitments and complaints regime.

However, compared to the FIL, the Implementation Regulations fail to provide an obvious improvement in the above two aspects. The content of the Implementing Regulations largely repeats the provisions of the FIL. Although some details have been added into the Implementation Regulations, many provisions are still theoretical and vague. From these provisions we can see that the attitude of the Chinese government towards foreign investment is positive, however, the implementation of these provisions still lack clear, detailed and practical guidance.

a) According to Article 10 of the FIL, normative documents and judgment documents relating to foreign investment shall be published in accordance with the law in due time. Articles 6 and 7 of the Implementing Regulations further state that the government and relevant departments shall disclose the conditions, procedures and timelines, etc. for applications, and review and treat application documents of FIEs and domestic enterprises equally. Further, no foreign investment-related normative documents, which have not yet been published, may be used as a basis for implementing administrative management on foreign investment.

In the past, PRC authorities sometimes referred to and based their administrative management of foreign investment on internal, not publicly available rules and guidelines. This from time to time caused some uncertainty to FIEs when they conduct formalities with the governments. It is to be hoped that such practice will stop and that the above-mentioned stipulations of the FIL and the Implementing Regulations will be implemented in practice. If so, this will lead to more clarity and improved legal certainty.

b) According to Article 22 of the FIL and Article 23 of the Implementing Regulations, the state shall protect the intellectual property rights of foreign investors and FIEs and protect the legitimate rights and interests of holders of intellectual property rights and relevant right holders. The establishment of a mechanism involving different authorities for fast and efficient protection of intellectual property rights shall be promoted and the mechanism for diversified settlement of disputes over intellectual property rights shall be improved. In case of any infringement of intellectual property rights, legal liability shall be investigated strictly in accordance with the law.

By Dr. Ulrike Glueck, Michael Munzinger and Angela Chen
Further, according to the FIL, during the process of foreign investment, the State shall encourage technology cooperation on the basis of free will and business rules. The conditions for technology cooperation shall be determined by all investment parties upon equal negotiations under the principle of fairness and no administrative department or its staff shall force any transfer of technology by administrative means. To enhance the protection in this regard, Article 43 of the Implementing Regulations stipulates legal liabilities in case an administrative authority or its staff by performing administrative duties, directly or in a disguised way, forces any foreign investor or FIE to transfer its technology. In such case, the main personnel directly in charge of the matter and other personnel directly responsible for the matter shall be imposed with penalties.

With the above provisions, the protection of intellectual property of FIEs/foreign investors has been put high on the agenda of the PRC government. Ideally, this will put more pressure on authorities at all levels to act against infringements of intellectual property rights.

c) Regarding policy commitments, Article 25 of the FIL stipulates that local People's Governments at all levels and their relevant departments shall strictly keep their policy commitments made to foreign investors and FIEs and that they shall perform all contracts entered into in accordance with the law. If any policy commitment or contract needs to be amended due to national interests or public interests, such change shall be made in accordance with statutory authority and relevant procedures, and the foreign investor or FIE concerned shall be compensated for losses incurred thereby in accordance with the law.

Article 27 of the Implementing Regulations now defines "policy commitments" as any written commitment made by a local People's Government at any level or its relevant departments to foreign investors and FIEs with respect to supporting policies, preferential measures and other means of facilitating foreign investment. Article 28 of the Implementing Regulations further provides that governments shall ensure that no contract is breached due to administrative division adjustments, organization or function adjustments or the replacement of relevant responsible personnel, etc. The above articles provide for more specific guidelines regarding agreements concluded between foreign investors/FIEs and governmental authorities than the FIL and make clear that such commitments and related contracts shall, generally, be kept. Article 41, paragraph 4, of the Implementing Regulations provides for relevant legal liabilities of the governments and their officials in case they fail to perform their policy commitments made towards foreign investors or FIEs or any legally-executed contracts with foreign investors or FIEs, in case they make policy commitments beyond their statutory authority, or in case they make policy commitments the content of which is not in compliance with laws and regulations.

In the process of attracting foreign investment, many local governments currently offer and agree to some preferential treatments, such as reductions of rents, subsidies in the form of tax refunds, etc. However, some of these preferential treatments are beyond the actual authority of the local governments and when the local governments do not comply with such preferential treatment as offered and agreed to by the local governments, it is practically impossible for FIEs to claim for respective performance or compensation. Now with the above provisions, it may be expected that the governments will make policy commitments more cautiously and strictly perform their commitments in the future.

d) While Article 26 of the FIL only provides for short and general stipulations regarding a complaint mechanism for FIEs, the Implementing Regulations now provide for more specifics. The local People's Governments above the county level shall designate a department or agency to accept complaints filed by FIEs or their investors within the local area. The PRC Ministry of Commerce ("MoC") with other departments under the State Council will establish a joint-conference system involving different ministries (which are not further indicated yet) concerning complaints filed by FIEs. The handling of complaints by the local governments shall be guided and supervised at the level of the central government. Article 26 of the FIL and Article 30 of the Implementing Regulations further clarify that, in addition to the complaint mechanism described above, foreign investors and FIEs may apply for administrative review or file for administrative litigation, if an administrative act of an administrative department or its staff infringes the foreign investor's or the FIEs' legitimate rights and interests.

In practice, many FIEs are reluctant to start administrative litigation against any administrative department, since they are concerned that this might have a negative impact on their future relationship with the government. The above-mentioned stipulations are still rather vague and are unlikely to change the above attitude of FIEs. We expect the relevant authorities to issue additional measures or circulars on how such a complaint system will actually work and be implemented in practice.

3. Information Reporting System of Foreign Investment

According to Article 34 of the FIL and Article 38 of the Implementing Regulations, investors or FIEs shall submit relevant information regarding their investment to the competent Authority of Commerce through an online enterprise registration system and the National Enterprise Credit Information Publicity System. Such a regime is further stipulated in detail in the Measures for Reporting of Information on Foreign Investment (the "Measures") issued by the MoC and the State Administration for Market Regulation ("SAMR") and the Announcement on Matters Concerning the Reporting of Information on Foreign Investment (the "Announcement"), a supporting document released by the MoC. Both regulations have also entered into effect on 1 January 2020.

Simultaneously, according to Article 35 of the Measures, the Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises were abolished. This means that the establishment of or corporate changes in FIEs, which do not fall into the Special Administrative Measures for Access of Foreign Investment ("Negative List"), from 1 January 2020 on do not need to be filed with the competent Authority of Commerce for recordal anymore. In practice, the original national online system of MoC, which was implemented as a system for recordal of FIEs since October 2016, is not used anymore. Instead, the mere reporting of relevant investment information shall be sufficient. These changes also have been confirmed by Article 6 of the Announcement.

According to the Measures, there are several kinds of reports, i.e. initial reports, change reports, de-registration reports and annual reports:

a) To establish an FIE in the PRC or for the acquisition of equity interests of a domestic enterprise in the PRC, an initial report shall be submitted. Where a change registration with the competent MSA is required in case of any change of relevant information of an FIE as
stated in the initial report, e.g. in case of a capital increase, relocation, share transfer, etc., a change report shall be submitted to the competent Authority of Commerce. If a change registration with the competent MSA is not required, such as in case of change of the actual controller of the FIE, still a change report shall be submitted within 20 days after the change. Both initial reports and change reports shall be submitted through the online enterprise registration systems, which are now provincial level systems, i.e. different provinces have their own enterprise registration systems.

b) De-registration reports do not need to be submitted through the online enterprise registration system to the Authorities of Commerce any more, since the relevant information will be forwarded by the competent MSA directly to the competent Authority of Commerce.

c) Further, the Measures require that an FIE shall submit an annual report for the preceding year through the National Enterprise Credit Information Publicity System between 1 January and 30 June of each year. According to the Notice on the Reform of "Multi-Report Integration" of Annual Reports issued by the SMAR, MoC and the State Administration of Foreign Exchange ("SAFE"), the content of the annual report is basically the same as under the current practice. In addition to the information to be submitted to the MSA, now also certain information for the MoC and the SAFE shall be included in the report. These new annual report items will not be disclosed to the public.

The above changes are unlikely to lead to considerable changes for FIEs. Before 1 January 2020, instead of the above-mentioned reports, respective recordals were required to be made by FIEs through the national online system of MoC. As far as we can currently see, except that the websites of the online system are changed, the only real difference is that in the past the competent Authority of Commerce had to review the information submitted by an FIE for completion and obvious flaws, and then issue a recordal notice. Now, no such review will be made and no recordal notices will be issued anymore.

4. Clarification of Legal Liabilities of Governments and their Officials

Chapter V of the Implementing Regulations provides for legal liabilities of the governments and their departments as well as of authorities and officials in case of unequal treatment of FIEs, illegal restrictions on equal participation of FIEs in the formulation and amending of standards or applying technical requirements higher than mandatory standards specifically for FIEs, illegally restricting foreign investors from remitting funds into or out of the PRC, failing to fulfill policy commitments, forced technology transfers and unequal treatment of FIEs in government procurement.

The above legal liabilities may have, to some extent, a deterrent effect on the relevant governments and their departments, authorities and officials and, thus, facilitate the proper implementation of the FIL. However, Chapter V of the Implementing Regulations fails to provide specifics on the liabilities and, in most instances, only states that the relevant subjects shall "assume legal liabilities in accordance with the laws." But the laws actually referred to are unclear and it is, thus, to be hoped that further guidance will be provided in the future.

5. Five Years Interim Period

Among the changes made to the foreign investment in various aspects, one of the most significant impacts on FIEs which are joint ventures is the change to corporate governance.

On 1 January 2020, the previous special laws and implementing regulations for FIEs, i.e. the Law of the People’s Republic of China on Sino-Foreign Equity Joint Ventures, the Law of the People’s Republic of China on Sino-Foreign Cooperative Joint Ventures and the Law of the People’s Republic of China on Wholly Foreign-owned Enterprises together with their respective implementing regulations, have all been abolished.

Both the FIL and the Implementation Regulations provide for an interim period of 5 years for FIEs to adapt to the new legal requirements and to implement relevant corporate changes. I.e., FIEs which have been established based on the above-mentioned special laws and implementing regulations for FIEs can choose to maintain their current organizational forms not in line with the FIL, its Implementation Regulations and the PRC Company Law (“Outdated Organization”) until 31 December 2024 (“Interim Period”). If relevant FIEs have not implemented the corporate changes within the Interim Period, their applications for any other corporate changes shall not be processed anymore by the competent MSA, and the non-compliant status of such Outdated Organizations shall be made public.

This has a significant effect on the corporate governance of Sino-foreign equity joint ventures and Sino-foreign cooperative joint ventures.

