

Representing Chinese enterprises in Europe, CCCEU is a responsible bridge-builder for business opportunities

CCCEU MONTHLY

欧盟中国商会月讯



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Editor's note

We are together

As we set out to launch the first edition of CCCEU Monthly, we decided to identify a fil rouge that connects two different topics which top the agenda of Sino-European economic interaction as well as media headlines. We decided to display a Chinese expression on the cover of this edition which means “We are together”, and we use it in a dual sense in this issue of the monthly communication product of the China Chamber of Commerce to the EU (CCCEU).

On the one hand, the idea of being together represents the proximity between Chinese enterprises and the European Union. Our members have been active in the EU for decades and we proudly summed up their contributions to the EU's economy in our 2019 CCCEU Report, published in October 2019.



Source: China Construction Bank (Europe) S.A.

As we present in the report, Chinese enterprises investing in the EU create new jobs, raise the skills development of the local population and boost innovation. Their activities help assist local communities and help them in further developing skills for the future; they also adapt to local legal systems and norms, and fully integrate into local societies and communities.

Therefore, Chinese enterprises and their European counterparts are clearly together in paving the way for a golden decade of growth and prosperity for the EU, which would benefit its people as well as the private sector. Openness and trust are fundamental to achieve this goal and we are confident that by working together, they can be at the basis of Sino-EU economic interaction and further push economic collaboration of Chinese and European partners.

2020 is also the year in which China's and the EU's leadership define and renew the contours of their Strategic Partnership for the coming decade. On behalf of our Members, we would like to reiterate

our commitment to be a bridge-builder in Europe and we advocate that the views and concerns of the businesses be taken into account in preparation for the 2020 China-EU Summit in Germany.

On the other hand, this fil rouge represents our steadfast support to the people affected by the outbreak of novel coronavirus (2019-nCoV) in late December 2019, which has led to a difficult period for the people of Wuhan and neighbouring areas. The Chinese authorities have taken emergency measures to limit the spread of the virus and to boost the capacity of the healthcare system to deal with the infected: two hospitals were built in record time to accommodate the growing number of infected people to provide them with the appropriate treatment and conditions for recovery.

At this difficult moment, many Chinese and European enterprises have shown their support to Wuhan and we are pleased to present the testimonies of some of them in this edition of CCCEU Monthly, at page 8. We commend and praise their efforts, and we proudly acknowledge their assistance to, and solidarity with, the people in distress.

We have been actively engaged in coordinating efforts with suppliers of much-needed medical equipment and supplies, as well as in communication efforts to mobilise all stakeholders able to provide aid and medical supplies. Hence our headline on the cover: We are together with the people suffering during these hard times and we will do our best to support to you by encouraging others to join hands with us!

In conclusion, cooperation and solidarity lead to greater results. We welcome your comments and perspectives on the topics you find in this edition.

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About us

The CCCEU is a platform between China and the European Union, which serves the best interests of Chinese enterprises investing in the EU. Established in August 2018, the CCCEU speaks on behalf of its 60 members and represents up to one thousand Chinese enterprises in the EU.

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 China Chamber of Commerce to the EU



A roadmap for 2020

Despite an unexpectedly difficult start, 2020 can still be fruitful

In January, confirmed cases of the novel coronavirus (2019-nCoV) rose dauntingly in China, as the whole country was racing against time to contain the outbreak.

Mounting difficulties, unexpected disruptions and rising uncertainties have been changing the already-challenging business landscape between China and the European Union (EU). This impacted also on the 2020 roadmap of the China Chamber of Commerce to the EU (CCCEU), which had been drawn up before Christmas and approved by the Board Members: it now needs urgent updating. In a similar way our Members should also revise their 2020 plans, being aware to meet this urgency with flexibility.

This leads to our top priority, which is to offer knowledge and research-based insights, analyses and reports on a regular basis to our Members, while at the same time enlarging our research capacity in addition to leveraging the strength of our wide network of experts.

