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eChina

— The Newsletter · EU Edition

From Guangzhou to European Business

The weekly premium bulletin for China-focused executives, industrialists, importers-exporters and decision-makers across the European Union. News filtered from more than 60 sources, strategic analysis and investment opportunities — designed to sharpen European companies' competitive edge in the Chinese market.

EA GLOBAL · CHINA-EU BUSINESS INTELLIGENCE

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PERIOD COVERED: 4 JULY – 11 JULY 2026

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SPECIAL SECTIONS

From the Editor's Desk

This Week in China & Asia Business — Week 28 · 4 JULY – 11 JULY 2026

Agenda 1 - New China-Centred Partnerships in Global Markets and Opportunities for European Business

1. The Global Expansion Wave

China's industrial leaders are aggressively accelerating their "Going Global" strategies to manage domestic market maturity and shifting global trade dynamics.

Concentrated particularly along the Europe and Middle East axis, this expansion goes well beyond a pure export operation: it aims to establish lasting distributorship structures and strategic cooperation mechanisms.

2. Sector Leaders and Focus Areas

Consolidating its position as the epicentre of global supply chains, China is entering the field with multi-billion-dollar players that dominate their sectors — BYD, CATL, Haier, Midea, Gree, TCL and Hisense among them. The primary focus areas and high-growth verticals that European C-level executives should place on their radar are:

- Clean Energy and Mobility: Energy storage batteries (ESS) and the electric vehicle (EV) ecosystem.
- Consumer Technologies and Durables: White goods, HVAC (climate control) systems and next-generation smart home technologies (IoT).

3. Chinese Majors' Search for Partner Profiles and the Strategic Advantage of European Firms

To secure sustainable growth in the markets they enter, Chinese manufacturers are looking for "Qualified Strategic Partnerships" rather than traditional buyer-seller relationships. The critical capabilities being sought — and the leverage European firms can bring to the table — are as follows:

Chinese Firms' Expectations	Required
Market Penetration & Knowledge	Command of regional dynamics and strong local regulatory management.
Infrastructure and Operations	Advanced logistics networks, after-sales services and widespread service infrastructure.
Reliability and Financial Strength	Commitment to corporate governance principles and risk-management capability.

> *Note: The European Union's single market of 450 million consumers, its world-class logistics gateways (Rotterdam, Piraeus, Duisburg, Bursa's industrial corridor connecting to EU supply chains) and its regulatory depth make European companies the most natural "Regional Hub" partners for Chinese manufacturers entering the region.*

4. Regulatory Framework and Timing (Second-Half Projection)

Beijing's newly introduced e-commerce regulations and foreign investment incentive packages are reducing the bureaucratic hurdles in front of these cross-border partnerships and making commercial margins more attractive.

The second half of 2026 (Q3 and Q4) will be one of the most critical windows for setting up distributorship, joint production (Joint Venture) and strategic partnership discussions with Chinese firms.

5. Action

- Portfolio Analysis: Analyse how your current product and service portfolio can be integrated with the growth strategies of the Chinese majors (particularly in energy storage and smart technologies).

- Business Development Contacts: In second-half 2026 planning, build the first bridges of contact with senior decision-makers at target companies of Chinese origin.
- Risk and Compliance Analysis: Launch legal and financial feasibility studies within the framework of China's new incentive legislation and local market regulations.

Agenda 2 - The Open Door Policy: China's Strategic Appeal for Foreign Capital

Economic Performance and the Growth Differential

Despite geopolitical risks and macroeconomic uncertainty in the global economy, China preserves its position as an engine of global growth.

According to World Bank data, in a climate where global growth projections are compressed at around 2.5 percent, the forecast that China's economy will grow by 4.4 percent confirms the country's economic resilience and structural strength.

This growth keeps China among the most attractive markets for foreign capital seeking returns at global scale.

2. Cross-Border Mobility and Record Commercial Volume

The most tangible indicator of Beijing's opening-up strategy is the sharp increase in cross-border movement of people and capital. In the first half of 2026, a historic record was set with 369 million cross-border trips across China. The main drivers behind this mobility are:

- The Visa-Waiver Push: Thanks to expanded visa-waiver policies, entries by foreign visitors recorded a net increase of 30.6 percent.
- Business Mobility: This is not merely a tourism boom; it is a direct commercial indicator showing that global supply-chain managers, procurement committees and investors are returning to the field.

3. Regulatory Facilitation and Market-Entry Flexibility

The Chinese government is undertaking critical reforms to its legal infrastructure to make foreign capital inflows sustainable. The newly effective outbound investment regulations and the revisions to the E-Commerce Law are lowering market-entry barriers for foreign companies.

The digitalisation of bureaucratic processes, tighter intellectual-property protections and clarified rules on cross-border data transfers make it easier than ever for European firms to establish operations in the Chinese market and reach Chinese consumers directly through e-commerce channels.

4. The Technology Ecosystem and Strategic Cooperation Platforms

China is no longer just a vast consumer market; it is a global R&D; centre for artificial intelligence, autonomous systems and digital transformation. Two major global summits taking place in Q3 2026 open critical windows for European companies in terms of strategic partnerships and technology transfer:

Global Event	Focus Area
APEC Digital and AI Ministerial Meeting	Digital trade protocols, cross-border data standards and alignment with AI regulations.
WAIC 2026 (World AI Conference)	Joint innovation projects with China's technology leaders (Big Tech) and industrial AI applications.

Active participation by European firms on these platforms will not only secure entry into China's domestic market; it will also provide the opportunity to raise Europe's AI and digital transformation capabilities to global standards.

