The RACE FOR INNOVATION

Cover Story
The Next Innovation Superpower
A Foreign Startups Guide to China

Features
Retail Trends for Western Brands in China

More Than Business
Sustainability – Why it Matters to Finance Professionals

National Pinghu Economic-Technological Development Zone

Main Industry:
- High-end Equipment Manufacturing
- Automobile
- Bio-Tech (Food) industry

Transport:
- To Hongqiao Airport: 90km
- To Mubea China: 56km
- To Shanghai: 110km
- To Suzhou: 58km
- To Taicang Port: 70km
- To Shanghai Yangshan Port: 83km
- To Shanghai Baoji Port: 143km
- To Taicang Exit: 65km

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- Comprehensive package built to suit
- Considerate government service

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Waiting for you!
China took an important step in recent years in terms of innovation and technological advancement. Once known as imitator of Western design and technology, China is now on its way to become one of the leading players in innovation. In this phase of transition, Chinese startups play a crucial role. They have disrupted traditional industries and created new markets and product categories and have become increasingly important drivers in shaping global innovation.

China’s national strategies and the promotion of entrepreneurship as the next stage of the country’s path towards becoming an innovation powerhouse has pushed forward the introduction of policies encouraging and supporting start-ups. This momentum has also influenced the image of China’s entrepreneurs. They have become the new heroes in Chinese society, with role models such as Jack Ma or Pony Ma. Next to this, a growing middle class is with increasing demand are willing to pay for innovative tech solutions catering to their needs. With this, Chinese start-up and innovation ecosystems have had the necessary playground to gain a critical mass. Although there is a lot of room to grow with the potential of the Chinese market, Chinese startups also go global. The upsurge of modern Chinese technology startups looking to go global today is often seen as China’s third wave of internationalization.

So what does this mean for German companies and their innovation activities, especially in globally challenging times? With the growing competition of Chinese innovators, establishing a position on the Chinese market is nowadays a far from an easy task and the road to recognition is full of both challenging and enticing obstacles. While Chinese innovative giants are pumping out products with an astonishing speed, over-engineering, inflexible procedures and dominant headquarters often significantly prolong the time to market of foreign market players. Next to this, restricted internet access creates an everyday operational challenge, alongside with data and intellectual property protection concerns. The lack of talent and a shortage of skills such as critical thinking, complex problem-solving and creativity pose another issue – especially when it comes to innovation.

We’ll dig deeper into the topic and look into how innovators can better explore the potential of the Chinese market. We will look at what China’s innovation drivers are, what role startups play in that ecosystem and how startup communities influence innovation. We will also look into the global expansion of Chinese start-ups and many more topics in this issue of the German Chamber Ticker.

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Excubation and Incubators

About 5,700 creative spaces, so-called MakerSpaces, exist in China having assisted about 182,500 start-ups during their initiation. Additionally, 4,000 Technology Business Incubators (TBI) have been implemented with most of them being located in high-tech zones or parks and around 400 accelerators have been established nationwide. As of 2018, BAT backed half of all Chinese unicorns, according to China’s joint most prominent and dominant share of venture capital patronage. This creates a nexus of dependencies in later stages of funding rounds for smaller start-ups and a major risk for them, as newly implemented ideas could easily be adopted by incumbent competitors/giant competitors. Looking further abroad Chinese incubators and accelerators are actively venturing out. With a main focus on gaining foreign talents and promising new products and business models for the Chinese market, eleven Chinese programs were founded in California’s Silicon Valley between 2013 and 2018. Leading the way for small and medium-sized German companies, German multinational corporations are developing dynamically with the Chinese start-up scene. Industry giants such as Bayer (Grant, s4Apps Shanghai Incubator Program), BASF

Disruptive Innovation: Traditional v. New Industries

Just as CDs, DVDs and BluRays have been replaced by music and video streaming platforms by the likes of Baidu, Tencent and iQiyi, ride sharing and goods transporting entities like Didi Chuxing, Hellolike, Meituan Dianping have taken on various traditional industries. It seems like disruption is ever around the corner in China’s fast paced economy. The country has entered a new phase of technological revolution creating resourceful new businesses. Before 2011 there were no QR codes in China, at the end of 2018 they were everywhere and skyrocketed the local mobile payments market to be valued at USD 15.4 trillion, making it 40 times larger than its U.S. equivalent. Which industry is next? A hint might be the government’s promotion of transforming current industries though the implementation of emerging technologies, rapid growth rates and high investments in automotive, logistics, AI, new retail and 5G. With the MIIT’s announcement of investing USD 411 billion into the 5G network till 2030, 5G users in China are estimated to reach 576 million by 2025 making up 40 percent of the world’s consumption.

Tax Benefits for Start-Ups

The 1988 initiated Torch-Program by the MoST kicked off the countrywide establishment of 156 high-tech zones and science parks by the end of 2017. Almost half of all nationwide invention patents were attributed to companies emerging out of these zones. Every day, about 1,000 companies get registered in these special economic areas. The Zhongguancun Science Park in Beijing is most-famously known as China’s equivalent to the ‘Silicon Valley’. If a company or a start-up settles in one of those zones or parks it qualifies for tax breaks as a high-tech entity (15 percent reduction in corporate income tax) and for an increase in R&D expenditure as well as subsidies in market-based science projects granted by the MoST. Tax breaks are not only important for start-ups themselves, they are also an integral part when it comes to the financing aspect: Venture capital firms can reduce their tax base by 70 percent by investing into start-ups during their seed or early funding stages.

Means of Funding

When talking about means of funding, start-ups in China get to choose from a variety of options. Ranging from preferred access to bank loans, angel networks, government seeding to sophisticated networks of venture capital and private equity funds. During early seedings rounds, start-ups seem to prefer China’s vast offerings in state-backed venture capital “guidance funds” from national-, province-, city- or down to district-level funding. Funds like Zhen Fund, K2VC and Sinovation Ventures also play a vital role. During later growth stages, funding from multinational entities such as Sequoia Capital, IDG Capital or MatrixPartners become more prominent. Further capital flow can be provided via local government entities buying 1-2 percent in start-up shares, so called “special management shares”. The overall fundraising amount invested in domestic start-ups during the first half (H1) of 2019 accounted for USD 23.2 billion showing strong signs of a year-on-year slowdown (H1 2017: > USD 150 billion, H1 2018: < USD 80 billion). Besides health-care being the most-backed sector, AI chip maker Horizon Robotics, shared housing start-up Danke and homegrown Starbucks’ challenger Luckin Coffee are the highest funded companies during this period.
Once a notorious imitator of Western design and technology, China is now on course to become a superpower in innovation. The crucial role played by Chinese startups in this transformation merits a closer look.

The predominant view from outside is that China’s business and economic growth is mainly fueled by copying innovations from other countries. This belief reflects a history of disputes concerning alleged intellectual property infringements by Chinese companies. It is also at the crux of the ongoing trade negotiations with the US. Such copycats receive a lot of attention, but they are not entirely representative of Chinese innovators.

Beyond borrowing concepts and ideas, Chinese firms have also been successful in incremental innovations that stand on their own merit. And more and more, they are making strides in genuinely disruptive innovations.

The numbers support the idea of China as an emerging player in new technology. China is now a global leader in patent applications and grants. In the year 2017, China’s patent applications were equal to the combined sum of applications in the US, Japan and the top five nations in the European Union. This technological surge has been reinforced by a strategic decision to invest heavily in research and development. Between 2000 and 2016, Chinese R&D investment grew at an average of 18% annually, compared to compound annual growth rates of 4% in the US and 5% in the EU. Consequently, it is only second to the US in gross domestic R&D expenditure and is quickly catching up. In addition, there is a growing number of top universities based in China.

Innovation Drivers

A few decisive factors have driven China’s development in innovation. The most influential, perhaps, is the government’s leadership and policymaking emphasizing strategic direction and support. The ‘Made in China 2025’ initiative highlighted ten strategically critical sectors that would be revamped to transform the nation into an international leader in innovation by the end of the next decade.

The policy aims to replicate the success seen in the solar panel industry where China has become the largest global producer, and civilian drone production, whose global market is dominated by firms like Shenzhen-based Dajiang Innovations (DJI), among others. Similarly, China intends to build a national innovation center for high-speed rail in Qingdao and is actively exploring the trackless tram, a cross between a bus and a streetcar that runs on rubber tires. Autonomous versions of high-speed rail have also been undergoing testing for the last two years.

While Chinese firms have been proactively exploiting the favorable conditions created by the government’s policies, the regulatory support dovetails with the local market size. Addressing one of the fastest-growing middle class populations in the world offers Chinese firms scale efficiencies and cost savings from high levels of production without selling overseas. This has enabled them to build up extensive domestic manufacturing ecosystems.

Over time, the Chinese firms have been pushing further to innovate, thanks to domestic competition, cost increases and market saturation. A spirit of bold experimentation and deep customer-centricity accompanies the impetus provided by these external triggers. Consumer electronics and home appliances company Haier’s rendanheyi management model is a well-established example of such an approach.
In addition to domestic institutions, universities and firms, entrepreneurial and a vibrant startup scene have equally been responsible for China’s overall growth in innovation. On many fronts, Silicon Valley and other tech hubs in the US and Europe are even matched, or even trailing, the imaginessness and technical prowess of Chinese startups. In fact, representing 40% of the global total, China was home to 149 unicorns in 2018, compared to 148 in the US. Of the top 100 unicorn valuations globally, 31 of them were Chinese.

Many of China’s startups are a part of the digital economy. Being more flexible and agile compared to large corporations enables them to address the inefficiencies and gaps in the current value chain, as well as in the fast-moving adoption of new technologies. As a result, many innovative startups build on their competitive capabilities in software, data processing and artificial intelligence. They apply these strengths to address extant issues in other sectors—be it health care and medicine, education, entertainment, retail, or mobility solutions. Simultaneously, China’s tech giants (Baidu, Alibaba, and Tencent) are actively funding and investing in these startups, as well as building up similar capabilities in-house.

In addition to government policy and the startup scene’s capability in emerging, high-demand technology, the Chinese population and their appetite for new technology and solutions is a major driver in innovation. The rapid growth in ride-hailing, for example, can be partially attributed to a significant number of people seeking to supplement their income by driving. Similarly, a recent survey on mobility conducted by Oliver Wyman showed 33% of respondents from China said they were ‘very likely’ to switch from public transport to autonomous vehicles when they become available, compared to only 12% from the US and 12% from Germany. Another 50% of Chinese respondents said they were ‘likely’ to switch.

Five factors are evident in the success of innovative Chinese startups. First, they take a strongly customer-centric approach with a clear-cut value proposition. Secondly, they partner and collaborate with established players happy to outsource where necessary. Thirdly, they have access to financial backing—not only from tech giants, but also investors including venture capitalists, private equity firms and existing industry incumbents. Fourth, they maintain a balance between a freedom to experiment and focusing on their product. Finally, they are adept at cultivating and leveraging ecosystems.

Leapfrogging in AI

China’s meteoric rise in AI is one of the best examples of its progress in disruptive innovation. China leads globally in the number of research papers, citations and patents in AI, and is home to about 10% of the world’s AI talent pool. With over a thousand AI companies, China ranks second only to the US. Beijing is home to about 400 of these and has the highest concentration in the world. China is also the global leader in terms of venture funding received by AI startups. China’s tech giants are also focused on developing AI-based offerings through in-house talent, labs and billions spent in R&D.

These efforts are backed by a clear vision to be globally competitive in AI by 2020, make major breakthroughs by 2025, and to achieve world leadership by 2030. The government has lowered entry barriers to the sector and enabled access to the most important AI resource—raw data. Access to a database of 1.6 million faces, for example, has been crucial for facial recognition startups developing products for smart security platforms in public security, border control and financial solutions. Data access at scale has allowed Chinese startups to develop more comprehensive algorithms, backed by powerful hardware available from in-country telecom and computer giants.

As of June 2019, China has over 850 million internet users. As a result, Chinese tech firms can harvest data at scale from online content and browsing, app interactions, digital purchases, sound libraries and other means. Conducive consumer behavior is crucial in China, since people are more likely to trade-off privacy for better app functionality than in other countries. For example, WeChat stores records over 100 million calls a day—a scale that facilitates developing powerful voice recognition.

Startups without their own data pools work around the issue by collaborating with their target industries. Taking health care as an example, leading startups work extensively with doctors and hospitals across the country to collect and process data to train their algorithms. This data allows them to develop smart medical imaging, research and clinical decision support platforms—thereby supporting faster, more accurate diagnosis and improved treatment solutions. Another case is startups working on urban traffic management by aggregating micro-level data from video streaming and motor vehicle identification databases.

Chinese AI startups have mostly focused on voice and vision-based products and natural language processing capabilities, lagging behind their peers in Europe and the US in areas such as autonomous vehicle development. There is, however, increasing support and effort to nurture these other ecosystems.

Path Ahead

Chinese institutions, companies and startups have fueled the increase in the country’s innovation by capitalizing on positive regulatory and economic tailwinds. The domestic market helps sustain high levels of production, allowing Chinese producers to become economically viable before taking on global markets. Meanwhile, consumer appetite for new products and technology encourages their innovation efforts. This has pushed Chinese firms to use innovative means to distinguish themselves from competitors, satisfy unmet customer needs, address gaps and inefficiencies in existing systems, as well as target new customer segments. Looking ahead, these firms need to build up expertise in management and business model innovations to complement their product and process innovations.

How should Europe and the US react to the transformation of China into an innovation powerhouse? If they want to stay competitive, the West must bolster its commitments to R&D spending as well as create a promising economic climate for collaborative innovation to flourish. Western countries are already adopting the technology and trends coming from Chinese startups. A recent example is Facebook and other social media channels looking to move into a cross-platform mobile payment system to mimic super-apps like WeChat in China.

Chinese startups, in comparison, need to inculate more global thinking. In the past, and even today, most Chinese startups have focused on the domestic market. Given the size of the domestic market, this is understandable. However, to be global leaders, Chinese startups need to start formulating cohesive strategic plans that address international markets. Like ByDance’s short video streaming app, TikTok, startups need to be nimble when rolling out their solutions globally to capitalize on first-mover advantage. Until then, it is only natural that some Chinese startups will continue to fail. Regardless, the technology and societal shifts engendered by their ideas, as well as their commitment to entrepreneurship, will have enduring effects not just in China, but globally.

[Some parts of this article first appeared earlier in MIT Sloan Management Review.]

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Dr. Heiko Rauscher is a partner in the Automotive and Manufacturing Industries practice of Oliver Wyman. He lived in China for more than a decade, building up and leading two companies as a CEO. It was an experience that shaped and deepened his understanding of the challenges and opportunities facing business leaders in China today.

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A Foreign Startups Guide to China

Startups should look towards China, not primarily as a market but as a space to learn, inspire and invest. Three guys from Shanghai’s startup scene describe China’s entrepreneurial landscape and why not only startups but also corporations and SMEs should take a closer look.

Startup Land China

If you are a startup, you have to come to China. If you have an already-successful business, you have to come and see the startups in China—here is why.

When I was first asked to write this article, I decided to bring on board two fellow insiders: Bob Zheng, the CEO of China’s first co-working space, People Squared (P2), and Oscar Ramos, the Managing Director of the popular Shanghai-based Chinaccelerator (SOSV). Having worked closely with Bob and Oscar through DC-Hub, an accelerator program I co-founded, and together helped countless entrepreneurs find their footing in China’s elusive market, it was a no-brainer—not to mention, our offices are literally next-door to each other.

China’s Startup Clusters: Beijing, Shanghai and Shenzhen

China is a cluster…so too is its startup ecosystem. It can be divided into three main parts: Beijing, with its fintech and entertainment community, Shanghai, with its focus on e-commerce, service and software, and tech-savvy Shenzhen, China’s primary hub for emerging technologies. Beijing is No. 1 for obvious reasons when it comes to fintech and financial services startups: you have to be near the regulators. The same holds true for the entertainment industry, especially when it comes to streaming services or music.

Between Beijing in the North and Shenzhen in the South, there’s Shanghai, which attracts mostly e-commerce, service and software startups. For a startup, it’s the most expensive place to be but thanks to its vibrant, flourishing ecosystem, it’s also the best place in terms of community, investors and opportunities.

Shenzhen is often described as the ‘next Silicon Valley,’ a label which, in my view, is not entirely accurate. If you’re talking in the context of tech startups that need fast prototyping, then I agree. But overall, Shanghai still wins out thanks to its healthy investment scene and the sheer amount of startup companies produced every year.

Foreign Startups Must Engage with China

For the past 30 years, China has largely remained a developing country that has taken a back seat to foreign enterprise and innovation. More recently, however, China has started to come into its own and create its own innovation hubs and ecosystem. In the process, it’s provided the startup community with an entire arsenal of new ways of dealing with the many challenges a startup may face.

One of the main reasons startups are useful is their ability to solve a prevailing problem better, faster and cheaper! Though most startups will have to adjust slightly to the market and their clients at some point, the problem-solving process remains one of the major challenges that causes most startups fail. China—Shanghai and Shenzhen, in particular—can provide entrepreneurs valuable solutions and insight in overcoming these challenges, which is something German entrepreneurs sometimes lack. Flexibility and speed, as well as the 71% rule, also come to mind. The 71% rule, which I often discuss in my four-week accelerator program, states that 71% of a startup’s focus should be on progression in the beginning, rather than being a ‘model’ startup. So, if it works, attracts and gives traction to your startup business, it’s good enough, even at 71%—a concept 99% of Chinese startups intuitively apply.

Martin Gothe
Co-Founder of DC-Hub

Bob Zheng
Founder of People Squared (P2)

Oscar Ramos
Full-stack innovator
A startup experience in China is also valuable for the following reasons:

- Gaining a new perspective on multiple issues and problem-solving methods
- Learning from Chinese startups and their unique economy
- Engaging with China and understanding the country’s importance on a global scale in relation to your own future
- Gaining access to a huge market, as well as possibly a new partner, supplier or off-shore investor

It’s noteworthy that German startups are hardly ever consumer-focused. Instead, they mostly cater to industries important to the German economy as a whole, such as automotive, manufacturing and machinery. A lot of startups also flock to China because of their existing European corporate clientele, who see the bigger market. Even for startups seeking the US as their first market expansion (language accessibility, business practices, law, etc.), they eventually move first or early to China, because their first big client will prioritize the Chinese market over the US one. China is then often used as a stepping-stone for expansion into the Southeast Asian market!

Usefulness of a Startup China-Experience

In 2018, China’s share of the world economy stood at roughly 18%. In 2049, against the backdrop of the 100th anniversary of the founding of the People’s Republic, China anticipates a share of 32%, a number closer to what it has shared historically. To reach this goal, China plans to become a leader in emerging technologies such as machine learning and big data, making innovation-driven companies, in particular startups, a crucial part of its future success. This technology-centric strategy creates a unique ecosystem for not only startups but also companies not yet in China, as well as policy and lawmakers.

China’s Tech-Investment Slowdown Explained

According to CNBC in the US, the value of venture capital investments in China’s startup scene in the tech sector slurred by a rate of 77% year-on-year in the second quarter of 2019. The article blamed lack of innovation, the ongoing trade conflict and other uncertainties for the sharp drop. I think the real reason, however, is the startup market’s steep learning curve. After years of Chinese VCs and other investors pouring billions into startups and not receiving an adequate return on their investment, there’s been a pull-back. Even highly successful companies, such as ride-hailing giant Didi and bike-sharing company ofo, have failed to live up to investors’ initial expectations. With help from experienced backers from overseas, Chinese investors are now more cautious and, encouragingly, more deliberate. Not to worry, though, we’ll continue to see long-term growth in investment thanks largely to China’s leading position in emerging tech, such as 5G, which will usher in new opportunities for investors and startups alike.

The Thing with Chinese VC Money

From experience, 40% of startups come to China intending to raise funds. Taking on a Chinese investor, however, poses more than just a few challenges.

1. Most Chinese companies or private VCs can’t easily invest overseas, so a startup has to open a legal entity in mainland China, leading to even more issues (see points 2-5).
2. Shareholder structures in foreign invested Chinese companies are rather rigid. Therefore shareholder changes are difficult to implement.
3. Chinese investors have no issue putting up large sums of cash, but they also demand a quick exit along with it—usually within three years or even one, putting nearly impossible expectations on foreign startups.
4. Chinese VCs are typically not as experienced as their counterparts in the US or Europe.
5. Startup founders need mentors and must have experienced investors guiding them towards success. Chinese investors, private or public, usually fall short of the necessary knowledge and decades-long experience that startups require. China developed very fast in a very short time.
6. Finally, despite market maturation in recent years, the Chinese startup ecosystem still needs more serious VCs and angel investors.

Why Co-Working Space is Essential for Startups

A lot of people ask me why certain startups fail. I often tell them it’s because of a startup’s failure to validate and get second opinions. Whether that’s failing to update their business model or properly analyzing their team’s ability, their company’s approach or the market, founders should constantly seek to validate every aspect of their business. Co-working spaces allow for this validation to take place with little to no effort. Having a network of like-minded people with similar questions and concerns conveniently in one place, is an endless resource for early-stage founders. In my many years of experience, I can give you countless examples of startups finding an answer to a dilemma just by talking with their neighbors.

For a startup that’s entering a new market, finding a local co-working space and being able to connect with the community is probably the easiest way to get started. Some co-working spaces even offer mentorship networks, accelerator classes, partnership programs and government support, which can largely reduce the learning curve.

Less Regulation, More Startups

In the age of big data, machine learning and neural networks, China has the advantage, simply by virtue of having a much bigger data pool from which it can source. Big data is indeed big in China. With less barriers to collect and utilize data in China, compared to places like Europe (e.g. EU’s GDPR law), progress and innovation experiences far less legal, economic or social resistance.

Even German startups can benefit from China’s deregulated big data ecosystem. I recently learned of a German tech startup that was cooperating with the Shanghai government to monitor elderly people living alone in their homes with relatives too far away to take care of them. The local government uses the startup to track

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users in real-time in a control station. If the movement pattern deviates from that which the neural network has learned over the course of six months, it will notify the control center or send rela-
tives a message to check on their elderly loved one. Of course, this
was also tested in Germany, but the lack of a suitably large amount
of data to train the neural network in acceptable time made a move
to Shanghai an obvious choice in the startup’s early stage.

Chinese Startups are a Source of Global Innovation

When I moved to China 12 years ago, the hottest business model
for startups was C2C—not consumer to consumer but “copy to
China”. Although venture capital has “venture” in the name, most
investors were looking to de-risk their investment by investing in
business models that had some validation. Back then, the best way
to get support from a VC was to clone a working model and “adapt”
it to China. The adaptation was key because lots of founders were
using that strategy. Most of those cloned business models had lim-
ited barriers to entry and multiple competitors popping up—some-
times thousands of them. As a result, the competition to have the
best product or best business model transformed into a race where
only the fastest—the fastest to adapt not the fastest to execute—
were successful.

That extreme competition made the “innovate or die” statement a
reality startup founders had to face every day. To the outside world,
Chinese startups were only copycats. But there is a reason why
only Meituan, as one of the thousands of copycats of the Groupon
model (daily deals sold online for restaurants and other offline ser-
dices) today is among the top three Chinese internet companies in
terms of market cap and the others failed.

These days the perception of Chinese startups in the global venture
capital community is very different. In terms of venture capital in-
vested, China surpassed the US in 2018. That venture capital hasn’t
just been deployed, it’s also been shown to be properly utilized. In
2018, China also surpassed the US in terms of unicorn startups (a
private company with a valuation, usually set in a funding round,
north of USD 1 billion).