In late January, we finalized our research on Brexit and its implications on Chinese businesses in Europe. Now, we will soon embark on research on how the coronavirus outbreak could affect our Members, and we will present timely policy recommendations. In the pipeline, we have numerous topics ranging from the digital economy, to green development, high-tech evolution, education, and culture and art - which are all of great interest to our Members.

To our Members, we renew our commitment: we will get our message heard by our stakeholders through effective communicating, a smart use of social media platforms, as well as by organizing and participating in dialogues, forums and debates. The Chamber will take an active approach towards our European friends and partners, so that we can have a better understanding of each other in order to create more business opportunities and to share them.

In 2020, several top-level political meetings and summits are scheduled. The CCCEU is well-prepared

to represent our Members and to make sure that their requests, suggestions and initiatives can be inputs for the leaders of the EU and China. We hope we will succeed in making our contribution to a renewed Sino-EU strategic partnership with more predictability, confidence, trust and actions in this fast-evolving world.

In fact, our 2020 priority agenda is exhaustive.

We are well-aware that a do-more spirit is vital and urgent for the consumer market of China and the EU, which amounts to 1.9 billion consumers combined. Thus, we know that we need to race against the time in order to explore the potential of this consumer market for our Members.

However, we must face the reality: the CCCEU, which started its operations in April 2019, is still in its infancy phase. Therefore, we are building the team of our Secretariat, and we will make it lean, but responsible and responsive.

We also plan to expand our membership, from 59 current members to 100 this year. We will identify active members and invite them to join the Chamber's leadership team and to contribute with their resources and wisdom.

A group of talented and hardworking people is beginning to deliver our 2020 goals. We will now steam ahead despite any headwinds.

2020年伊始，中国便遭遇了新冠肺炎的沉重打击，举国上下争分夺秒控制疫情。随之而来的困难正在改变中国与欧盟间的商业互动，促使中国欧盟商会（CCCEU）紧急更新2020年计划。我们呼吁各会员单位也应当重审新年规划，灵活地应对突发情况。

商会致力于向会员们定期提供专业的研究分析。一月下旬，商会完成了有关于英国脱欧对中国企业产生影响的研究。目前我们将聚焦此次疫情，并且对相关问题提出方针建议。

我商会将与利益攸关者进行沟通，善用社交平台来传递我们的声音，与欧洲合作伙伴们密切来往，创造并共享更多的商业机遇。中国欧盟商会已做好准备，迎接中欧全家福峰会等各项政治议程，确保各会员的声音和诉求能够被决策者和政治家们听见。

中国和欧洲是两大文明，两大市场，更是全球发展和繁荣的两大引擎。中国欧盟商会将在在新的一年里和会员继续探索发展机遇。同时，商会将为富有雄心和服务精神的积极会员提供机会，吸纳他们进入商会决策层，集思广益促进共同发展。

Unlocking the potential of the 1

The EU should review its regulations on FDI, so they do not hinder investment from

Since Brexit was first touted, Chinese investment in Europe has had to live with rising market uncertainties brought by this setback to European integration.

All in all, the changes provoked by Brexit will be unsettling for Chinese companies in the European Union.

They will probably face increased red tape and higher administrative expenses, more logistics costs, burdensome customs procedures, higher import duties and reduced freedom of movement for their employees between branches in the United Kingdom and the EU. Companies will need time to adjust to changes in the market structure and business processes.

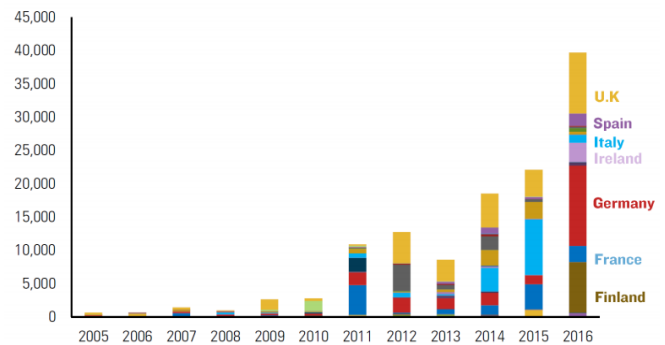
Therefore, it is urgent for EU and UK authorities mitigate the impact of the UK leaving the EU by reducing the uncertainties. For enterprises, certainty and predictability are vital for a smooth continuation of their internal and external processes, from production and trade, to investment and innovation.