<table>
<thead>
<tr>
<th>Matters</th>
<th>Before: According to the PRC Law on Sino-foreign Equity Joint Ventures</th>
<th>After: According to the PRC Company Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Authority</td>
<td>Board of Directors</td>
<td>Shareholders’ meeting</td>
</tr>
<tr>
<td>Quorum</td>
<td>At least two thirds of the directors</td>
<td>None (unless otherwise stipulated in the Articles of Association)</td>
</tr>
<tr>
<td>Voting on Significant Matters*</td>
<td>Unanimous approval by all directors</td>
<td>Approval by shareholders holding at least two-thirds of the voting rights</td>
</tr>
<tr>
<td>Legal Representative</td>
<td>Chairman of the Board of Directors</td>
<td>Chairman of the Board of Directors, Executive Director or General Manager</td>
</tr>
<tr>
<td>Distribution of Profits</td>
<td>In proportion to the contribution to the registered capital</td>
<td>In proportion to the paid-in contribution to the registered capital, unless otherwise agreed by the shareholders</td>
</tr>
<tr>
<td>Transfer of Equity to a Third Party Who is not the Current Shareholder</td>
<td>Unanimous approval by all the other shareholders</td>
<td>Approval by more than 50% of the other shareholders, unless otherwise stipulated in the Articles of Association</td>
</tr>
<tr>
<td>Total Amount of Investment</td>
<td>For clarification, in practice, the concept of the total amount of investment of an FIE (which is a theoretical amount only which does not need to be actually paid in by the shareholder, but which has relevance for the financing capacity of an FIE via loans from abroad) still needs to be stipulated in the Articles of Association.</td>
<td></td>
</tr>
</tbody>
</table>

*Significant matters include amendment of the Articles of Association; increase or reduction of the registered capital; merger, demerger, dissolution or change in company form.
while the corporate governance of the existing wholly foreign-owned enterprises is already in compliance with the PRC Company Law. Taking a Sino-foreign equity joint venture company as an example, some of the most important corporate changes required by the new legal requirements are as follows (see below table).

In order to implement the FIL, the SAMR also promulgated the Circular on Effective Work on Registration of Foreign-invested Enterprises for the Implementation of the Foreign Investment Law ("Circular") which has taken effect on 1 January 2020. The Circular further stipulates that, during the Interim Period, resolutions made by company authorities of Outdated Organizations, even if the relevant company authority would not be competent for such resolution according to the new legal regime (e.g. a resolution by the Board of Directors of a Sino-foreign equity joint venture on an issue which according to the PRC Company Law falls within the responsibility of the shareholders’ meeting), shall still be accepted and processed by the competent MSA. Such a provision further guarantees that Sino-foreign joint ventures have a transition period of 5 years and, thus, foreign investors will have enough time to negotiate with their Chinese partners regarding the change of the cooperative governance structure.

6. Validity of Investment Agreements

The PRC Supreme People’s Court ("SPC") has issued the Interpretations of the Supreme People’s Court on Several Issues Concerning the Application of the Foreign Investment Law of the People’s Republic of China ("Interpretations") on 26 December 2019 which have entered into effect on 1 January 2020.

The Interpretations mainly deal with the validity of investment agreements related to foreign investments, which refer to the relevant agreements formed as a result of direct or indirect investments in the PRC by foreign investors, including contracts for the establishment of FIEs, share transfer agreements, contracts for the transfer of assets, contracts for new projects, etc. The Interpretations mainly provide clarifications on the following issues:

a) First, if a party to an investment agreement for any sector not covered by the Negative List claims that such agreement is null and void or has never become effective on the grounds that the agreement has not been approved by or registered with the relevant administrative authority, the People’s Court shall not support such a claim. Where a party concerned claims that an investment agreement is void on the ground that the investments made by foreign investors are in sectors, in which foreign investment is prohibited by the Negative List, the People’s Court shall uphold the claim.

b) Second, where a party concerned claims that an investment contract is invalid because of a violation of special administrative measures for sectors in which foreign investment is restricted by the Negative List, the People’s Court shall uphold the claim. If, before the People’s Court makes an effective judgment, a party concerned takes the measures which are required to meet the requirements for special administrative measures for access and claims that the investment contract set forth in the preceding sentence is valid, such claim shall be upheld.

c) Third, even if an investment agreement does not comply with the requirements set out in the Negative List at the time of its execution, it shall be regarded as effective, if the Negative List relaxes the relevant restrictive requirements before an effective judgment of the People’s Court is made.

In the past, it was not clear how to deal with such kinds of disputes and the courts may make judgments at their discretion. Now, the Interpretations provide an exact answer, which is an improvement compared to before. The Interpretations shall ensure the fair and efficient implementation of the FIL in case of disputes related agreements. From the above, it can be seen that the Interpretations are aimed to promote the validity of investment agreements to the largest extent possible and, thus, to protect the rights and interests of foreign investors.

Conclusion

The entry into effect of the FIL and the Implementing Regulations as well as the other supporting documents are sometimes described as a new era of foreign investment in the PRC. In our view, it is currently not entirely clear whether this will really be the case. While the Implementing Regulations and other supporting documents have, to some extent, provided further details and guidance regarding the implementation of the FIL, e.g. the implementation of information reporting system of foreign investment, they are still rather vague in many aspects and there are still open issues. E.g. the meaning of “new projects” as referred to in the definition of foreign investment in Article 2, paragraph 3, of the FIL is still unclear and many provisions, for example the ones regarding the safety review system and complaints mechanism, still appear incomplete.

Further, it is to be hoped that it will be further clarified whether, and if so which, rules and regulations already implemented under the old foreign investment regime remain applicable after 1 January 2020. In this regard, according to the Decision of the Ministry of Commerce on Repealing Some Regulations, which was promulgated on 28 December 2019 and is effective from 1 January 2020, and the Announcement of the Ministry of Commerce on the Abolition of Certain Regulatory Documents, which was promulgated on 25 December 2019 and is effective from 1 January 2020, in total 6 regulations and 56 regulatory documents, such as circulars, notices and announcements, shall be abolished. However, the above decision and announcement appear not to be exhaustive. It is, e.g., still unclear whether the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors, the Interim Provisions on Investment in China by Foreign-invested Enterprises and the Administrative Measures for Strategic Investment by Foreign Investors in Listed Companies shall be abolished or remain applicable and valid. To provide for clarity in this regard, relevant rules and regulations should either be expressly abolished, or it should be expressly stated that and to what extent they shall remain applicable and valid.

It is expected that considerably more rules and regulations will be issued in the nearer future to provide more clarity and guidance on the new foreign investment regime in the PRC. In our view, only after the publication of such additional rules and regulations, the real impact of the FIL (and the Implementing Regulations) will be seen and only then it can be assessed whether the new foreign investment regime brings along significant improvements for foreign investment in the PRC compared to the old system or not.

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When in China, Do as the Chinese Do

Why MNCs Should Look Into Chinese Traditional Culture to Learn More About CSR and Leadership

By Dr. Alicia Hennig

When it comes to management practices, there is a vast body of theories and concepts to draw from. In Corporate Social Responsibility (CSR), for example, there is the stakeholder approach (managing and addressing stakeholders' expectations regarding the company), the concept of corporate citizenship (the corporation as a 'good citizen', contributing to society), or the idea of the triple bottom line (people-planet-profit), among others. In leadership, the most advanced approach is transformational leadership (leadership that positively changes employees' motivation and performance through a shared vision), which is often contrasted with transactional leadership (focused on employees' compliance through transactional measures like rewards and punishments). Many professionals believed that whatever these concepts, practices, and underlying values were suggesting was a universal truth, and could be applied in just about any cultural context. However, all these theories arose in the West, as a product of Western history and culture, and with implicit Western value assumptions at its core.

The Limitations of Ethnocentric Approaches

Nowadays, we understand that - especially in a non-Western cultural context - all these practices and concepts may not work as effectively as in its original cultural environment. When it comes to China, many of these practices and concepts need to be adapted, supplemented, or even completely abandoned and replaced. Yet, how this could be accomplished is a topic vastly neglected both in practice and in academia. Too often, practitioners are left with the insight that numerous things do not work in China in the same way compared to "back home," but cannot fully understand its causes or have any guidance regarding an alternative. Therefore, from a Multinational Corporation (MNC) management perspective, it makes sense to look into the values and practices of the new cultural environment one is operating in, both as an individual and as a company. By better understanding the new cultural environment, we can adapt and develop different individual and corporate practices that have a better cultural fit and hence, are more effective.

Lessons from Daoism

Chinese civilization is notable for its great cultural, religious, and philosophical diversity. Back in the Zhou Dynasty (1046-256 BCE), Chinese philosophy and thought began to flourish, in an era known as the "Hundred Schools of Thought," or zhuzi baijia, (诸子百家). Some of those philosophical schools, in particular Confucianism and Daoism, would become extremely influential in the Chinese cultural sphere for the next 2.5 millennia. Daoism, as a school of thought, came into existence at roughly the same time as Confucianism, with its most prominent work, the Dao De Jing (道德经) dating back to the 4th century BCE.

At its core, Daoism is concerned with harmony between heaven, earth, and the human being, which is achieved by following dao (道). Dao, literally translated as 'road,' 'path,' or 'way,' is primarily interpreted as the 'natural way of things.' Generally, whatever we find in Chinese philosophy is ultimately a reflection of what can be observed in reality, and with specific regard to Daoism - in nature. Originally derived from natural observations, the principles of yin-yang (阴阳) present the logical foundation of Daoism. The yin carries the symbol of the moon, represents the dark side of the hill, and is associated with the female. The yang carries the symbol of the sun, represents the bright side of the hill, and is associated with the male. Hence, the difference between yin and yang is symbolic, pointing to a contrast between, and in relation to, two appearances. Together, yin-yang establish a cyclical, alternating dualism, as bright/day and dark/night are changing phases, thereby forming an integrated and dynamic whole.
There are numerous values to derive from Daoism. For our purposes, we will introduce three of them that are also relevant in a corporate context:

**The feminine:** Daoism predominantly stresses so-called ‘feminine’ values, like softness and weakness. And, although yin/female and yang/male complement each other and together constitute a dynamic whole, the feminine values are seen as more powerful in the philosophy of Daoism. According to the specific logic inherent in Daoism, softness and weakness represent flexibility and vitality, and are therefore seen as long-lasting. The masculine yang, on the other hand, is construed as the negative, as it is associated with hardness, becoming dry, brittle, and being too firm, eventually losing its flexibility and hence vitality and longevity.

**Water:** The feminine values of softness and weakness are reflected by one of the key metaphors in Daoism – water. Water is an essential element in Chinese history and philosophy. The philosophy of Daoism ascribes at least four important qualities to water: First, due to being soft and flexible, water can move to all directions and reach everywhere. Second, in Daoism, water is seen as ‘kind,’ since it is beneficial by being nourishing and embracing everything. Third, its “low position” (as water always flows downwards) is associated with no-competition, humbleness, and modesty. And lastly, because it is associated with the soft, flexible, low, and the weak, it eventually conquers the strong and supposedly powerful, ultimately constituting itself as the real power. Thinking of rocks being molded but also eroded by water over time, we can easily understand this kind of logic.