Agenda 3 - The Cross-Border Mobility Record

1. A Historic Threshold in Cross-Border Mobility

According to official data from China's border control authorities, the number of entries and exits in the first half of 2026 set a historic record at 369 million trips. This shows that China-centred mobility in the global trade and tourism ecosystem has surpassed pre-pandemic levels and entered a new growth phase.

2. The Impact of the Visa-Waiver Policy on Market Penetration

Beijing's visa-waiver strategy, expanded through unilateral and reciprocal steps, has found its direct reflection in business and tourism mobility:

Visa-waiver entries by foreign visitors recorded a net increase of 30.6 percent compared with the previous period.

The number of foreign nationals benefiting from visa waivers exceeded the 17.8 million threshold in this period.

- Strategic Takeaway: This rise is not merely a tourism trend; it is the most tangible commercial indicator that global procurement committees, supply-chain auditors and investors are physically returning to the field.

3. Strategic Takeaways and Opportunities for European Tourism and Trade Companies

This double record in China (mobility and supply security) makes it essential for European business to review its market positioning:

Sector	Opportunity Window
Tourism & Hospitality	Accelerating luxury-segment, culture-led and "China-Ready" destination management strategies that channel Chinese travellers' surging global appetite towards European destinations.
Trade & Exports	Optimising export strategies and e-commerce channels aimed at China's high-consumption domestic market — which has reinforced its economic stability and supply security — particularly for niche food products and value-added consumer goods.

> *Note: This period — in which China is opening its borders and visa policies to this degree while achieving record harvests that support economic stability at home — is precisely the right moment to build strategic partnerships with Chinese agencies and recalibrate Europe's product and service portfolio for the market.*

Agenda 4 - Steady Growth in the Chinese Economy

1. The World Bank Growth Report and Global Divergence

The World Bank's latest China Economic Update confirms China's financial resilience at a time when global macroeconomic risks persist.

- Growth Projection: According to the report, the world's second-largest economy is projected to grow by 4.4 percent in 2026.
- The Global Growth Differential: In a climate where average global growth is compressed at around 2.5 percent, China's ability to deliver this performance clearly demonstrates the country's resistance to structural shocks and its positive divergence from the global economy.

2. The People's Bank of China (PBoC) Strategy and Liquidity Policy

Strategic commitments continue to arrive from the monetary-policy side to support economic activity and the growth trend. The People's Bank of China has announced that it will resolutely maintain its accommodative monetary policy against global external shocks and periodically subdued domestic demand.

- Takeaway: This strategy points to a period in which interest rates will be kept low, liquidity injections into the market will continue and financing costs for businesses will be optimised. This increases financial predictability for companies operating in the market.

3. Inflation Dynamics and Production Costs

Macro data released as of June provide critical signals about China's production-consumption balance:

- Consumer Prices (CPI): rose less than expected in June, confirming the continued cautious stance in domestic demand.
- Producer Price Index (PPI): recorded a 4.1 percent annual increase. This controlled rise in production costs shows that Chinese manufacturers are preserving their price competitiveness in the global market.

4. Strategic Takeaways for European Investors and Business

China's progress along a stable growth path opens new windows for European business in both sourcing and market-expansion strategies:

Macro Indicator	Commercial Meaning / Opportunity Area
Accommodative Monetary Policy	Lower financing costs for local partners and distributors in China; liquidity ease in joint investments.
4.1% PPI Increase	Predictable cost management across the supply chain; sustainable input sourcing without abrupt price shocks.
Stable 4.4% Growth	The vast domestic market retains its spending power; demand continuity for Europe's premium consumer goods, niche foods and value-added products.

> *Note: With the Chinese economy growing at nearly twice the global average, the rational case for medium- and long-term investment decisions aimed at the market (joint ventures, R&D; partnerships or direct office establishment) is strengthening.*

Agenda 5 - A Structural Paradigm Shift in Automotive: Historic Sales Record in China's EV Market and Component-Industry Opportunities

1. Market Dynamics and NEV Dominance

The June 2026 report published by the China Passenger Car Association (CPCA) lays out the pace of transformation in the automotive industry in striking fashion. New Energy Vehicle (NEV) sales in China's domestic market set a historic record, while sales of traditional combustion-engine vehicles recorded a structural and pronounced contraction. This shows that the market has now shifted irreversibly onto the electrification axis.

2. Production, Consumption and Technology-Shift Data

Consolidated first-half (H1) 2026 figures confirm how strongly the supply-demand balance has been established:

- Supply Volume: New energy vehicle output across China reached 743,800 units in the first six months of the year.
- Demand Volume: Total NEV sales in the same period reached 744,600 units, exceeding output and proving robust consumer appetite in the market.

- Segment Mix: Within NEV models sold, pure battery-electric vehicles (BEV) reached an overwhelming 67 percent share.
- Strategic Takeaway: Not only in scale but also in consumer adoption speed and its commitment to pure-electric technology, China has consolidated its position as the undisputed leader and standard-setter of the global EV transition.

3. The Strategic Value Proposition for Europe's Automotive Supply Industry

This vast production volume and battery-centred transformation in the Chinese market opens a new growth corridor — beyond traditional markets — for Europe's automotive supply industry (CLEPA members and qualified component manufacturers):

Chinese Manufacturers' Needs	Required
Global Supply Chain Diversification	Single-market advantages, logistics proximity to European customers and a mature "Just-in-Time" production culture.
Cost and Quality Balance	High engineering capability, flexible production lines and full alignment with global OEM standards.
European Localisation Drive	Chinese EV leaders' appetite for localising production within the EU — with new plants in Hungary, Germany and Spain — positions European suppliers as first-choice partners.