On behalf of its members, the China Chamber of Commerce to the EU urges agreement be reached as soon as possible on the legal principles and norms regulating trade and investment between the UK and the EU. Chinese businesses will benefit from legal certainty and predictable market conditions which will also benefit the EU and the UK.

The EU, which still consists of almost 500 million citizens, ranks among biggest economies in the world and it will continue to be a magnet for investment.

Neighbours can easily move away but neighbouring countries cannot. Brexit is a reality now, and the EU and UK have to face the consequences and try to make the best of their new relationship. The approach suggested by the China Chamber of Commerce to the EU is to follow the sage Chinese saying “turn bad things into good ones”. It is pressing to work on a smooth transition, which will

Chinese FDI transactions in EU-28 in US\$ million



Source: European Parliamentary Research Service

limit the negative impacts of Brexit and make it possible to move toward a new decade of prosperity.

While dealing with short-term disorder, EU politicians must realize that the year 2020 represents the beginning of a new decade, a new political cycle for EU institutions, and a historic year to renew the agenda of China-EU Strategic Partnership and Cooperation.

The EU leadership has already formulated its key priorities to realize a green and digital transition, which also tops China’s economic agenda. Chinese enterprises in the EU are also committed to these priorities.

Chinese companies in the digital sector are investing in the EU, especially in research and innovation, and aim to jointly develop technologies for the future. In their involvement in EU countries, they also support local development and job creation.

But the EU badly needs a bolder vision for the new decade, which considers the long-term effects and results of political choices on businesses and the private sector. It is also the ambition of the China Chamber of Commerce to the EU and its members to support European growth and raise the average annual growth — 1.6 percent in the past decade and 1.9 percent in the past 25 years — to between 2 percent and 3 percent.

next decade

in Chinese companies

However, we insist that this growth is high quality, green and inclusive, as it is in this way that EU-China cooperation will deliver significant results.

Needless to say, the common goal for China and the EU is a decade of growth and prosperity. Together, they constitute a market of 1.9 billion consumers and, through economic interaction and the global supply chain, they contribute to the well-being of these people and the world.

Learning from the past gives us the key to unlock the potential of the future. It is worthwhile to consider how China-EU economic interaction fared in the past decade.

The contribution of Chinese enterprises to the EU economy is undeniable. After the 2008 economic crisis, Chinese foreign direct investments have been growing exponentially. According to the publications of the Mission of China to the EU, in 2018 Chinese FDI in the EU reached US\$ 8.11 billion and this investment has contributed to boosting the EU's economic growth.

The opening of numerous research centres in Europe, where highly educated European researchers and innovative Chinese companies work side by side, has also paved the way for further industrial upgrading by means of new discoveries. Also, the engagement of Chinese enterprises in the EU has further stimulated job creation: By 2018, Chinese enterprises had created up to 330,000 direct jobs and millions of indirect jobs, which is a key finding in the first flagship report of the China Chamber of Commerce to the EU released in October 2019.

These positive trends should be encouraged and sustained. The cooperative approach between the EU and China has made it possible to pave the way for stable and long-term economic interaction, which ultimately benefits companies and citizens.

It is also vital to take a reassessment of existing regulations on FDI to understand to what extent that they hinder economic interaction between Chinese companies and their European counterparts.

The aim of these regulations should not be to

prevent FDI a priori, and they should not endanger either the EU's commitment to an open economy or the mutual trust between European and Chinese companies. Indeed, the EU and China should remain committed to safeguarding multilateralism and pushing for further cooperation with openness to trade and mutual trust.