A deeper look into those numbers reveals some interesting facts
regarding startup trends in China. I want to highlight one of these,
relevent to not only VCs and entrepreneurs but also for multina-
tionals in search of innovation in China. Most Chinese unicorns,
though they’re tagged as technology companies, are actually
traditional companies born digital. These companies are not just
technology enabled, technology is in their DNA—from operations to
user experience and beyond. This might not be very interesting for
some VCs looking for companies with global expansion, but I think
it is essential for multinationals looking to better understand the
Chinese startup market. It shows what the future is going to look
like. The Chinese market might be very big, but an even more
impressive aspect is how open to the use of technology Chinese
consumers are. As real early adopters in both the consumer and
business arenas, they’ve become a big reason for companies now
looking to China as the first market to launch—and optimize—a
product. Additionally, the agility of businesses here helps startups
react and reinvent themselves at a speed that we rarely see in other
parts of the world, which is why they are known as “dancing drag-
ons”.

Despite most of China’s unicorns having a non-tech background,
there are still more real tech unicorns than in any other market—
and the number is growing. In fact, Chinese startups are not only
expanding first in emerging countries such as Southeast Asia, In-
dia and Latin America (where they dominate the mobile consumer
space) but also in developed markets, thanks to China’s ability to
apply existing technology and innovation. Just look at the success
of ByteDance’s short video app Tiktok, which now outperforms both
Facebook and Instagram among Millennials and Gen Zers.

This innovation is increasingly attracting multinationals that realize
China is becoming a hub for innovation—an innovation lab with
massive scale that allows companies to not only build products for
that market but to stress test and improve products for any other
part of the world. Multinationals are changing their “innovation
learning journeys,” and besides visiting Silicon Valley they are com-
ing to China (especially Beijing, Shanghai and Shenzhen). In the last
few months, this trend has skyrocketed, and both companies and
governments are approaching us to understand what is happening
in the innovation space across China, how this will impact them
and how they can use it. The most interesting comment I heard
came from the organizer of one of these delegations: “We have
been organizing tours to Silicon Valley for years and things look
pretty similar every year, but every six months when we visit China
we see so many differences that make it obvious that change is
happening in the Far East.”

Martin Gothe graduated at ISM Business School, Frankfurt/
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DC-Hub Accelerator Program in cooperation with the University
of Leipzig.

Bob Zheng is the founder of People Squared (P2) – the first co-
working space in China.

Oscar Ramos is a full-stack innovator with expertise ranging
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Fostering Innovation Through Startup Communities: The Glue that Holds Everything Together

Despite our best intentions, it’s difficult for any of us as individuals to have a significant influence on our surroundings. Communities, on the other hand, can leverage the power of the group to have a greater impact, providing not only resources but also an environment for ideas and creativity to flourish. They’re also powerful tools to create wider value, allowing some of society’s most imaginative people to connect, motivate and inspire each other.

Startup communities are no different. There are, however, some unique players who have an essential role in laying the foundation for innovation to thrive.

Sustainable Startup Communities – It Takes a Village

In his book, “Startup Communities - Building an Entrepreneurial Ecosystem in Your City”, Brad Feld documents the dynamics of building a thriving entrepreneurial ecosystem in his hometown of Boulder, Colorado. Over the years, this modest-sized American city of just over 100,000 people has become a model city for many others around the world striving to echo some of the innovation success of Silicon Valley.

In addition to focusing on the core founders of the startup, Feld explores many other players needed to form a sustainable startup community.

Examples include accelerators and incubators, which lower the barrier of entry in a startup ecosystem, helping startup founders to avoid common pitfalls by providing access to mentors and serial entrepreneurs. These can be private initiatives like Chinaccelerator, a well-known Shanghai-based accelerator program that helps foreign founders enter the Chinese market. They can also be linked to top universities like Tsinghua’s SEM X-elerator, or government-backed such as Zhongguancun Innoway, both of which are located in Beijing. Several accelerators and incubators are also tied to corporate entities, such as the Shanghai-based Merck Accelerator. A number have even been successfully run by students like Karlsruhe’s Pioneer Garage.

Governments also play an important role, typically providing the regulatory framework for startups as well as offering support through grants and tax incentives as a way to promote their regions and attract more taxpayers. Depending on the region and political system, most governments aim to be re-elected or to remain in power by showcasing their achievements in innovation and talent retention.

No startup can function without access to a talent pool, which is where the importance of universities come into play. Well-established university programs focused on STEM or entrepreneurship provide the conditions for a much healthier startup ecosystem, since they offer a constant lifeline in terms of talent for the community. Failed entrepreneurs who remain in the talent pool are an equally important source of skill and know-how.
Investors are more important to some entrepreneurs than others. Nonetheless, a healthy source of angel and venture capital is essential in order for technology startups to quickly scale. Successful entrepreneurs also often give back to their communities at one point as angels investors.

Corporate innovation units usually take on a vital role, often becoming the startup’s client or service provider. There are also many new opportunities that can frequently be better solved by startups than through the big companies themselves.

Lastly, there are lawyers and other service providers. Compared to already-established companies, service providers need to be concerned if the change in dynamics in having a startup as a client. A good way of securing future clients is to offer free consulting hours or services at a very early stage. Successful founders tend to remember those who have genuinely helped them on their path to success and will choose their service providers in a later stage accordingly.

Resource Misallocation in a Startup Community

Startups are a hot topic, not just in China, but also around the world. Buzzwords like ‘unicorns,’ ‘deacorns’ and even ‘hectacorns’ are commonplace, tech startups are glorified and successful founders are feted as rockstars, appearing at conferences like Slush, Rise and South by Southwest (SXSW).

What most people overlook, though, is the long and difficult path it takes to create a successful startup. The truth is, successful startups represent a confluence of thousands of moving parts and dynamics – and few founders are ever able to successfully pitch their solutions to companies or investors on their first attempt.

Most explanations of successful startups focus on already-proven concepts and ideas, emphasizing the importance of events such as demo days, roadshows and pitch competitions. Scant attention is ever paid to the source of where startups come from; the startup communities themselves. It’s common knowledge that roughly 90% of all startups fail – but nobody ever seems to ask why? What becomes of all the people that invested time, money and sweat into trying to make their idea a reality? The majority of these zealots enter the startup lifecycle by joining their peers or other ecosystem players needing those of an entrepreneurial-mindset. However, if the lifecycle is broken or not yet in existence, there is nobody to catch the falling entrepreneurs.

China’s Unique Startup Community Environment

The government plays a much more visible role in the emergence of startups in China than elsewhere in the world. Each local or provincial government usually holds one or two major technology and innovation events in order to attract foreign and local entrepreneurs. In Beijing, this is the annual Overseas Talent Entrepreneurship Conference (OTEC) organized by the Chaoyang District government or the Zhongguancun Forum in Haidian every October. The state-owned ‘startup streets’ Zhongguancun Innoway and IMPlay are also good examples that pool together incubators, accelerators and other crucial resources in order to generate more innovation and entrepreneurship.

The Western concept of a startup community has not yet taken hold in China. The lifecycle of failure and success, as well as support and sharing, is less developed than the startup communities of Silicon Valley, Berlin or Israel. Startup communities are grassroots movements, beginning at the individual level – not from top-down decisions by government. Nevertheless, local government does play an important role in launching and funding startup communities. In Beijing, this is the annual Overseas Talent Entrepreneurship Conference (OTEC) organized by the Chaoyang District government or the Zhongguancun Forum in Haidian every October. The state-owned ‘startup streets’ Zhongguancun Innoway and IMPlay are also good examples that pool together incubators, accelerators and other crucial resources in order to generate more innovation and entrepreneurship.

The government initiatives usually lack motivated individuals who drive the process by themselves, preferring instead to create artificial innovation hubs subject to arbitrary KPI’s designated by local government. There are grassroots movements, beginning at the individual level – not from top-down decisions by government. Nevertheless, local government does play an important role in launching and funding startup communities. In Beijing, this is the annual Overseas Talent Entrepreneurship Conference (OTEC) organized by the Chaoyang District government or the Zhongguancun Forum in Haidian every October. The state-owned ‘startup streets’ Zhongguancun Innoway and IMPlay are also good examples that pool together incubators, accelerators and other crucial resources in order to generate more innovation and entrepreneurship.

The Negative Side Effects of Inefficient Pooling of Ecosystem Players and Startup ‘Glue’

After more than 40 years of market reforms in China, foreign entrepreneurs still have a very low success rate in landing or starting in the Middle Kingdom. This is usually because of a lack of startup communities – the essential glue that holds everything together. In addition, foreign entrepreneurs still need to be China savvy from the outset to have any success. Language, market dynamics and culture, all play crucial roles here and are usually the major drawbacks for entrepreneurs forced to depend on local partners. If China can create startup communities able to successfully attract the right ecosystem players and allow for grassroots organizations or individuals to shape more international China experts or Chinese returnees will find their way inside. They will also create a sustainable powerhouse of true entrepreneurship and innovation.

What Can the German Community do to Help Startup Communities?

Germany has a substantial portfolio of diverse small and medium-sized enterprises, influential global players and Fortune 500s. There are many ways the German community can offer their support and guidance to startup communities. Get involved by offering your time, resources, expertise and network to help early-stage founders ease their way. More technically inclined founders often struggle with people management, operations and networking. This is something a corporate manager can easily help out with. In return, you will have not only helped someone, but created a new brand ambassador for you and your organization – something which can lead to future hires.

Big players already have platforms to help identify reputable startups, such as Siemens’ Next 47, BMW’s Startup Garage and Lufthansa’s Innovation Hub. These programs have specific KPIs to fulfill – unfortunately, they do not actively engage with startup communities in a supportive “give-first” way, but instead approach with a “what do you have to offer?” mentality. Choosing a few staff members in your company or organization and encouraging them to become community builders, managers, educators or brand ambassadors will immerse them in the startup community, giving them a chance to learn from the overall ecosystem. Sunny Ting, who runs Bayer’s G4A innovation program in China, is just one example of an entrepreneur who has chosen to give back and help others by volunteering as a co-director for Startup Grind.

One thing is for sure, hosting more invite-only demo days or “fancy” conferences will not result in more innovation or entrepreneurship. But a stronger startup community will. The more time, resources and energy we invest in the community, the more people we can motivate to join, further hardening the glue and fostering innovation.
Jumping the Great Wall - How Chinese Startups are Globalizing Today

The headlines in 2019 have been dominated by the US-China trade conflict, protectionist tendencies and actions against the global interests of Chinese companies. One could easily get the impression that Chinese companies are retrenching, yet the opposite is actually true.

A recent study by PwC found that over 70% of Chinese startups valued at over USD 1 billion have concrete global expansion plans. Many of them are supported or driven by Chinese government initiatives and incentives. As a result, more than half of the companies surveyed are looking at expanding within ASEAN or countries along the Belt and Road connection.

In 2004, Chinese non-financial outbound investment stood at USD 5.5 billion. That number soared to a staggering USD 130 billion in 2016 and is still growing today. When looking at the record-setting internationalization of Chinese companies over the last decade, it begs the questions - what are their key characteristics and strategies, and what is working for them today in this new climate?

China’s Third Wave is Here

The upsurge of modern Chinese technology startups looking to go global today is often seen as China’s third wave of internationalization. China’s first wave, the era of mostly cheap electronics production for global consumer demand in the 1990s jumpstarted the economy. In the early 2000s, China’s second wave featured technology hardware manufacturers, such as Lenovo (following its acquisition of IBM’s ThinkPad line) and Huawei, who both managed to scale with good quality and very affordable prices.

The value proposition of the two previous waves was fairly similar – good quality at low prices, first under brands that were built and owned in the West, later under homemade brands that managed to attract the interest of global consumer interest. Going global with such business models mainly requires a strong manufacturing base, a competitive cost structure and access to global markets, as well as logistics at scale.

In comparison, the third wave looks completely different. The companies scaling out of China today, such as Bytedance (TikTok/Musical.ly), Ant Financial and SenseTime, have no physical assets, no manufacturing base, no logistical requirements and a completely different cost and revenue structure. They have little in common with their predecessors and they are reinventing the playbook.

Many of the startups looking to scale globally today are founded by overseas Chinese returning home to build their companies. After studying and working abroad, they return with an understanding of different cultures and mindsets, as well as relevant connections and insights that help their market entry. Often they are looking at global audiences from day one, rather than focusing on China first.

One of the key drivers forcing them to look abroad so quickly is the sheer market dominance of the Chinese tech giants. Alibaba, Baidu and Tencent (increasingly joined by Meituan and Xiaomi) will either build up or buy up any new attractive vertical startup they see, leaving little room for newcomers to build rival empires. With important infrastructure such as messaging, payments, social media and e-commerce in their grips, it is very hard to escape their reach in China.

Furthermore, China’s eye-watering growth over the past few decades is starting to slow down. This is creating more opportunities today that look like red ocean plays, rather than attractive, fast-growth blue ocean ones that leave room for new players to emerge and grow. Other countries offer very different perspectives. The growth rates in ASEAN countries, for example, are starting to reach interesting levels, and many relevant industries in Europe are, as of yet, not at China’s level of development.

Where Alibaba and Tencent are Struggling

Where Alibaba and Tencent have tried to internationalize, they have only been moderately successful. For those who still remember the early days of WeChat, when Tencent ran ads with Lionel Messi in Argentina and Cristiano Ronaldo in Portugal, the lessons were...
clear. WeChat had no interest in investing in different product versions and roadmaps globally—they were too tied to their Chinese audience.

Even today, the only sector where Tencent has successfully internationalized is gaming, mainly driven by their investments in global game studios. WeChat’s target audience remains Chinese at home and abroad, including Chinese travelers who can increasingly use WeChat overseas to make payments.

Alibaba’s internationalization route by contrast is more shaped around M&A. While Taobao has launched an international version, most of their expansion has come from buying successful players such as Lazada and RedMart in Southeast Asia. By slowly building up the emerging winners, and integrating them with the Alibaba infrastructure (payments, logistics, messaging, finance, etc.), they are expanding their reach.

Both tech giants though, when comparing their home market revenue with their international revenue, still cannot be said to have successfully internationalized. It is also clear that their core focus remains the Chinese market, as they keep building out their dominance, cooperating with the government on many initiatives and taking advantage of local opportunities only market-dominant companies enjoy. The incentive to go all-in on internationalization is simply not there.

What Chinese Startups are up to Today

The expansion of current startups looking to scale globally looks quite different from Alibaba and Tencent. With their products being fully software-based, which allows them to come from everywhere and be distributed to anywhere, most are opting for high degrees of localization.

This often goes so far that users cannot tell, whether the company behind the product they are using is Chinese or Western. The most popular search term suggested by Google when looking up Hangzhou-based Club Factory is, “Which country owns Club Factory?”.

China’s current crop of tech startups, which carry agility in their DNA. Try fast, fail fast, learn fast and double down on what works. China’s startups have adapted to this new playbook in recent years, taking a scalable stake, start to mentor them and, in certain aspects, make their platforms interoperable. This strategy is explained best with Didi, which has invested in Grab and Careem, as well as merged with Uber locally, taking a stake in the global Uber holding company along the way. Instead of trying to build up their operations, which is often tedious in foreign markets, they prioritize investment in the winning ecosystem on a global scale.

This can be an alternative approach to scaling one’s own company, especially when facing additional hurdles, such as developing local driver pools or an inventory of rooms. Down the line, we can expect to see interoperability—meaning Grab users could call a Didi in China through their Grab app, or Didi users could use their preferred provider in Southeast Asia— without any conversion cost.

What to Expect Next

As the current herd of Chinese unicorns learns to scale globally, their lessons start forming a playbook for the next generation. Their employees will eventually venture out to start their own companies, incorporating what they learned along the way.

From what we can see, the lessons that current startups have taken from prior waves of internationalization and the struggles of Alibaba and Tencent are starting to bear fruit. Already half of the 20 biggest technology companies are Chinese. Those rankings are changing fast, though, in favor of a new crop of Chinese companies.

While the old playbooks usually focused on big unified markets, like China and the US, the new playbook is all about understanding and scaling fragmented markets. In Southeast Asia, Europe and the Middle East, for example, where there is a diversity of countries, cultures and languages, a new strategy is being shaped.

One of the most successful Chinese companies to gain global traction is Bytedance, whose Musical.ly/TikTok app has been a hit worldwide. They run a variety of different versions of applications targeting local tastes and are very quick to iterate—a strength of China’s current crop of tech startups, which carry agility in their DNA. Try fast, fail fast, learn fast and double down on what works.

This recipe has been the core of Chinese innovation from the very beginning, much more so than in the West, where it is similarly practiced but less practiced. Chinese companies can adapt exponentially in very short time periods.

This quick-try mindset, combined with the willingness of the current startup generation to really look at a market and localize for it, has led many to succeed over local counterparts, which often start at an advantage. Looking at the landscape in Indonesia, Vietnam or Malaysia, for example, it is impressive how many Chinese technology companies are providing many of the popular services running there today.
Co-creating the future with Porsche passion

Headquartered in Bietigheim-Bissingen, Porsche Consulting is a subsidiary of the Stuttgart-based sports car manufacturer Dr. Ing. h.c. F. Porsche AG. Founded in 1994, we currently employ 580 people around the world and are among the top 10 management consultancies in Germany (Lünendonk analysis).

Following the principle of "Strategic Vision, Smart Implementation," our experts support companies from a wide range of sectors with major transformations, performance improvement, and enhancement of innovative capacity. We have a clear mission: generate competitive advantage on the basis of measurable results. Achieving apparently conflicting aims, fostering enthusiasm, and generating notable results—that is what we are about.

The Future of Strategy Work

Business models are evolving ever so rapidly as share of digitally induced value grows. This changes how companies work on and with their strategies. An irreversible paradigm shift is underway.

Porsche Consulting has defined four key capabilities, each addressing a particular challenge that is crucial to strategy work in the future.

- **Where to play & how to win**
  Agile adaptation to external influences, scenario-based strategy setting and effective translation from top management discussions to specific initiatives to build a successful strategy

- **How to invest**
  Strong attention to efficient resource allocation, sourcing external expertise support when necessary, and making timely decisions to optimize investment return

- **How to deliver**
  Close progress monitoring and deviation correction, translating strategy goals into feasible KPIs while keeping an eye on opportunities and risks linked to regulations to ensure strategy delivery

- **How to change**
  Making corporate strategy accessible to all employees, conducting strategic personnel planning and addressing changes both cognitively and emotionally to facilitate effective change management

We have also designed a powerful framework to enable companies evaluating their readiness as well as develop a structured roadmap for strategic work transformation.

For full report, please follow our WeChat official account and enter keyword “Future”
China has swiftly become one of the largest biopharmaceuticals (biopharma) and medical product markets in the world, which is projected to reach USD 145-175 billion in sales by 2022. Quicker regulatory approval and widening market access are among the profound changes that have made China a significant market for biopharma companies to launch innovative medical products. However, the vast majority of firms are often disappointed by their commercial launches in China. The companies that succeed begin their launch preparation and planning early – absorbing a deep understanding of the country’s dynamic system, implementing strong organizational capabilities and developing an agile approach.

China’s fast-moving health care industry landscape and unique market characteristics often demand that a biopharma company or biological/chemical medicine manufacturer adopt a ‘China perspective’, with a launch strategy that differs from those used in the West. Deloitte’s recent experience supporting biopharma companies has enabled us to identify the following four critical areas that support such a strategy and are crucial to a successful launch in China.

Revisit the Regulatory Landscape in China

Co-building, sharing and health for all - this is the lofty vision of ‘Healthy China 2030’, the Chinese government’s plan to achieve key health care goals in the next decade. A major pillar among them is establishing inclusive, health-improving regulatory systems, and there have been marked advancements already. Historically, foreign innovative drugs were delayed by an average of five to seven years before receiving approval in China. The delay was mainly attributed to the slow review process and additional local requirements, such as the mandate that a MRC (multinational pharmaceutical company) can only start multicenter clinical trial of a drug in China during or after Phase II study overseas. In 2017, the China Food and Drug Administration (CFDA) announced a series of regulatory reforms aiming at accelerating marketing authorization of medical innovations, including a fast-track approval process and a potential local-study waiver for products targeting rare diseases or diseases with substantial unmet needs (shown in Figure 1).

The new, modified processes have ignited interest from biopharma companies that can provide evidence of a drug working equally well across races can immediately apply for conditional approvals of new drugs and medical products. Priority review applications require companies to demonstrate their product has significant clinical value to the US population and are expected to reduce the review period from 12 to 6 months. Purposeful regulatory changes to support innovative drugs have reduced the lag in China by an average of 18 months in 2017, compared to 2016. The rewards of regulatory change: Launching innovative biopharma in China

Industry Report: 

Gaining the Edge in a Fast-Moving Market

Launching Innovative Biopharma in China

Recent CFDA Regulatory Reforms to Support Innovative Drugs

- Conditional approval of new drugs: if a drug has a significant clinical value, it can be approved in 12 months at the earliest.
- Priority review: a drug innovative and urgent, the 2018 approval list, which totals 51 products. The steps below:
  1. Develop a better view of your pipeline/portfolio – for product
  2. Co-build, share and health for all – this is the lofty vision
  3. China's fast-moving health care industry landscape and
  4. China's fast-moving health care industry landscape and unique market characteristics often demand that a biopharma company or biological/chemical medicine manufacturer adopt a ‘China perspective’, with a launch strategy that differs from those used in the West. Deloitte’s recent experience supporting biopharma companies has enabled us to identify the following four critical areas that support such a strategy and are crucial to a successful launch in China.

JENS EWERT ANDREW YU DAVID XIE

Deloitte China Life Sciences and Healthcare Industry

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The new, modified processes have ignited interest from biopharma companies in bringing innovative products to China, by presenting an increasingly appealing business opportunity. Future winners who want to seize the opportunity should start with the three action steps below:

a) Develop a better view of your pipeline/portfolio – for product
b) Co-build, share and health for all – this is the lofty vision

Deloitte China Life Sciences and Healthcare Industry
Evolution of the Market Access Landscape in China

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of Access</th>
<th>Description</th>
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| 2016 | Basic medical coverage | Coverage for innovative medicines and support programmes
| 2009, 2013 | Public Reimbursement (PRDL) | Since 2009, PRDL was introduced to cover innovative medicines
| 2014 | Zhejiang's first negotiation | In 2014, Zhejiang started the first negotiation, covering 15 products
| 2018 | National Reimbursement Drug List (NRDL) | NRDL was introduced in 2018, covering innovative drugs

The Chinese government has increased reimbursement for innovative products, making it easier for patients to access new drugs.

To better make use of the digital trends, we suggest the launch team prioritize the following four actions:

a) Form a longer-term vision/value proposition – build a top-level design of digital strategy and develop a clear vision of digital technology's role in the launch program as early as possible.

b) Target customers with the right content – it is particularly important to engage customers through all available channels based on their behavior and preference, as well as channel strength analysis.

c) Embrace cross-functional collaboration – during the launch planning stage, liaise and collaborate with the digital team on integrated digital campaigns to exploit the full potential of digital tools, like collecting data for outcomes-based contracting and a deeper understanding of how therapies are used.

d) Support systematic digital processes – establish the optimal inter-structure to support systematic digital processes, such as a robust digital infrastructure, a centralized data registry and processing platform, or a dedicated digital project team instead of setting up ad hoc digital teams in response to the fast-moving market.

It is undeniable that digital capability is now critical to a successful launch in this new era. More and more companies are partnering with local digital firms to expand the coverage and depth of market-shaping activities, capturing deeper customer insights via big data or providing customer solutions that add value beyond the products themselves.