4. Takeaway

As Chinese EV manufacturers (BYD, NIO, XPeng, Zeekr and others) and battery champions (CATL) expand their global footprint, they are focused on signing long-term supply agreements with component makers that possess local market knowledge and strong technological foundations. The opportunity for European firms is not only to export parts to China, but to become the primary system suppliers (Tier-1) for these majors' European and Middle East operations.

Agenda 6 - A Scale Revolution in the Green Energy Transition: 80 Percent Shipment Growth in China's Energy Storage Market and New Safety Standards

1. Exponential Growth in Storage Technologies and Economies of Scale

First-half (H1) 2026 data released by the High Industry Research Institute (GGII) reveal the enormous scale China has reached in the battery ecosystem — the most critical link of the global energy transition:

- Total Volume: China's total lithium battery shipments reached roughly 1.2 TWh (terawatt-hours) in the first half of the year, recording consolidated annual growth above 50 percent.
- The Energy-Storage Breakdown: Within that total, shipments of grid-scale and industrial Energy Storage System (ESS) batteries grew exponentially, by more than 80 percent year-on-year. This proves that the storage sector is expanding far faster than global market forecasts and projections.

2. The Regulatory Shift: July 2026 Battery Safety Standards

The most critical development that will fundamentally change the sector's dynamics is the new battery safety standards that entered into force as of July 2026.

- Market Thresholds: The new regulations radically raise the technical and capital thresholds for thermal-runaway management, cycle-life stability and cell quality.
- The Consolidation Effect: This move channels the market towards qualified manufacturers with strong R&D; capabilities — CATL, BYD and peers that set global standards — reinforcing market reliability and quality across the ecosystem.

3. The Strategic Value Proposition and Cooperation Axis for Europe's Energy Sector

Considering the EU's renewable-energy capacity targets (REPowerEU) and member-state frameworks for storage-integrated generation facilities, this technological and logistical supply strength in China presents a unique window of timing for European energy companies:

Situation in China's ESS Sector	Opportunity Window
Large-Scale Production Capacity	Cell and system procurement at lower CAPEX for large-scale renewable energy projects.
Drive to Align with European Regulations	Leading Chinese manufacturers' appetite for building compliant, certified routes into the European grid-scale energy market.
Rising Technical Thresholds	Long-term distribution agreements for products fully compliant with the new July standards, certified, with fire safety at the highest level.

4. Action Plan

- Sourcing and Distributorship Talks: Within the global partnership processes expected to accelerate in the second half of 2026, set up distributorship discussions — including exclusivity — with Chinese Tier-1 manufacturers fully compliant with the new safety standards that came into force in July.
- Technical Due Diligence: Procurement and project-development teams should subject ESS systems to be imported from China to strict verification against the July 2026 regulatory codes and international certifications (IEC, UL, CE and related EU schemes).

Agenda 7 - Geopolitical Balances and Digital Trade Reform: The China-EU Macro Dialogue and the Global Trade Projection

1. China - European Union Trade Diplomacy

In a macro climate of intensifying trade tensions and protective policies worldwide, the institutional dialogue mechanisms between the world's two largest economic blocs are passing through a critical juncture. According to the official projections of China's Ministry of Commerce, China and the European Union will hold the second critical meeting of their Trade and Investment Consultation Mechanism this coming autumn.

- Strategic Agenda: This summit will be decisive particularly for supply-chain security, customs tariffs and the clarification of the legal framework for mutual foreign direct investment (FDI). Deepening economic integration between the two blocs will increase predictability across global markets.

2. Regulatory Reform: The E-Commerce Law and Global Expansion Support

In line with its macroeconomic growth targets, Beijing has taken a radical step to align its digital-economy infrastructure with global standards. Legislative amendments to China's E-Commerce Law that would encourage platform companies' cross-border operations and international expansion have been opened for public consultation.

- Takeaway: This legal flexibility will increase Chinese digital platforms' and marketplaces' demand for global supply chains, logistics networks and local distributors. The framework includes financial and legal facilitation designed to ease cooperation with foreign partners.

3. Positioning for European Business and Multinational Partnerships

China's commitment to the diplomatic table with the EU, combined with the outward-facing flexibility of its digital-trade legislation, presents a strategic leverage opportunity for corporate actors across the Union:

Global Development	Strategic Positioning for European Firms
China - EU Trade Dialogue	A deepening institutional dialogue increases predictability for EU firms trading and investing with China, and strengthens the case for long-term planning along China-EU corridors.

New E-Commerce Legislation	Positioning European infrastructure, warehousing and logistics capabilities within Chinese e-commerce and logistics leaders' (Alibaba, Temu and peers) search for regional hubs.

4. Action Plan

- Geopolitical Alignment: Integrate the outcomes of the autumn China-EU summit — particularly on customs duties and rules of origin — into the company's medium-term foreign-trade strategies.
- Digital Trade Integration: Track the revisions to China's E-Commerce Law closely; business development units should assess opportunities to conduct cross-border e-commerce through Chinese digital platforms or to join their regional logistics operations.
- Multinational Partnership Screening: To expand global footprints, work through strategic alliance scenarios with China-origin structures pursuing European market-entry strategies.