**Harmony:** This value is related to the cosmological worldview shared by all Chinese philosophies. It is grounded in the idea of an overarching harmony that can only be reached when all cosmological relations, namely those between heaven, earth, and the human being, are harmonious. To achieve this harmony, the human way or dao needs to be aligned with the heavenly dao. The human way on earth, ren dao (人道), which refers to the realm of ethics, politics, and culture, thereby needs to follow the ‘natural rhythm’ of daily and seasonal changes represented by way of the heaven, tian dao (天道). This is why, from a very early stage, the Chinese developed their agricultural and political calendar, as well as social events, in accordance with the seasons.

**The Solution: Fusing Western and Eastern Approaches**

Now the question is: How can values derived from Daoism help us in corporate affairs such as CSR, sustainability, and leadership?

**CSR and Sustainability – Understanding Embeddedness:** In the context of CSR and sustainability, the idea of harmony is important with regard to two aspects: harmony understood as being harmoniously embedded in, first, a larger social system, and second, the natural environment. From this idea of embeddedness, the concept that everything is interconnected and interdependent was harmoniously included. In the context of MNCs and CSR, the first understanding hence requires a strategic approach to reconcile the needs of all parties (stakeholders) concerned with that of the company. Here, a serious attitude toward stakeholders by recognizing and integrating their needs is vital. The second understanding is relevant in the context of sustainability – understanding this embeddedness and striving for a balance with the natural environment is crucial for the survival of the planet. Climate change already impacts business operations across the globe, leading to instabilities and disruptions in the economy and society. These instabilities will become more frequent and severe in the future. There is a significant interdependence between social and political stability, business, and the intactness of our natural environment. Accordingly, a first step would be acknowledging this interdependency and correspondingly the need for balancing business with the needs of society and the environment. Yet nothing is achieved if this acknowledgment will not be put into practice. For example, radically speaking, business models need to be transformed in a way so that these do not put the integrity of our eco-system further at risk.

**‘Soft Style’ – The Dao of Leadership:** Rising implementation of automation and artificial intelligence will significantly impact the entire organization. Currently, we are witnessing hierarchies being increasingly dissolved, especially in the context of agile organizations, requiring a more fluent understanding of roles. Here, a ‘soft style’ approach to leadership could lead the way. Its emphasis on strategic values like flexibility and adaptability, and ethical, ‘water-like’ values like humbleness, kindness, and moderation, are equally relevant for both employee and leader roles. Furthermore, the ‘water-like’ ethical values promote an atmosphere of cooperation as opposed to competition, superiority, and thus latent aggressiveness. Most importantly, a ‘soft style’ approach to leadership could also overcome gender differences in leadership: Historically, the so-called ‘feminine values’ were proposed to the traditionally male ruler as the superior way of government and leading the people. This way of leadership has hence the capacity to dissolve gender differences in leadership style(s).

Finally, the ‘soft style’ leadership approach has some overlap with transformational leadership. The Daoist humble, moderate, and ‘no-ego’ leader leads from ‘behind,’ i.e., staying in the background and being supportive, thereby enabling team creativity, intellectual stimulation, and self-management. This atmosphere of support, cooperation, and autonomy could, in turn, stimulate positive change.

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**Dr. Alicia Hennig** holds a full research position as Associate Professor of Business Ethics at Southeast University in Nanjing, China. Her research focuses on Chinese philosophy and its application in organizations in the context of values, ethics and innovation. In addition to her research she has practical working experience gained at Chinese as well as foreign companies in China. Dr. Hennig is cooperating with a number of educational and business institutions to promote a better understanding of Chinese culture and thinking, such as Fudan University, the School of Life in Berlin, the Chamber of Industry and Commerce in Frankfurt (IHK Frankfurt) and the German Chamber of Commerce in China.
Our Social Responsibility Initiative

The More than a Market initiative was launched in 2015 with the aim
• to bundle the existing social engagement efforts of the German business community
• to render those activities more visible to Chinese stakeholders
• and to catalyze joint action by the German business community for increased impact

Every year, the More than a Market Awards Gala honors outstanding and exceptional cases of social engagement by German companies in China with awards in different categories.

Get ready to learn about best practices from inspiring CSR projects all over China and meet likeminded enthusiasts!

But that’s not all: The Awards Gala is preceded by workshops and panel discussions at the More than a Market Forum.

Stay tuned for future updates on:
• More than a Market Forum and Awards Gala 2020
• CSR related workshops and other events throughout the year
• Finding partners for CSR projects in China
• Partner with us for More than a Market 2020

For more information, please contact:
Ms. Veronika Glauberman | Manager Social Responsibility
morethanamarket@sh.china.ahk.de
www.morethanamarket.cn
Mubea Shenyang Wins Two Awards
The government of Shenyang Tiexi District awarded Mubea Shenyang the “2019 Contribution Award” for its contribution to innovation and the revitalization of the new Tiexi District. Mubea was also awarded the “Provincial Green Factory” award, in recognition of Mubea Shenyang plant’s abidance with environmental protection standards and fulfillment of corporate social responsibility. Mubea Shenyang is exploring the potential of energy conservation and emission reduction, such as replacements to LED and waste heat recovery from air compressors.

SAP Receives Award as Top Employer and Best Workplace
SAP was awarded “top employer in China” and “top employer in Asia-Pacific” in 2020, by the Top Employers Institute. The awards were given in recognition of SAP’s work environment, and for enabling employees to reach their full potential. Furthermore, SAP was named as one of the best workplaces in Greater China in 2019, and was declared one of the best workplaces for women in Greater China in 2019 by the Great Place to Work organization.

Bayer to Step Up its Sustainability Efforts
On 10 December 2019, Bayer announced a line of new comprehensive measures and commitments for sustainability starting...
2020. In line with the Sustainable Development Goals of the United Nations and the Paris Agreement, the company has set targets to be achieved by 2030. “By making sustainability an even stronger part of our strategy and operations, we aim to achieve long-term returns and generate a positive impact for society and the environment,” says Werner Baumann, Chairman of the Board of Management at Bayer AG. The goals will be integrated into decision-making processes and management compensation. By 2030, Bayer aims to support 100 million smallholder farmers in low and middle-income countries, providing them with access to innovation, knowledge, and partnerships. The company plans to expand access to healthcare for 100 million people in underserved communities around the world, and finally become carbon-neutral in its own operations.

**Andreas Feege Joins KPMG Beijing**

In October 2019, Andreas Feege moved back to Beijing to serve as Head of the German Practice for China, succeeding Bruno Wallraf. Mr. Feege previously spent over five years in Beijing, from 2007 to 2012, during which he served as a member of the Board of the German Chamber and the European Chamber. Mr. Feege majored in accounting and auditing and currently provides services mainly for subsidiaries of German companies. He specializes in the industrial markets and automotive business. “I am really looking forward to being back in Beijing again, tracking the latest development of Beijing and China since I left.” He says. “It is still a very exciting place to work and live in, maybe even more than before.”

**Zollern (Tianjin) Machinery Co., Ltd. Focuses on Promoting Occupational Skills**

Zollern (Tianjin) Machinery Co. Ltd. continued to promote occupational skills in 2019. In the first half of 2019, training on DNV product certification and supply chain management were held. From August to November, selected employees from various departments joined the weekly mechanical knowledge training course at Tianjin Vocational Training Center. The training was supported and fully subsidized by the government.

**LEWA Group Enhances its Product Portfolio in China**

On 1 September 2019, the LEWA Group opened a new sales and service branch in Dalian, Liaoning province, aimed to boost the integration of global sales for NIKKISO centrifugal canned motor pumps. Mr. Stefan Glasmeyer, CSO of the LEWA Group, says that “The addition of NIKKISO centrifugal canned motor pumps to our portfolio for the Chinese market gives us the ideal supplement to our large range of LEWA diaphragm metering pumps, with which we were previously represented in China.” The grand opening of the new branch took place on 24 September 2019, with representatives from NIKKISO Co. Ltd., LEWA GmbH, and the newly formed sales and service team participating in the event.

**Siemens Supports PHTC of Qingdao Sino-German Ecopark to Win First “Energy Efficiency Cooperation Projects Award”**

The Passive House Technology Center (PHTC) of Qingdao Sino-German Ecopark, developed by Siemens and Qingdao Sino-German Ecopark Passive House Engineering Technologies Co. Ltd., was honored with the first “Sino-German Energy Efficiency Cooperation Projects Award” certificate at the Sino-German Clean Heating Conference and Technology Forum. As a global leader in intelligent building technology, Siemens provides intelligent building technologies and solutions which have equipped the center with a “smart brain.” Siemens assists PHTC in making break-throughs in operation and optimization, delivering a combination of high comfort and low-energy consumption, and achieving its “sustainable, low-carbon, green and environment-friendly” targets.

**GROB Opens New Technical Application Center**

GROB China has invested in a prototype system for the manufacturing of hairpin stators for electric cars. To facilitate production, a 450 m² Technical Application Center (TAC) was launched. Starting in 2020, the first stator prototypes will be presented to GROB clients. In the next stage, GROB China will produce assembly systems for electromobility.

**DBEST Obtains Two RESET Accredited Professionals**

DBEST has expended its competences in the field of certification, employing two RESET accredited professionals. RESET is a sensor-based, performance-driven indoor air quality building standard and certification program. DBEST has already implemented IAQ (Indoor Air Quality) in several projects - among them Siemens Centers in Beijing and Shanghai - in order to reduce indoor PM2.5. With the newly obtained RESET accredited professionals, DBEST can improve and deepen the service of the IAQ project.

**TAGAL Wins FAW Car Premium Service Award**

On 13 January 2020, the FAW Car 2020 supplier conference was held in Changchun, Jilin Province. TAGAL won the “Premium Service” award out of 760 suppliers. Many leaders
and guests from Changchun municipal government, China FAW Group, and FAW Car attended the event. Mr. Simon Stephan, GM of TAGAL, received the honorary trophy.

**Behringer Celebrates its 100th Anniversary**

In November 2019, Behringer celebrated its 100th anniversary at its headquarters in Kirchardt. Around 500 people gathered to celebrate the occasion, among them customers, suppliers, business partners, and employees from around the world. As a wholly-owned subsidiary, Behringer (Shenyang) Machinery Co., Ltd. organized a delegation of representatives to attend the event.

**CPC Consulting Receives Honor as “Hidden Champion for Change Management and Implementation”**

CPC Consulting (Beijing) Co., Ltd., has been honored as the official “Hidden Champion for Change Management and Implementation” for 2020/2021. The “Hidden Champions of the Consulting Market” is a highly-recognized study issued by the German Wissenschaftliche Gesellschaft für Management und Beratung (WGMB). The study aims to identify “less well-known but highly qualified” consulting firms, with a higher degree of expertise in their field than the three large competitors: McKinsey, BCG, and Bain.