Be Agile in the Fast-Changing Health Care Environment

Another key ingredient for launch excellence is having the agility to react to the rapidly evolving health care environment in China, despite uncertainties such as:

- Emerging innovative Chinese newsmakers (as of 2018, more than 130 class I domestic pipeline products were undergoing registration or Phase III)
- Deepening health care reform and the emergence of a tiered system
- Changing payers at the sub-regional and hospital levels and in the private sector

Having just one area of uncertainty could easily affect all aspects of a biopharma company in China, not to mention a specific product launch strategy. In Deloitte’s experience, many multinational companies have not yet established an internal structure or systematic launch framework that would permit an agile approach in China. They apply a generalized approach of developing a road map and key performance index, then encounter difficulties when unexpected market events take place.

As China’s health care reforms continue, meeting the urgent clinical needs of rare and critical diseases will be a government priority for a long time. For that reason, we anticipate a continuous effort in improving the availability and affordability of new drugs from both NPC and local companies. Biopharma is facing an attractive but fast-moving environment. To pull ahead in the race to launch innovative medicines in China, biopharma needs a sharp sense of smell to take advantage of key cultural and regulatory conditions, work with the evolving system in creative ways, embrace new technologies in the digital ecosystem and start with early preparation and planning.
Amended PRC Trademark Law Taking Effect on 1 November 2019

The Tenth Meeting of the Standing Committee of the Thirteenth National People’s Congress of the PRC held on 23 April 2019 adopted the fourth amendment of the PRC Trademark Law. The amendment took effect on 1 November 2019.

1. Background

The last amendment of the PRC Trademark Law took effect on 1 May 2014. It shortened the trademark examination time, reduced registration costs and increased statutory damages for trademark infringement. Although the shortened time and reduced costs eased and helped rights holders protecting their trademark rights, it has invited a wave of trademark squatters and trademark hoardings. These issues exposed the general good faith principle in the current PRC Trademark Law lacked direct and concise language to be applied in practice. The fourth amendment of the PRC Trademark Law specifically targets to crack down on trademark squatting, hoardings, and increases the amount of infringement damages and statutory damages for trademark infringe-ments.

2. Key Aspects of the New Law

The key amendments are as follows:

(1) Purpose of use is added into the PRC Trademark Law.
(2) Additional clauses were added to crack down on trademark squatting and hoardings.
(3) Additional obligations were added on trademark agencies to not knowingly accept trademark squatter’s entrustment, in-cluding liability of trademark agencies.
(4) Trademark infringement damages and statutory damages were increased.
(5) Additional power of the courts have been added. During the hearing of a trademark dispute case, upon rights holder’s request, goods bearing counterfeit registered trademarks shall be ordered to be destroyed without compensation.

3. Purpose of Use

The current Article 4 of the PRC Trademark Law stipulates that any natural persons, legal persons, or other organizations that need to acquire the exclusive right to use a trademark shall file a trademark application. This article implies that any person may obtain a trademark right if that person is granted a trademark registration. Combining China’s first-to-file trademark system with the shortened trademark application time and reduced fees, in the past years trademark squatters increasingly began applying for trademarks of famous brands for the purpose of selling them at a high price. The trademark squatting and hoardings issue not only severely interfere with the market economy and trademark registration order, but also troubled brand owners. The amended Article 4 now states that “an application for trademark registration that is in bad faith and not filed for the purpose of use shall be refused.” This “purpose of use” principle clarifies that trade-mark applicants must have an intention to use the trademark. However, the “purpose of use” principle does not mean that in the future the China National Intellectual Property Administration (the “CNIPA”) will ask trademark applicants to submit proof of use.

In order to clarify the application of the amended Article 4, the State Administration for Market Regulation has recently issued the Several Provisions on Regulation of Trademark Registration Application Practices (the “Provisions”), which will take effect on 1 December 2019. The Provisions provide details on the criteria for determining whether a trademark application violates the amended Article 4 of the PRC Trademark Law. These criteria are as follows:

(1) the number, the designated classes for use, and the trademark transactions, etc. of pending or registered trademark by applicant or any natural person, legal person or other organi-zation associated with the applicant;
(2) the applicant’s industry and business status;
(3) whether the applicant has been determined by effective ad-ministrative decision or ruling or judicial judgment as having engaged in bad faith trademark registration or infringing upon the exclusive right of another’s use of registered trademark;
(4) whether the trademark applied for registration is identical or similar to other’s trademark with certain fame;
(5) whether the trademark applied for registration is identical or similar to the name of a famous person, business name, abbre-viation of business name or other business marks;
(6) other factors that the CNIPA shall consider.

4. Further Strengthening Crack Down on Trademark Squatting and Hoardings

The amended PRC Trademark Law provides two new ways to op-timize a trademark application after it was published for opposi-tion. First, any organization or individual can file a trademark opposition based on the argument that the trademark application was filed without the purpose of use. Upon receiving the opposi-tion, the CNIPA will examine whether a trademark is filed with a purpose to use the trademark. If the CNIPA finds that the appli-cant does not have a purpose to use the trademark, the trademark application will be rejected. Second, any organization or individ-ual can file an opposition based on the argument that a trademark agent filed the trademark application without being entrusted by its client. Upon receiving the opposition, the CNIPA will examine whether a trademark agent handled such application as entrusted by its client. If the CNIPA finds that the trademark application was not filed on behalf of a client, the trademark applica-tion will be rejected.

The amended PRC Trademark Law also provides two new ways to invalidate trademark registrations. First, if anyone finds that a trademark was filed a trademark registration without a purpose to use, a trademark invalidation application can be filed against that trademark with the CNIPA. If the CNIPA finds that the trademark owner does not have a purpose to use that trade-mark, the trademark registration will be invalidated. Second, if anyone finds that a trademark agent did not obtain the trademark registration on behalf of its client, a trademark invalidation appli-cation can be filed against that trademark with the CNIPA. If the CNIPA finds that the trademark agent did not obtain the trade-mark registration on behalf of its client, the trademark registra-tion will be invalidated.

5. Additional Obligations on Trademark Agencies

Article 19 Clause 3 of the PRC Trademark Law added obligations on trademark agencies to refuse entrustment, if the agent knows or should have known that the applicant is squatting other’s mark. This amendment aims at deterring trademark agencies from exploiting legal loopholes to obtain trademarks, or assist squatters seeking costly assignment fees. This amendment also intends to invite public supervision on whether trademark agencies exploit their legal knowledge for il-legal gains.

To enforce the above, Article 68 of the PRC Trademark Law now imposes administrative penalties on trademark agencies if they are found to have filed trademark applications in bad faith. De-pending on the circumstances, either a warning or a fine shall be given. If a trademark agency is found to file a trademark in-fringement lawsuit in bad faith, the People’s Courts shall impose penalties as a warning, a fine, revocation of agency licenses, etc. depending on the circumstances.

6. Increased Trademark Infringement Damages and Statutory Damages

The current Article 63 of the PRC Trademark Law provides for dif-ferent damages calculation methods. First, right holder’s actual losses shall be considered. Second, infringer’s actual illegal gains from infringement shall be considered, if right holder’s actual losses are difficult to be determined. Third, when both the right holder’s actual losses or the infringer’s actual illegal gains from infringement are difficult to be determined, the damages can be calculated based on a multiple of the registered trademark’s royalties. For malicious infringement of the exclusive rights to use trademarks, the compensation shall be one to three times of the amount determined according to the above three methods. If based on the above calculation methods, it is still not possible to de-termine the losses suffered then the courts can grant statutory damages. Under the current law, the maximum amount of statu-utory damages for trademark infringement is RMB 3 million. The amended Article 63 of the PRC Trademark Law increased the mul-tiple of the compensation amount determined for malicious in-fringement to five times. The statutory damage are now increased to RMB 5 million.

7. Additional Power of the Courts

Article 63 Clause 4 and 5 of the PRC Trademark Law provide that during the hearing of a trademark dispute, the rights holder can request the courts to order goods bearing counterfeit registered trademarks to be destroyed without compensation. These goods cannot enter into commercial channel even after removing the counterfeit registered trademark. These two clauses particularly target the loopholes in practice where the infringer continues to sell goods bearing the counterfeit registered trademark after pay-ing the damages and would still profit.

8. Conclusion

The fourth amendment to the PRC Trademark Law brings two im-portant changes. First, trademark applications and registrations should be based on purpose of use. Second, additional trademark right protection measures against squatters are introduced. In practice, we have already begun to see the CNIPA cracking down on squatters during trademark examination. The amended PRC Trademark Law gives the message that the CNIPA will continue to crack down on trademark squatting and hoardings when it comes into force on 1 November 2019. It remains to be seen how the CNIPA and the People’s Courts will enforce the amended Article 19 Clause 3 of the PRC Trademark Law to punish trademark agencies knowingly assisting squatters in obtaining trademark registrations and irrational assignment fees. It also remains to be seen how the CNIPA and the People’s Courts will enforce Article 63 Clause 4 and 5 to destroy goods bearing counterfeit trademarks.

By DR. ULRIKE GLUECK, AUSTIN CHANG AND PANPAN TANG

Amended Article 63 of the PRC Trademark Law increased the multiple of the compensation amount determined for malicious infringement to five times. The statutory damages are now increased to RMB 5 million.
Retail Trends for Western Brands in China

By MIKE HOPMANN

As the saying goes: the dead live longer. In China, too, brick and mortar retail was predicted to collapse and become irrelevant. The speed with which consumers adapted to digital and mobile shopping, resulting in annual e-commerce growth rates of over 30% and China becoming the world’s largest online market, was supposed to be an indication of a dying physical retail space.

A bet between Wang Jianlin, chairman of real estate group, Wanda, and Jack Ma, founder of Alibaba, is revealing. When Ma boasted during a joint TV appearance in 2012 that e-commerce would replace traditional retail, Wang rejected the thesis, and his online store would not exceed 50% of total retail sales within the next ten years. The loser would have to pay RMB 100 million.

Despite researchers at eMarketer cutting their 2019 consumer-spending forecast in China, down to USD 5.3 trillion due to the US-China trade war, they expect China to overtake the US as the world’s largest consumer market within the next two years. According to the National Bureau of Statistics of China (NBS), from January to August 2019, the share of online trading in physical goods was 19%, one percentage point higher than the previous year.

New Retail

Instead of an either-or, the future of retailing lies in integration. Similar to in the West, where online merchants such as Amazon are advancing into stationary retail through takeovers and the opening of their own stores, online retail is also merging with stationary retail in China. Since 2016, the catchword has been Jack Ma’s coined term ‘New Retail’, which encompasses the integration of online, offline, technology, data analysis and logistics in a single value chain. The focus is on the customer and their experience along all touchpoints and devices. The integration concept has itself developed into a market for retail digitalization.

Anyone who wants to experience New Retail firsthand can do so at European sporting goods retailer Intersport’s flagship store in Beijing. The store is co-branded with Tmall, Alibaba’s online marketplace, as well as integrated with the latest technological trends to enhance the shopping experience. Customers are first greeted with sensors that recognize sex and age and given initial recommendations from the store’s inventory of products. Inside, the store’s linked mirrors detect when a garment is being tried on and can provide product information with the help of an AI assistant, who can then offer a list of suggested and咨询服务.

Focus on Customer Experience

The integration of stationary retail and e-commerce requires the formulation of an omnichannel strategy that is retail category-specific. What all retail categories will have in common, however, is the use of technology to ensure a seamless, barrier-free customer experience from online to offline. This is pivotal, as a gratifying shopping experience influences the consumers buying decision journey. A McKinsey & Company digital consumers survey from September 2019, found that for China’s biggest e-commerce category “apparel”, 85% of shoppers engage with both online and offline touchpoints before purchase (see Exhibit). The fundamental needs of a consumer, such as seeing and feeling products firsthand, trying them on and the immediate accessibility of the products in-store, are highly valued. At the same time, physical stores also serve as a showroom, once consumers have researched online, read customer reviews and checked for promotions, to learn more about the product and brand. In-store sales personnel have a crucial role in further persuading customers through product presentations, suggestions and consultations.

Silos separating online and offline channels need to be broken down to enable consistency across physical and digital channels, such as uniform pricing and assortment. To ensure a superior customer experience across all channels, the omnichannel strategy needs to secure high interconnectivity and communication across channels. For example, many brands now provide retail store pickup for online purchases. This service requires online sales functions to maintain close communication with retail stores in order to have the right product available on time when the customer wants it.

Customers are also becoming more demanding and driving the push for transformation. In PwC’s Global Consumer Insight Survey 2018 China Report, 67% of Chinese consumers surveyed stated, for example, they expect retailers to be able to keep customer data and information up-to-date and personalize their shopping experience. This is usually done using China’s all-purpose weapon, WeChat. The app allows brands and retailers to interact with their customers by answering questions, informing about promotions and events, providing geolocation services and selling products through a WeChat mini-program. The app also lets retailers set up and manage loyalty programs, as well as connect shoppers to third parties within WeChat’s ecosystem.

Create Unique Selling Points

The British House (TBH), a department store in Beijing modeled after a London townhouse, displays more than 100 British premium fashion and lifestyle brands in its two-floor showroom. Brands use the sales floor to exhibit their products in a traditional British setting and sell online through the TBH WeChat mini-program. Shoppers at the TBH can also enjoy a unique tea experience at Harrods Tearoom. In an interview with Jing Daily, Harrod’s Managing Director Michael Ward says that TBH intends to use the townhouse at The British House to both increase its customer relations and promote itself in China. The British House also regularly organizes UK-related cultural events to appeal to British culture lovers.

While not a traditional retail brand, the British soccer club, Manchester United, is well known for being one of the most commercially successful soccer clubs in the world. Just a stone’s throw away from The British House, the club opened Phase 1 of its first-ever experience center in July 2019. The experience center uses technology to offer interactive and immersive experiences for fans. The facility includes a full-scale replica of the Trinity Statue at the club’s Old Trafford stadium, a mockup of the changing rooms, press area and an interactive showcase of the club’s historical moments and triumphs. The replica of the players’ tunnel from Old Trafford incorporates state-of-the-art audio and lighting effects to enhance the experience of fans before entering the soccer pitch.

Since Chinese consumers are becoming increasingly shopping-savvy with high expectations, retailers need to incorporate the latest technology into their store design. The Danish toy manufacturer Lego, for example, has decided to individualize the design of its different flagship stores in Shanghai and Beijing. The new stores will also highlight unique experiences only found in-store, such as Lego’s MoSaic Makers, which allow customers to construct self-portraits using face-scanning technology and Lego bricks. The store’s oversized models of local sights made from Lego bricks, as well as interactive photography and games that can be shared on social media, provide unique selling points.

Finding the Right Strategy

The Chinese consumer market’s size and growth rate is seductive, but Western brands usually find it difficult to understand the market and trends correctly. Chinese consumer groups are too heterogeneous and regionally different. Challenges, such as expensive rent, maintaining landlord relationships and local competition, also prevent Western companies from breaking out. Companies should consider the following retail strategies in China:

• Resources. The Chinese market devours high financial and management capital. Anyone who wants to work with China at a low cost has already lost before he starts.

• Distribution. Depending on the willingness to invest and the desire to control, the right structure has to be chosen: own stores (Zara, Aldi), joint venture (Galleries Lafayette), franchising (adidas), licensing (Disney), trading partner (Pandora), or a mixed form (Legog). No matter the choice, customers expect a seamless shopping experience across all channels. Products have to be available anywhere at any time.

• Create customer experiences. The merging of online and offline offers numerous possibilities to create unique barrier-free customer experiences that are in line with the brand image. Openness to new technologies is a must.

• Marketing mix. If you want to address consumers effectively, you need a localized (digital) marketing and communication strategy.

• Flexibility. The needs and habits of Chinese consumers are changing rapidly. The local staff should be listened to and the China strategy should be regularly adapted.

• Holistic view. Chinese shoppers buy premium products predominately overseas. More and more luxury brands begin to see their brick and mortar stores in China not as solely local sale points, but rather as investments into their brand equity.

For companies, it is important to keep an eye on the integrative retail world and to identify growth opportunities. Local partners can make a decisive contribution to success based on their market knowledge, insights and experiences.

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After a Slight Uptick, Average Expected Wage Growth for German Companies in China Resumes its Downward Trend for 2020

Findings of the 12th Labor Market and Salary Report

By GERMAN CHAMBER OF COMMERCE IN CHINA

In 2018, around one-fifth of China’s total population are migrant workers, playing a significant role in the country’s workforce. For the first time since 2015, 2018 saw a decrease of 0.2 percent in East China’s migrant population. Also for the first time, the number of migrant workers employed in the secondary sector in 2018 was lower at 49.1 percent than in the service sector, which rose in comparison to 50.5 percent.

In terms of industry, the automotive sector experienced the most dramatic drop in expected wage growth for 2020, coming at 1.32 p.p. below last year’s figure. Only two industries expect wage increases for 2020 when compared to 2019: consulting and legal services as well as the chemical industries expected a wage increase above the effective wage growth rate.

In 2019, moves were made to deregulate China’s hukou household registration system, affecting residency rules in small and mid-sized cities. New directives contained in China’s 2019 Urban Development Plan call for cities with a population of between three and five million to partly lift or relax restrictions on household registration and for cities with a population of under three million to remove them entirely. The new deregulatory measures are intended to redirect migrant flows from first-tier cities to lower-tier cities in the hope of increasing urbanization, housing, consumption and productivity.

China Reveals Continued Significant Wage Increases

Continuing the average wage growth developments of previous years, findings published in the German Chamber of Commerce in China’s 12th Labor Market and Salary Report reveal double-digit wage increases yet again for 2019. According to the National Bureau of Statistics in China (NBS), the average annual wage in 2018 amounted to RMB 83,461 an increase of eleven percent compared to the previous year. The most significant wage increase took place in Central China with an average growth of 12.7 percent. Northeast China registered the lowest wage increase, amounting to 8.9 percent in 2018. At RMB 65,411, Northeast China also remained the region with the lowest annual salary, whereas East China, the highest paying region, had an annual salary of RMB 93,253 in 2018.

China Relaxes Residency Rules to Reboot Migrant Flows

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Winter 2019

Business Confidence Survey
German companies in China hold low expectations – Need for Conclusion of EU-China Comprehensive Agreement on Investment (CAI)

The German Chamber of Commerce in China, in cooperation with KPMG AG Germany, released its annual Business Confidence Survey on 12 November. A key finding: while business sentiment is growing under a slowing Chinese economy paired with uncertainty due to the ongoing US-China trade dispute, China remains an important market with valuable business opportunities for surveyed companies. However, market access barriers and regulatory obstacles continue to limit their growth potential in the Chinese market.

Business Outlook Gloomy With Small Signs Of Hope

The slowdown of the Chinese economy combined with uncertainty due to the ongoing US-China trade dispute has left its marks. China remains a significant market for German companies, but the momentum of recent years has diminished. The Business Confidence Survey shows: Business expectations have dropped to their lowest level in 2016, with only 27% of German companies surveyed expect to reach or exceed their business targets in 2019. Industry forecasts for 2019, in particular for Germany’s traditionally strong automotive and machinery/industrial equipment sectors, have significantly decreased.

For the year ahead, surveyed enterprises report tentative signs of recovery with a slightly improved forecast for industry development. “2020 is likely to be characterized by uncertainty, stemming from an unresolved US-China trade dispute related with a decelerating Chinese and global economy”, said Jens Hildebrandt, Executive Director of German Chamber of Commerce in China | North China.

Investment Growth Needs Improved Market Access

China has taken a number of steps this year towards implementing reforms aimed at greater openness and equal treatment of foreign entities in the Chinese market. Almost half of the surveyed companies (49%) positively acknowledge China’s commitment to further open its market. This is indeed progress, but still far from a comprehensive systematic market opening at all levels. Direct and indirect market access barriers still exist in China, with two in three respondents (66%) reporting that they face restrictions. The survey shows, implicit market access barriers, such as obtaining licenses, disproportionate tendering processes, lack of participation in the development of industry standards as well as insufficient lead time when implementing new regulations challenge German companies the most.

Potential Sources of Business Opportunities

Despite these market access barriers, surveyed companies see various significant opportunities emerging in the Chinese market. "Top 3 opportunities are the growing domestic consumption, an increasing demand for foreign brands and quality as well as participation in innovations and digital technologies”, said Andreas Glunz, Managing Partner International Business of KPMG AG Germany. Two in three (67%) intend to further invest in China in the next two years and one in two of all surveyed companies would even likely or very likely increase their investments in China if greater market access was granted. “There’s a clear sign: The conclusion of a high quality EU-China Comprehensive Agreement on Investment (CAI) next year – with a scope beyond the usual investment protection dimension, covering also fair market access – would create new momentum and bring Sino-German economic relations into a new era”, advocated Hildebrandt.

Reform Efforts Acknowledged But Regulatory Challenges Remain

The need to level the playing field for foreign companies remains challenging and skepticism continues on several reform promises. More than one third of surveyed German companies assess some of the structural economic policy reforms as insufficient. On the other hand, policy reforms with regards to “enforcement of environmental regulations” as well as China’s “anti-corruption campaign” are perceived as sufficient. While acknowledging the progress of environmental law enforcement, the implementation of these regulations has, nonetheless, been accompanied by disproportionately strict measures that affect production, supply chains and, ultimately, the strategic investment decisions of German companies.

More than two thirds (71%) of companies surveyed, found their most important regulatory business challenge in 2019 is market access barriers and investment restrictions. For around every second respondent, legal uncertainty/lack of regulatory frameworks, as well as technology transfer requirements are the top prioritized pressing hurdles.

Human-resource related challenges remain at the top the list of obstacles facing the operational business of the companies surveyed. Around three out of four respondents state that finding and retaining qualified staff is their no. 1 operational business challenge. This year, the issue of difficulties obtaining visa/work permits for foreign employees in China significantly rose from rank 13 to 3 when compared to last year’s survey results.

Trade Dispute Impacts Noticeably

In 2019, the bilateral relations between China and the US were characterized by the ongoing trade dispute, resulting in mutual implementation of punitive tariffs. The majority (83%) of the surveyed German companies operating in China feel either directly or indirectly affected by this conflict. More than every second company reports indirect impacts via supply chains or through growing volatility in global markets. While 40% do not intend to implement any changes, other companies surveyed see diverse potential consequences ranging from revisions of product portfolios, shifting focus to other markets through to relocating production sites. However, the majority (77%) of surveyed companies are not considering moving operations out of China, which demonstrates the importance of the Chinese market.

KPMG AG Germany, released its annual Business Confidence Survey. This year, for the first time, the report was conducted in partnership with KPMG in Germany, EWM HIGH TECHNOLOGY (Kunshan) Ltd.

By GERMAN CHAMBER OF COMMERCE IN CHINA
Until recently, the common perception of many finance professionals on sustainability was that the burden fell on someone else, like human resources, EHS, or compliance, and was not an issue that should keep a CFO up at night. This dynamic has changed, and in today’s world, sustainability also has to come to the profession of “bean counters.”

Awareness of the impact of human economic activities on the environment in modern times goes back to the beginning of the 1970s. One of the first steps towards a greener perspective was the appearance of the Club of Rome’s “Limits of Growth” by researchers Donella and Dennis Meadows in 1972. In the 1980s, many scholars developed methods to determine the ecological impact of economic activities such as “environmental accounting” and “eco-balance sheets.” The advance of information technology then helped the development of new software applications, which allowed Western research institutes and universities to build master’s degree programs. One of the first, the Technical University of Nuremberg in Germany, established a university chair in “environmental-oriented management” in 1994. One of the authors of this article worked as a teaching assistant, and oversaw the rollout and training of GEMIS - Global Emissions Model for Integrated Systems - a tool for environmental cost and employment analyses of energy, materials and transport systems. “Green controlling,” in the 2000s, found its way into the broader management theory of finance students, and companies began to see green as a competitive advantage rather than a cost factor. Today, sustainability has officially gained the attention of the general public thanks to the climate change debate and worldwide movements like Fridays for Future and Extinction Rebellion.