Only in this way will Chinese companies in Europe be able to sustain their contribution, and help the bloc realize the goal of 2 to 3 percent inclusive growth annually.

The author Zhou Lihong is the chairperson of the Brussels-based China Chamber of Commerce to the EU. The author contributed this article to China Watch, a think tank powered by China Daily.

即使英国脱欧影响重大，欧盟应意识到2020是新十年的开端，是欧盟机构新政治周期的拐点，也是推进中欧合作战略伙伴关系的历史新机遇。欧盟需要大胆寻求发展；同时，中国欧盟商会支持欧盟经济年均增长率提高至2%-3%。

英国脱欧影响在欧中资企业。欧盟中国商会不断敦促欧盟与英国之间尽快达成有关贸易及投资最新协议，使中国企业消除顾虑，并在可预知的市场环境中推进发展。

未来十年，中国与欧盟仍将积极寻求共同发展与繁荣。中欧市场共同拥有的消费者多达19亿，双方的经济往来将造福这些消费者们，并通过全球供应链对全世界经济作出贡献。

Racing against time

Since the coronavirus emerged at the end of last year, our Member companies and partners in the EU have responded with alacrity to the increasing demands of epidemic prevention and control by raising funds and mobilizing all possible resources to provide abundant medical supplies to Wuhan, the epicentre of the outbreak, and other affected cities.

Bank of China's branches in Luxembourg, Brussels, Paris and Stockholm have donated masks and protective medical gear in the thousands. China Construction Bank (Europe) S.A. Barcelona Branch has donated medical supplies, about 4,000 sets of protective suits, 6,000 pairs of protective shoe covers and other medical equipment.

The French-Chinese Chamber of Commerce cooperated with the Chinese Embassy in France to help in epidemic prevention and control. By January 30, 226,000 medical masks, 10,000 protective suits, 500 pairs of goggles, 10,000 pairs of protective boots, 2,500 pairs of disposable gloves, 2,000 disinfectant and hand sanitizers had been donated by Chinese enterprises in France. Members have coordinated efforts with suppliers, logistics providers and domestic recipients to ensure effective distribution.

The China Chamber of Commerce to the EU has set up a volunteer taskforce by inviting its partners

“人”在欧洲，“心”系武汉；决胜抗疫，昼夜不息。在非冠肺炎疫情防控进入鏖战的关键期，欧洲中资企业继续千方百计动员一切可以利用的资源，与外交官、留学生、华人华侨和欧洲朋友一起发动了驰援祖国接力赛。

寻货已经成为旅欧中国人朋友圈最重要的发贴信息。他们绞尽脑汁寻找紧缺医用物资，夜以继日与各方对接，确保尽快运送到武汉和其他地区的医院。他们还组织捐款活动，汇聚爱心，支持感染病人和一线医务工作者。他们在脸书和推特等社交媒体上，及时发布消息和评论，形成更多的正能量；他们展开调研，对疫情及其影响进行评估，为疫情防控决策提供服务。



Source: Bank of China (Luxembourg) S.A.

in the UK, France, Switzerland, Italy, Greece and other countries to identify suppliers and offer much-needed information to buyers in China.

The CCCEU appreciates the strong political commitment made by Chinese Premier Li Keqiang and European Commission President Ursula von der Leyen during their recent phone call, during which they pledged closer cooperation in winning the battle against the pneumonia outbreak caused by the novel coronavirus.

Brussels-based CCCEU, which represents about 1,000 Chinese businesses operating in the EU, lauds the swift coordination efforts and actions of the EU and its member states in delivering 12 tons of much-needed personal protective equipment to China. Its president pledged that the EU will continue providing support to China.

“We highly appreciate EU institutions, member states, European businesses and ordinary people lending a helping hand at this critical time,” said Zhou Lihong, chairperson of CCCEU. “We believe such solidarity and humanitarian spirit will help us work even closer with our European friends and partners in winning the battle as quickly as possible.”