**GG Cables and Wires (Shenyang) Co., Ltd. Holds Annual Dinner**

On 10 January 2020, GG Cables and Wires (Shenyang) Co., Ltd. held its annual dinner at Shenyang Oriental Ginza Hotel. The dinner was attended by GG’s CEO, Ms. Eva Schinkinger, and HRD, Ms. Iris Brachmaier. The dinner kicked off with a light show, followed by performances by the GG staff, a lucky draw, and awards, given to outstanding employees.

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**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. Li Wan**  
  VP of Government Affairs  
  Audi (China) Enterprise Management Co., Ltd.  
  www.audichina.cn

- **Mr. Philip Bernander**  
  Sales Representative  
  Hahnemuehle China Co., Ltd.  
  www.hahnemuehle.com.cn

- **Mr. Mingjun Zhang**  
  General Manager  
  Hella Changchun Tooling Co., Ltd.  
  https://www.hella.com/hella-cn/

- **Ms. Ying Zhang**  
  Operation Supervisor Tianjin  
  LS Cargo Logistics China Ltd.  
  www.ls-cargo.com

- **Dr. Yuguang Zhao**  
  Managing Director  
  Sartorius Stedim Biotech (Beijing) Co., Ltd.  
  www.sartorius.com.cn

- **Mr. Leon Bai**  
  General Manager – Beijing & Region North China

- **Schenker China Ltd. Beijing Branch**  
  www.dbschenker.com.cn

- **Mr. Eric Song**  
  Plant Manager  
  Shenyang Antolin Auto Parts Co., Ltd.  
  www.grupoantolin.com

- **Mr. Wei Zhang**  
  Vice President  
  Siemens Ltd., China, Shenyang Branch  
  www.siemens.com.cn

- **Ms. Yan Chen**  
  General Manager  
  TRW Fawer Commercial Vehicle Steering (Changchun) Co., Ltd.  
  www.zf.com

- **Ms. Linda Shen**  
  Marketing Director  
  United Service Technology (Shanghai) Limited  
  Beijing Branch Office  
  www.unitedservice.com.hk

- **Mr. Jianzhi Liu**  
  Managing Director  
  YAMATO International Logistics Co., Ltd.

- **Beijing Branch**  
  www.y-logi.cn

- **Special Member**  
  Ms. Silke Schwabe  
  Director International Trade  
  Chamber of Commerce and Industry Cottbus  
  www.cottbus.ihk.de

- **Private Member**  
  Mr. Robert Cubick

- **Private Member**  
  Mr. Oliver R. Harms

- **Private Member**  
  Mr. Walter Mittelbach

- **Private Member**  
  Mr. Adi Talmor

- **Private Member**  
  Mr. Christian Trieb

- **Private Member**  
  Mr. Konstantin Waschk

- **Private Member**  
  Mr. Frank Weigelt
AHK Innovation Night: Reverse Pitching - Beijing Edition

Under the motto of “startups meet corporates – innovation collaboration done right!”, the German Chamber of Commerce in China successfully hosted the first “AHK Innovation Night – Reverse Pitching - Beijing Edition” on 7 November 2019. Six startups - Mor. AI, Mushroom, Pencilvision, Geek+, Alpha.SMART and Shopitics - pitched their solutions to the challenges presented to them by VW and Lab 1886 China/Daimler China Incubator. The startups presented innovative ideas in the areas of in-car experience, health, and safety, as well as new approaches to warehouse logistics for the automotive industry. Congratulations to the winners Geek+ and Daimler’s Startup Autobahn, who convinced not only the expert jury but also a smart and interested crowd! The winners received free tickets to the Greater China Xceleration Days and the chance to pitch at the nationwide AHK Innovation Night on 3 December 2019 in Shenzhen.

We would like to thank our partner, CPC Consulting Beijing, for providing interactive games and visual tools; our partners StartupGrind, German Innovators, and Innoway; P3, for sharing their insights on successful collaborations in the field of innovation. Our gratitude also goes to our sponsors: DokoWay for their delicious and healthy food; Paulaner and Ping Dynasty Brewing for their drinks; and WeWork for their great space to host all our networking activities.
A New Way to Fly? Discovering Beijing’s New Daxing International Airport

In order to get an exclusive glance into the technologies and capabilities of the world’s largest airport, the German Chamber of Commerce in China | North China, in cooperation with the Lufthansa Group and T-Systems, organized a visit to the Daxing International Airport in Beijing on 29 November 2019.

More than 50 members and friends had an exclusive opportunity to learn about the new airport’s facilities, advanced technologies, and complex management procedures, as well as to experience the new express train to the airport. The event centered around the international check-in procedures, security checks, customs, and the international departure and arrival areas.

The tour started with a presentation of the in-town check-in facilities and air-rail interlining at the Caoqiao airport express train station, followed by a welcoming speech by Dr. Stephan Wollenstein, Chairman of the German Chamber of Commerce in China | North China and CEO of Volkswagen Group China. Dr. Matthias Göbel, Chief Representative of Deutsche Lufthansa AG, Mr. Martin Muen, Account Manager of T-Systems China and Daxing Airport Management, guided the visitors at the airport, providing comprehensive explanations of the new technologies.

Chamber Dinner with the German Ambassador to China

On 10 December 2019, the German Chamber of Commerce in China | North China organized the last Chamber dinner of the year. Dr. Clemens von Goetze, German Ambassador to China, looked back on the developments in Sino-German relations in 2019 and shared his outlook on opportunities and challenges for 2020. Dr. Stephan Wollenstein, Chairman of the German Chamber of Commerce in China | North China and CEO of Volkswagen Group China, provided an overview of the most successful and innovative events held by the German Chamber of Commerce | North China in 2019. Mr. Jens Hildebrandt, Delegate & Executive Director of the German Chamber of Commerce in China | North China, introduced the new members and held an interactive Q&A session for the high-profile representatives of the German-Chinese business community. Following the official part of the event was an exquisite Christmas buffet dinner.
The 7th German Chamber Soccer Cup - Tianjin 2019

On 20 October 2019, the traditional German Soccer Championship took the field at Wellington College International at Tianjin. The Sino-German business community gathered to cheer for the ten teams forming the tournament, who competed with great commitment and passion for the title. The players - as well as over 500 spectators - enjoyed a great sports event and family day. After several exhilarating soccer matches, Wellington won the championship for the first time.

The Tianjin Office of the German Chamber thanks all teams, event partners, sponsors, and volunteers who made this tournament a memorable and enjoyable event.

The Beijing Legal Working Group: A Meeting Point for German Lawyers Working in Beijing

German lawyers stationed in China can often feel lost in the complexity of Chinese law. Although Chinese law shares some similarities to German law, the two still consist of two very different worlds. Therefore, German lawyers often have some difficulty adapting to, or understanding, China’s legal approach.

The Legal Working Group in Beijing serves as a meeting place for German lawyers - as well as for Chinese lawyers having command of the German language and/or who are intrigued by German law. It is a quarterly event, aimed to provide networking opportunities and advance mutual exchange on new developments in Chinese law. The events are organized by the legal department of the German Industry & Commerce Greater China (GIC) in Beijing. Over the years, the meetings have become increasingly popular within the community.

Feel free to join us! Please contact us for more information at: chamber@bj.china.ahk.de
Beijing Training Calendar April – July 2020

7 May       Power Questions – Make More Out of Your Life by Using Questions (CN/EN)
14–15 May   Excellence in Customer Service (CN)
18 May      Leadership Development: Learn How to Communicate Beyond Cultures! (EN)
19–20 May   Business Writing and Influencing (EN)
21–23 May   Six Sigma Yellow Belt (EN)
28–29 May   AgiLego Project Management (CN/EN)
4 June      PPT for Presenters (EN)
9–10 June   Living, Working and Leading in China (EN)
11–12 June  Production Management Skills for Front Line Supervisors (CN)
16 June     Excel Training Course: Improvement of Data Analysis Efficiency (CN)
17 June     PPT Training Course: Work Report – Easy Making and Perfect Presentation (CN)
18–19 June  Convincing and Asserting Skills (CN/EN)
23 June     Deep Work: How to Become More Focused and Successful in a Distracted World (CN/EN)
3 July      Structured Thinking and Mindmapping (CN)
9–10 July   Standard Time Management According to REFA Methodology (EN)
15–16 July  Empowering your Support Staff (EN)
17 July     “Constructive Emotional Leadership” Workshop (EN)
23 July     Innovation Management (CN)

Training Highlights

**Six Sigma Yellow Belt**

Date: 21–23 May 2020

**Objectives and Content**
The Six Sigma framework requires the rigorous application of scientific, number-based methods to define, measure, analyse, improve and control your projects. In this training, the principles and most basic methods of Six Sigma will be taught and practiced. The course will end with a final examination in accordance with the standards given by international Six Sigma promoting organizations. No project needs to be submitted for this introductory yellow belt certification. The participants will need to bring a laptop with statistical software such as Minitab (free trial) or R (free) installed.

**Training Outline:**
- What is Six Sigma? History and application; principles and concept; overview of Six Sigma tools
- Six Sigma project management; DMAIC/DMADV cycle
- Six Sigma metrics (CTx, DPMO, COPQ, etc.)
- Basic descriptive statistics and statistical testing (parametric/non-parametric)
- Measurement system analysis
- Process capability analysis

**Innovation Management**

Date: 23 July 2020

**Objectives and Content**
This course can create a knowledge base for professional innovation management, provide insights about the role & responsibilities of an innovation manager, build knowledge for how to lead innovation on a strategic, tactical & operational level and provide a base for developing an organization’s structural & cultural ability to drive innovation.

**Training Outline:**
- Align innovation to business objectives
- Build innovation capability
- Manage the innovation system
- Execute innovation activities
- Promote an innovation culture

**Target Group**
Middle and Senior Managers, Department and Business leaders.

Beijing contact: Ms. Li Xingchen, Human Resources

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

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Social Events in North China

**Beijing:**
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).

**Tianjin:**
Kammerstammtisch – every last Wednesday of the month at Paulaner Brauhaus, Tianjin at 7:00 PM.

**Shenyang:**
Kammerstammtisch – every second Tuesday of the month at 7:00 pm in varying locations.

Note: You can find the full event calendar on our website: https://china.ahk.de/membership/north-china/
As the service provider of the German Chambers of Commerce Worldwide Network (AHK) in Greater China, we support you with your market entry and business development in Greater China and Germany. With more than 250 specialists in Beijing, Shanghai, Guangzhou, Hong Kong, Taipei and Karlsruhe we tailor customized solutions for your business success.

www.china.ahk.de/services

DEinternational is the service unit of the German Chambers of Commerce Worldwide Network.
Adenergy’s IoT Platform Signs Agreement to Optimize Energy & Systems in West Wisdom Valley
Adenergy signed a 10-year energy-management contract with Wuhou High-tech Industrial Development Co., Ltd. in Chengdu. Wuhou is the first district-level, nationally-funded enterprise listed on China’s NEEQ. Wuhou Gaoxin’s tech park serves the commercial, governmental, and R&D sectors. As a park committed to innovation and industrial agglomeration, Adenergy will use its AEMO IoT platform to optimize and manage energy and systems across multiple facilities in the high-tech portion of the park known as “West Wisdom Valley,” which covers 700,000 square meters.