Many companies today are embracing sustainable management and following the lead of global organizations that aspire to have a positive influence on economic, social and ecological development. The United Nations’ 17 Sustainable Development Goals (SDGs) form the foundation of many company’s sustainability guidelines. Beyond this, corporations embrace the principles of the UN’s Global Compact and are guided by the values and attitudes of the National Action Plan for Business and Human Rights, the UK Modern Slavery Act, the German National Sustainability Strategy and the objectives of the Paris Climate Change Agreement.

So, how should CFOs and other senior finance executives, respond to sustainability? What is their role in pushing sustainability and the systematic change that needs to happen in the larger financial industry? What are the business challenges that matter to them? And most importantly, which practices are best suited to help realize sustainability-driven opportunities for improving business performance? To safeguard assets, the CFO’s primary role is to manage risk and improve corporate performance. Done in the right way, sustainability has the potential to assist finance professionals facing pressure to reduce short-term costs while building the financial foundation for long-term profitability. Sustainable thinking, in this context, gives businesses an opportunities in three major areas: (1) risk management, (2) capital productivity, and (3) innovation and growth.

Enhancing Risk Management

Many CFOs carry the crown of “chief risk officers” and bear the responsibility of establishing an effective framework to manage risk that can impact the company’s financial health. Those business risks might derive from external factors like global megatrends or government regulation, while others might originate from specific customer markets or internal factors.

Sustainability-related risks include global climate change, uncertainty about future fossil fuel supplies, resource scarcity, insecure food supplies, ecosystems and decline in biodiversity. In China, as well as the West, more focus on those risks has led to a tightening of the regulatory environment, increasing costs to comply, price fluctuations and the availability of products or services. The awareness and expectations of other stakeholders like investors or credit rating agencies and the general public - due to the influence of social media - have also increased over the years. Those challenges might
cause substantial negative financial impact by risking operating costs, reputation or supply chains. Integrating them in the overall risk management and periodic reporting/controlling cycle help companies to handle them proactively.

Identifying and implementing sustainability-related measures can improve the financial prospects needed to limit high-risk products or production choices for the company. Sustainable thinking also increases the company's chance of avoiding costs from property damage, accidents, restoration and reputation damages, as well as helps to prevent supply chain disruptions. **Stranded assets**, such as property, plant and machinery, are particularly at risk due to new regulations, market forces, technological innovation, and changes in societal norms and the environment. To internalize potential threats, the framework of the Committee of Sponsoring Organizations (COSO) can provide key direction for companies as it differentiates between strategic, operational, compliance and reporting-related risks.

Optimizing Capital Productivity

Reducing, replacing and recycling – sustainability offers unique opportunities for companies to cut costs, improve efficiencies, and reduce or even eliminate waste. Companies can target compliance costs by cutting toxic emissions and operations to run facilities through more efficient resource handling like water, wastewater, energy, and heat used in buildings, machinery, transportation and data centers. Another opportunity sustainability offers is supply chains optimization, which leads to a reduction in environmental impact from less transportation and warehousing costs, as well as lower expenditures for special freight due to less fluctuation in material flows.

By addressing sustainability issues at an early stage of a capital investment, companies can profit from a lower investment costs and a higher return on the investment. Since the results of such investments are not always easy to quantify, sustainability-related projects can prove challenging when it comes to earmarking the financial impact of upgrades in corporate and brand reputation, employee satisfaction, and engagement, as well as avoiding costs from property damage, accidents, restoration and reputation damages. Transforming Traditional Financial Planning and Analysis

In reality, the additional value created from sustainability measures—reduced risks, higher capital productivity and increased business growth—is not always easily quantifiable. This is especially challenging when it comes to earmarking the financial impact of upgraded corporate and brand reputation, employee satisfaction and engagement, as well as avoiding costs from property damage, accidents, restoration and reputation damages. Sustainability-related projects, though promising at the initial phase, do not always reach the company’s measurements such as internal rate of return, net present value or payback period. One of the reasons lies in the fact that the price of a specific resource like water does not reflect its true economic value. In these situations, strategic thinking and foresight from the executive management team should take precedent despite an unclear financial assessment. Despite this, because of those limitations, companies try to bring sustainability consideration into business cases in different ways. One approach is to set aside dedicated funds for sustainability-related investments. Another is to add the usual key financial performance indicators, introduce qualitative scoring models, or to reduce hurdle rates. New sustainability-related indicators like return on resources (ROR) or energy returned on energy invested (ERI) can also be added to complete project evaluation. Lastly, to work-around the incomplete planning, and is why sustainability matters to finance professionals. It also helps to drive change and improve decision-making and strategic planning, and is why sustainability matters to finance professionals.

**Mr. Francesco Ingrasia** is Chief Financial Officer at Schaeffler Group for Region Greater China. He is a guest lecturer at the MBA School of Business at East China University of Science and Technology in Shanghai and leads the International Controller Association’s East China workgroup.

**Dr. Zhen Huang** is managing consultant and trainer at Shanghai De Chen Enterprise Management Consulting Co. Ltd. He has been working as a managing consultant and trainer in Germany and China for nearly 25 years. Before he set up his own business in 2003, he had worked for leading international consultancies for many years, such as Roland Berger Strategy Consultants and Horváth & Partners. Dr. Huang is also a member of the International Controller Association and the exclusive training partner of CA Controller Akademie in China, the market leader for controlling and controller training in German-speaking countries.

**Cultivating Innovation and Growth**

While some trends pose risks for existing business models, sustainability gives way to opportunities by opening new markets and customer relationships. Customers learn from the value proposition of new products, that is less energy consumption during the product life-cycle, or the value of sustainability for their own business, i.e. continuous monitoring of production processes for preventive maintenance purposes. In addition to improving existing products and enhancing capital productivity, sustainability might also lead to new sustainability-driven products and business models that drive growth, like the e-mobility trend we see today. This can also be supplemented by MBA activities to combine the know-how of the companies in various fields with other innovative companies.

Regulatory changes have led to new markets for ecological-related services and sustainability-financing schemes such as carbon-trade and power purchasing agreements, garnering much attention from finance professionals. And as the general public learns more about sustainability, greater importance will be placed on its innovation and growth.

**Shanghai**

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Mr. Callon Cao, CSO Madinger Industrial and an office in Beijing was opened in Australia. The Chinese headquarters of Madinger local clients on quality, production and logistics, founded a new Joint Venture in China to of experience in the Industrial sector, has company with more than 20 years Industrial Service Provider Madinger, a German Madinger Goes China
Industrial Service Provider Madinger, a German

company with more than 20 years of experience in the Industrial sector, has founded a new Joint Venture in China to expand its worldwide presence and to supply local clients on quality, production and logistics. The Chinese headquarters of Madinger Industry Services Co., Ltd. is based in Tianjin, and an office in Beijing was opened in August 2019. Madinger will serve companies across the whole country by the end of 2020. Oliver and Jürgen Madinger, the founders of the German mother company, pass on to the best wishes to the managers in charge: Mr. Callon Cao, CSO Madinger Industrial Technology Co., Ltd. and Mr. Andreas Diring, General Manager Madinger Industrial Technology Co., Ltd.

Melders appointed as Exclusive Distributor of Red Box International in China
Melders has announced a new partnership with Red Box International to become an exclusive distributor of their aviation product range in China. Red Box International, located near Southampton in the UK and Lawrenceville, Georgia, USA, manufactures and sells Ground Support Equipment (GSE) and aviation tools and tool kits. Through this partnership, the aviation business unit of Melders will enlarge its product and service range, while significantly expanding Red Box’s reach in China. Melders’ Aviation Department will handle all inquiries, sales, technical assistance and provide services to customers throughout China.

First PCB from MOBA Dalian
MOBA Dalian introduced the most advanced production line for a printed circuit board (PCB) in August 2019. After testing, the first board was manufactured on 27 August with the efforts of both technicians from MOBA Limburg and Dalian. This indicated that MOBA Dalian has made the first step for the localization and the transformation from a sales-oriented company to a production-oriented one.

Bayer Opens New Consumer Health R&D Center in Gidong
On 28 August 2019, Bayer opened its new consumer health R&D center in Gidong, Jiangsu, co-located with Bayer Consumer Health’s largest production site in China. China R&D Center is one of the four major R&D centers for Bayer Consumer Health globally. It is also the only R&D center located in the Asia-Pacific region, supporting all Bayer Consumer Health products in China and providing better self-care solutions for Chinese consumers. Richard He, General Manager of Bayer Consumer Health China, said: “China has become the growth engine of Bayer Consumer Health in the whole Asia-Pacific region and the world. Bayer will further activate brands and develop growth-focused innovation in China. An In-China-For-China R&D Center is our hard power to quickly explore the market and transform consumers’ need into technology.”

Tech Mahindra CEO & MD CP Gurnani Shared Sino-India Technology Vision in Shanghai
On 27 August, the Consul General of India, Shri Anil Kumar Rai, welcomed CEO & Managing Director of Tech Mahindra, CP Gurnani, in Shanghai. CP stated as a manufacturing hub, with decades of experience in the technology market. China is a valuable partner for India and will be key in fueling India’s growth journey to become a 5 trillion-dollar economy. New age technologies: 5G, artificial intelligence, blockchain and Internet of Things, will create cutting edge, customer centric solutions. Gautam Goyal, CEO, Edwar Tea, and Sometime Executive Director, Peter Xu, shared their research and industrial dynamics with 30+ participants from various industries, a panel discussion followed.

Grand Opening of Conrad Shenyang
On 1 September, Hilton announced the official opening of Conrad Shenyang. Situated at the top of Shenyang’s tallest building, the Forum 66, the venue is located in the Central Business District and offers the city’s largest guest rooms. It is owned by Hang Lung Properties and managed by Hilton. Over 180 guests attended the Grand Opening of Conrad Shenyang. The VIP guests included government officers from Shene District Committee and Shenyang Culture, Tourism, Radio and Television Bureau, Director of the Hotel Development & Asset Management, Mr. Symon Bridle, Hang Lung Properties Project Management Director, Mr. Peter Leung, Vice President of Hilton Operations - North China region, Mr. Joseph Khairallah and General Manager of Conrad Shenyang, Mr. Erich Kaisereder. With its opening, Conrad Shenyang is the 10th Conrad hotel in Greater China.

German Chancellor Merkel Visits ZF Plant in Beijing
As part of the state visit to China, Angela Merkel took the opportunity to visit ZF’s industrial technology plant in Beijing: ZF Powertrain System (Beijing) Co., Ltd. (ZFPS). The visit took place on 6 September and was the Chancellor’s first company visit during her trip. Sustainability and renewable energy were the main focuses of the plant tour. While touring the facilities, with the accompany of the welcoming committee including Daniel Schabert, CFO for Asia-Pacific, and Lothar Sossdorf, plant manager of ZFPS, the German Chancellor learned more about ZFPS’s products for the wind-power and railway sectors. ZFPS’s production employees introduced to Chancellor their products such as wind turbine axle, subway transmission, and tire test bench, which demonstrated ZFPS’s technological advantages in sustainability and renewable energy.

International School of Tianjin (IST) Celebrates 25th Anniversary
The IST community celebrated the school’s 25th anniversary on 5 September with their customary fervor and good cheer. Every student and staff member donned specially designed 25th anniversary T-shirts for the day. A special assembly was hosted by IST Director Steve Mossy, where he reflected on the school’s journey and talked about some key people in the school’s history.

DEKRA Prepares to Inspect 100,000 Vehicles Annually in Beijing
The leading international expert organization DEKRA has opened its largest Periodical Vehicle Inspection (PVI) station worldwide in the Chinese capital Beijing. Experts are set to inspect about 100,000 vehicles per year. Following the launch in the Southern city of Shenzhen in March 2019, it is the company’s second PVI station in China. “With 26 million vehicle inspections in almost 20 countries, DEKRA is the global number one in the field. China as the world’s largest automotive market is of high significance for us,” stated Cle- mens Klöck – Member of the Board DEKRA SE at the official opening. The new station in southeast Beijing has six lines for emission checks and four lines for technical safety inspections. One line is specially designed for the inspection of trucks and buses. The site covers 20,000 square meters in total.

Chor Bar & Grill at Crowne Plaza Beijing wins Award
Chor Bar & Grill at Crowne Plaza Beijing Lido got short-listed for the Black Pearl Restau-
In August 2019, Schenck Process organized a cloth donation campaign in cooperation with Baliougou. The activity covered North and East China. Employes from 4 offices of Schenck Process China participated in the activity. The clothes are sent to underprivileged areas for public welfare or into regeneration processing. As a company serving a broad variety of vertical industries, Schenck Process aims at offering a wide range of environmentally friendly products.

Big Duotian China Signed a Project with Charoen Pokphand Group

After a successful 3-million-layer project in Pinggu, Beijing Big Duotian and CP Group have signed another two 3-million-layer farm projects recently signed (with CP Kunming in May and with CP Shanghai in August). These two projects are located in Chongning, Shanghai and Dongchuan, Kunming respectively, with a total investment of RMB 1.3 billion. The CP Shanghai project is covering an area of 65.1.5 m (1 m = 666m²) and will become the largest layer farm in Asia and the most modernized and automated egg production project in the world. The occupied area of the CP Kunming project is 1570 m² which covers the whole industry chain. It will lead and drive emission reduction, transform the mode of animal husbandry production and agriculture in Dongchuan County and throughout the whole Yunnan province.

Dezan Shira & Associates Expanding to Frankfurt

Christopher Liptau, Dezan Shira & Associates’ (DSA) Head of German Desk and International Business Advisory Assistant Manager, will be working from DSA’s first liaison office in Germany. Within the German Desk, Mr. Liptau is responsible for the firm’s German accounts, oversees content and publications, business management and media partnerships. His work is focused on internal control and fraud prevention within corporate setup procedures in China, bookkeeping and compliance. He joined DSA’s Global team in November 2018 and is leaving for Frankfurt after having spent the past 15 years in China. Prior to joining DSA, Christopher was responsible for international business in a regional Chinese accounting and audit firm in Gindusa.

The success started with the “That's Beijing Lifestyle Awards” where Hutong School was recognized for their commitment to Chinese language and culture tuition for the third time in a row. This was followed by another award voted by the users of Bon App in the same month. Situated in Sanlitun, Hutong School has been helping local expats and students improve their Mandarin and settle into their new lives in China.

GFK Supported Best Brands Event in Shanghai

On 20 September, the Best Brands event was held at Shanghai W Hotel. More than 100 guests joined the gala. Huawei, Haier, Xiao mi, TikTok, Li-Ning and BMW were among the top 50 brands in the annual awards event was hosted by Serviceplan, together with GFK and supported by a survey of 3,000 consumers. GFK is a trusted source of relevant market and consumer information that enables its clients to make better decisions. The objective of this event was to rank the best brands in the Chinese market from a consumer perspective. Among the top 50 brands voted, mostly related to consumers, China brands now take 30 places compared to 18 in 2016” says Troy Zhang, the GM of Ad hoc at GFK.

Siemens I-Green Education Program Celebrates 10th Anniversary

This year marks the 10th anniversary of Siemens I-Green Education Program. As Siemens’ first environmental education program for migrant children in China, the program has been rolled out in 11 migrant children’s schools in 10 cities, including Beijing, Shanghai and Chengdu. For the past ten years, more than 2,800 Siemens volunteers have contributed to the program that has benefited 24,000 students. The program has also become one of the core projects of the China Education Support Project, which aims to facilitate university students to support education in rural primary and middle schools. Siemens has won wide recognition and numerous awards for Siemens I-Green Education Program. On 30 May 2019, Siemens received a “More Than A Market Award 2019” at the awards gala held by the German Chamber of Commerce in China. In 2018, Siemens also received a “Sustainable Development and Environmental Protection” award for the fourth time by the European Union Chamber of Commerce in China.

Chavent – Industry Leaders on Managing Change

Each year, CPC hosts CHAnge management research event bringing together senior leaders of environmental facing changes, project managers, HR professionals and people keen on fostering their skills around driving transformations. This year’s ChaVent took place on 14 November at the German Centre Beijing DRC Liangmao. This time CPC and Eccos joined forces, bringing together experts and practitioners from different sectors and industries to exchange on Digital Transformation in the context of company steering and accounting. The ChaVent focused on opportunities and challenges for SMEs in China in the age of cloud-based ERP solutions, specifically on how to leverage efficiencies and bring company steering to the next level. The participants appreciated panel discussions, small working groups and hands-on information on how to navigate transformation with the accounting focus. The ChaVent served as a learning center for personal development and a lighter to ignite new ideas.

Siemens I-Green Education Program Celebrates 10th Anniversary

On 10 July, TAGAL Innovative Products and Technologies Conference, with the theme of Driving Smart Steel was held in Dalian. Over 340 people, coming from more than 40 automobile OEMs and R&D institutes, about 70 suppliers, TAGAL shareholders – Ansteel & ISS, TAGAL management, media representatives gathered for this event. TAGAL technical experts introduced their latest technologies such as AHSS/SS and advanced technology for cost-efficient lightweight. Apart from that, auto steel surface technology, application performance, TESY technology, surface technology development were shown. Moreover, cold forming technical solution Smartform, hot-forming material trend as well as Ansteel steel innovation and developing strategy for electric automobile were introduced. TAGAL has always stood at the forefront of steel application. The popularization and application of these materials and technologies will provide more solutions for customers on lightweight, cost reduction, safety improvement and environmental protection.

DBEST (Beijing) Facility Technology Management Co., Ltd. Wins Two Years FM Service Contract for Tianjin

In July 2019, DBEST began to provide integrated facility management services for Siemens Gamesa Tianjin plant. Siemens Gamesa is a growing company in the field of wind power generation. The Tianjin plant has been open for 10 years and also manages the cleaning, greening, and other soft services in the plant. With the further deepening of cooperation, DBEST will continue to use German facility management standards to better serve their customers.
Regional News | North China | Member Affairs

Shuangma Starts Up Testing- & Product Validation Services

In response to multiple customer requests, Shuangma Industry Engineering & Consulting is now offering testing & product validation services. For this purpose, a new Director has been appointed as of 1 October 2019. Mr. Peter Baranger has more than 20 years of experience in this field, including 8 years in China where he has built up several test laboratories and prototype shops. In order to be able to provide a wide range of test solutions right from the start, strategic partnerships with local test labs were established in addition to Shuangma’s existing workshop in Shenyang.

ADEN Launches a New Partnership With Delphi

ADEN has launched a new partnership with Delphi, a leading global enterprise focused on innovating propulsion systems and after-market solutions for the automotive industry. ADEN has signed a new contract with Delphi Wanyuan - a US-China joint venture specializing in automotive engine components. ADEN will be providing full ILM solutions, including maintenance to the company’s Beijing plant over a period of three years. The partnership with Delphi Wanyuan goes back to 2017, when ADEN first provided its industrial handling equipment rental service to the client’s Beijing plant through the JV ASAP Rental. In 2018 ADEN began providing solutions to their Suzhou plant. Delphi Wanyuan has highly praised the quality and professionalism of ADEN’s work and its experience in the industry. ADEN is honored to have won the trust and recognition of this client and looks forward to deepening the cooperation to facilitate Delphi Wanyuan’s business and make greater contributions to China’s automotive industry.

Federal Chancellor Dr. Angela Merkel Visits Herrenknecht in Schwandau

“Projects that go down in history”: German Chancellor Dr. Angela Merkel reiterated this during her visit to Herrenknecht AG on 11 October 2019. On a tour to the plant premises, company founder and Chairman of the Board of Management Dr. Ing. E.h. Martin Herrenknecht showed the Chancellor tunneling technologies developed and manufactured by Herrenknecht. A highlight for the over 100 apprentices present was the Chancellor’s visit to the training workshop and a conversation with Dr. Angela Merkel in person.

Alipay Enters Austrian Market

Raiffeisen Bank International (RBI) and Alipay have signed a cooperation agreement to make payments with the popular App available in Austria. Alipay is actively expanding its in-store payment solutions to enable Chinese travelers to pay for goods and services anywhere in the world using the Alipay App. With Raiffeisen Bank International, which is among the top banking groups in 14 Central and Eastern European countries, Alipay has founded a strong partnership for cooperation that will allow the increasing number of Chinese tourists to use mobile payment in Austria. Austria has seen an increasing number of Chinese tourists in the recent years with some 1 million arrivals from China in 2018. After Russia, Austria will be the second market where RBI and Alipay are working together. Collaborations in additional countries in Central and Eastern Europe are also planned in the future.

New Event Centre of Haufe Academy China Opened in Beijing

Haufe Academy China, part of the German Haufe Group, opened its new training centre in September in Haidian, Beijing. Over 100 topics, covering leadership, management, HR, taxation, project management, negotiation, sales and personal skills, are now being run within the Academy’s facilities, which include an 80-participants conference room and two smaller training rooms. A podcast and video studio have also been added to further support Haufe’s online learning programs.

Haver Technologies Celebrates 5 Years Anniversary in Tianjin

On 7 September 2019, Haver Technologies Tianjin (HT) celebrated their 5th anniversary with a family day and gala dinner in Tianjin. More than 150 employers with families and kids joined the outdoor activities in the afternoon with children’s playgrounds, games and an HT company tour. During the evening gala dinner, General Manager Mr. Bjorn Lindemann highlighted the successful development in the past 5 years and thanked all employees for their motivation and commitment. A sand painting performance and awards for long-term employees rounded off the festive evening. After offices were set up in Shenzhen and Beijing in 2005, HT was established as the new Chinese headquarters in Tianjin in 2014 to become a one-stop-shop for all Chinese customers. HT is a subsidiary of the German company Haver & Boecker and produces high-quality packing and filling solutions for customers in the cement, building materials, mining, chemicals and food industry.

ISPO Beijing 2020: Imagine the Olympics

On 12-15 February 2020, the international sporting goods industry will meet at the China International Exhibition Center (New Venue) in Beijing for ISPO Beijing, the most important sports trade show in the Asian Pacific region. Two years before the 2022 Olympic Winter Games in Beijing, the radius of this major sporting event in China is clearly noticeable. ISPO Beijing dedicates large parts of its event program to winter sports like the Ski Resort Tour on 15-16 February to the Taiwioo Ski Resort – China’s largest contiguous ski resort hosting the 2022 Olympic Winter Games. A meeting with the management and alpine skiing is complemented by a visit to the Nordic and Biathlon Centre.

5 Star Plus Retail Design Beyond Retail

5 Star Plus Retail Design has recently completed an outstanding exhibition stand in Beijing. Siouette is an Austrian luxury optical wear brand that expanded its operations to China this year. 5 Star Plus implemented the technical design and built the stand for the exhibition. To help build meaningful connections, 5 Star Plus helped to guide Siouette through the build and management of their stand throughout their first Beijing exhibition.