Brussels updates its policies

There is an ongoing reconfiguration of global power. Facing ever more uncertainty in an unsettled world, the EU has embarked on a new journey – Strategic Agenda for 2019-2024. To better understand and analyse the dynamics of EU policy, our CCCEU team selected the most updated and impactful proposals from December 2019 to now:

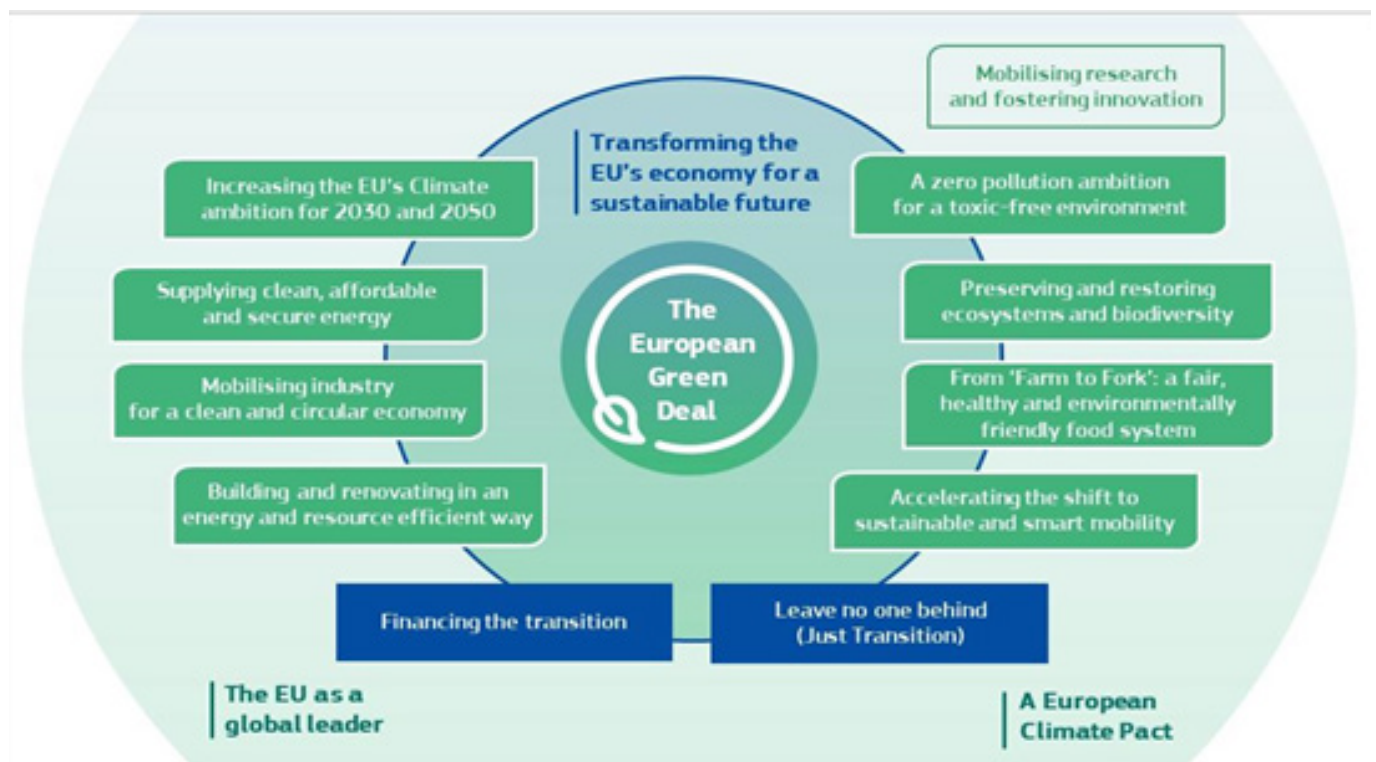
Six Priorities of building a stronger Europe

In 2020, the European Commission starts turning the six priorities into concrete initiatives that will then be negotiated and implemented in cooperation with the European Parliament, Member States and other partners. These are: a European Green Deal, an economy that works for the people, a Europe ready for the digital age, promoting the European way of life, a new push for European democracy, and a stronger Europe in the world. Among the six, the European Green Deal deserves special attention.