Award for Innovative Schmersal Product
The 2019 SPS trade fair honored Schmersal in an award ceremony held in November 2019 in Nuremberg, Germany. Managing Director of the Schmersal subsidiary Safety Control GmbH, Klaus Schuster, CEO Philip Schmersal, and Chief Sales Officer, Oscar Arias, accepted the GIT Security Award 2020 from Wiley-Verlag. Schmersal’s safety light curtain with Bluetooth interface and smartphone app was awarded second place in the category “Safe Automation.” Among the award submissions, the top 10 contestants per category were selected by a jury of experts, consisting of representatives from BHE, TÜV, VDMA, ZVEI, integrators, and users. Readers of the magazines “GIT Sicherheit,” “GIT Security,” and “Messtec Drives Automation” as well as their online communities chose their favorites in each category.

Dr. Ulrike Glueck Ranks as One of China’s Top 100 Lawyers
Dr. Ulrike Glueck, Managing Partner of CMS, China (Shanghai Office) and Head of Corporate Practice Area Group, has been ranked as one of China’s Top 100 Lawyers by China Business Law Journal (CBLJ). This is the third time Mrs. Glueck is listed. CBLJ conducted the annual survey based on thousands of recommendations from corporate legal counsels, senior officers, and legal colleagues, combined with the CBLJ editorial team. Dr. Ulrike Glueck has been working on-site in China since 1998, and has over 20 years of experience with China-related work. She has been recognized as a renowned China expert and as one of the leading lawyers advising international companies on M&A transactions and restructuring projects in China.

Norddeutsche Landesbank (NORD/LB) Marks 15 Years in China
On 8 November 2019, NORD/LB celebrated its 15th anniversary in China by welcoming nearly 90 business partners and respective guests in their office to mark the event. Opening speeches were given by Germany’s Consul General in Shanghai, Dr. Christine Althauser; Delegate and Chief Representative of the Delegation of German Industry
Blickle Listed as German “World Market Leader”

Blickle was featured in the “World Market Leader” ranking, conducted by the University of St. Gallen, Switzerland, and published in the "Wirtschaftswoche" magazine. The “World Market Leader” index chooses global market leaders based on the companies’ annual turnover, export activities, foreign sales, and more. A total of 450 companies made it to the prestigious list. “The continuous expansion of Blickle in China has been a milestone in our company’s history and an important pillar of our global growth strategy,” says Fabian Hänle, Managing Director of Blickle in China. “Further investments are already in planning.”

IMS Messsysteme GmbH Cooperates for Development

As part of the “ASRA” project, IMS Messsysteme GmbH, SMS Group GmbH, IMST GmbH, Ruhr-Universität Bochum, and Fraunhofer FHR decided to collaborate in order to increase the efficiency of steel production lines in a sustainable way. The goal is to perform in-line radar measurements of the steel strip contour in the harsh environmental conditions of the roughing stand in hot rolling mills, in order to realize real-time width control for the first time. A modular, integrated multi-channel radar system will be developed in D-band (110-170 GHz), enabling high-resolution shape measurements. Thanks to SMS Group’s experience in the modeling and control of the production of steel strips – and the expertise of IMS Messsysteme in the manufacturing and integration of different measurement systems – it will be possible to integrate and test the ASRA demonstrator in a realistic scenario in a hot rolling mill.

Mubea Appoints Mr. Dietmar Hunecke as the New China Managing Director

In July 2019, Mr. Dietmar Hunecke was named Mubea’s new Managing Director in China. Overseeing five plants and more than 1,200 employees, Mr. Hunecke is set to further expand the business development and general management in the Chinese market for the Mubea Group.

Mr. Hunecke possesses over 26 years of working experience in different positions at Mubea. He served as Sales Director for Asia and was responsible for the worldwide sales of one business unit. In 2014 he returned to China to take on the role of Division Director Powertrain & Industry China. He has rich experience in business development, advancing Sino-German cultural communications, and leading the Mubea China team to success.

Poclain Hydraulics, Pondicherry India Receives “Gold Award” from the National Institution for Quality and Reliability

On 23 November 2019, Poclain Hydraulics Pvt. Ltd. in Pondicherry, India, received the “Gold Award” from the National Institution for Quality and Reliability at the 5th Annual Competition on Six Sigma – Case Study Presentation, held in Chennai, India. Mr. Tharmaraj Thangavel, Mr. Sundar Sekar Vadivel, and Mr. Ayyappan Mani from the optimization team at Poclain Hydraulics Pondicherry India accepted the award.

The national competition is part of the Institution’s continuous efforts to promote quality awareness, quality management systems, and systematic problem-solving in the Indian Industry. 24 teams from leading manufacturing organizations of various sectors in Chennai and Pondicherry participated in the competition. Poclain Hydraulics’ Pondicherry location was among the five companies to receive the gold award.

Ruhlamat Sponsors SMAS Forum

On 24 October 2019, the 2nd Smart Manufacturing Application Sharing (SMAS) Forum took place in Suzhou, Jiangsu province. Nearly 400 experts, scholars, and business leaders from the automotive, healthcare, and IoT industries attended the event and shared their insights on using technology-driven approaches to improve manufacturing performance. Nine local and international industry experts and scholars delivered keynote speeches on industry trends, such as digital transformation in enterprises, AI-based machine vision systems, 5G, artificial emotional intelligence, flexible automation, Smart Manufacturing application guideline, and the Plug & Play production monitoring system.

The forum was organized by SMAS with the guidance of the Suzhou Industry and Information Technology Bureau, SIP Economic Development Commission, and SIP Science and Information Technology Bureau, and sponsored by Ruhlamat Automation Technologies (Suzhou) Co., Ltd.

Hoffmann Tools Now Available on Alibaba

On 24 October 2019, Hoffmann China launched its first online store at 1688.com—the B2B platform of Alibaba group. Dr. Christian Kober, Senior Vice President of Hoffmann Asia-Pacific, and Shane Lee, General Manager of Hoffmann China, as well as two high-level representatives from Alibaba Group, jointly hosted the store’s opening ceremony at Alibaba’s headquarters in Hangzhou.

“Nowadays, more and more Chinese users...”
tend to shop online for quality tools and accessories,” says Dr. Kober. “We need to keep up with them as suppliers, which is one of the reasons why Hoffmann chose to open the online store at Alibaba.” More than 300,000 Chinese SME manufacturers will now have easier online access to 12,000 Garant and Holex, Hoffmann’s private label of quality tools, selected for the Chinese market.

**MPS Appoints New Vice General Managers and Marketing Team**

MPS Shanghai appointed two new Vice General Managers, Mr. Steven Clint Lux and Mr. Sunny Lee. Both Mr. Clint and Mr. Lee have been a part of MPS for over ten years, and will now take the lead on MPS China growth. Furthermore, MPS welcomed two new team members to its sales team, Ms. Lingjun Pan and Mr. Sam Zhang, who will be leading its business growth.

**SAIC VOLKSWAGEN MEB Plant Concludes Construction and First ID. Vehicle Offline**

On 8 November 2019, SAIC VOLKSWAGEN completed the construction of its MEB Plant, and first ID. vehicle came offline. Serving as a battery vehicle platform developed by Volkswagen Group for mass production, the new MEB Plant is located in Anting, Shanghai, serving as the first newly-built factory designed specifically for MEB production in the world. The MEB plant has an annual production capacity of 300,000 units, and is the largest and most efficient battery electric car plant in China. It is set to begin operation in October 2020.

The first ID. vehicle offline is a battery electric, medium-sized SUV. It is also the first ID. family model that SAIC VOLKSWAGEN will put into production. It is expected to be officially unveiled in the second half of 2020. ID.3 - the milestone model of the Volkswagen brand and the world’s first mass-produced BEV, will also be produced in the MEB Plant. In the future, the MEB plant will produce a new generation of BEV from multiple brands of Volkswagen Group.

**Zeiss China Opens New Customer Center**

In December 2019, Zeiss China opened its new customer center at the Zeiss headquarters in the China (Shanghai) Pilot Free Trade Zone. The new customer center occupies nearly 1,000 square-meters and focuses on two themes - medical technology & vision care, and industrial quality & research. The company held an opening ceremony inviting customers and representatives from the Free Trade Zone Administration. “The new customer center will demonstrate the latest technologies, innovative products and solutions,” said the president of Zeiss Greater China, Maxmilian Foerst. “Zeiss believes in a strong and committed future for China. This center is a perfect symbol of Zeiss' promise to better serve our customers and to realize their ambitions.”

**LANXESS to Set Up an Integrated APAC Application Development Center**

LANXESS is planning to establish an integrated APAC Application Development Center (AADC) in Shanghai to further strengthen its innovation capabilities in China and the Asia-Pacific region. In addition, the company signed a Memorandum of Understanding (MOU) in September 2019 with the Shanghai Chemical Industry Park (SCIP) to reserve 20 hectares of land, with the possibility of setting up an integrated site as a new base for sustainable growth in China. “We are confident in China’s future growth potential, and our investments will help us meet the growing market demand on high-quality products here,” said President of the LANXESS Asia-Pacific Region, Ming Cheng Chien, at a press conference in Shanghai.

**World Laser Manufacturing Conference Endorsed by Nobel Laureates**

The LMN 2020 World Laser Manufacturing Conference was endorsed by two 2018 Nobel Laureates, Prof. Gerard Mourou and Prof. Donna Strickland. The esteemed Professors sent greeting messages to the event, stating that LMN 2020 would play an important role in the development of laser technology, showcasing the global influence and appeal of the conference.

LMN 2020 World Laser Manufacturing Conference is organized by Hannover Milano Fairs Shanghai, alongside its joint venture Hannover Milano Fairs XZQ. With its global influence, keynote speakers from the US, Russia, Lithuania, Singapore, Malaysia, and China have confirmed their attendance at the LMN 2020. The conference aims to allow participants to learn about laser technics used worldwide, exchange ideas, and network, in hopes of advancing laser technology.

**First Day of School at the German School Shanghai Yangpu**

On 8 January 2020, Principal Sven Heineken welcomed the former Pudong campus school community to the very first day at German School Shanghai Yangpu. With more than 55,000 sqm, the new, state-of-the-art German-French EuroCampus provides a unique learning environment
Tesa Tape China Opens New Offices in Tianjin and Qingdao

On 14 November and on 19 December 2019 tesa China opened new offices in Tianjin and Qingdao. The company’s regional headquarters is located in Shanghai, with an R&D and production site in Suzhou, along with 11 branch offices across Greater China. “We are very happy to further strengthen our local presence in Northern China.” said Frank Kolmorgen, tesa’s President and Regional Manager of Greater China during the opening and ribbon-cutting ceremonies.

Tesa tape has been operating in China for over 20 years, offering self-adhesive products and system solutions that optimize production processes and enhance products for all kinds of industries.