New Members North China

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

Mr. Lei Wang
Chief Representative China, German Design Council (Shanghai) Co., Ltd.
www.german-design-council.cn

Mr. Olaf Griese
General Manager
Hammelmann Pump System (Tianjin) Co., Ltd.
www.hammelmann.cn

Ms. Bella Wang
Vice President Public Affairs
HÄRTING (Zhuhai) Sales Ltd. Beijing Branch
www.HARTING.com.cn

Mr. Guinan Qiao
General Manager
HERMETIC-Pumps Dalian Co., Ltd.
www.hermetic-pumps.cn

Mr. Andrew Taylor
General Manager
Pepperl+Fuchs (Beijing) Process Automation Control Equipment Co., Ltd.
www.pepperl-fuchs.cn

Mr. Adam Huang
Managing Director
S+S CHINA Co., Ltd.
www.s-s-china.cn

Ms. Talulla Lu
International Sales Manager
SGS-CSTC Standards Technical Services Co., Ltd.
www.sgs.com

Mr. Dennis Schulz
Private Member
On 4 July 2019, the German Chamber of Commerce in China – North China in Shenyang organized a comprehensive Legal & HR training at Wuerth Industrial Park Shenyang. The training provided participants with the opportunity to not only exchange experiences with two professional local lawyers, but also getting real case insights presented by two experienced judges from local law courts in Shenyang.

The Legal & HR training was structured to provide a comprehensive overview and deeper understanding of the main labor law regulations and procedures as well as the most common mistakes in handling labor disputes. Areas such as labor dispatch, occupational injury, labor contract, social insurance, overtime pay were introduced as common factors for possible legal conflicts with employees. Each presentation was followed by a Q&A session, where 45 participants were invited to share their own work experience.

On 5 July 2019, the German Chamber of Commerce in China – North China in Tianjin invited friends and partners to an exclusive German Movie Night at Drei Kronen 1308 Brauhaus Tianjin.

The Movie Night was a great opportunity to learn about German culture. On this evening, a German comedy-drama film “Der Vorname” was shown. This film started with a discussion about the rights and wrongs of first names, and then turned into a psychological game. Attendees enjoyed the nice and cool summer night with delicious German food and beverages.

On 6 July 2019, the attendees had an opportunity to gain valuable insight into NIO's brand, marketing strategy and business model as well as the electric autonomous vehicle market in China. An exclusive company visit to the Chinese electric car manufacturer NIO in Beijing provided the group with insights into the China's premium electric vehicles, driving innovations in next generation technologies in connectivity, autonomous driving and artificial intelligence.
With the aim to establish an exchange platform for local vocational education projects initiated by German companies, the German Chamber of Commerce in China – North China in Shenyang organized another roundtable event on 9 July 2019. This roundtable focused mainly on sharing current project experiences with other interested companies and discussing the success factors of a cooperation with local technical vocational schools in China. Since the adaption of a “dual vocational education system” is becoming a key target for more and more German companies in the Northeast region to gain technically skilled staff and qualified workers, some GCC member companies in Shenyang have already started to run technical cooperation projects with local vocational schools to further strengthen their internal training activities.

Management representatives from member companies such as DRÄXLMAIER Automotive, OTTO FUCHS Technology and Dr. Schneider Automotive were invited to introduce their local vocational education projects as well as to further discuss how a deeper cooperation between local vocational schools and companies can be achieved. The roundtable took place at the DRÄXLMAIER Automotive plant in Shenyang and included a guided tour at their newly established apprentice workshop. Mr. Matthias Bierman, Consul General at the German Consulate in Shenyang attended the roundtable as a special guest.

On 9 July the German Chamber of Commerce in China – North China in Tianjin conducted a half day seminar on the topic of “Lean Management and its Application in Production Safety” at the Tianjin Office.

On 9 July the German Chamber of Commerce in China – North China in Tianjin conducted a half day seminar on the topic of “Lean Management and its Application in Production Safety” at the Tianjin Office.

Lean management is no longer a new topic for us. The Just in Time (JIT), Toyota Productions System (TPS), lean operations and Kawasaki Production System (KPS) are some of the production systems used by different companies to improve operations and eliminate wastes. These lean management can be applied to all aspects of business – for example the safety production, which is highly valued by companies. The key to safety work lies not only in slogans and in rewarding and punishing, but also in the basic work and the systematic implementation. The combination of the concept of lean production and safety production is beneficial to employers and employees in general and can become a powerful tool for enterprise competition.

More than 15 attendees took part in the seminar and gained the main ideas of lean production as well as application to safety production, which help to cut out waste of time, materials and capacity, whilst ensure safety and quality.
From the Management Perspective - Expanding in China for Overall Growth
An Interview with Dr. Jochen Nippel, Managing Director of Hörmann APAC

1. Since Hörmann’s first step into China, which major shifts in production strategy have you seen so far and why?
Strategy has always been a crucial guidance for me, because it determines the direction in which the company focuses its work, operations and management in China. In the beginning, when we started 20 years ago, our first products were manufactured locally in China with the German design and German engineering. In the meanwhile, we have been persistently exploring R&D research in China. Although we have benefited from the German engineering and German design, we have to adjust to the local market as well. We now combine the taste and aesthetic demands of Chinese consumers with the state-of-the-art production technology and quality requirements of the Hörmann Group.

2. What strategy do you have towards localization: staff, R&D, products?
Hörmann Group has always been attaching great importance to the Chinese market, and one of the key items we keep in mind is to introduce the best production technology and quality to China. As one of our strategic moves in this regard, we have opened the Hörmann factory in Changshu on 8 November. The new factory will run on the most cutting-edge automation equipment as well as the most efficient SAP office system to deliver our products even more efficiently - this shows the commitment and determination of Hörmann Group towards the Chinese market.
Regarding the staff, we have also adopted a strategy of localization: 95% of our employees in China are locals and the remaining 5% consist mainly of top management.
As for the raw materials, we give preference to Chinese high-quality materials and components. Moreover, guaranteeing the accuracy and quality of the products is our highest priority. If we are unable to find suitable parts or components here, we import them from Germany. We never compromise on quality.

3. What are the main challenges you encountered when operating international business in the Chinese environment? The first thing that comes to my mind is the diversity of design. China is a country where you can find a fusion of the Chinese and western culture and aesthetics. It has always been developing at such an amazing speed and it constantly keeps pace with the changing times, styles and possibilities. There is a diversified group of people who choose our service: some like traditional doors, while some prefer modern ones; some enjoy sumptuous products, while some choose concise styles. This poses a challenge for us, however, at the same time, it offers us a good chance to develop our designs.

4. Are your products export-oriented or domestic market-oriented?
“Having a foothold in China and heading for the world” has always been a vision of us and we already started delivering products to the Asia Pacific regions 7 years ago. Thus, we established our Shanghai branch and started to expand into the South East Asian market. Currently, 20% of our Chinese products will be exported to the Asia Pacific regions. Our products today, especially our fire-rated doors, fully meet the high standards and requirements from different countries. I am proud that we can continue developing our products in China and to further expand our presence in the Asia Pacific market.

5. What are your aims and hopes for the future?
In the last 10 years, we have gained enough profit to invest in our third plant in China. And we have set a goal to open a fourth plant in the near future, moving further south to cover more regions and to have more footprint in China. We have already acquired a good production capacity and quality, but we are committed to offering more to our clients. We operate in a special market where High-Tech integrated solutions are required and we are eager to meet all the demands in China with Hörmann High-Tech solutions.
We are also committed to meeting the diverse demands of our customers. To meet this goal, Hörmann delivers services to their customers in two areas: the project market and the retail market. We now have three professional factories based in Beijing, Tianjin and Changshu, which can operate at full capacity and serve different regions in China with less transportation costs and faster delivery. In the retail section, we constantly increase our R&D efforts to develop new products. By now, we have established almost 20 retail outlets this year to let more Chinese customers experience products with German quality.

6. Hörmann’s doors are well known for their environmental friendliness. As haze is getting more and more serious in China, how does Hörmann deal with it?
Hörmann is a family-owned brand built with the joint efforts of four generations and we attach great importance to ecological environment. In the meanwhile, Hörmann is also an innovation-oriented enterprise and innovative solutions are crucial to environmental protection beyond all doubt.
Hörmann is a practitioner of green production and focus on the product itself:
First, we were the first in the field to replace conventional paint with powder-coating, a process in which no solvents are released and by which no paint slurry is created.
Second, we persist in adopting green and recyclable interior fillers with high strength to all products. For instance, we keep on utilizing environmentally friendly PU foam which is 100% CFC-free to our industrial doors.
Last but not least, our sophisticated waste gas purification equipment has considerably reduced energy consumption. We already have implemented stricter thresholds which will be required in the future.

What we provide is not only a door, but an integrated High-Tech solution with various functions like sound and thermal insulation. We make sure that our products are trustworthy and that they will bring ideal performance as well as environmentally friendly features.
Environmental protection is the lifeblood of an enterprise’s development, and it is also our social responsibility. We will keep on striving, working for the green future, fulfilling our responsibilities as well as obligations under environmental laws and regulations, and making rational and efficient use of resources.

If you need a reliable supplier, then here we are.

7. What working and living experience do you have in China?
I came to China for the first time in 2002. I have always had great respect and fascination towards China and its culture. I can see the pace of development here, and it’s really impressive when it comes to the success story of China. After having stayed in Germany for five years before moving to China, the speed of development was even more remarkable to me. Ever since my first visit to China, I hold only dear experiences and impressions when it comes to this charming country full of surprises and possibilities.
27th August 2019  
Event: Seminar in Tianjin  
Topic: Internal Control Review for Subsidiaries in China  
Venue: GCC Tianjin Office  
Speakers: Ms. Amanda Liu | Senior Accounting Manager at ECOVIS R&G Consulting Ltd. (Beijing)  
Mr. René Bernard | BD Manager at ECOVIS R&G Consulting Ltd. (Beijing)

28th August 2019  
Event: Kammerstammtisch in Shenyang  
Venue: Dan’s Home Bar

29th August 2019  
Event: All Chamber Networking in Beijing  
Venue: NUO Hotel

31st August 2019  
Event: Special Event in Tianjin  
Topic: Tianjin River Fun Run  
Venue: Shangri-La Hotel Tianjin

18th July 2019  
Event: Workshop in Dalian  
Topic: Employee Handbook - Importance & How to avoid risks from HR and Legal Perspective  
Venue: JUMO Automation Dalian Co., Ltd  
Speakers: Mr. Stefan Dette | General Manager at JUMO Automation Dalian Co., Ltd; Ms. Ping Yang | Vice GM & HR Manager at JUMO Automation Dalian Co., Ltd; Mr. Baoyu Dai | Lawyer at ShengDa Law Firm

On 18 July 2019 the German Chamber of Commerce in North - North China in Dalian organized an HR workshop on the topic “Employee Handbook - Importance & How to avoid risks from HR and Legal Perspective” at the facilities of JUMO Automation in Dalian.  
Mr. Stefan Dette, General Manager at JUMO Automation Dalian, introduced the company development of JUMO in China and gave a short product overview before he guided the participants through the spacious production facilities. The theoretical part of the workshop was then lead by Ms. Ping Yang, Vice GM and HR Manager at JUMO Automation Dalian, who introduced the essential elements necessary for preparation or adjustment of an employee handbook and why a well-structured and practical employee handbook is crucial for any foreign-invested enterprise in China. She also provided the attendees with her own experiences from her latest handbook revision project within the company. Finally, Mr. Baoyu Dai, Lawyer at Liaoning ShengDa Law Firm, introduced some practical work cases of labor disputes and explained how the handbook can help to manage these situations during conflicts and how to minimize future risks. The workshop was well attended mainly by local HR Managers and legal experts who actively shared their experiences and furthermore received valuable insights about the current status of a legally compliant employee handbook.

21st August 2019  
Event: GM Roundtable in Tianjin  
Topic: Leading a German Company as a Chinese General Manager  
Venue: GCC Tianjin Office

On 21 August 2019, the German Chamber of Commerce in North - North China in Tianjin invited Chinese general managers of German enterprises to the kick-off event of the new GM roundtable series “Leading A German Company as A Chinese General Manager” at the German Chamber of Commerce office in Tianjin.  
With more than one third of the locally-based member companies in Tianjin now being managed by Chinese leaders - comparing to the pure expat management at the early stages - the German Chamber of Commerce has identified that the need to cater this unique customer group has slowly taken shape over the past years. Our new event - series is therefore specially designed for the Chinese general managers of German enterprises to get connected and exchange their experience on our platform.  
The roundtable began with the welcome speech from Mr. Hongtao Gu, General Manager of a. hartrodt Tianjin Logistics Co., Ltd. and member of German Chamber Advisory Council Tianjin. A brief introduction about the German Chamber and its services was given by Ms. Xiaolei Zhang, Regional Manager of the German Chamber of Commerce in Tianjin. After that, 10 Chinese leaders attending the event introduced themselves and their business activities. In more than 4 hours of discussion, the participants got acquainted with each other and exchanged ideas and experience on some common management issues.
On 30 August 2019, the German Chamber of Commerce in China – North China in Shenyang organized a seminar on the topic “PRC Environmental Protection Law: Avoiding Environmental Risks of Enterprises”. The event was designed to introduce new environmental policies implemented by the local environmental bureau in the Northeast region and to exchange on China’s emerging and increasingly strict environmental enforcement. During the seminar, external environmental experts from local authorities provided a deeper insight into the main challenges and the impact on local manufacturing companies resulting from the application of new governmental regulations on environmental protection. Each lecture was followed by a Q&A where participants had the chance to share their own experience and to discuss the short and long-term consequences for their manufacturing activities. The seminar was very well attended by around 60 EHS and production managers, mainly from local member companies.

On 10 September 2019, the German Chamber of Commerce in China – North China in Tianjin organized a seminar on the topic “New Individual Income Tax Law Update”. The event was designed to introduce new environmental policies implemented by the local environmental bureau in the Northeast region and to exchange on China’s emerging and increasingly strict environmental enforcement. During the seminar, external environmental experts from local authorities provided a deeper insight into the main challenges and the impact on local manufacturing companies resulting from the application of new governmental regulations on environmental protection. Each lecture was followed by a Q&A where participants had the chance to share their own experience and to discuss the short and long-term consequences for their manufacturing activities. The seminar was very well attended by around 60 EHS and production managers, mainly from local member companies.

On Tuesday, 10 September, the German Chamber of Commerce in China – North China in Tianjin organized a half-day seminar on the topic of “New Individual Income Tax Law Update” at the GCC Tianjin Office. Recently, the Chinese tax authority released several individual income tax (“IIT”) regulations on foreign expatriates in China, which aims to clarify uncertain issues. Compared to the old IIT scheme, the new regulations can be considered as a relief to certain extent.

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During the event, the speakers outlined the changes in the IIT law, presented implications for labor contracts and salary packages and also shared experiences in foreign expatriates’ tax compliance in China shared with 18 attendees.

An in-depth discussion of the wage and salary developments of employees took place on 24 September in the German Chamber of Commerce Beijing Office. Current developments on the job market and an outlook on the developments in 2020 were discussed. The Annual Wage and Salary Survey of the German Chamber of Commerce in China in cooperation with Direct HR Group provided a timely benchmark of general trends regarding wage and salary developments as well as on other HR related issues for German companies in China. It is an important tool for all Sino-German HR decision makers to get an overview about the HR situation and to plan and benchmark their HR budgets for 2020.

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

2019 was significantly affected by the US-China trade dispute, by a rising global tendency for rather protectionist economic policy developments paired with a decelerating global economy. Economic slow-down and political uncertainty point at a mixed year for German companies in China. How do German enterprises rate the business year 2019 and forecast the coming months? What has been achieved with regards to market opening and where do they see deficits? What are the opportunities and what issues challenge German companies operating in China? How does the US-China trade dispute impact business operations and which potential consequences are on the table? This year more than 520 members across China shared their insights on these questions and contributed to the Business Confidence Survey (BCS) carried out in August and September. For the first time, the survey was supported by KPMG AG Germany.

On 12 November 2019, the German Chamber of Commerce in China presented the main findings of the BCS 2019/20 to Chinese, German and international media correspondents in Beijing. The press conference was opened by Dr. Clemens von Goetze, German Ambassador to China who spoke about Sino-German bilateral relations. The German Chamber of Commerce’s Chairs from Beijing, Dr. Stephan Woellenstein, CEO of Volkswagen Group China, and Shanghai, Ms. Bettina Schoen-Behanzin, Regional Representative Asia Freudenberg Group, presented the key findings of the report. Andreas Glunz, Managing Partner International Business KPMG AG Germany contributed the survey’s outline and respondents’ profile. The event was moderated by Jens Hildebrandt, Executive Director of German Chamber of Commerce North China. After the briefing, reporters had an exclusive opportunity to conduct individual interviews with the speakers.

The press conference was followed by an insightful lunch and a panel discussion moderated by German Handelsblatt correspondent, Dana Heide. The panelists Dr. Stephan Woellenstein, Bettina Schoen-Behanzin and Andreas Glunz discussed on a number of critical questions for the German business community in China that were part of the study.

In order to get first-hand insights into the future development of Xiong’an New Area and to discover opportunities for German companies coming to Xiong’an, the German Chamber of Commerce in China – North China (following German Chamber) together with the Xiong’an Green Development Research Institute jointly held the forum “German Smart Manufacturing Comes To Xiong’an” on 6 September, in the heart of Xiong’an New Area Citizen Service Center at Oscar Studios.

The forum focused on the topic “Exploring Innovative Concepts & Boosting the Future of Smart Cities” and was attended by 160 company representatives, including German Chamber members as well as representatives of Chinese companies located in the area. The event was supported by Tonghe Times Beijing Investment Management and Wilo China, a long-term and very active member of the German Chamber in North China, as well as one of the worldwide leading manufacturers of high-tech pumps, pump systems and premium supplier for building services, water management and industrial sectors.

The forum put a spotlight on various ways to achieve Sino-German cooperation in Xiong’an. German companies are strong in fields such equipment manufacturing, environmental protection as well as energy development and therefore can contribute to the development of smart cities such as Xiong’an.

Smart Watch, Smart Home and Smart TV are just a few terms representing the sheer connectivity of advanced technologies. Smart Cities stand out by simplifying everyday objects, taking the connection of complicated technology to another level with the objective to create cities that provide core infrastructure and ensure a decent quality of its citizens’ life, clean and sustainable environment and application of different types of electronic Internet of things (IoT) sensors to collect data and use these data for managing assets and resources efficiently. Xiong’an New District is currently building a new smart green city, providing a unique opportunity for German enterprises to explore a new path for the construction of global smart cities, which not only conforms to the development trend of innovative technologies but also adheres to the people’s desire for a better quality of life.

It was the very first time that the German Chamber has organized an event in Xiong’an. After the welcoming addresses of Mr. Yang Ru – Vice Director of the Development Reform Bureau of Xiong’an New Area Administration Committee and Mr. Jens Hildebrandt – Executive Director & Board Member of the German Chamber of Commerce in China – North China and the attending participants of various industries had a chance to enjoy the three keynote speeches of Ms. Liu Younong - Division Director, Ministry of Housing and Urban-Rural Development, who illustrated China’s national smart connectivity and building energy efficiency; Mr. Jens Dallendorfer - GVP Sales Eurasia, Wilo SE, who showed Wilo’s ways of supporting the development of smart cities with high-tech pumps and Mr. Jürgen Kunzemmann - Associate Director of Architectural Design & Urban Planning, Obermeyer Engineering Consulting Beijing, expressed his company’s ambition to create a human-scaled city in harmony with nature and topography.

Dr. Xu Xiaowei - General Manager of Xiong’An Green Development Research Institute led and moderated the following panel discussion, joined by the following panelists: Mr. Jens Dallendorfer (Wilo SE), Mr. Jürgen Kunzemmann (Obermeyer), Mr. Lu Liang (ALBA China Recycling Solutions), Mr. Wang Zhen (China Xiong’an Group Digital City Technology) and Mr. Wu Xin (Huawei) who elaborated on further possibilities of applying German smart urban area concepts for the green and sustainable development of Xiong’an.

The forum ended with a sponsoring ceremony, which was held by Wilo China and Tonghe Times Beijing Investment Management, who provided marathon runners - the Xiong’an Craftsmen Spirit Run Group - with the necessary equipment for the third Xiong’an Marathon, that took place on 8 September with more than 10,000 participants.

After lunch, a personal guide led the participants through the Xiong’an Citizen Center and guided them into the Planning Exhibition Hall, providing an even deeper insight into the current state and future plans of Xiong’an New Area, which is President Xi’s large-scaled initiative aimed to serve as a long-term project for generations to come.

We sincerely thank our partner Xiong’An Green Development Research Institute for the great organization, all keynote speakers and panelists for their interesting insights and Wilo China and Tonghe Times Beijing for their substantial support, as well as all participants for attending the event.

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The Impact of China’s Corporate Social Credit System on European Business Kammerdinner in Beijing: A Review

On 28 August 2019, the German Chamber of Commerce in China – North China and the European Union Chamber of Commerce in China for the first time jointly organized a Kammerdinner on China’s Social Credit System (SCS). European Chamber President Jörg Wuttke and Sinolytics CEO Björn Conrad presented the main findings of their report. The event aimed at discussing that the SCS - the Chinese Government’s plan to use technology to monitor and guide foreign company’s market behavior is a new but not a revolutionary different way of regulating the Chinese market. It was pointed out that the SCS is a system of ratings and requirements; sanctions and rewards that is more comprehensive, automated, larger in scope, amount and quality of data in comparison with earlier applied Chinese governance tools towards market control. The key message for European companies’ preparation for the SCS is to stay up to date on relevant regulations.

As of September 2019, Dr. Madeleine Martinek has joined the German Industry & Commerce as “Head of Legal & Invest”. She is a German attorney-at-law and has received her doctor’s degree with summa laude from the University of Göttingen (Germany) for her doctoral dissertation on “Experimental Legislation in China Between Efficiency and Legality: The Delegated Legislative Power of Shenzhen Special Economic Zone”. She additionally holds two master’s degrees (LL.M.) in Economic Law from the University of Nanjing and one in Chinese Law and Comparative Law from the University of Göttingen. She is thus familiar with the particularities of Chinese corporate law and investment law and provides legal advice on the establishment of foreign invested enterprises as well as on questions regarding Chinese labor law and contract law.

New Leader for the Partner Support Program (PSP)

As of August 2019, Carolin Krüger has been taking over the role as Project Leader for the Partner Support Program. The Partner Support Program aims to make a global work assignment an attractive choice for the delegate’s spouse by focusing on comprehensive integration during the time abroad. In her current position, Mrs. Krüger is responsible China-wide for PSP and organizes events, trainings and workshops in the fields of career, further education and social engagement.

Mrs. Krüger studied psychology at Freie Universität Berlin. After her studies, she worked several years in the Human Resources department as a Learning and Development Specialist before she moved to Beijing in 2019. Please feel free to contact her at krueger.carolin@bj.china. ahk.de or +86 - 10 6539 6635.