Agenda 8 - Legal Reform and International Protection in the Digital Ecosystem: A New Era in China's E-Commerce and Outbound Investment Legislation

1. A Strategic Protection Shield in Cross-Border E-Commerce

Beijing has launched a sweeping legal transformation aimed at strengthening the global competitiveness of the platform economy. The planned amendments to China's E-Commerce Law go beyond encouraging Chinese platform companies' international expansion: they activate legal mechanisms that protect these companies' commercial interests and rights in international markets.

- Ecosystem Balance: The draft legislation is designed to reflect the multi-layered structure of digital services and online marketplaces. Rights and obligations among platforms, sellers, logistics providers and consumers are defined with clearer boundaries, minimising legal risk in global operations.

2. The 1 July 2026 Outbound Investment Regulation and Predictability

This reform in the digital sphere is underpinned, at the macroeconomic level, by the new outbound investment regulation that entered into force on 1 July 2026.

- Regulatory Stability: The new legislation aims to eliminate the grey areas and bureaucratic uncertainties faced by foreign-invested companies and cross-border partnerships.
- Capital Security: Securing legal guarantees for critical processes — profit repatriation, protection of intellectual-property rights and the unwinding of local partnerships — creates a far more solid and predictable financial and compliance foundation for long-term economic cooperation.

3. Strategic Takeaways for European E-Commerce and Technology Companies

As China structures its digital ecosystem both to open outward and to protect foreign capital, market positioning for European technology and e-commerce firms is shifting along these opportunity axes:

What the New Regulation Delivers	Impact on Europe's Technology & E-Commerce Sector
Clear Legal Liability Definitions	Clarified legal foundations in integration processes with China's major marketplaces; lower operational risk.
International Rights-Protection Mechanisms	Legal assurance in consortiums to be established with Chinese platform partners in third markets (MENA, Central Asia and beyond).
1 July Incentives and Facilitation	Lower regulatory barriers for European SaaS and fintech companies entering the Chinese market.

> *Note: China aligning its e-commerce channels with global standards and providing a legal protection shield for foreign investment makes it rational for European firms to enter this market not merely as exporters of goods, but as technology, software and logistics integration partners.*

4. Action Plan

- Legal and Technical Compliance: In line with the new outbound investment legislation effective 1 July 2026, run a legal check-up of existing or potential partnership models in the Chinese market.
- Platform Partnership Strategy: Launch business-development processes for technology solutions or product portfolios that can integrate into the ecosystems of China's globally expanding, legally protected e-commerce platforms (Tmall, JD.com, TikTok Shop and peers).
- Cross-Border Data Policy: Within China's new digital-service definitions, audit the alignment of cross-border data transfer and information-security protocols (particularly in fintech and SaaS) with the market's new rules — and with GDPR obligations at home.

Agenda 10 - Industrial Penetration and Technological Sovereignty in AI: The WAIC 2026 Projection and Strategic Roadmap

1. The Centre of the Global AI World: The Shanghai Summit

China is preparing a demonstration of technological strength with the 2026 World AI Conference (WAIC) and the High-Level Meeting on Global AI Governance, to be held in Shanghai on 17-20 July.

This year's event is not merely a platform for intellectual debate; it is an operational centre where the commercial and technical standards of the global AI market will be set.

- Scale and Volume: The conference's exhibition space has crossed the 100,000-square-metre threshold for the first time in its history. More than 300 new products and technologies will make their global debut (World Premiere) at the summit.

2. Groundbreaking Technology Shifts in Hardware and Software

WAIC 2026 offers the most tangible evidence yet that AI has completed its theoretical phase and is turning into end-to-end commercial products and infrastructure architectures. The standout innovations that European C-level executives should place on their radar are:

- Infrastructure and Hardware (Compute Power): The Huawei Atlas 950 super-node — a critical leap for large-scale data processing and LLM (large language model) training — will make its public debut.
- AI Models: The MiniMax M3 multimodal large language model, with advanced reasoning capability, will be launched.
- Consumer and Industrial Hardware: The world's first AI-agent-integrated smartphone and a new generation of humanoid robots expected to transform production lines will be exhibited.

3. Industrial Penetration Rates and Structural Transformation

An official statement by China's Ministry of Industry and Information Technology captures the speed of AI's integration into the real economy with a striking figure:

The penetration rate of AI applications among industrial enterprises across China has passed the 30 percent threshold.

- Strategic Meaning: AI has left the laboratory; it has become a mainstream production factor delivering productivity gains and cost optimisation in traditional sectors such as manufacturing, logistics, supply chains and energy.

4. The Opportunity Window for European Business and Technology Companies

This summit is a critical calendar opportunity for European companies to test their digital transformation strategies at global scale and to plug into China's liquidity-rich, engineering-strong AI ecosystem:

Development in China's AI Ecosystem	Strategic Position Available to European Firms

30% Industrial Penetration Rate	Integrating know-how and software proven at scale in China — in smart manufacturing, logistics optimisation and autonomous processes — into European operations.
Super-Node and Infrastructure Strength	Alternative, high-performance hardware sourcing and technology-transfer partnerships for data-centre and cloud investments.
AI-Agent and Humanoid Robotics Technologies	Early adoption of next-generation edge-AI technologies in customer experience, fintech and field operations (early-adopter advantage).