Striving to be the first climate-neutral continent

After tabling the first key initiatives in December 2019 and January 2020 to turn the EU into the first climate-neutral continent by 2050, the Commission will propose a European Climate Law turning the political commitment into a legal obligation and a trigger for investment. A European Climate Pact will bring together regions, local communities, civil society, schools, industry and individuals. This comprehensive pact will have a multi-dimensional impact on Chinese companies in the EU and all our Members. The EU will also lead international negotiations ahead of the COP26 in Glasgow.

The figure below illustrates the various elements of the Green Deal:



Source: European Commission

Reaching a target of common action

- **Energy.** The production and use of energy account for more than 75% of the EU's greenhouse gas emissions. Decarbonising the energy sector is key.
- **Buildings.** 40% of our energy consumption is by buildings. Renovate buildings to help people cut their energy bills and energy use.
- **Industry.** European industry uses only 12% recycled materials. Support industry to innovate and to become global leaders in the green economy.

- **Mobility.** Transport represents 25% of the EU's emissions. Roll out cleaner, cheaper and healthier forms of private and public transport.

New EU industrial strategy coming soon

In March 2020, the Commission will adopt an EU industrial strategy to address the twin challenges of green and digital transformation. Europe must leverage the potential of digital transformation, which is a key enabler for reaching the Green Deal objectives. Together with the industrial strategy,

a new circular economy action plan will help modernise the EU's economy and benefit from the opportunities of the circular economy domestically and globally. A key aim of the new policy framework will be to stimulate the development of lead markets for climate-neutral and circular products in the EU and beyond.



Ursula von der Leyen speaking in front of the European Parliament. Source: European Parliament

欧委会于2019年12月11日发布“欧洲绿色协议”，其总体目标是促使欧盟在2050年成为全球首个碳中和地区。欧委会主席冯德莱恩表示，欧盟将迅速采取行动，团结整个欧洲，成为绿色经济领域的领导者，推动实现世界经济可持续发展。

“欧洲绿色协议”旨在构建欧盟经济向“绿色”转型的政策框架，包括：提高欧盟2030和2050年的气候变化雄心，提供清洁、可持续及安全的能源，推动各产业可循环发展，实现能源资源的有效利用，构建零污染的无害环境，实现生态系统及生物多样性，打造环保、健康的食物供应体系以及推动社会经济可持续发展等。

为实现以上目标，欧盟承诺加大投资，预计每年追加2600亿欧元投入，约占欧盟GDP的1.5%。此外，欧委会将于2020年推出《绿色筹资战略》，欧盟气候银行、欧盟投资银行等都将提供进一步的资金支持。该协议不仅涉及减排，还是一个新的增长战略，涵盖了所有经济领域，特别关注交通、能源、农业、建筑、钢铁、水泥、信息通讯、纺织和化工产业。

Wrapping up 2019

Truly, the idea of setting up this chamber had long brewed before it was successfully registered in August 2018. Since then, we entered into preparatory stage for this non-profit platform perfectly based among the European institutions. In this process, we highlight two main moments which happened in 2019.

On 8th April, Premier Li Keqiang unveiled the CCCEU logo at the inauguration ceremony held in Brussels. Premier Li, who was in the city to attend the China-EU Leaders Meeting, advised us to serve well the enterprises investing in the EU; to be a bridge-builder and to reflect their opinions, suggestions and concerns to related European institutions; and to work together in order to enhance the image of Chinese businesses on the continent.