Beijing Training Calendar January – March 2020

<table>
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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>6th-10th Jan</td>
<td>Standard Time Management According to REFA Methodology (EN [CN])</td>
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<tr>
<td>14th-15th Jan</td>
<td>Agile Project Management (CN/EN)</td>
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<tr>
<td>16th Jan</td>
<td>Time Management and Outlook (EN)</td>
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<tr>
<td>6th Feb</td>
<td>Power Questions – Make More Out of Your Life with Using Questions (CN/EN)</td>
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<td>10th Feb</td>
<td>Basics of Cultural Awareness (CN/EN GER)</td>
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<td>17th Feb</td>
<td>Basics of Leadership (CN/EN GER)</td>
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<td>12th Feb</td>
<td>From Employee to Manager (CN/EN GER)</td>
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<tr>
<td>13th Feb</td>
<td>Intercultural Leadership (CN/EN GER)</td>
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<td>17th Feb</td>
<td>Innovation Management (CN)</td>
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<tr>
<td>18th-19th Feb</td>
<td>Intercultural Conflict management - German and Chinese Perspectives (CN/EN)</td>
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<td>20th Feb</td>
<td>Leadership Development: Learn How to Communicate Beyond Cultures (EN)</td>
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<td>24th-25th Feb</td>
<td>Management Transition &amp; Managing Performance (CN/EN)</td>
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<td>27th Feb</td>
<td>Leading in Change (EN)</td>
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<td>5th-6th March</td>
<td>Communication, Influencing and Negotiation Skills (CN/EN)</td>
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<tr>
<td>9th March</td>
<td>Lean Management and Value Stream Design (CN/EN)</td>
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<tr>
<td>12th-13th March</td>
<td>Empowering your Support Staff (EN)</td>
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<td>19th March</td>
<td>Deep Work: How to Become More Focused and Successful in a Distracted World (EN)</td>
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<tr>
<td>24th-25th March</td>
<td>Global Leadership and Talent Development (CN/EN)</td>
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<tr>
<td>26th March</td>
<td>Excel Training Course: Enhancing Data Analysis Ability (CN)</td>
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<tr>
<td>27th March</td>
<td>PPT Training Course: Improvement of PPT Making Efficiency (CN)</td>
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TÜV SÜD North Asia Appointment

Mr. Boris Gyuang has been appointed as General Manager of TÜV SÜD Greater China Guangzhou Branch and the TÜV SÜD New Energy Testing (Guangdong) Co., Ltd. in Panyu. Boris will also take care of all remote offices of TÜV SÜD Greater China in the South, like Hunan, Jiangxi and Guangxi. Boris has more than 19 years of experience in the certification and testing industry, he holds a rich expertise in consumer and commercial product certification, business development and has a strong sense of industry trends. He will now take his skills and leadership to grow TÜV SÜD’s business especially in the areas of Smart Energy, Smart Transportation and Smart Manufacturing Industry 4.0.

Shanghai PURPLAN Co. Ltd. Awarded with Contract from India

Worldwide Experience and detailed technological knowledge in combination with a long-term partnership with their German-based customer led the PURPLAN Competence Centre Shanghai to sign a contract, entrusting them to design and install the process equipment for a new refrigeration factory in Chennai. The project will be managed by their Chinese project team in close cooperation with their local Indian partners and is planned to be ready for production by end of 2019. This project is already the third factory, which PURPLAN Shanghai realizes for the customer. Previously they had successfully put into operation production plants in Chuzhou.

CMS, China Shanghai Office Moves to New and Larger Premises

Since 9 September 2019, CMS, China Shanghai Office has moved and is now located at 3108 Plaza 66, Tower 2, 1266 Nanjing Road West, Shanghai (上海市南 京西路1266号osome 广场二座3108单元). The main telephone and facsimile numbers and email addresses remain unchanged. “Our new office is larger and also provides four conference rooms of various sizes with new technology for presentations and video conferences,” Dr. Ulrike Glueck, Managing Partner of CMS, China Shanghai Office says, “We look forward to welcoming our clients and friends in our new office.”

Angela Merkel Visited Webasto’s Wuhan Plant

On 7 September 2019, German Chancellor Angela Merkel, accompanied by a top-level German business delegation, visited German automotive supplier Webasto’s new plant in the city of Wuhan (Hubei Province) breaking ground for its production. After the opening ceremony, the Chancellor was given a guided tour to gain insights into Webasto’s development and production processes as well as their further strategic development. Since April 2017, Century 3 Factory in Taicang started in April 2019 and currently under construction, which upon completion, will be the company’s world’s largest production site worldwide.

TÜV SÜD Greater China Guangzhou Plant

TÜV SÜD Greater China Guangzhou Plant is the third factory of TÜV SÜD Greater China and is planned to be opened for business in 2020. The project is a long-term partnership with their German-based customer. The factory is planned to be ready for production by end of 2019. This project is already the third factory, which TÜV SÜD Guangzhou realizes for the customer. Previously they had successfully put into operation production plants in Chuzhou.

Innovation Program Workshop

A workshop on “How a systematic Innovation Program helps to master the challenges & opportunities in the agile market” organized by SMCS was held at ruhlatam (Suzhou) on 31 May 2019. Technologies are changing as fast as ever, especially in the world’s most dynamic market: China. New disruptive technologies like Artificial Intelligence are changing the game. This changing business environment requires companies not just to react, but also to transform, to be able to handle the related challenges and seize the resulting opportunities – often in areas which are not the core competences. Companies need to increase their innovation capability and become more agile. The workshop explored, how good practices and tools for systematic innovation and agile management could look like and also how ruhlatam masters its transformation having rolled out a systematic innovation program and implemented agile management practices.

INOE China with new CEO Jan Lohse

As a local sales and service company of INOE GmbH, Germany, a leading manufacturer of measurement and automation systems, INOE is known in China and a market leader in the extrusion industry. With its innovative products like Gravimetry, Ultrasonic and Terahertz measuring systems, INOE is known in China and a market leader. To ensure customer satisfaction, business cooperation and further growth in China,
When it comes to tech innovation and business, Asia is the future. And at ADEN, we’re the proud IFM partner to Huawei, one of the giants of this new Asian economy. From Vietnam, to Laos, to Myanmar, we’re on-site with Huawei every day, delivering a strategic blend of digitalized asset management; food excellence; and cleaning and technical services to help Huawei’s facilities running at peak condition. Besides that, ADEN also helps Huawei (and many other SE Asia clients!) meet their administrative needs as they build up their presence and operations in the booming ASEAN market.

ERCO China Team Completes Jokhang Temple Project

ERCO China Team, is very pleased to share their project completed in early 2019, which is the Jokhang (Tibetan: 大昭寺, Chinese: 大行宫, or 大夏宫), a Buddhist temple in Lhasa, Tibet. For Tibetans, this temple has been the holiest and most sacred place throughout centuries. It was founded during the reign of King Songtsen Gampo and was built for the king’s two brides: Princess Wenqening of the Chinese Tang dynasty and Princess Bhrikutmi of Nepal. The architecture is a mixture of Indian Vihara, Tibetan and Nepalese design. ERCO’s projectors were used to illuminate the temple from the backside so the light appears as self-glowing in order to create an “aura” atmosphere.

Harald Hungenberg Joins ESMT Berlin as Dean of Executive Education

Prof. Harald Hungenberg has been appointed Dean of Executive Education at ESMT Berlin as of 1 September 2019. Before joining ESMT, Harald Hungenberg was the Chaired Professor of Management at the Friedrich Alexander University. He teaches worldwide in executive education programs to leading companies for strategy, innovation and change management. He has previously also worked for INSEAD and Duke Corporate Education. He completed an MBA at MIT and worked as a consultant for McKinsey & Company. Hungenberg has been a guest lecturer at ESMT for many years.

"With his extensive experience in the academic field and in providing strategic support to globally companies, he is ideally suited to further expand our executive education programs internationally," says ESMT President Jörg Bocholl.

2019 LPKF Distributors Meeting Successfully Held in GarbSEN

On 4 and 5 September 2019, LPKF held its global distributors meeting in GarbSEN, Germany. As a leading provider of laser micro-processing solutions, LPKF helps to create more powerful electronic systems and increase functionality and efficiency for a broad range of applications and industries. The distributors meeting, as a regular and valuable event, is planned every 2 years to communicate with all business units to share practices in development and inspire new idea in future products. Howard Li, Managing Director of LPKF China – together with Chinese sales and marketing team, joined this traditional event and shared their practice in China, which is the most important market outside of Europe. After intensive business discussions, a series of funny games were arranged to enhance friendship. Every LPKFer is encouraged by the business forecast, in which turnover and profit have significant growth in 2019 and subsequent years.

Electromobility: Helukabel Receives Approvals for EN/GB Dual-Standard NEV Charging Cables

After a year of development and testing, HELUKABEL Cable Manufacturing (Taicang) Co., Ltd. has received two important certificates for its range of charging cables for electric vehicles. DEKRA certified the cables according to EN50558, the relevant norm in the EU, while the CCC certified the cables according to GB/T 33594, the applicable Chinese norm. As a result, Helukabel is now able to sell a full range of dual-norm, locally produced charging cables in China, a product which can be used locally, as well as exported to the EU as part of a charging solution. With more than one million cars sold in 2018 – fully electric and plug-in hybrid combined – China is the leading market in the world for New Energy Vehicles (NEV). The demand for charging infrastructure increases with the quantity of vehicles, and Helukabel is ready to deliver.

TIGER CHINA Extension Foundation Laying Ceremony

On 25 May 2019, the foundation laying ceremony for the TIGER CHINA extension project was held. The event was attended by government leaders, industry associations, industry partners and news media.

According to TIGER Group’s Industrial 4.0 roadmap, the new plant will be equipped with the newest high-level of automated production lines, including one-key automatic color change, automatic ingredients and other high-end technology.

German Schools Shanghai Continually Striving for Excellence

On 21 September, the management boards of the German and French Schools in Shanghai met at the new EuroCampus in Yangpu and reaffirmed their exceptional German-French cooperation. German School Shanghai Pudong is excited to move to Yangpu and to celebrate their first day on the new grounds in January 2020. Focusing on LEED (Leadership in Energy and Environmental Design) Platinum, the construction project has from the start aimed to exceed sustainability standards, environmental friendliness and conservation of resources. Yangpu campus will be the first building in Shanghai and the first school in China being certified LEED Platinum.

Boehringer Ingelheim Attended the Second CIIE

From 5 to 10 November, one of the world’s leading multinational pharmaceutical companies Boehringer Ingelheim showcased its innovative products and medical service solutions in its four business pillars: Human Pharma, Animal Health, Biopharma and Rehabilitation at the CIIE. The company’s booth covered 400 square meters and was highlighted with Stroke Care Total Solution, Integrated Health Management for livestock, China’s first Innovative commercial biopharma manufacturing model etc. This is the first time for Boehringer Ingelheim to attend such a national exhibition. Felix Guthe, President of Boehringer Ingelheim, Mainland China, Hong Kong and Taiwan, said: “China has strategic importance to Boehringer Ingelheim. We have a long-term commitment to improving health outcomes and addressing unmet medical needs in China. The First CIIE was a great success. This national event provides us with an opportunity and platform for us to show our innovative products and solutions to China and the whole world.“ Boehringer Ingelheim will participate in the 3rd CIIE in 2020. With the company’s first CIIE in Asia, Boehringer Ingelheim will continue to contribute to the Healthy China Initiative by leveraging German innovation together with digital and intelligent solutions.

Scherl China CEO Receives China Friendship Award

Together with other foreign experts, Scherl China CEO Demei Akyazi received the Chinese Government Friendship Award. At the ceremony on 30 September, Premier Li Keqiang congratulated the recipients, and praised their efforts to boost China’s modern development. The China Friendship Award is the highest honor issued to foreign experts since 1991. Akyazi was recognized as business operations expert in the category of economics and technology.

4flow Guest Lecture at Tongji University in Shanghai

As part of a course in supply chain systems taught by Professor Wohl at the Chinese-English School for Postgraduate Studies (CIESHK) at Tongji University, team members from 4Flow’s office in Shanghai were invited to give a guest lecture to economics and industrial engineering students in September.

4flow – a provider of supply chain consulting, software, and managed 4P services – together with Chinese sales and marketing team, joined this traditional event and shared their practice in China, which is the leading market in the world for New Energy Vehicles (NEV). The demand for charging infrastructure increases with the quantity of vehicles, and Helukabel is ready to deliver.
The company started its first China production facility in Beijing over 20 years ago. To meet the growing local market demand, its second new plant will be built in Nantong, Jiangsu province. As an EPC general contractor, GSE handles the complete design and construction works. The project consists of production plant, warehouse, office, R&D and auxiliary facilities with a total area of 11,300 m². The project will start in January 2020 and is expected to be delivered in December 2020.

**GERRY WEBER Moves to New Location in Shanghai**

In line with its strategy to streamline and modernize the company, fashion producer GERRY WEBER has moved to new modern offices in China’s most important industrial hub Shanghai. “With the restructuring and move of our Shanghai team we are now excellently positioned for the future at this highly relevant location”, said CPD Unur Gursu. In the new office building in Changning District, which mostly hosts local fashion brands and art studios, the 34 GERRY WEBER employees benefit from the open and bright atmosphere, enabling better teamwork and increased work efficiency. From the new Shanghai office, and in collaboration with the team in Dhaka, GERRY WEBER provides essential services for all product related segments of the company, from material sourcing, over the development of samples up to the correct delivery regarding timing and quality. The Shanghai team covers the markets of China, Vietnam, Indonesia, Bangladesh, India and Sri Lanka.

**Foundation Stone Laid at FC Bayern Football School Shenzhen**

On 7 November, the foundation stone of the new FC Bayern Football School Shenzhen was laid. FC Bayern München AG Head of Internationalisation and Strategy Jörg Wacker and President Asia Rovens Kasper, together with Bavarian Minister of State Hubert Aiwanger, Shenzhen’s Deputy Mayor Wang Linlin and Club Legend Giovane Elber performed the groundbreaking ceremony. Wacker explained: “We want to work together with our partners in the city of Shenzhen and its local Ministry of Education to implement a high-quality football concept in our joint FC Bayern Football School Shenzhen.” Shenzhen’s Deputy Mayor Wang Linlin said: “With the FC Bayern Football School Shenzhen, a figurehead of football development and of the German-Chinese partnership is being created and the modern football culture in our country is further promoted.” FC Bayern Football School Shenzhen can train up to 2,160 pupils, will begin operations in September 2020 with a total of 20 football pitches.

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29th July 2019
Event: Special Excursion Automotive: SAIC Volkswagen Plant Visit
Venue: Volkswagen Plant
Speaker: David Powels, First Vice President & Commercial Executive Vice President
On 29 July 2019, the German Chamber of Commerce Shanghai organized a special excursion to the SAIC Volkswagen plant in Anting. At the beginning of the excursion, Mr. David Powels, First Vice President & Commercial Executive Vice President of SAIC Volkswagen Automotive Company Co. Ltd., gave a brief and informative introduction of SAIC Volkswagen. Then, he gave an overview of plants in China and SAIC Volkswagen’s products, as well as recent developments and challenges in the Chinese car industry. Finally, Mr. Powels showed important key figures and future strategies for SAIC VOLKSWAGEN by 2025. The Q&A segment proved to be active and engaging; Mr. Powels was asked about the business model of mobility services, all in the context of the Chinese market. He also gave his personal opinion and views into the developments of the car industry. After Mr. Powels’ presentation and a plant layout introduction, visitors were brought to see the unique car production process in different workshops. This excursion was a wonderful opportunity for attendees to discuss the future of the Chinese car market with experts and see the magic behind the vehicles we see on the road every day.

20th August 2019
Event: Policy Insights (Chinese): 跨境资金流动政策的更新和探讨
Venue: Edition Hotel
Speaker: Mr. Will Ma | Director, Team Head, Commercial Banking Sales, Global Liquidity and Cash Management (GLCM) of HSBC Bank (China) Co., Ltd.
Moderator: Ms. Vivian Yao | Partner at Rödl & Partner China

New guidelines and policies have been introduced on capital account management including the practical issues regarding new calculation method of foreign debt quota and its transition policy, cross-border cash pooling and streamline foreign loan procedures for foreign debt have attracted extensive attention of foreign investment enterprises in China.

The speaker, Mr. Will Ma has over 13 years of banking experiences in China. He was sales manager with GLCM and relationship manager with HSBC. As the major channel of cross-border payment, banks are playing an especially important role in foreign exchange management. This workshop will focus on analyzing important policy changes and practical procedures related to cross-border capital flow from banking perspective, exploring on how foreign investment enterprises should enhance foreign exchange compliance, as well as dealing with capital account transactions without practical risks by understanding and capitalizing the new policies.
29th August 2019

Event: Chamber Meeting
Topic: "The Digital Hand: How China's Corporate Social Credit System Conditions Market Actors"
Venue: Four Seasons Hotel Pudong
Keynote Speaker: Björn Conrad | CEO and co-founder Sinolytics
Panel Discussion Moderator: Tom Hancock | China Consumer Correspondent at Financial Times
Panelists: Dr. Stephan Kothrade | President Functions Asia Pacific, President & Chairman Greater China at BASF; Mirjam Meissner | Director of Sinolytics
Welcoming Remark: Bettina Schoen | Chairwoman at German Chamber of Commerce in China | Shanghai
Closing Remark: Carlo Diego D’Andrea | Shanghai Chapter Chairman and Vice President at European Union Chamber of Commerce in China

On 29 August 2019, the German Chamber of Commerce in Shanghai in collaboration with the European Union Chamber of Commerce in China hosted the August Chamber Meeting at the Four Seasons Hotel Pudong. Topic of the event were the key findings of the report "The Digital Hand: How China’s Corporate Social Credit System Conditions Market Actors", published the day before, by the European Union Chamber of Commerce in China in cooperation with Sinolytics.

After a short introduction by Ms. Bettina Schoen, the keynote speaker Mr. Björn Conrad, CEO and co-founder of Sinolytics, gave an overview of the findings of the report and concluded his presentation with an outlook and recommendations for companies and governments.

 Afterwards, Mr. Tom Hancock, China Consumer Correspondent at Financial Times, moderated the panel discussion and Q&A with Dr. Stephan Kothrade, President Functions Asia Pacific, President and Chairman Greater China at BASF; Ms. Mirjam Meissner, Director of Sinolytics, and Mr. Björn Conrad. Discussed were engaging questions dealing with the composition and transparency of the Social Credit rating and the influence of individuals and business partners on the Corporate Social Credit Score. After the active Q&A session, Mr. Carlo Diego D’Andrea, Shanghai Chapter Chairman and Vice President at European Union Chamber of Commerce in China, gave the closing remarks of the Chamber meeting with about 100 participants.

31st August 2019

Event: Welcome Back Party 2019
Venue: German School Shanghai Hongqiao

On 31 August the German Chamber of Commerce in Shanghai, in cooperation with the German School Shanghai Hongqiao hosted its annual “Welcome Back Party” in the courtyard of the school, welcoming old & new students and marking the start of the new school year. The weather was on the side of the organizer – on this sunny day, over 500 guests were welcomed. A wide selection of German and international food and drinks entertained all visitors. At the event, families shared their summer stories and caught up with old friends. Activities varied from lucky draw and VR car driving, paired with great music from the school band and a special act: a traditional Chinese pipa performance.

The German Chamber would like to thank all guests for this unforgettable summer day and is already looking forward to next year!
Tell us a little about your company and activities in China:
Haufe Academy China is part of the Haufe Group who have their headquarters in Freiburg im Breisgau, Germany. Haufe Academy Germany, our parent company, is one of the largest academies in the German-speaking countries for further training. There we had last year around 180,000 participants in more than 8,300 trainings, conferences and in-house qualification measures with 1,400 different topics in 24 business areas. We work together with more than 1,300 trainers and speakers, consultants and coaches. And we also offer a big portfolio in e-learning, coaching or consulting services there.

Here in China we are also specialists for further training services in the fields of leadership, general management, personal skills, HR, tax and finance, project- and process-management, sales and marketing. In total, we cover more than 200 business topics in different learning formats, such as our open seminars which we offer in more than 20 cities of North-, West-, South- and Southwest-China. And of course inhouse, in the company of our customers directly all over the country. We also just published our brand-new L&D catalogue with over 250 pages for 2020.

What is your competitive advantage/selling point, what kind of benefits can companies using your products/services in China get?
China loves German brands – we train almost all companies and their employees behind these brands especially in Germany. This makes us interesting for Chinese companies and of course also for the more than 5200 German and other international companies in China, doing their business here, just like we are. And by this, we bring our experience in the business of further training to the Chinese market and adapt it to the country-specific needs and framework conditions. And most importantly, we focus on what characterizes us Germans: the quality of our products and solutions. From the training content, to the right didactic concepts and to the trainers we use.

In Germany we have many bestsellers, especially in the areas of leadership and soft skills, we sometimes offer more than 100 events a year all over Germany – not counting in-house events. This year we began to bring well-known topics from Germany to China and adapt them for the companies and their employers here. Our trainings are designed in such a way that they take place in smaller groups and are practiced interactively. This is in many cases a new didactic format here in China and it is very well accepted by our customers.

Are your main competitors domestic or foreign? Has this changed and how do you see the future?
Our main competitors are the major Chinese and other international training providers. German academies, with a range of over 200 topics in the major business areas, are not represented in China, and we know this is a big advantage for us. With this approach, we can serve our customers in Germany, who are also represented in China, locally. But above all, we also work with Chinese, multinational and international companies that have valued the services of our company for 20 years.

What is your personal and business background?
I have been working for the Haufe Group in different functions and areas, for almost 20 years. Prior to moving to China, I worked for almost 12 years as the Head of Sales Marketing for the Haufe Academy, thus actively supporting the company’s strong growth. I studied at the University in Mainz and I am of course a certified business trainer.

What made you decide to go overseas?
To get the chance to have an experience that is unique was a great appeal after a long time in the headquarters in Germany. The opportunity to leave my comfort zone and get to know a country and its people from scratch is precisely what brings me to new insights day by day – for my business and personal life.

What has been your experience working and living in China and in how far is it different from other countries?
I have always been fascinated by countries who are on the move, moving from a very traditional to a more modern world, in which the new is clearly visible, but where it is also possible to discover the ‘old’.
And that’s what makes China very appealing to me. What I enjoy for instance when I take a stroll through Beijing, is the contrast between the very modern parts of the city and the very traditional Hutongs. I always try to immerse in a different country and its culture primarily by getting to know the people who are living there. The people in China fascinate me with their way of living and working and I can discover new aspects of the richness of their culture day by day. And their constant desire to learn and develop is a perfect match with our philosophy as an academy to facilitate development.

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Haidian, Beijing, China
On 5 September 2019, the German Chamber of Commerce | Shanghai, in partnership with the American Chamber of Commerce in Shanghai and their Women Executive Network, held an event entitled, “How Chinese Women Rise”. With breathtaking views of Shanghai on the 65th floor, it was the perfect setting to kick off the German Chamber’s new “Diversity Insights” series.

Contrary to what most people in the West might expect, China has more women in senior executive roles than other countries, far outstripping Western countries such as the UNA, France or Germany. Dr. Bettina Al-Sadik Lowinski shared her book results, also entitled "How Chinese Women Rise", and helped participants understand what makes Chinese women so successful. She was followed by a panel of three successful women from different origins, Rosa Lee, Brigitte Wolff and Qing Meyerson who presented and discussed their personal experience. After a Q&A session guests stayed to network.

With its series “Diversity Insights”, the German Chamber of Commerce | Shanghai aims to support companies with this challenge by providing a platform for intercultural exchange as well as input and learnings from the corporate, government, non-profit and higher education sectors.

On 17 September 2019, the AHK held an open day at the German Center Office in Taicang. The event attracted more than 40 AHK members and non-members. Representatives from multiple departments of the AHK were there to meet face-to-face with all the attendees. Ms. Simone Pohl, Executive Director and Board Member of the German Chamber of Commerce in China | Shanghai first gave the attendees an overview of the three pillars of the organization: The Delegation Office, German Industry & Commerce (GIC) and the German Chamber of Commerce (GCC). She went into great detail about the AHK so attendees could get to know more about the organization and the activities of the German Chamber of Commerce in China | Shanghai and German Industry & Commerce in East China. She was then joined by Christine Mueller, Deputy General Manager GIC Shanghai, who introduced the German Industry & Commerce (GIC) and Daisy Zhu, Regional Manager Shanghai, who introduced the German Chamber of Commerce (GCC). After the speeches, guests had the opportunity to talk with the representatives from the various departments and inquired about their services as well as how to utilize their membership benefits while others got the opportunity to network extensively and introduce their businesses to the other guests and representatives of the AHK.
Under the core theme “Controlling 4.0: Efficiency & Digitalization”, the 7th Sino-German Controlling Forum provided a platform for information, communication and experience sharing among controllers and non-controllers, who are interested in the question on how to improve controlling and business efficiency in a time of increasing market uncertainties on the one hand and fast penetration of digital technology on the other hand in China. More than 120 finance & controlling managers and professionals, as well as controlling-minded non-financial executives coming from the Sino-German business community participated in the 7th Sino-German Controlling Forum in Suzhou.