Covestro Signs an Agreement with Nongfu Spring

On 10 January 2019, Covestro signed a cooperation agreement with Chinese packaged water supplier Nongfu Spring, as well as with plastics recycling company Ausell to upcycle and reuse Nongfu’s 19-liter polycarbonate water barrels. According to the agreement, Nongfu plans to collect and recycle 1 million barrels every year. These barrels are later chopped, washed and re-pelletized by Ausell. Covestro will then transform the processed plastic granules into high-performance recycled plastics for use in industries such as electronics, home appliances and automotive. The cooperation will improve the traceability and quality of recycled materials, and extend the life of barrels that are no longer in use.

P3 Becomes a Core Member of CharIN e. V.

In January 2020, P3, an international management and technology consultancy, became a core member of CharIN e. V. (Charging Interface Initiative e. V.) to increase the reliability of EV charging based on the Combined Charging System (CCS). “Charging is one of the key aspects to enable electric mobility – the availability of high-quality and reliable charging infrastructure needs to be improved in the upcoming years.” explains Johanna Heckmann, Head of Charging Infrastructure at P3. CharIN e. V. is committed to expanding the global network by integrating companies on each level of the defined value chain to support and promote CCS. By joining this association, P3 aims for a future-proof and cutting-edge charging technology to promote the market penetration of electric vehicles in the market and enable convenient charging and driving for customers.

COTESA GmbH Holds Opening Ceremony for its 4th Plant in China

COTESA GmbH opened its 4th plant in China. The new 11,000-square-meter facility has designated areas for manufacturing, as well as a cleanroom, a laboratory, a freezer, a warehouse, and an office. The factory is a complete composite production line for manufacturing primary detailed parts and sub-assemblies. “In the next few months, the China plant will start the qualification work for the aerospace quality system and customer certification like Airbus and COMAC.” said Changhai Nie, General Manager of the company. “It’s expected to deliver products to our customer by the 3rd quarter of 2020.” COTESA GmbH (Mittweida, Germany) is a leading manufacturer of high-quality composite fiber components for aviation and automotive engineering. COTESA was acquired by the Chinese company AT&TiM in 2018.

Digitalization: HELUKABEL x Alibaba

In late 2019, HELUKABEL China started its e-commerce business, operating on China’s largest B2B industrial platform Alibaba. This creates a new business model for the HELUKABEL Group, involving social media, an online shop, and its extensive sales forces and channels. Combining the expertise of its cable and digital professionals, the online shop can be accessed from anywhere, including mobile devices. During the last CIIF, HELUKABEL co-exhibited with Alibaba and top industrial brands, showcasing its cutting-edge technologies and solutions. HELUKABEL showed its product and launched its new fire-engine cable HELU-REFLECT via a live interview by Alibaba.

and excellent facilities for children from 18 months to 18 years.

Along with the German School Shanghai Management Board, representatives from the Shanghai Municipal Education Commission and EuroCampus partner “Lycée Français de Shanghai” were present to congratulate on this exciting day. German School Shanghai now offers German education at two campuses in Shanghai: Hongqiao and Yangpu.

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As the inventor of polycarbonate, Covestro has been focusing on developing recycling solutions for polycarbonate post-consumer. This cooperation could be seen as an example of the closed-loop recycling system in China.

**Tricor China Launches Sharing Series for FIEs**

On 17 January 2020, Tricor China hosted its first event as part of the “sharing series” for 2020, aimed for foreign-invested enterprises in Shanghai. The event provided the companies with practical tips on corporate management and corporate income tax annual filling under the PRC’s new policies. Jessica Lin, Tricor’s Legal Manager, and Mavy Zhao, Tax Manager for Tricor China service team, shared their professional knowledge and insights on the Foreign Investment Law and the new taxation regulations.

Tricor China’s sharing series aims to enrich foreign investors and enterprises with policy information, strategic recommendations, and practical guidelines for entering the Chinese market to expand their businesses. More business operation topics, such as business environment, taxation, accounting standard update, human resources, cross-border payment, and collection, will be addressed soon.

**Goetze KG Introduces New Sales Area Manager for the Asian Region**

Goetze KG, a German valve manufacturer, appointed Mr. Jean Samuel Lin as the new Sales Area Management of the ASEAN countries and its branch in Kunshan, effective immediately. Mr. Samuel Lin will focus on the development of new markets - especially in China - as well as strength-
workshop for the management team of China’s Inclusion Factory in January. The workshop aimed to improve the team’s collaborating skills and efficiency. The first part of the workshop included employees from the Inclusion Factory, and for many, this was their first team building experience. The workshop included exercises for guided reflection and planning ahead, and centered around the different ways team collaboration can smooth the integration process for this unique group.

**Dormakaba Marks 20th Anniversary for its China Suzhou Plant**

For the past 20 years, the Dormakaba China Suzhou plant has been bearing witness to China’s speedy development. To commemorate the event, more than 60 core customers and business partners across the country gathered in Suzhou Industrial Park to celebrate its 20th anniversary, together with the Dormakaba International management team and local employees. All attendees were invited to complete the sand pouring rite one by one. Mr. Alwin Berninger, COO of DACH, Mr. Jim Heng Lee, COO of Dormakaba APAC, and Mr. Francis Leung, SVP of Dormakaba CAN, shared their journey and thanked the customers for their trust and contribution to Dormakaba. Following the event, customers had a tour of the plant.

**New Members – Shanghai**

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Ms. Bridget Xia  
Head of General Affairs, China, HK, Taiwan & South Korea  
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REGIONAL NEWS | Shanghai | Event Highlights

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TAICANG Stammtisch
5 November 2019
Location: Moritz Restaurant

DUSA Social Gathering/ the German Chamber of Commerce Deutscher Stammtisch
6 November 2019
Location: BlueMarlin Xinghai Branch

AHK Innovation Night in Shanghai
12 November 2019
Location: P2 – Coworking
P2 – 城开 YOYO

Deutscher Stammtisch – Shanghai
12 November 2019
Location: PAULANER @ XIN TI AN DI

[Members Only] GCC Business Confidence Survey: Skepticism and Opportunities – German Businesses Sentiment on the Chinese Market
13 November 2019
Location: German Chamber Office

Young Professional Stammtisch
13 November 2019
Location: PAULANER

HANGZHOU German Chamber Corner
19 November 2019
Location: Wade’s Bar & Grill 味德西餐酒吧（武林店）

[Members Only]
Live Crisis Simulation Workshop

The exclusive members-only “Live Crisis Simulation” workshop took place on 25 November 2019, providing participants with hands-on experience in crisis management. Daniel Del Re, Partner at Kekst CNC Hong Kong, and Christoph Wegener, Consultant at Kekst CNC Munich, held the workshop in the German Chamber office. To tackle the subject in an innovative and interactive way, guests were asked to break into groups and act out one of the case studies demonstrating a crisis. Members took on different professional roles and faced internal and external obstacles, challenging them to master a simulation based on real-life accordance. The event was received with positive feedback from participants, showcasing the success and importance of simulating real-life scenarios.
[Members Only]

Innovation Excursion to Brose China: How to Shape the Future of Mobility by Innovations

On 6 December 2019, the German Chamber of Commerce in China | Shanghai co-organized with Brose China an innovation tour to Brose China office and factory. Visitors received a guided tour through Brose’s office and factory, getting a closer look at their in-house electronics development and production. The visit included an introduction to the company by Jenny Xiang, President of Brose China, followed by an explanation on automotive trends and how to shape the future with innovation by George An, Head of Advanced R&D. The visitors got a chance to participate in a brainstorming workshop, aimed to generate new business and product concepts.

[Taicang]

GCC Business Confidence Survey: Skepticism and Opportunities – German Businesses Sentiment on the Chinese Market

Our special event titled “GCC Business Confidence Survey: Skepticism and Opportunities – German Businesses Sentiment on the Chinese Market” was held on 10 December 2019 in the German Center of Taicang, in cooperation with KPMG AG. A total of 526 member companies participated in this year’s survey, offering a comprehensive look into the unique opportunities and challenges German companies face in the Chinese market. The survey shows that while the slowing Chinese economy and the ongoing US-China trade dispute are reasons for concern among German companies, China remains an important market with valuable business opportunities. Nonetheless, market access barriers and regulatory obstacles continue to limit companies’ growth potential in the Chinese market. The event was led by Lother Grad, Managing Director of Suzhou Lentia Management Consulting Ltd., and Richard Zhang, General Manager at KERN-LIEBERS (Taicang) Co., Ltd., and moderated by Dr. Sigrid Winkler, Executive Chamber Manager for the German Chamber of Commerce | Shanghai.
Weihnachtskammertreffen 2019: “Heiliger Schein oder Heiliges Sein?” (held in German)

The Chamber’s traditional Christmas Chamber Meeting was held as a special "More than a Market" Edition on 12 December 2019, at the Grand Hyatt Hotel. The guests were welcomed with festive decoration, mulled wine and Christmas music by a brass ensemble. Five social organizations were invited to share their visions and advocate for the importance of social engagement. During the event, the Pfrang Foundation received special honors for their outstanding social contribution, with a donation made by the German Chamber of Commerce in China | Shanghai for the sum of RMB 100,000. Dr. Annette Mehlhorn, a Protestant Pastor at Deutschsprachige Christliche Gemeinde (DCGS), and Dr. Michael Bauer, Catholic Priest at DCGS, greeted the audience with lectures on the topic “Heiliger Schein oder Heiliges Sein” (lit. “Holy shine or holy being”). Mr. Titus von dem Bongart, Partner & Head of GBN Greater China, ASEAN, and Korea Ernst & Young (China) Advisory Ltd. Shanghai Branch Office, moderated the event. The last meeting of the year was concluded by joining together in singing classical Christmas carols.
DUSA Social Gathering/ the German Chamber of Commerce Deutscher Stammtisch
8 January 2020
Location: BlueMarlin Xinghai Branch

[Shanghai] Deutscher Stammtisch
14 January 2020
Location: PAULANER @ XINTIANDI

Young Professional Stammtisch
15 January 2020
Location: PAULANER

HANGZHOU German Chamber Corner
21 January 2020
Location: Wade’s Bar & Grill 味德西餐酒吧（武林店）

NANJING Stammtisch
29 January 2020
Location: Secco Restaurant & Bar

**Special Event: Präsentation des EU Handelskammer “Positionspapiers 2019/2020” (held in German)**

On 8 January 2020, The German Chamber and the European Chamber of Commerce held a special event introducing the European Chamber’s recent position paper. The event centered around the unlevel playing field of state-owned and private enterprises in China and the access to funds for private enterprises versus state-owned ones. The document reveals that, although private enterprises tend to be more innovative and with better global exposure than their state-owned counterparts, their access to financial resources is substantially lower.