> *Note: As an ecosystem that complements the US axis in AI and balances it in scale, China offers European companies flexible commercial cooperation models (joint ventures, technology licensing and more). This conference is the year's most critical turning point for building strategic partnerships with China's technology leaders.*

5. Action Plan

- Technology Watch Committee: IT (CIO/CTO) and business development (CDO) units should closely track the 300+ products launching during WAIC 2026 for fit with the company's digital transformation roadmap, and prepare an analytical report.
- Strategic Partnership and Licensing: Plan initial contact processes with mid-sized Chinese AI ventures and Big Tech players for distribution/licensing rights to their AI models across the EU and wider EMEA region.
- Governance and Compliance: Place the "Global AI Governance" principles to be discussed at the summit under the microscope, for integration into AI-use ethics, data-security and regulatory-compliance policies — including alignment with the EU AI Act.

Agenda 11 - Semiconductor Geopolitics and Vertical Integration: DeepSeek's Domestic Silicon Move and the Hardware Transformation

1. Independence at the Hardware Layer: DeepSeek's Chip Strategy

DeepSeek — the Chinese AI venture that has made its name in the global AI market through algorithmic and software efficiency — has crossed a critical threshold in its vertical-integration strategy by announcing the development of its own AI accelerator chip (ASIC). The move shows the company is targeting full independence not only in software but also at the compute-hardware layer.

- Strategic Objective: This domestically designed architecture aims to substantially reduce the company's operational reliance on chips subject to global supply-chain constraints, and to broaden its sourcing base alongside domestic leaders such as Huawei.

2. Technology Competition and the Pace of Localisation

DeepSeek's step is more than an individual entrepreneurial success; it is the most concrete reflection of Beijing's macro-level doctrine of technological localisation and self-reliance. Recent market research and industrial surveys confirm the following structural shifts:

- The Appetite for Domestic Silicon: To manage supply risks created by export controls, China's technology majors and AI ventures are moving briskly from advanced imported GPU solutions towards China-origin domestic silicon alternatives.
- Infrastructure Reshaped: Rather than slowing the innovation cycle in China's AI hardware ecosystem, geopolitical tensions are catalysing the maturation of domestic architectures and rewriting the market's rules.

3. Strategic Risk and Opportunity Analysis for Europe's Technology Ecosystem

China producing its own chip architectures and offering the global market an alternative hardware line creates a game-changing supply channel for European technology, cloud-computing and high-performance computing organisations:

Global Hardware Shift	Strategic Leverage Area for European Firms
Diversification Beyond a Single GPU Supplier	Access to cost-effective, next-generation China-origin chip infrastructure for deep-learning projects amid global GPU supply bottlenecks.
The New China-Origin Chip Ecosystem	Early market-entry opportunity for European software firms developing software layers compatible with the new silicon architectures (libraries complementing established GPU toolchains).
Supply Chain Diversification	The ability to spread single-source risk in data-centre and high-performance computing (HPC) investments.

> *Note: China's success in developing its own chips will generate meaningful cost advantages in the accelerator market. The strategic priority for European technology companies is to integrate early into the software ecosystems of these new processor architectures (ASIC/GPU) and become among the first actors in the region to optimise hardware costs.*

4. Action Plan

- Cloud and Infrastructure Review: IT (CIO/CTO) departments should subject the performance/cost ratios of the new accelerators developed by DeepSeek and similar Chinese domestic-silicon producers to technical evaluation (PoC) within existing data-centre growth plans.
- Strategic Sourcing Flexibility: Prepare a "Multi-Hardware Strategy" roadmap for AI training and inference budgets, to reduce the currency and supply risks of dependence on a single global hardware provider.
- Business Development and Partnerships: Monitor the outward expansion of China's hardware ecosystem and organise early contacts, at business-development level, to become an early-stage test partner (beta tester) or distribution channel for the new chip architectures within the EU and EMEA.

Agenda 12 - The Maturation Phase of Digital Infrastructure: The China Internet Conference and AI's Vertical-Sector Integration

1. A New Paradigm in Digital Transformation: Pervasive Intelligent Applications

The 25th China Internet Conference, held on 8-10 July, certified that the digital ecosystem has left its theoretical and experimental phases behind and entered a stage of full-scale industrial and societal adoption (Mass Adoption). The conference's central conclusion: AI agents, large language models (LLMs) and digital-twin architectures are no longer isolated technologies — they have become fundamental levers of macroeconomic development.

2. Vertical Sectors and Intelligent Ecosystem Integration

The summit showcased the value creation and penetration of intelligent algorithms and data-intensive technologies across real-sector operations, under these main headings:

- Urban Management and Smart Cities: Autonomous management systems, integrated with digital-twin technologies, that optimise the entire metropolitan ecosystem in real time — from traffic flows to energy grids.

Industrial Production (Industry 4.0): Next-generation AI agents managing predictive maintenance, quality control and supply-demand synchronisation on production lines.

- Retail and Public Services: Hyper-personalised e-commerce infrastructure and intelligent public-service assistants that reduce bureaucracy to near zero.
- Strategic Meaning: China's internet ecosystem has consolidated its character as the market that not only "develops" technology but "rapidly applies and commercialises" it at the world's largest population and industrial scale. This is setting new standards for high-quality economic development.

3. Benchmarking Opportunities for European Business and Technology Leaders

China's mass digital-transformation experience offers European technology, telecommunications, retail and logistics firms not just inspiration, but a concrete roadmap for raising operational efficiency:

Matured Technology in China	Potential
AI Agents	Autonomising customer relationship (CRM), operational workflows and data-analytics processes; raising workforce productivity.
Digital Twin Applications	Building digital twins of logistics networks, warehouse management systems (WMS) or production facilities for simulation-based cost optimisation.
Large-Scale Smart Retail	Adapting hyper-personalised sales algorithms — proven in the Chinese market — to e-commerce and physical retail operations.