The event was moderated by Dr. Zhen Huang | Managing Consultant & Trainer at Shanghai De Chen Enterprise Management Consulting Co. Ltd., Ms. Alexander Pratsch | Director at Tax Services of PwC China and Mr. Steve Froese | International Tax & Transfer Pricing Expert at PwC China.

The forum was combined with two keynote speeches in the morning and six different workshops in the afternoon session, which enabled detailed discussions and experience sharing in the field of controlling, efficiency improvement and digitalization.

The first keynote speaker was Ms. Helen Xie, Chief Operation Officer from SAP Lab China who highlighted the importance of digital transformation of business and finance connected with sustainable competitive advantages in the changing world of finance & risk management. The CEO and CFO of ruhlamat China, Mr. Oliver Buergestein and Ms. Lily Wu presented in the second keynote speech their practice of competitive advantages in the changing world of finance & controlling.

The forum was jointly organized by German Chamber of Commerce in China and Mr. Steve Froese | International Tax & Transfer Pricing Expert at PwC China.

Partner in Risk Assurance of PwC China, showed latest development trends in the field of Robotic Process Automation(RPA) and the impact of RPA and AI on future finance & controlling activities, such as planning and budgeting.

• Workshop C: “Advanced Profitability Analysis in Times of Digitalization”, Mr. Mason Liu, Controlling Manager of Kern-Liebers Group (China), introduced the audience into the current practice and tool of multi-dimensional profitability analysis at Kern-Liebers China.

• Workshop D: “Way to Digitization”, Mr. Eric Yang, Vice President Finance & Controlling in Bosch China, and Ms. Song Yang, Senior Manager at Accounting Center of Excellence Asia Pacific of Bosch, delivered an introduction into current practice of digitization in Bosch Group and showed some highlights, such as in the field of macro-economic analysis and forecast, controlling and finance.

• Workshop E: “Lean Management in Finance”, Mr. Chaoting Chen (Ted), Senior Director of Financial Shared Service Center (FSSC) of Schaeffler Greater China, and Ms. Yunfang Liu (Rebecca), Controlling Manager at Schaeffler Friction Suzhou, delivered an interesting report on how to implement lean thinking and practice in finance function and how to build lean culture for sustainable performance improvement in the field of finance & controlling.

• Workshop F: “Industry 4.0 and Production Controlling”, Ms. Jian Guo, Costing and Production Controlling Manager at WAG0 Electronic (Fujian) Co. Ltd. shared her insights and practical experiences with production controlling in the context of industry 4.0 and digitalization.

After the workshop sessions, Dr. Zhen Huang, Managing Consultant & Trainer at Shanghai De Chen Enterprise Management Consulting Co. Ltd., presented the preliminary result of “2020 Controlling Survey”, which is an ad-hoc online/mobile survey of forum attendants. With 60 confirmed effective responses or almost 50% feedback rate, the “Controlling Survey” of this year’s forum attracted large interest of all participants, as it tried to deliver a quick benchmarking tool which enables companies to check where they stand in the journey towards efficiency and digitization of finance & controlling.

Before the forum was closed by Dr. Sigrid Winkler, Executive Chamber Manager of the German Chamber of Commerce in China, Shanghai who also delivered the opening remarks for this year’s forum, several VIP speakers went to the stage and joined the panel discussion on the Forum. The 7th installment of the Sino-German Controlling Forum was jointly organized by German Chamber of Commerce in China | Shanghai and De Chen Enterprise Management Consulting Co. Ltd. It was supported by the International Association of Controllers (ICV) and CA Controller Akademie from Germany as well as by Taicang Round Table TRT, DUSA European Association Suzhou, Changzhou International Managers Forum, and Wuxi International Chamber of Commerce.
Under the topic “Opportunities and Challenges for German-Chinese Economic Relations” the German Chamber of Commerce in Shanghai hosted its monthly Chamber Meeting with Dr. Clemens von Goetze, German Ambassador to China, as speaker of the event on 26 September 2019 at the Grand Kempinski Hotel Shanghai.

After a short introduction of Bettina Schoen, Dr. Clemens von Goetze gave a speech about the opportunities and challenges of the relations between China and Germany. Throughout the changing structure of the Sino-German relations, relations have continuously made progress and have reached a good and solid base. Besides the opportunities that the Chinese market has to offer to German companies, challenges such as market access, the social scoring system and technology transfer still persist. Dr. Clemens von Goetze’s speech was followed by a lively Q&A session. Questions regarding the strength of China’s digital economy in a global context or the impact of the German political leadership on Sino-German relationship were addressed. The event concluded with networking and exchange between the 250 participants.

On 15 October the German Chamber of Commerce in Shanghai held its second workshop out of the series “Diversity Insights”, entitled “Understanding Disability Inclusion in the Workplace.”

Participants gained insights from CSR pioneer Dr. Lu Jianshong on how diversity and inclusion shall be used as an integral part of sustainability. Chyna Li introduced the project “SAP School 4 Autism at Work” which was launched to provide professional and other relevant coaching to autistic people. Through this initiative, SAP hopes to help people to improve their understanding about autism, stimulate more change and enhance the inclusion and support within the society. Thilo Koeppe was not only moderating the event but also gave insights about how companies can be inclusive and integrate people with disabilities and how to work on eliminating the barriers to integrating people with disabilities in the workplace. Finally, Jeannette Yu and Jay Su shared their knowledge about and benefits from employing people with disabilities from a legal and financial perspective.

The German Chamber will continue to host Social Responsibility related events, according to the positive feedback of the event participants.
On Thursday, 17 October 2019, the German Chamber of Commerce Shanghai organized together with the support of Storymaker and UNICEPTA their first International Communication and Marketing Forum - maXcomm Shanghai 2019.

The event with the title “Engagement. Finding Fans and Followers – How Brands Survive in a Competitive Market” brought together over 70 executives, leaders, and managers specialized in communications, public and media relations, marketing social media and digital communications, human resources, and employer branding.

maXcomm Shanghai 2019 was opened by Dr. Sigrid Winkler, Executive Chamber Manager at the German Chamber of Commerce in China Shanghai and moderated by Dr. Evelyn Engesser from UNICEPTA and Dr. Stefan Justl from Storymaker.

"In the Chinese digital jungle of social media and communications you might feel overwhelmed and possibly lost at times. AHK Shanghai thankfully created this “helicopter” called maXcomm Shanghai with great speakers and experts to level you up and help you navigate and better oversee your path. Very nice format. Anyone in communications or marketing needs to stay tuned for the follow up. Well done!" Veli Polat, Senior Director Sales Greater China of Lufthansa German Airlines

The first keynote speech was given by Dr. Natalie Koeppe, Head of Talent Partnering APAC at Adidas, presenting “The Employer Brand – Engaging with the Talent Market in China”.

After a short coffee break the event moved on to a panel discussion on “Learning from the Numbers – Who are your customers and what do they want?” with Ashok Sethi, Head of Illuminera Institute, the Illuminera Group, Sameer Singh, Insight and Strategy Managing Director of Publicis Media and Alex Duncan, Founder of KAWO.

On the third panel of the day, Henrik Bork, Managing Director of Asia Waypoint, Falk Fuhrmann, Executive Strategy Director of Saatchi & Saatchi Worldwide, and Mark Turner, Managing Director of China Skinny had a lively discussion on “Winning the Customer – Turn Customers into Fans”.

Closing maXcomm Shanghai 2019 with a second key note speech, Ulf Dressler, VP Corporate Communications APAC at LANXESS CHEMICAL (China) Co., Ltd., shared his insights on “Impactful Integrated Communication in B2B Environments”.

The event concluded with some networking and drinks at the bar on the 65th Floor of Le Royal Meridien Shanghai Hotel.

We would like to thank the speakers, moderators, our supporters Storymaker and UNICEPTA, and our media partners Shanghai Daily and China Industry News. Special thanks also to all participants and their engagement.

“A great mix of speakers together with an engaged audience made the first maXcomm an immediate success. I am certain the event will find a secure spot in busy executive schedules in the years to come”. Ulf Dressler, VP Corporate Communications APAC at LANXESS CHEMICAL (China) Co., Ltd.
On 22 October, the German Chamber of Commerce in Shanghai hosted their second Members’ Day event in 2019 at the German Chamber Office, which attracted more than 50 representatives of member and non-member companies and interested individuals. Representatives from multiple departments of the AHK were there to meet face-to-face with all the attendees.

Ms. Simone Pohl, Executive Director and Board Member of the German Chamber of Commerce in China | Shanghai first gave the attendees an overview of the three pillars of the organization: The Delegation Office, German Industry & Commerce (GIC) and the German Chamber of Commerce (GCC). She was then joined by Mr. Jan Jovy, General Manager GIC Shanghai, who introduced the services provided by German Industry & Commerce (GIC) and Dr. Sigrid Winkler, Executive Chamber Manager, who introduced the activities of the German Chamber of Commerce (GCC). The speeches were followed by a testimonial of Mr. Veli Polat, Senior Director Sales Greater China of Lufthansa German Airlines, who emphasized the benefits and support his company gained as a member of AHK.

After the speeches, guests had the opportunity to talk with the representatives from various departments and exchange about their services and on how to even better utilize their membership benefits, while others got the opportunity to network extensively and introduce their businesses to the other guests and representatives of AHK.

At the beginning of the workshop, Mr. Tunde Laleye introduced the background, goal and current industry development situation of process mining. Then a process mining demonstration was made based on the example of robotic process automation. The practical case study covered four aspects: the functionality of robotic automation solutions, the common process attributes that make them suitable for RPA, the challenges that RPA seeks to address and opportunities to leverage RPA across front and back offices. In the Q&A part, Mr. Laleye shared his own experience and answered questions from the participants.
On 31 October 2019 the German Chamber of Commerce | Shanghai held its Chamber Meeting “The Future of Automotive in China” with around 300 attendees at the Mandarin Oriental Hotel.

The evening was opened by Horst Koehler, Former Federal President of Germany, greeting the audience and sharing briefly his views on Sino-German cooperation.

After the dinner, Richard Zhang, Board Member at German Chamber of Commerce in China | Shanghai and General Manager at KERN-LIEBERS (Taicang) Co., Ltd. introduced the panel, moderated by Jochen Siebert, Managing Director at JSC (Shanghai) Automotive Consulting Co., Ltd.

The panel discussion with Dr. Martin Koers, managing Director at JSC (Shanghai) Automotive Consulting Co., Ltd. (Taicang) Co., Ltd. introduced the panel, moderated by Jochen Siebert, Managing Director at JSC (Shanghai) Automotive Consulting Co., Ltd. addressed four main aspects of the future of automotive in China: market, technology, and opportunities and challenges. The Chinese automotive market is one of the most important global markets for the automotive industry. With the current economic developments, the market growth for the next few years is difficult to predict. Nevertheless, the used car market and replacement demand are factors that will have to be considered when analyzing the developments in the Chinese automotive industry. Technological progression in EV, autonomous driving, and CO2 neutrality will further impact market trends. This huge dynamic market also bears many challenges like branding, cost efficiency, data access, service quality, and attracting talents.

The insightful discussion was followed by an open Q&A session, where questions from the audience arose concerning the level playing field for EVs, design strategies, and the role of data in the automotive industry.

What is your personal and business background? In the last eight years, I have been working in China and Singapore for the manufacturing and service industry. Before that I gained work experience in the US (Florida) and Europe (Austria). During this period, I gathered many years of professional experience in sales management and business development in the field of combustion and compression technology, turbo-machinery, gas engines and related services.

Tell us a little about your company and activities in China? Today, SAAKE leads the field of Combustion Technology and the family owned company with its production facilities in Bremen (Germany), Zhejiang (China) and Qingdao (China) focuses internally on research and development since its foundation in 1931. Our technological developments are driven by actual market requirements, international partners, as well as the company’s own drive for continuous improvement. We started our business in China in the early 1990s and since then, China has played an important role in emission standards for Industrial firing systems, and our products fits the market perfectly. Among countless references, we recently implemented our Ultra Low-NOx technology in the prestigious New Beijing Airport. Concerning the Marine sector, we like to bring to light our cooperation with COSCO where we jointly produce Exhaust Gas Cleaning Systems (scrubbers). SAAKE is therefore the preferred choice for all plants with a requirement for thermal processes.

How can SAAKE scope with the speed of innovation? More and more of our knowledge is not only used by manufacturing quality products, but also to deeply understand customer needs, their plants and processes. With this engineering know-how and the experience from thousands of projects we gained the trust of over 7,000 customers worldwide. When it comes to process automation, our engineering know-how for each single project comes to the forefront. This helps us to continuously improve our products and strengthen our understanding of complex plant engineering. To ultimately find the right solution for each customer, SAAKE is therefore the preferred choice for all plants with a requirement for thermal processes.
Enabling Transformation - HR Summit 2019 on 19 Sept. 2019

This year’s HR Summit was organized under the umbrella theme “Enabling Transformation”. As international companies in China are facing constant changes in their daily businesses, flexible HR management has become an important cornerstone for many of them. For the 9th time our Summit provided a unique platform for HR professionals from various industries to connect with each other, share their experiences and think beyond the current status quo of HR.

The event was opened with two extraordinary keynote speeches by Rosa Lee (EVP Bosch (China), Member of Bosch China Board) and Dr. Natalie Koeppe (Adidas, Head of Talent Partnering). Both speakers presented a deeper explanation of their internal HR management approach as well as dealing with constant changes and new requirements for future working models.

After the speeches, participants have been given the opportunity to take part in four selected workshops further highlighting pressing concerns of the HR industry:

1. How Chinese Women Rise
2. Agile Leadership for the VUCA World
3. Organization and Talent in Digital Era
4. Grow into a Resilient Leader

All workshops were led by experts in their field, providing insights and leaving room for further discussions.

The HR Summit program ended with a panel discussion including company representatives from Volkswagen, SAP, GEA Group and Teamacting China / EQ Asia. Participants shared their unique insights about HR management while also dealing with out of the box topics such as the role of HR in modern companies and inclusion. After the main event participants continued their discussions during a networking dinner at the 40th floor of the Kunlun Hotel.

Once again, the HR Summit has been proven to be a valuable cornerstone for the HR community in and around Shanghai, providing first-hand knowledge and best practices to an highly engaged audience. We will transfer this unique event character into the year 2020 and are looking forward celebrating our 10th HR Summit anniversary with you next year!
Outreach to Taicang Member Companies and the Government

Taicang is a key location for German companies in China, and the AHK has maintained a long-standing relationship with the City Government. Ms. Simone Pohl, Executive Director and Board Member of the German Chamber of Commerce (GCC), together with Richard Zhang, Board Member of GCC, recently visited some of the Chamber’s member companies located in Taicang. After discussions with senior executives about the current business climate in China and Taicang, Ms. Pohl and Mr. Zhang had a meeting with Taicang’s Mayor Wang Jianguo and Vice Mayor Hu Jie to further improve Chinese-German business relations. The AHK also paid a visit to the impressive Sino-German Kindergarten – an initiative by one of our member companies – and the AHK also hosted the first Open Day in Taicang in the German Centre, where over 40 members and interested companies came together to mingle and network.

New Project Manager Events

In September 2019, Ms. Julia Schneider joined the German Chamber of Commerce Shanghai as Project Manager Events. After completing her bachelor’s degree in media management studies in North Germany, she has been working as Marketing- and Project Manager in advertisement agencies, startup Companies and also founded an own event agency. At the German Chamber of Commerce Shanghai she is responsible for key events such as the German Ball, Chamber Meetings and Workshops. Ms. Schneider can be contacted in German and English via phone at 86-21-3858-5241 or via email at schneider.julia@sh.china.ahk.de

New Head of Fairs, Events & Delegations

Ms. Samantha Tillner joined the German Industry & Commerce Shanghai as Head of the Fairs, Events & Delegations Department in the middle of July. Samantha holds a B.A. in event, congress and exhibition management and has worked in the event and exhibition industry for almost 10 years. She moved to Shanghai in 2017 to join the subsidiary of a German exhibition organizer, where she was responsible for international exhibitors and visitor delegations. Samantha can be contacted in English and German via phone at +86-21 3858 5076 or via email at tillner.samantha@sh.china.ahk.de.

China Wind Power 2019 Successfully Held

China Wind Power 2019, the largest exhibition for the wind energy industry in Asia, was successfully held in Beijing again from 22 to 24 October 2019. As one of the largest country pavilions, the German joint participation organized by GIC/AHK Shanghai gave the German wind power industry a platform to connect with potential buyers and business partners. This year, a total of 18 German companies joined the pavilion: Intorq, mayr, Klueber, Wingfan, Tuev Nord, Turev Rhenland, Mapnetec, FVA, eroe energy, Lag, BEKA, Schaeff, Argo-Hytos, focke, GAT, Trans-textil, Lapp Kabel, DNV GL and Spinner. The total display area covered 336 sqm. This year, together 649 exhibitors participated CWP and the exhibition received 66480 visitors in 3 days. The total exhibition area reached 60000 sqm. Mr. Andreas Hänsch, VAP marketing & sales from Trans-Textil GmbH, mentioned that “Again we would like to thank the AHK Shanghai for the kind and professional cooperation and support at the CWP 2019. The show has been very successful for us and the German Pavilion is a perfect platform for our participation”.

23rd Sino-German Job Fair

The 23rd Sino-German Job Fair, jointly organized by German Industry & Commerce Greater China and the German Centre Shanghai on a regular basis since 2007, took place again on 26 October 2019 at the German Centre Shanghai. 23 companies attended the fair as exhibitors. More than 800 job seekers with educational background from Shanghai’s prestigious universities, young professionals as well as specialized talents visited the Job Fair to find new employers. Companies and job seekers were both very satisfied with the outcome and gave positive feedback. The 24th Job Fair will be held in spring 2020. If you would like to invest in your employer branding and join this highly efficient recruiting event, don’t hesitate to reach out to Ms. ZHOU Jiaxing via Zhou.jiaxing@sh.china.ahk.de.
Testimonials of German Technology,

More than 200 German companies exhibited their products at the 2nd China International Import Expo (CIIE). Smaller, highly specialized technology companies, as well as big German innovation leaders and strong brands from the consumer electronics, food, medical equipment, accessory and apparel, and health care sectors took the opportunity to showcase their latest products and world-class technologies to the Chinese customer. AHK facilitated the participation of 40 German companies in joint pavilions on over 900 sqm in different halls.

The EU Strong in China

French President Emmanuel Macron, German Federal Minister for Education and Research Anja Karliczek, and EU Commissioner Phil Hogan, together with a large French delegation and around 20 German companies pledged for a more level playing field for EU companies in China together with a large French delegation and around 20 German companies, such as Dr. Clemens von Goetze, German Ambassador to China. On her tour, she got diverse insights on how German companies continuously tackle innovation and how they implement dual vocational training in China.

Participants discussed pressing issues for the European business community in China, such as innovation, IP protection or the regulatory challenges that companies, especially SMEs, face in the Chinese market. Dr. Stephan Woellenstein, Chairman of German Chamber of Commerce in China North China, addressed challenges, especially relevant to SMEs and JVs. They also reiterated the importance of the conclusion of the EU-China Comprehensive Agreement on Investment (CAI).

Innovation and Lifestyle at 2nd CIIE

More than 200 German Companies Exhibiting
High-level visitors attended the fair where Germany’s most innovative and high-quality products were on display. On the first day of the show, Federal Minister of Education and Research, Anja Karliczek visited several German exhibitors at the import expo, together with other guests such as Dr. Clemens von Goetze, German Ambassador to China. On her tour, she got diverse insights on how German companies continuously tackle innovation and how they implement dual vocational training in China.

The EU Strong in China

The following day, Simone Pohl, Delegate and Chief Representative of the German Delegation of Industry and Commerce Shanghai, as well as Dr. Christine Althauser, German Consul General in Shanghai officially welcomed the exhibitors of this year’s German joint pavilion organized by AHK. Chinese government officials such as Director Huang Guoliang from the Quality Development Bureau of the State Administration of Market Regulation also attended the welcome reception.

Exchange with Local Government Alongside the Fair

During the course of CIIE, several local government representatives visited the AHK lounge, such as Sun Jinglin, Deputy Director-General of Commerce Department of Henan Province, as well as representatives of Shanghai Lujiazui Financial City Authority, China (Shanghai) Pilot Free Trade Zone Lujiazui Administration Bureau; Mr. Zhang Yuxiang, Director General, Mr. Neo Yuan, Deputy Director General and Mr. Liang Qing, Director and Mr. Duan Yimin, Vice Chairman of CCPIT Tianjin.

There were also a range of side events at the CIIE with attendance of AHK representatives of which some are mentioned hereafter:

On 5 November, Jan Jovy, General Manager of German Industry & Commerce Greater China (GIC) Shanghai attended an exchange between the Vice-Wuhan Mayor, Ms. Xu Honglan and several German companies on the current investment situation in Wuhan.

On the same day, the 2019 Shanghai City Promotion Convention took place presenting Shanghai as a top location with technological infrastructure and a world class business environment. In their speeches, Ying Yang, Mayor of Shanghai Municipal People’s Government as well as Chen Yie, Executive Vice Mayor of Shanghai Municipal People’s Government, pointed out the role of Shanghai as a financial center and as the number one city for multinational companies’ (MNCs) regional headquarters in the country.

The CIIE provided the opportunity for our organization to meet with many local government representatives and to foster our business relations with them in the regions and provinces.

Before the closing of the 2019 CIIE, AHK signed an MoU confirming their participation for next year.

Zhejiang held the 3rd China (Zhejiang)-Europe (Germany) Digital Economy & High-Tech Industry Match-Making Conference on 6 November, which brought together 433 companies including 97 well-known European enterprises and 336 domestic Chinese companies from Zhejiang in the Digital Economy & High-Tech sector. Jan Jovy attended the evening reception and met with Sheng Guiping, Party Secretary and Director-General of Department of Commerce of Zhejiang Province.

Christine Mueller, Deputy General Manager of GIC Greater China Shanghai attended an exchange between the Vice-Wuhan Mayor, Ms. Xu Honglan and several German companies on the current investment situation in Wuhan.

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Before the closing of the 2019 CIIE, AHK signed an MoU confirming their participation for next year.
During this course the participants will be given the advantages for Customs Inspection under New Situation.