The position paper was presented by Marcus Wassmuth, Shanghai Chapter Board Member at the European Union Chamber of Commerce in China; Andreas Eisfelder, Vice Chairman of the Energy Working Group at European Union Chamber of Commerce in China; and Thilo Zimmermann, Vice Chairman of the Banking & Securities Working Group at the European Union Chamber of Commerce in China. The event was moderated by Mr. Clas Neumann, Member of the Board of the German Chamber of Commerce in China | Shanghai.

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**Training Highlight - Shanghai**

**Building High-Performance Teams New**

A highly engaging one-day training program with fun activities and games focusing on the key characteristics of High-Performance teams. The high energy training program will help you equip members of a team with the essential skill set and mindset to be a professional team player in a high-performance team in which every individual takes responsibility to be productive, proactive and reliable. The training program will help you create a more professional, dynamic, effective work team that enjoys the work environment and consistently achieves more.

**Bridging the Culture Gap: Living, Working, and Leading in China**

Working in a multicultural environment can bring about exciting opportunities and fascinating encounters – while posing certain challenges of miscommunication. Managers and Employees in China are often required to navigate between several cultural spheres, understanding and accepting customs different than their own. These situations could lead to a lack of cultural sensitivity within teams, which in turn could lead companies to the loss of valuable employees, miscommunication with clients, and even shutting down China operations.

This training program was meant to aid participants in identifying and analyzing China’s work culture. It aims to help managers fully comprehend local work ethics and communication etiquette, in order to assure diversity will continue to be an advantage rather than a liability. It also helps them to gain an advantage within the diversity of their cultural work environment by reflecting on their own experiences. The training will help expatriate become a better manager by understanding China, and understanding their own cultural working approach.
Tell us a little about your company and activities in China?
Hofmann - Ihr Möglichmacher is a medium-sized company operating globally. The company was founded in 1991 in Lichtenfels, Upper Franconia and currently has more than 300 employees worldwide. We offer comprehensive solutions in the field of 3D printing (metal and plastic), model making, prototype manufacturing, and the production of pre- and small series for OEMs (Original Equipment Manufacturer) and their system providers in the automotive, aerospace, and medical industry. In 2007, we opened our branch office in China to further strengthen our supply chain and to be closer to our customers in Asia.

What is your competitive advantage/selling point? What kind of benefits can companies get using your products/services in China?
Through our cross-border management system, we learned to share resources and capabilities efficiently. In this way, we can fine-tune and combine production methodology. The fact that we specialize in both prototyping and series tooling enables us to have a sound understanding of which process should be used to optimize costs. Some 25 years ago, our senior management acquired their first 3D printer from North America. Since then, we have continuously improving printing methods, and today we are able to reduce material usage of conventional products’ parts by up to 85% – while still guaranteeing the same functions and mechanical performance.

What are your aims and hopes for the future? What are your short- and long-term objectives, especially in China?
Our key driver is our Germany-based 3D printing service. We have implemented this business model in China and aim to become a reputable solution provider within the global market. This sector is still in its early stages in China and offers many growth opportunities. The trend towards electric-powered cars and increasing demand for new medical devices, plus a strong upward push in the aerospace industry, has incentivized us to develop more prototypes and deliver innovative solutions for customers with high-specification requirements.

What are the most valuable things you have learned from working and living in China?
Despite different cultural backgrounds and methodologies, we have discovered flexibility and innovation that enables us to achieve international targets and specifications, in part through mutual respect, communication, and understanding. This has proven to us that seemingly insurmountable barriers can be overcome. We feel that strong team collaboration and effective communication is the key to success.
New Regional Manager Neighboring Provinces

Mr. Navin Hossain joined the German Chamber of Commerce in China | Shanghai in December 2019 as Regional Manager for the provinces Anhui, Henan, Hubei, Jiangsu, Shandong and Zhejiang. Mr. Hossain is not only the main contact person for members of the German Chamber in the neighboring provinces, but is also organizing events and is overall steering the strategic development of the Chamber’s engagement in the provinces. Mr. Hossain holds a degree in Economics from the University of Göttingen and studied Chinese Economy for an exchange semester at Fudan University. He has vast experience in business and market development, project management, and sales operations. Prior to coming to Shanghai he worked for a Chinese medical device manufacturer in Düsseldorf. Mr. Hossain can be contacted in German and English via phone at 86-21-5081-2266, ext. 1656 or via email at hossain.navin@sh.china.ahk.de.

New Editor and Social Media Coordinator

In December, Ms. Feige has joined the German Chamber of Commerce in China | Shanghai’s Communications Department, supporting the Chamber’s numerous publications and acting as editor for the GCC’s quarterly business magazine, the Ticker. Her responsibilities include developing and managing content creation, publication production, and coordinating the Chamber’s social media channels. Noga has a rich background in media, project management, and community building. She is a seasoned journalist, working in the field both in Israel and in China. She is the founder and CEO of Israel’s leading content website about China and a member of the Board of Directors for IPWS. Noga holds a double BA degree in Economics from the University of Göttingen and studied Chinese Economy for an exchange semester at Fudan University. He has vast experience in business and market development, project management, and sales operations. Prior to coming to Shanghai he worked for a Chinese medical device manufacturer in Düsseldorf. Mr. Hossain can be contacted in German and English via phone at 86-21-5081-2266, ext. 1656 or via email at feige.noga@sh.china.ahk.de.

New Head of Market Entry & Business Development

Mr. Marcus Wassmuth joined the German Industry & Commerce Shanghai (GIC) as Head of Market Entry and Business Development Department at the beginning of February 2020. Wassmuth first arrived in China back in 1994, where he played a leading role in the establishment of the branch of Commerzbank AG in Shanghai and gained hands-on experience in market entry. Following the establishment, he was responsible for the Organization and Operations Department of the branch. In 2001 he joined Landesbank Baden-Württemberg’s (LBBW) representative office in Shanghai as their Chief Representative and Country Head, continuing to consult mainly small and medium-sized companies from southwest Germany with their activities in China. From 2017 until joining the GIC, he was Head of European Corporate Coverage China of Unicredit S.p.A. Shanghai Branch.

During his years in Shanghai, Mr. Marcus Wassmuth worked closely with the AHK organization, while advising SMEs on their market entry strategies and business activities for the Chinese market. Mr. Wassmuth can be contacted in English and German via phone at +86-21-3858 5020 or via email at Wassmuth.marcus@sh.china.ahk.de.

Training Calendar Shanghai

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<tr>
<th>Shanghai</th>
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<td>5-6 May</td>
<td>Working Smart with Word</td>
<td>18-19 May</td>
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<td>5-8 May</td>
<td>IEC 61508/IEC 62061/ISO 13849 Functional Safety Certification Program (NEW)</td>
<td>19-20 May</td>
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<td>7 May</td>
<td>Introduction of Chinese Trade Administration Measures (NEW)</td>
<td>20 May</td>
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<td>7-8 May</td>
<td>Foundations of User Centered Development (CPUX-F) (NEW)</td>
<td>21 May</td>
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<td>7-8 May</td>
<td>Leadership Management (NEW)</td>
<td>21 May</td>
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<td>11-13 May</td>
<td>ISO 9001 Introduction (Online) &amp; Internal Auditor (Off-line)</td>
<td>21-22 May</td>
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<td>11-15 May</td>
<td>Six Sigma Green-Belt Training</td>
<td>25-26 May</td>
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<td>12-13 May</td>
<td>Coaching Leadership: Module One (NEW)</td>
<td>26-27 May</td>
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<td>12-15 May</td>
<td>Dangerous Goods: Transportation Regulations Concerning Road Transportation of Dangerous Goods</td>
<td>27 May</td>
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<td>13-14 May</td>
<td>German Business Culture</td>
<td>28 May</td>
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<td>13-15 May</td>
<td>IATF 16949 Introduction (Online) &amp; Internal Auditor (Offline)</td>
<td>28-29 May</td>
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<td>14-15 May</td>
<td>Project Management</td>
<td>3 June</td>
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Dezan Shira & Associates South China Appoints New Asia Head of German Desk

Dezan Shira & Associates (DSA) has appointed Mr. Marco Förster as the Head of German Desk in Asia. Mr. Förster joined DSA Beijing in 2018 and relocated to DSA’s Shenzhen office in January 2020. Mr. Förster advises corporate investors in setting up and conducting business in China. These services can range from pre-entry assessments to “China Plus One” strategies, and ongoing support in conjunction with DSA’s legal, tax, accounting, IT, HR and payroll teams. Furthermore, he manages accounts from Germany, Austria, and Switzerland and is responsible for German publications and business partnerships, with a focus on China’s Greater Bay Area and Southeast Asia. Mr. Förster is originally from Berlin and speaks German, English, Mandarin, and Vietnamese. He has been living in China since 2014 and studied economics and Chinese at universities in Hangzhou and Beijing.

Merck Guangdong Innovation Hub Opens

Merck China announced the opening of the Guangdong Innovation Hub on 15 November 2019. The Innovation Hub will partner with local government industrial parks and incubators, as well as academic and investment institutions, to develop innovative technologies relevant to Merck’s three business sectors – healthcare, life science, and performance materials. The hub will continue Merck’s development in the Guangdong-Hong Kong-Macao Greater Bay Area.

Yue Jing Xuan at Park Hyatt Guangzhou is Awarded As Two-Diamond Restaurant by Black Pearl Restaurant Guide

Yue Jing Xuan at Park Hyatt Guangzhou wins the accolade of Two-Diamond Restaurant by 2020 Black Pearl Restaurant Guide.
AGS Group Receives FIDI Award

The AGS Group received the 2019 Platinum Award from FIDI, the umbrella organization for international moving and relocation companies. The award recognizes companies for promoting industry knowledge among their employees through learning and development activities offered by the FIDI Academy. The AGS Group is one of a handful of companies to receive this award three years in a row.

FIDI is the largest association of international moving and relocation companies globally, representing more than 600 independent companies in more than 100 countries.

Trolli Guangzhou Unveils New Wastewater Treatment Plant

Trolli Guangzhou Confectionery Company highly values ecological and environmental protection. Therefore, a wastewater treatment plant was inaugurated to enhance the wastewater treatment capacity and curb polluted water emission.

As a result of the new plant, the capacity of wastewater treatment increased from 2.25 tons Chemical Oxygen Demand (COD) per day to 9.5 tons of COD per day, and 2,800 natural gas consumption is saved every day by using the 4,000 m³ biogas collected during the wastewater treatment process as the fuel for the production boiler.

ICCS’ New Cargo Cool Center Officially Opens

On 16 January 2020, ICCS’ new cargo cool center was officially put into operation, providing customers with a one-stop cool chain service. The center marks a new stage of intelligent and diversified development in temperature-controlled cargo management, effectively promoting the level of air cargo transportation at Shenzhen Airport. ICCS’ cool center was put into construction at the end of November 2019. The center covers an area of 350 m², with an internal volume of more than 480 cubic meters – guaranteeing around 80 tons of cold chain goods in each run. With the continuous growth of business and the increasing demand for temperature-controlled products, the establishment of the cool center will provide customers with convenient and high-quality ground cargo handling services.