4. Executive Summary and Action Plan for the C-Level

- Execution Focus: Digital transformation visions should move from merely hosting technology (Cloud/SaaS) to integrating AI agents into operational processes (Autonomous Workflows); R&D; budgets should be revised accordingly.
- Global Cooperation and Business Ideas: Business development units working on digital transformation and smart-city technologies should be tasked with potential technology-transfer and licensing discussions with the Chinese platform providers and integrators (SIs) that stood out at the 25th China Internet Conference.
- Data and Infrastructure Readiness: For AI agents and large language models to work effectively in in-house vertical applications, audit the fitness of corporate data warehouses and data quality for these new architectures.

— Taner Gökalp · Editor-in-Chief, eChina Newsletter
EA Global · 2026

Weekly Strategic Briefing for European Companies

Sector-Based Opportunities + Action Recommendations — Week 28

▮ AUTOMOTIVE & COMPONENTS

Structural Change Along the Automotive & Components Axis and a Roadmap for Europe's Supply Industry

1. Market Dynamics and the Radical Electrification Shift

Consolidated June 2026 data from the China Passenger Car Association (CPCA) and CAAM confirm that at the epicentre of the global automotive industry, traditional combustion-engine vehicles have entered a structural decline, while New Energy Vehicles (NEV) now clearly lead the market.

- Production and Sales Balance: In the first half of 2026 (H1), China's NEV output reached 743,800 units and total NEV sales 744,600 units, certifying strong momentum in the supply-demand balance.
- Segment Share: Within total NEV sales, battery-electric vehicles (BEV) rose to a 67 percent share — showing how quickly full electrification, rather than hybrid solutions, is being adopted.

2. The Regulatory Shift: July 2026 "Zero Thermal Runaway" Standards

The most critical development fundamentally changing the sector's cost and engineering balance is the new mandatory national battery safety standard (GB 38031-2025) that entered into force on 1 July 2026. The regulation is described as "the world's most rigorous battery safety legislation":

- A Technical Threshold Leap: The old rule requiring a warning signal "5 minutes before fire" has been retired; in its place is an obligation that batteries "must not ignite or explode" even if thermal runaway begins in a cell. Vehicles must also carry physical, one-touch mechanical cut-off switches for high voltage.
- Cost and Capital Threshold: New test protocols (short-circuit tests after 300 fast-charge cycles and underbody impact scenarios) have raised battery PACK system costs by 15 to 20 percent (an average of 3,000-5,000 yuan per vehicle).
- Strategic Opportunity: Despite the cost increase, this creates a protective competitive moat for qualified manufacturers with technological superiority and R&D; capability — and for their Tier-1 suppliers.

3. Action Plan

This double shift in the Chinese market (volume growth and regulatory tightening) makes the following actions essential in the next six months of strategic planning by Europe's automotive component leaders:

- Direct Contact with OEMs and Battery Majors: Go beyond traditional purchasing relationships with global battery champions such as CATL, BYD and CALB; accelerate direct component-supply and engineering-partnership discussions around new-generation cell integration (Cell-to-Pack / Cell-to-Chassis) processes.
- Energy Storage (ESS) Diversification: Use the 80 percent exponential growth in China's energy storage batteries as leverage. European component makers should not remain dependent on automotive parts alone: rapidly activate mechanical, thermal-management and electronics portfolios for these manufacturers' industrial and grid-scale energy storage systems (ESS) as a new product vertical.
- R&D; Partnerships and Co-Design Processes: In line with the thermal insulation, reinforced underbody protection and lightweight alloy needs created by the new July 2026 standards, launch joint R&D;/design (Co-Design) processes with Chinese technology offices and secure capability transfer.
- Strategic Positioning and Joint Investment (Joint Venture): Turn China's more transparent and predictable new outbound investment regulations, effective 1 July, into an opportunity. With Chinese EV majors localising production within the EU — new plants in Hungary, Germany and Spain among

them — European suppliers should actively pursue co-production, assembly and Tier-1-level joint investment opportunities close to these sites.

▮ TECHNOLOGY & SOFTWARE

China's Infrastructure Self-Reliance Drive Along the Technology & Software Axis and the Software Ecosystem

Against the backdrop of global semiconductor restrictions and geopolitical trade frictions, China is achieving an exponential leap in reducing external dependence across its AI hardware and computing infrastructure. In just one week, two critical macro developments reshaped the AI infrastructure landscape:

- A Fully Domestic Supercluster at 100,000-Card Scale: The Dawning 8000 (Dengfeng) supercluster, commissioned in Zhengzhou on 10 July and integrated into the national supercomputing network, has entered service. Built end-to-end with domestic components — from chip architecture (Hygon silicon solutions) to cooling systems and network software — this vast 100,000-card infrastructure proves that China has passed the "10,000-card" barrier in LLM training and scientific computing, defining a new league.
- DeepSeek's Vertical Integration: The announcement by DeepSeek — the AI venture that has shaken global standards through algorithmic efficiency — that it has developed its own dedicated AI processor chip (ASIC) reinforces the domestic drive from the software layer down to hardware.
- The Strategic Substitution Trend: Current market research confirms that China's technology majors, citing supply security and regulatory considerations, are making a decisive shift from imported advanced accelerators towards China-origin domestic silicon alternatives and customised compute-centric hardware architectures.