- **1. Study the current national customs clearance reform and the concept of customs enforcement, know about the key points of customs inspection and the “bottom line”;**
- **2. Understand the national tax audit background and characteristics in 2018, learn to pre-assess and prevent relevant customs affairs risks that may be involved in business activities, actively respond and solve various problems of enterprises involved in customs issues;**
- **3. Truthfully, compliance, accurately determine the declaration HS code of import and export goods, fully understand the legal provisions of transfer pricing, royalties in the current “customs valuation” law, make fully use of these rules to reduce the corresponding risks and business costs, and to facilitate customs clearance.**

### Training Calendar Shanghai

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<td>7 Steps to Effective Problem Solving for a High-Performance Team</td>
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<td>Week 2</td>
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<td>Fundamentals of Access Database</td>
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<td>Week 3</td>
<td>5 November</td>
<td>Effective Meeting Management CN 220/2700</td>
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<tr>
<td>Week 4</td>
<td>5-6 November</td>
<td>Working Smart with Word</td>
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<td>Week 5</td>
<td>6-7 November</td>
<td>Lean Leadership Basics Module 1 (Together with Module 2)</td>
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<td>Week 6</td>
<td>7-8 November</td>
<td>Excellence in Customer Service</td>
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<td>Week 7</td>
<td>8 November</td>
<td>Production Management Skills for Front Line Supervisor</td>
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<td>Week 8</td>
<td>8 November</td>
<td>Flexible Production Planning - The Key to Competitive Edge</td>
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<td>Week 9</td>
<td>11-12 November</td>
<td>Working Smart with PowerPoint</td>
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<td>Week 10</td>
<td>11-14 November</td>
<td>ISO 14001/ISO 45001 Internal Auditor</td>
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<td>11-15 November</td>
<td>Six Sigma Green-Belt Training</td>
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<td>Week 12</td>
<td>12-13 November</td>
<td>Complex Problem Solving Skills and Big Data Analysis</td>
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<td>13-15 November</td>
<td>Controlling in 5 Stages: Stage 1 “Controlling &amp; Controller” (Suzhou)</td>
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<td>Lean &amp; Smart Internal Logistics Management</td>
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<td>Week 16</td>
<td>16-18 November</td>
<td>Changeable Manufacturing: Enabler for Meeting New Challenges</td>
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<td>18-20 November</td>
<td>Controlling in 5 Stages: Stage 2 “Controlling Toolbox”</td>
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<td>Handling Antitrust Investigation and Establishing Compliance Policy</td>
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<td>Week 19</td>
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<td>Industry 4.0: From Roadmap to Realization</td>
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<td>Objectives &amp; Key Results (OKR) for Performance Management</td>
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<td>Week 22</td>
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<td>Say it with Charts: Business Diagrams with MS Office</td>
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<td>Week 23</td>
<td>22-25 November</td>
<td>Working Smart with MS Project</td>
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<td>Week 24</td>
<td>25-26 November</td>
<td>Key Account Management Workshop</td>
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<td>Week 25</td>
<td>25-26 November</td>
<td>Digital Shopfloor Management</td>
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<td>Week 26</td>
<td>25-26 November</td>
<td>Cross-Cultural Training-Virtual Communication</td>
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<td>Week 27</td>
<td>26 November</td>
<td>Changeable Manufacturing: Enabler for Meeting New Challenges</td>
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<td>Week 28</td>
<td>26 November</td>
<td>Changeable Manufacturing: Enabler for Meeting New Challenges</td>
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<td>Week 29</td>
<td>27-28 November</td>
<td>Group 4.0: From Roadmap to Realization</td>
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<td>Week 30</td>
<td>28-29 November</td>
<td>Objectives &amp; Key Results (OKR) for Performance Management</td>
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<td>Week 31</td>
<td>29 November</td>
<td>Key Account Management Workshop</td>
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<td>Week 32</td>
<td>29 November</td>
<td>Digital Shopfloor Management</td>
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<td>Week 33</td>
<td>30 November</td>
<td>Cross-Cultural Training-Virtual Communication</td>
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<td>Week 34</td>
<td>30 November</td>
<td>Key Account Management Workshop</td>
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<td>Week 35</td>
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<td>Cross-Cultural Training-Virtual Communication</td>
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<td>Week 36</td>
<td>30 November</td>
<td>Interpretation of New Customs Policy and HS Code, Royalties for Customs Inspection under New Situation</td>
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### Key Account Management Workshop

**Training Highlight - Shanghai**

*While you are aiming at the key account of your competitors, they are doing the same. To keep the major profit, you have to gain and manage all key accounts well. This workshop aims at helping participants to learn how to manage the key accounts well by understanding the definition and the role of Key Account, analyzing the organization structure and political status of the Key Account, anticipating the activities of your competitors and the effective way to influence the decision makers.*

**Interpretation of New Customs Policy and HS Code, Royalties for Customs Inspection under New Situation**

During this course the participants will be given the advantages as follows: 1. Study the current national customs clearance reform and other related measures, understand the changes in customs reform and the concept of customs enforcement, know about the key points of customs inspection and the “bottom line”; 2. Understand the national tax audit background and characteristics in 2018, learn to pre-assess and prevent relevant customs affairs risks that may be involved in business activities, actively respond and solve various problems of enterprises involved in customs issues; 3. Truthfully, compliance, accurately determine the declaration HS code of import and export goods, fully understand the legal provisions of transfer pricing, royalties in the current “customs valuation” law, make fully use of these rules to reduce the corresponding risks and business costs, and to facilitate customs clearance.*
**General Transmissions (GT)**, a leading global manufacturer of drive systems for capacity competition to technology-driven, casting industry has shifted from simple know-how in die casting, participated as an exhibitor for the first time in the China Exhibition **International Die-Casting** Bock, a strong brand and engineering know-how in die casting, participated as an exhibitor for the first time in the China International Die-Casting Exhibition held in July 2019 in Shanghai. As the Chinese die-casting industry has shifted from simple capacity competition to technology-driven, automated, safe and environmentally friendly, Bock strives under their slogan “One-Stop Die Casting Solution”, to offer services from tooling design to finished parts.

**STABILA New Sales and Service WFOE in Shenzhen**

STABILA recently opened its Sales and Service WFOE in Shenzhen. The well-known, distinguished manufacturer of branded measuring tools with a corporate history of 130 years will be even closer to its customers in China and Southeast Asia in the future. The product range comprises spirit levels, lasers, electronic measuring tools, folding rules, and tape measures. More than 600 employees are committed to STABILA’s success worldwide, including around 350 in Germany at the headquarters in Annweiler in the Palatinate.

**Shangri-La Hotel Guangzhou won the “Best Business Hotel in Guangzhou” Award**

As a leading luxury five-star hotel and preferred destination of business travelers, Shangri-La Hotel, Guangzhou was awarded the “Best Business Hotel in Guangzhou” by Business Traveller Asia-Pacific for two consecutive years on 12 September 2019.

The Business Traveller Asia-Pacific Awards is now in its 28th year and continues to celebrate the best in the travel and hospitality industry as voted by some of the region’s most qualified judges. Business Traveller Asia-Pacific readers, these 30,000-plus individuals are frequent travelers – taking an average of 19 business trips a year – and their views provide valuable industry feedback. Today, the airports, hotels, airlines, and destinations that have most impressed this discerning audience have been crowned winners of their category.

**Actuator**

the Outdoor Power Equipment industry has acquired a majority share of one of China’s premier DC motor manufacturers, Actuator Electric Motor Company (AEM, Yuyao, China) in August 2019 with a consideration of USD 21.5 M.

For over 30 years, Actuator has produced PMDC and BLDC motors that are used in power tools, lawn and garden products, electric home appliances, medical equipment, industrial applications and customized applications. The merger of two companies, with combined revenue of USD 80M, will provide the flexibility to continue their relationships with respective customers, bring more engineering and manufacturing expertise to new product solutions and market categories outside outdoor power equipment and power tools.

Mazars acted as the financial advisor to AEM during the transaction. Key members of Mazars involved in the transaction are Tim Yu (FAS Partner), Steve Mou (FAS Manager) and Paige Dai (Tax Senior Manager).

**Relocation of Virion-Serion Biotechnology (Shenzhen) in Shenzhen Dapeng Bioscience Industrial Park**

On 10 October, the Deloitte Greater Bay Area Center (the Center) opened in Shenzhen. The Center, covering 1,266 square meters with various innovation spaces and advanced facilities, will provide innovative support and resources for entrepreneurs and talent in Guangdong-Hong Kong-Macau Greater Bay Area (GBA). It will also focus on “entrepreneurship, innovation and alliances” as its top priorities, provide a more efficient environment for entrepreneurship and innovation by combining the advantages of participants to improve companies’ innovation capabilities and support the attraction and flow of talent, technology, and capital, thereby developing the GBA into world-leading technology innovation center.

At the ceremony, Deloitte signed memorandum of strategic cooperation with renowned enterprises and institutions including the China Resources Institute of Science and Technology, HRUST Blue Bay Incubator, Green Pine Capital Partners, the Hong Kong Financial Services Institute and Techcode. Furthermore, Deloitte and WeBank founded their open banking innovation lab on the same day.

**Two Airline Oscars**

Lufthansa Group Airlines Win Four Airline Oscars

Lufthansa Group is consistently delivering premium services every day, as accredited by the market research institute Skytrax surveying 20 million passengers. Lufthansa was chosen as “Best Airline in Europe” and “Best Western European Airline” for the third straight year. While SWISS and Austrian Airlines also notched up successes and were each given one award.

The movie commences with the highlights of the 20th century, the birth of the Bauhaus school and its evolution, and dives into the forward-thinking Bauhaus founder and how the Bauhaus movement has shaped today’s architecture and design with its “Less is More” and “Form Follows Function” concepts. It also explores Bauhaus from the eyes of Gen Z, the digital age and how to achieve sustainability and affordability with the new Bauhaus.

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**Relocation of Virion-Serion Biotechnology (Shenzhen) in Shenzhen Dapeng Bioscience Industrial Park**

Virion-Serion Biotechnology (Shenzhen) Co., Ltd. is responsible for all the business operations in China and has become a leading IVD raw materials and reagents company.

In 2019, together with other four related companies (Shenzhen Klon New Biomaterials, Jingdifeng Technology Co., etc.), they relocated into the Bioscience Industrial Park of Dapeng District in Shenzhen.

The relocation in Bioscience Industrial Park of Dapeng District is a milestone in the development history of the company, which is also planning to make a transition to the upstream of biotechnology industry.
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On 8 August, the German Chamber of Commerce launched the first "AHK Fireside Chat" in Chengdu. The "AHK Fireside Chat" series consist of a range of events, where both Chinese and German government officials and business representatives are invited to talk about news, political and economical updates, as well as current challenges and opportunities. We were honored to host the first AHK Fireside Chat with the Consul General of Germany in Chengdu, Mr. von Rimscha. As his posting is coming to an end, the event was also the occasion to bid him farewell in Chengdu. Mr. von Rimscha shared interesting insights from his daily work as Consul General and talked about his vision of the future between Chinese and German trade, as well as the opportunities for German companies. Moreover, he highlighted the great creative industry in Chengdu and appreciated the close cooperation in the past years between the German Consulate General and the German Chamber of Commerce. Afterwards, the attendants had the opportunity for open conversations and networking while enjoying a good glass of wine. We are grateful for his outstanding support over the last years and we wish Mr. von Rimscha all the best for his future. The first "AHK Fireside Chat" was a great success and we are looking forward to the next "AHK Fireside Chat"!

On 12 July, the German Chamber of Commerce in China, South & Southwest, in cooperation with the China Australia Chamber of Commerce - South China and PW & Partners Law Firm, hosted the legal seminar: "Environmental Tax Law and Manufacturing in Guangzhou.

During the seminar, participants gained informative insight into how to operate a business in compliance with environmental laws, and also how to act properly for manufacturers who might be facing possible legal consequences.

On 25 July, the German Chamber of Commerce launched the first "AHK Fireside Chat" in Chengdu. The "AHK Fireside Chat" series consist of a range of events, where both Chinese and German government officials and business representatives are invited to talk about news, political and economical updates, as well as current challenges and opportunities. We were honored to host the first AHK Fireside Chat with the Consul General of Germany in Chengdu, Mr. von Rimscha. As his posting is coming to an end, the event was also the occasion to bid him farewell in Chengdu. Mr. von Rimscha shared interesting insights from his daily work as Consul General and talked about his vision of the future between Chinese and German trade, as well as the opportunities for German companies. Moreover, he highlighted the great creative industry in Chengdu and appreciated the close cooperation in the past years between the German Consulate General and the German Chamber of Commerce. Afterwards, the attendants had the opportunity for open conversations and networking while enjoying a good glass of wine. We are grateful for his outstanding support over the last years and we wish Mr. von Rimscha all the best for his future. The first "AHK Fireside Chat" was a great success and we are looking forward to the next "AHK Fireside Chat"!

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On 12 August, the German Chamber of Commerce in China | South & Southwest, in cooperation with PW & Partners Law Firm, one of our Friends of the Chamber, hosted the 2nd HR Roundtable this year in Guangzhou. James Peng, senior attorney from PW & Partners, gave his insights into the topic: Flexible Employment Management, by using various case studies and professional interpretation. Mr. Peng firstly explained the difference between “Standard Labor Relations”, “Non-standard Labor Relations” and “Non-Labor Relations”. Specifically, he gave a lively description by using real cases. The topic was also relevant for two types of short-term employment, followed by a discussion about the concept of labor dispute. Mr. Peng outlined situations that HR might face regarding the dispute of labor relation, such as separation procedure and separation compensation. All the participants shared their working experiences, raised employee issues and discussed actively during the HR Roundtable.

On 27 August, the German Chamber of Commerce in China | South & Southwest launched a new event format – TALK@AHK! TALK@AHK is an evening event full of new ideas, different perspectives and multiple new points of view. The president of the German Basketball Federation Mr. Ingo Weiss, who gave the opening speech, and German basketball legend Mr. Henning Harnisch kicked-off this new event series. He shared with us his experiences in China, the purpose of his trip, how important communication is for a team, and the connection between China and Germany not only about business but also about sports, education and culture. A special thank you to the German basketball club ALBA Berlin for the support before and during the event. A lot of inspiring talks were happening during the night, and we are looking forward to the next TALK@AHK!
The third InterChamber Business Networking event of the year was successfully held at The Crowne Plaza Hotel Guangzhou on 3 September and at the The Langham Shenzhen on 10 September. This time the event was organized by the China Australia Chamber of Commerce – South China and the British Chamber of Commerce Guangdong, along with the support of six other international Chambers.

All together around 300 business professionals attended the event, we were delighted to provide plenty of excellent business networking opportunities for our members and friends.

Beyond a great atmosphere, our guests enjoyed the delicious finger food, fine wine and refreshing beer with friends and business partners till late at night.

On 6 September, the German Chamber of Commerce invited their members to the German Companies Gala Night on the Oktoberfest in the Paulaner Bräuhaus at the Kempinski Hotel in Chengdu, including Herrenknecht, Thyssen Krupp, Messer, TÜV Reihland, Allianz, SinoGerman DeepFast, SinoJobs, G-Link and Freudenberg. The fully booked venue provided the festivities with German and local food as well as the highly welcome free flow of Bavarian beer underlined by music of two German-speaking bands. After the traditional Oktoberfest beer barrel was opened, the Oktoberfest was officially open, the band brought the most traditional and original performances. The members and guests of the gala night enjoyed the community evening and celebrated the beer festival until the early morning.

On 12 September, the German Chamber of Commerce South and Southwest China organized a visit to Foshan Newtown, in cooperation with the Foshan Sino-German Industrial Services Zone. Our members and friends of the Chamber first visited the Robotation Academy Foshan. The College Exhibition Hall and the Industrial 4.0 Intelligent Manufacturing Demonstration Line shows the strength of the robot industry in China and Germany.

Robotation Academy Foshan is the first robotic college in China, which is also the only authorized overseas institution of the Hannover Robotics Institute in Germany. It has attracted more than 20 top international companies in the world and excellent local robot production, integration and application companies as its project partners. The delegation learned the construction situation of the Tanzhou Exhibition Center by the aspects of supporting facilities, site bearing capacity, exhibition scheduling, development planning, etc.

Afterwards, the delegation visited the Midea-KUKA Smart Manufacturing Industry Park afterwards, where participants had the opportunity to closely look at the production and manufacturing of robots. The tour ended with a visit of the Foshan City Exhibition Hall, where the cultural heritage of Foshan was displayed. In the evening, all participants celebrated the Mid-Autumn Festival together at Youyuanhui restaurant with delicious German food and fine wine.

On 3rd + 10th September 2019

Location: Guangzhou & Shenzhen
Event: InterChamber Business Networking Guangzhou & Shenzhen
Venue: Crowne Plaza Guangzhou City Centre & The Langham Shenzhen

The InterChamber Business Networking is a great platform for members and friends to connect, share and inspire at a fantastic venue with wonderful food and beverages.

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On 20 September, the German Chamber of Commerce in China | South & Southwest held the 3rd HR Summit in Shenzhen. Human resources management is one of the key roles within any company these days. How to implement an effective human resources management has been continuously a hot topic across all industries for many years. This year, more than 60 people joined the event, participants built their network, and enjoyed the knowledge-sharing and idea-exchanging platform.

The event started with the opening speech by Mr. Maximilian Butek, the Executive Director of the German Chamber of Commerce in China | South & Southwest, and was followed by a case study session, two workshops and the 2019/20 Wage and Salary Report Presentation and Panel Discussions. High level speakers coming from the industry practitioners’ side but also service providers presented their knowledge and shared their experiences on the most pressing HR issues. Special thanks to our speakers and sponsors: Gold Sponsors | CW and Luther, Exhibition Partner | IQ Air. We are looking forward to welcoming you next year!

“"The first AHK Soapbox was held on the 14 October 2019 in Shenzhen. 120 corporates, tech companies and start-ups from all over the world joined the first AHK Soapbox to share their innovative ideas and on-going projects. The first AHK Soapbox was opened by Dr. Martin Wansleben, CEO of DIHK, Mr. Peter Adrian, Head of the Financial Committee of DIHK and Board Member of TRWO AG, and Dirk Lechelt, German deputy Consul-General in Guangzhou. AHK Soapbox aims to provide all entrepreneurs from different fields an interactive sharing platform to connect with the local startup community and look for potential cooperation.

During the events, around 20 startups went on the “AHK Soapbox” to present their innovative ideas and projects. The audience also got to actively interact with the speakers on the stage by giving support, challenging and asking questions. It was a night full of inspiration and exchanges, and we all look forward to the next AHK Soapbox.
Based on the great success of the last two times, the German Chamber of Commerce in China South & Southwest held its third “Discover Germany” festival on Chunxi Road from 18 to 22 October 2019. This year, “Discover Germany” achieved an even greater success and reached a much wider audience than the previous two Discover Germany events. “Discover Germany” is a platform for economic, trade and cultural exchange in order to support German companies to take root in Southwestern China, enhance brand awareness and expand their market influence. Furthermore, it helps local companies to better understand the German economy and culture and to find opportunities for cooperation.

The event is initiated by the German Chamber of Commerce in China South & Southwest under the patronage of the German Consul General in Chengdu and in cooperation with the Chengdu Municipal Bureau of Commerce and many other Chinese and German economic and cultural institutions.

Discover Germany not only has a series of activities throughout the year, but also an annual event gathering for German brands. Every year’s event focuses a different topic and contents. 2019 “Discover Germany” chose the “German Living Space” as main topic and the special highlight was the debut of the German “Breathing House”. A sustainable, prefabricated and movable house that was conceptualized in Germany and fully furnished with German brands. It adapts to nowadays need for flexibility and contributes to finding a solution in terms of future living.

The event started with a big opening ceremony on the evening of 18 October with more than 100 VIP guests and with welcoming speeches by representatives of the German Chamber of Commerce in China South & Southwest, the German Consul General in Chengdu, the Chengdu Municipal Bureau of Commerce, Prespace architects, Sichuan Remin Building Industry Technology and Hager Electric. After the speeches, they jointly opened the “Breathing House” and gave the guests the very first insight into the house. In the following days, the house was open to the public and attracted more than 10 thousand of visitors of all ages who also had the opportunity to win attractive prizes at participate in exciting interactive activities throughout the day.

Once again, “Discover Germany” was a big success and further strengthened its position as an important platform in Sino-German cooperation as it combined both big brands that are already strongly represented in the Chinese market but also new brands entering the Chinese market for the first time.

The German Chamber of Commerce in China South & Southwest would like to thank all spectators of “Discover Germany”. A special thank you goes to the co-organizers: The General Consulate of Germany in Chengdu, the Chengdu Municipal Bureau of Commerce, the Architectural Research Institute of Sichuan Remin Building Industry Technology and the architecture firm Prespace. Furthermore, the German Chamber would like to thank all sponsors of “Discover Germany” who provided great support and contributed significantly in the success of the event. Sponsors including: Hager Electric, Feldschlösschen, Frosch, Hörmann, Schöner Wohnen Farbe, Sebamed, Viessmann and Sonett.

We are looking forward to the 2020 Discover Germany to be another big success with more interesting activities and a greater variety of German brands to expand the platform for Sino-German cooperation.
On 11 and 12 October, the German Chamber of Commerce in China | South & Southwest hosted the 1st German Chamber Oktoberfest in Shenzhen, entirely organized by GCC. More than 1,000 delighted guests had the opportunity over two days, to experience a new location, real German food and beer, interactive entertainment, and the most important part: a real Oktoberfest atmosphere!

Members of the German Chamber brought their business partners, family and friends, and created unforgettable memories!

Thanks to Lufthansa Technik, Residence G, Paulaner Shekou, HB Beer, G&G Creative Community, the band Sakrisch Guat and all our members to make the event a great success!
New Project Manager of Market Entry & Fairs, Events and Delegations in Shenzhen

The German Chamber of Commerce in China | South & Southwest is pleased to announce the appointment of Mr. Kilian Schröder as Project Manager of Market Entry, as well as Fairs, Events and Delegations in Germany Industry & Commerce Shenzhen office. Mr. Schröder has received his university degree in Chinese Studies and Business Administration at the Georg-August-Universität Göttingen. Through positions in the industry and in government institutions in China and Germany, he has gained the experience to actively support the closer cooperation of German and Chinese businesses. Please feel free to contact him via phone at +86-(0)755- 8635 0487 or via email at schroeder.kilian@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. Emily Huang as Project Manager of Fairs, Events and Delegations in German Industry & Commerce Guangzhou Office. Ms. Huang has worked as an intern for one year before officially starting her new position in 2019. Please feel free to contact her via phone at +86(0)20-8755 2353 or via email at huang.menglin@gz.china.ahk.de

New Accountant in Guangzhou

The German Chamber of Commerce in China | South & Southwest is pleased to announce the appointment of Ms. Yuki Pang as the accountant of German Industry & Commerce Guangzhou Office. Ms. Pang received her bachelor’s degree in accounting from Zhongkai University of Agriculture and Engineering. By working in the Plateno Hotels Group, she gained three years of experience in hotel accounting. Please join us in congratulating Ms. Pang for her new role and wishing her success. Please feel free to contact her via phone at +86(0)20-8755 2353 * 238 or via email at pang.yuki@gz.china.ahk.de.
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### Introduction

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

### Important Pillar

Industry is an important pillar of Cixi. There are more than 18,000 industrial enterprises in the whole city, and there are 1,401 enterprises with annual sales over 20 million yuan. It is one of the three major home appliance manufacturing centers in the country, with 31 characteristic industrial clusters and more than 10 domestic largest manufacturing centers. There are a number of industry champion companies such as Cixing Group, Bull Group, and the Folie Group. The developed private economy makes Cixi rank the fifth in the top 100 counties and cities in the overall strength of small and medium-sized cities in the country, and rank the second in the top 100 counties and cities with the most investment potential in China.

### Core Area

The core area of Sino-German (Cixi) SME Cooperation Zone is located in the Cixi High-tech Industrial Development Zone, with a planned area of 2 square kilometers. The plan will focus on autos and auto parts, smart equipment, new materials, as well as life and health industries. Gathering high-quality scientific and technological SMEs to form an international industrial agglomeration zone, the Cooperation Zone will be built into an important platform for the introduction of advanced technology, management experience and high-quality talents. It will cooperate fully with Germany in areas such as intelligent manufacturing and industrial internet in connection with the “German Industry 4.0” strategies.
Verkehr

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

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

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

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

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