In October, we launched our first flagship report, titled *Report on the Development of Chinese Enterprises in the EU (2019)*, which is a joint effort by the CCCEU and Roland Berger Management Consultants. By summarizing Chinese companies' rapid development in Europe and by recommending improving business environment in EU, the CCCEU made its first stride to contribute to policy discussions at the bilateral levels to better serve our Members. The impact of this report is wide, ranging from massive media coverage and political attention, to citation from the academic circle.

Along with the two big events, we arranged three training seminars on various topics for our Members; and we reached out to the



Premier Li Keqiang unveils the CCCEU logo. Source: Xinhua

European stakeholders through various means.

All those preliminary progresses are not possible without the determined support from three founding companies and their executives, which are ZHOU Lihong, president of Bank of China (Luxembourg) S.A., WU Shengliang, general manager of China Three Gorges and LIN Ji, president of COSCO Europe GmbH. Now, they continue their supporting efforts by working as the chamber's founding members and chairperson and vice-chairpersons. Their leadership counts for this newly born platform between China and Europe.

Surely, the valuable support and recognition of Members are essential for the chamber's Secretariat to achieve such performance in 2019.

We owe a big "thank you" to our European friends and partners as well, for their help in 2019.



Premier Li meets CCCEU executives. Source: Xinhua

*Our Members are determined
to beat the coronavirus.
We'll succeed with the help
of our European friends.*



Bank of China (Luxembourg) S.A. | China Three Gorges (Europe) S.A. | COSCO Shipping (Europe) GmbH | China Railway Group Limited Hungarian Commercial Representative Office | China Mediterranean Holding (CMH) SAS | China Merchants (Luxembourg) S.a.r.l. | CCIC Europe B.V. | China Southern Power Grid International Co., Ltd. | The Export-Import Bank of China, Paris Branch | China Construction Bank (Europe) S.A. | Agricultural Bank of China (Luxembourg) Co., Ltd. | China Everbright Bank (Europe) S.A. | China Unicom (Europe) Operation Limited | Minmentals Germany GMBH | Huawei Belgium N.V. | ZTE Corporation | Geely Auto Group | China General Technology Group Holding Co., Ltd (EURO) | BGI Group | Taier Heavy Industry Co., Ltd. | Iflytek Co., Ltd. | United Investment Europe S.A. | Datong Reciprocity Group | Groupe du Louvre | Energetic Lighting Europe N.V. | COMPO GmbH | Outlet China Co., Ltd. | Westlake Europe BVBA | Lingang Overseas Zeebrugge Modern Industrial Park Development Company | Sunward Europe Heavy Industry N.V. | Association of Chinese Enterprises in Austria | Portuguese Chinese Enterprise Association | Association of Chinese Enterprises in Belgium and Luxembourg | Chinese Chamber of Commerce in Sweden | Chinese Chamber of Commerce in Denmark | Association of Chinese Enterprises in Italy | Association of Chinese Investment Enterprises in the Netherlands | Chinese Chamber of Commerce in Spain | Chinese Enterprises Association in Finland | China Chamber of Commerce in Slovenia | Chinese Chamber of Commerce and Industry in France | Association of Chinese Enterprises in the Czech Republic | Polish-Chinese General Chamber of Commerce | Association of Chinese Enterprises in Ireland | Association of Chinese Enterprises in Croatia | Association of Chinese Enterprises in Hungary | Association of Chinese Enterprises in Greece | China Chamber of Commerce in Germany | Industrial and Commercial Bank of China (Europe) S.A. | YC Europe-China One Belt One Road Products Trade Center (Cyprus) Public Ltd. | China Chamber of Commerce in Lithuania | BYD Europe B.V. | Legend Holdings Corporation | North China Power Engineering Co., Ltd. of China Power Engineering Consulting Group | China Railway Group Limited | Xinhuanet Europe B.V. | Co-progress Education Investment Company | Southern Media Europe SA | Wonderful Technology Development (Tianjin) Group, Ltd.