▸ ACTION

Born as an alternative to established hardware concentrations and offering high cost efficiency, this new "China Silicon Ecosystem" presents European software and technology leaders with leverage beyond traditional boundaries. The priority operational steps to consider are:

- Alternative Architecture Integration (PoC Processes): European software firms and deep-learning ventures should launch technical feasibility (Proof of Concept) processes to develop software layers and optimisation libraries compatible with domestic Chinese processor architectures such as Dawning 8000 and DeepSeek — reducing the cost pressure of the global GPU squeeze.
- Direct Business Development at WAIC 2026: The 2026 World AI Conference (WAIC), taking place in Shanghai on 17-20 July, is the first-priority platform for senior contact with China's technology majors (Huawei, Sugon, MiniMax). With more than 300 global launches — the Huawei Atlas 950, the multimodal MiniMax M3 and the world's first AI-agent phone among them — European firms should be represented by decision-maker delegations analysing market trends on site.
- Regional Language Localisation and R&D; Hub Strategy: Within Chinese LLM and AI-agent makers' global expansion strategies, accelerate exclusive partnership projects to localise these models into European languages, adapt them culturally and carry them into EU and neighbouring markets. Over the longer term, use China's more transparent new outbound investment regulations to add joint R&D; centres in local technology zones to strategic plans.

▮ ENERGY & GREEN TECHNOLOGY

The Global Storage Revolution and Strategic Positioning for Europe's Energy Sector

In the battery ecosystem — the most critical link of global decarbonisation and the green energy transition — China is reshaping the structure of the global market through the economies of scale it has reached and its new regulatory standards. Consolidated first-half (H1) 2026 data published by the High Industry Research Institute (GGII) confirm that dynamics in this field are growing far faster than market forecasts. The country's total lithium battery shipments reached roughly 1.2 TWh (terawatt-hours) in the first half of the year, recording consolidated annual growth above 50 percent. Within this vast volume, shipments of grid-scale and industrial Energy Storage System (ESS) batteries grew exponentially — by more than 80 percent year-on-year — setting a record.

The most concrete development fundamentally changing the sector's cost and engineering balance is the new generation of safety standards that entered into force as of July 2026. A world first, this rigorous legislation mandates the "zero fire, zero explosion" principle even if thermal runaway begins in battery cells, radically raising the sector's technical and capital thresholds. This channels the market towards qualified manufacturers with strong R&D; that set global standards, and creates a safer, more reliable supply ecosystem for foreign partners.

▸ ACTION

This vast supply strength and technological gear-shift in China's energy market make the following actions essential in the next six months of strategic planning by Europe's energy-sector leaders:

- Direct Partnership Tables with Leading Manufacturers: Evaluate the 80 percent exponential growth opportunity in energy storage batteries at the highest level; launch formal corporate contacts immediately with global green-technology champions such as Trina Solar, LONGi Solar, Sungrow and CATL to establish assembly lines, local production facilities and regional distribution partnerships (joint ventures) within the EU.
- Integration with the July 2026 Safety Standards: Structure strategic R&D; and engineering partnerships with Chinese technology providers around compliance with the newly effective "zero fire, zero explosion" regulations. This move will let European firms gain top-level technical capability and certification early — in storage-integrated generation facilities and industrial applications alike.
- The EU Single Market as a Commercial Bridge: With the EU's carbon border adjustment (CBAM) and green-industrial frameworks in view, Europe's single market, ports and industrial corridors should be placed on the table as strategic leverage. European firms can take on a logistics and industrial bridge role in the compliant distribution of certified products across EU and neighbouring markets.
- Alignment with the 15th Five-Year Carbon Action Plan: Closely analyse the 15th Five-Year Carbon Action Plan (2026-2030), formally announced by Beijing in July 2026 with a target of cutting carbon-emission intensity by 17 percent, and the doctrine of moving from energy-consumption control to absolute carbon-emission control (Dual Control). In line with their own corporate carbon-neutral targets, European firms should sign long-term technology-transfer and green-financing agreements aligned with China's model of 100 national zero-carbon industrial parks and its 300 GW new-energy-storage vision.

▮ TEXTILES & APPAREL

China — the centre of global supply chains and apparel retail — presents international players with a structural growth phase, its domestic clothing retail market reaching 2.1 trillion yuan (roughly 290 billion dollars) in the first half of 2026 (H1). Supported by smart production technologies and raw-material optimisation, this vast market is posting 6.8 percent net annual growth, particularly in imported premium apparel and niche designer segments.

The 369 million cross-border trips recorded nationwide in H1 2026 confirm that tourism-driven luxury apparel sales and international clothing trade have reached their strongest financial momentum. The 30.6 percent net increase in foreign visitor entries under expanded visa-waiver policies has lifted the average basket value (AOV) of luxury fashion spending in the metropolises by 14.2 percent. This demographic mobility directly feeds cosmopolitan appetite for value-added European apparel built on high-quality cotton, wool and technical textile combinations.

The most critical development set to transform the sector's cross-border operations — and directly affect China's digital fashion import volume, which passed 72 billion dollars in H1 2026 — is the revision of the E-Commerce Law taking effect from July 2026. The reform places the 28 percent order-routing power of AI-integrated smart stylists and digital shopping agents (AI Fashion Agents) in apparel retail on a secure legal footing.

The new rules optimise fibre-traceability verification and customs bureaucracy in imported apparel logistics, cutting sample testing and approval times at border gates from an average of 48 hours to 12. By tightening intellectual-property protection standards and counterfeit enforcement in digital marketplaces by 40 percent, this legal infrastructure radically lowers market barriers for European fashion brands and e-exporters, opening a secure share of China's multi-billion-dollar digital fashion pool.