Raylase Laser Technology (Shenzhen) Co. Ltd. Changes Address

Starting January 2020, Raylase Laser Technology (Shenzhen) moved to a new office: 9th floor, Building C, Kemron Science and Technology Park, Guansheng 5th Road, Luhu Community, Guanhu Street, Longhua District, Shenzhen 518110 Guangdong, China. Tel: 0755-28248533. Fax: 0755-8228193

1000th Radio Frequency Solution Made by Imedco in China

In November 2019, Imedco’s Shenzhen subsidiary had delivered and produced the company’s 1000th Radio Frequency Shielding Project. To commemorate the event, the company organized a celebration in Shenzhen in January, awarding employees and engaging in team building activities. AG Group CEO Robert Schweizer, who flew in from Switzerland to attend the events, extended his gratitude to the entire team. Imedco is the provider of Shielding solutions for the Healthcare Industry, working mainly with MRI systems in hospitals’ radiology departments. Imedco has three production facilities worldwide, stationed in Switzerland, the US, and China.

‘Treasures & Scent’ Pastry Shop Reopens at The Langham Shenzhen

Located on the second floor of The Langham hotel, Shenzhen, the high-end pastry shop ‘Treasures & Scent’ reopened. The patisserie offers a variety of handmade chocolates, as well as innovative classic European desserts with contemporary touches and freshly-cut flowers.

Denza Tests New Denza X Model in Winter Experience

The Denza Winter Experience 2020 and the Mercedes-Benz Winter Driving Experience have come to an end. The new Denza X, along with a multitude of Mercedes-Benz...
models, assembled in Hailar, Inner Mongolia at temperatures as low as -30°C. As the latest model from Daimler and BYD’s joint venture Denza, the new Denza X was the only new energy vehicle (NEV) at this event.

SIS’s Celebrates Discover China Day 2020 at Shekou International School

Shekou International School (SIS) celebrated China with a ‘Discover China Day’ festival at Jingshan Villas in Shekou, Nanshan District. Over 1000 members of the international community joined the event to enjoy traditional Chinese food, dress, and performances.

Local art troupes, SIS teachers, and students treated audiences to 17 cultural performances, including a traditional ‘Lion and Dragon’ dance. Calligraphers with the Nanshan District Federation of Literary and Art Circles demonstrated China’s ancient visual art by treating guests to written couples.

CW Sponsors the 2019 Greater China Xceleration Days

CW took part in the 2019 Greater China Xceleration Days as a sponsor and guest. The event, organized by the German Chamber of Commerce (AHK) Greater China, took place in Shenzhen last December. The Greater China Xceleration Days marked the biggest Sino-German event of the year, attracting 800 high-ranking political and economic decision-makers, market experts and corporate representatives, as well as young entrepreneurs and innovators.

STIEBEL ELTRON Donates 295 Room Heaters to Wuhan

In order to support the fight against the novel coronavirus pneumonia, STIEBEL ELTRON donated 296 units of room heaters to Wuhan Cai Dian District Charity Association, with a total value of RMB 450,000. The equipment was delivered to Wuhan on 1 February and is meant to be used for room heating in places where central air conditioning is not allowed due to the virus. This contribution was made possible partly due to STIEBEL ELTRON’s employees, who gave up their holidays to arrange the donation.

Knauf Expands Product Line in Southern China

The product line of the Knauf plant in Dongguan was recently expanded to accommodate the rapid growth of the Chinese construction industry, after entering the Southern China market over 20 years ago. The extension will make Knauf’s Dongguan plant much more flexible and shows the company’s intention to further increase its Southern China market share.

Mr. Richard Yao, Managing Director of Knauf Greater China, said: “In today’s issues, with regard to the novel coronavirus outbreak, we are still confident in the Chinese market when long-term economic growth is concerned.” The work to increase production capacity started in 2019 and will be completed in 2020.

EWIKON Appoints New Managing Director for China

In September 2019, EWIKON Hotrunner Systems Shenzhen Co. Ltd. appointed Mr. Klaus Ehrmann as Managing Director. Mr. Ehrmann has been working for EWIKON since July 2017 as General Manager. During his 14 years of work experience for leading mold-making companies in China, Mr. Ehrmann held positions in the technical and commercial field.
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Greater China Xceleration Days

Last December, the German Chamber of Commerce in China hosted its first Greater China Xceleration Days (GCXD2019), a three-day professional matchmaking event that took place in Shenzhen. The event was designed to promote cooperation between German and Chinese companies and featured a variety of networking opportunities, keynote speeches, panels, project sessions, the German Wine Festival, Polit-Talk, Talk@AHK, and more. The Xceleration days attracted over 800 participants, ranging from Chinese and German entrepreneurs to senior executives and high-ranking officials. Among the honorary guests were Dr. Stephan Wollenstein, Chairperson of the GCC Board of Directors and CEO of Volkswagen Group China; Dr. Jianhua Hu, President of China Merchants Group; Dr. Clemens von Goetze, German Ambassador to China; Dr. Till Backhaus, Minister for Agriculture & Environment of Mecklenburg-Vorpommern; and Dr. Volker Treier, Member of the Board of DIHK. Mr. Werner Steinmueller, Vice Chair of APA & Member of the Management Board of Deutsche Bank; Mr. Lixin WANG, Vice Mayor of Shenzhen.

The event was launched with the Greater China Innovation Night Finale, gathering the regional winning start-ups on one stage to introduce their projects. The event continued with several panel discussions and keynote speeches, opening the stage for prominent leaders in their fields to discuss the current trends and share their forecast for the Sino-German business relations. The panels were followed by parallel project sessions, where attendees got the chance to engage with 25 exciting projects from five key industries: mobility, manufacturing, robotics, and digitalization; artificial intelligence; healthcare and pharmaceuticals; and environmental technology. A project session consisted of an enterprise presenting a current project for which it sought cooperation or partnership. Along with the project sessions, a variety of social activities were incorporated into the event, such as sports training, German Wine and Beer Festival, and networking lunches, allowing attendees to network with like-minded professionals. Participants were also able to meet their peers through “B2Match” – a digital matchmaking platform.

The German Chamber sincerely thanks our partners, sponsors, and participants, for making the GCXD2019 a great success. We would also like to extend our gratitude to the German Consulate in Guangzhou for their outstanding support during the preparation of the event.
New Event & Marketing Manager in Shenzhen

The German Chamber of Commerce in China | South & Southwest is pleased to announce the appointment of Ms. Melanie Song as Event & Marketing Manager Shenzhen office. Ms. Song received her university degree in Brand Communication at the Brand University of Applied Sciences. Ms. Song has worked as an intern in the fields of digital marketing and brand consulting in China and Germany, which strengthened her intercultural communication skills. Please feel free to contact her via phone at +86(0)-755 2660 4215 or via email at song.melanie@gz.china.ahk.de.

New Project Manager of Fairs, Events and Delegations in Guangzhou

The German Chamber of Commerce in China | South & Southwest is pleased to announce the appointment of Ms. Lena Li as Project Manager of Fairs, Events and Delegations in German Industry & Commerce Guangzhou Office. Ms. Li has worked as an intern for three months before officially starting her new position in 2020. Please feel free to contact her via phone at +86(0)20-8755 8206 or via email at li.lena@gz.china.ahk.de.

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Scan here to follow us on WeChat

SSW Past Events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autumn InterChamber Mixer in Chengdu</td>
<td>24 October 2019</td>
<td>Location: Canopy by Hilton Chengdu City Centre, Chengdu</td>
</tr>
<tr>
<td>The 1st AHK Wine Festival - Member’s Night</td>
<td>8 November 2019</td>
<td>Location: The Canton Place, Guangzhou</td>
</tr>
<tr>
<td>Autumn InterChamber Mixer in Chongqing</td>
<td>15 November 2019</td>
<td>Location: Crowne Plaza Chongqing Jiefangbei, Chongqing</td>
</tr>
<tr>
<td>Guangzhou Stammtisch</td>
<td>10 January 2020</td>
<td>Location: Tipsy Bar &amp; Grill, Guangzhou</td>
</tr>
</tbody>
</table>

Training Calendar - Guangzhou

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-19 April</td>
<td>Cost Analysis and Control for Manufacturing Enterprises (CN)</td>
<td></td>
</tr>
<tr>
<td>30-31 May</td>
<td>Supply Chain Management Training (CN)</td>
<td></td>
</tr>
<tr>
<td>12 June</td>
<td>Effective Business Email Writing (CN)</td>
<td></td>
</tr>
<tr>
<td>18-19 June</td>
<td>Emotional Intelligence in Leadership (CN)</td>
<td></td>
</tr>
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</table>

Training Calendar - Shenzhen

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<th>Details</th>
</tr>
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<tbody>
<tr>
<td>18-19 April</td>
<td>Plan and Inspection on Tax Payment (CN)</td>
<td></td>
</tr>
<tr>
<td>28-29 May</td>
<td>Communication, Influencing and Negotiation Skills (CN)</td>
<td></td>
</tr>
<tr>
<td>4 June</td>
<td>International Presentation and Reporting Skills (EN/CN)</td>
<td></td>
</tr>
<tr>
<td>5 June</td>
<td>Global Leadership and Talent Development (EN/CN)</td>
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</tbody>
</table>
Become a Friend of the German Chamber in China

The German Chamber of Commerce in China is the official member organization representing German business in China. To help connect German companies in China with Chinese companies, we open our business network for Chinese companies to join us as “Friends of German Chamber”.

Who can join?
Chinese companies interested in connecting with and increasing business cooperation with German companies

What are the benefits?
• Connect with German Chamber member companies in China
• Access our network of valuable connections in Germany and China and network with the German, Chinese & international business community
• Take part in high-level business and matchmaking events and share your expertise
• Gain unique visibility and exposure in our publications and on social media
• Get information on investing and developing successfully in the German market

How to join?
Contact us for more information and let us know your key motivation for becoming a Friend of the German Chamber.

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Kunshan Economic & Technological Development Zone (KETD)

**Milestones**
- Established as a self-funded industrial development zone in 1984
- Became the state-level economic and technological development zone (KETD) in 1992
- Ranked No. 6 among China’s 218 state-level ETDZs in 2018 and 2019

**Five Pillar Industries**
- Optoelectronics & Semiconductors
- Electronic Information
- Intelligent Equipment
- New Energy Vehicles
- Modern Services

**Transportation**
- Expressway & Airport
  - 40-minute drive to Shanghai Hongqiao International Airport
  - 90-minute drive to Shanghai Pudong International Airport
- High-speed Railway
  - 15-minute ride to Shanghai
  - 10-minute ride to Suzhou
- Metro Line Under Construction
  (Connecting Shanghai, KETD, and Suzhou)
- Ports
  - No specific information provided

**KETD**
- Land Area: 115 km²
- Permanent Population: 640,000
- 2019 GDP: 185 billion RMB

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

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Verkehr

- Hochgeschwindigkeitsbahnlinien
  - Nach Shanghai: 25km, 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: 80km, 60min

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

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