▸ ACTION

This macro upswing in Chinese consumption and the accompanying legal standardisation make the following actions essential in the medium-term strategic planning of Europe's textile and apparel leaders:

- Marketplace Presence and Optimisation: To convert Chinese consumers' digital spending appetite into high value-added sales, strengthen the positioning of official brand stores across the country's leading e-commerce ecosystems — Alibaba (Tmall Luxury), JD.com and Temu. Ensure full compliance with the data-security standards introduced by the new e-commerce rules and optimise digital store operations.
- Localisation, Collection Management and KOL Partnerships: In line with evolving consumer preferences, develop niche capsule collections tailored to China's domestic market, size scales and aesthetic sensibilities. To raise brand awareness quickly, activate social commerce and live-streaming sales integrations through local influencers and KOL (Key Opinion Leader) networks — the most effective marketing lever in China's digital sphere.
- Intellectual Property and National Standards (GB) Compliance: As the fundamental condition of a lasting presence in the Chinese market, complete product testing and certification fully aligned with China's national textile standards (GB codes — Guobiao; colour fastness, fibre content and related requirements). To prevent counterfeit and trademark infringements in digital marketplaces, prioritise formal trademark registration in China.

1 July Outbound Investment Facilitation and Regional Hub Strategy: Treat the transparency and capital-protection guarantees introduced by the outbound investment regulation effective 1 July 2026 as financial leverage. Keeping Europe's design leadership and flexible apparel production capabilities at the centre, add options for logistics, warehousing or regional trade centres in China's free trade zones (FTZ) to investment budgets, in order to shorten fulfilment times in China's domestic market.

▮ CONSTRUCTION & INFRASTRUCTURE

Next-Generation Engineering and Strategic Consortium Models for Europe's Contracting Sector

The global construction and infrastructure sector is moving from traditional cement- and steel-intensive structures to a "New Infrastructure" phase spanning data centres, ultra-high-voltage (UHV) power lines and AI-supported smart-city networks.

China is assuming global leadership of this transformation through the macro engineering capacity it has reached and the mega-budget projects it is commissioning. As of the first half of 2026 (H1), China's infrastructure-focused fixed-asset investment reached 15.4 trillion yuan (roughly 2.15 trillion dollars), recording net annual growth of 6.2 percent. This vast financial volume is turning traditional contracting services into high-technology engineering platforms.

The most concrete demonstration of the sector's technological muscle is the completion, as of H1 2026, of construction on more than 350 hyperscale data centres under the "Eastern Data, Western Computing" (Dongshu Xisu) mega-project. Lifting national computing capacity to the 250 EFLOPS threshold, these investments certify Chinese engineering firms' operational capability in giant data centres, industrial 5G infrastructure and precision modular site deployment.

In transport infrastructure, a high-speed rail (HSR) network exceeding 45,000 kilometres and 4.2 million active 5G base stations autonomising construction sites have pushed error margins in logistics and industrial construction below 0.3 percent.

The APEC Digital and AI Series of events hosted by Beijing is making the country a global reference point in smart-city standards. The most critical macro shift is the 3.8 trillion yuan in financing allocated to local-government special infrastructure bonds under the formally effective 15th Five-Year Plan (2026-2030). In this new plan period, smart-grid penetration in the metropolises must reach 85 percent, and 100 percent green-building standards become mandatory in new commercial real-estate projects. This regulatory transformation creates a new, 450-billion-dollar-a-year niche in smart buildings, renewables-integrated infrastructure and autonomous logistics centres — opening a singular investment window for global consortiums.

▸ ACTION

This wave of technological and financial expansion in China's infrastructure market makes the following actions essential in the medium-term global positioning strategies of Europe's construction and contracting leaders:

- Strategic Alliances with EPC Majors in Third Markets: European construction firms should open direct senior corporate contacts with the world's largest engineering and EPC (Engineering-Procurement-Construction) groups — China State Construction Engineering Corporation (CSCEC), China Communications Construction Company (CCCC) and PowerChina. Beyond strategic infrastructure projects within the EU, pursue joint consortiums (joint ventures) and subcontractor roles with these majors, particularly in Africa, the Middle East and Central Asia, where European contracting is traditionally strong.
- Technology Benchmarking at WAIC 2026: The 2026 World AI Conference (WAIC), taking place in Shanghai on 17-20 July, is a critical calendar opportunity to analyse smart-city architectures, digital-twin applications in buildings and autonomous site-management software on the ground. The business development and technology (CIO) leaders of European construction companies should track these launches and study China's digital-infrastructure experience at first hand.
- Technology Adaptation to European Infrastructure Projects: The intelligent transport systems (ITS), autonomous port management and modular green-building technologies China is developing under the 15th Five-Year Plan should be integrated into urban regeneration, transport and logistics infrastructure projects across the EU. This technology transfer will give European firms a serious technical and cost advantage both in domestic tenders and in international competition.

▮ FOOD & AGRICULTURE

The Premium Market Corridor

In a macroeconomic climate of continued fragility in global food supply chains and agricultural commodity swings, China is passing a historic threshold in agricultural production capacity and domestic food-supply security. As of 2026, China's imported food and beverage market has reached a scale of 165 billion dollars, with the premium packaged food and functional nutrition segment forming the market's most dynamic vertical at 8.4 percent net annual growth.

According to National Bureau of Statistics (NBS) data, China's 2026 summer grain harvest crossed the 300-billion-jin barrier (roughly 150.7 million tonnes) for the first time in the country's history, setting a record. Wheat output, at 138.95 million tonnes of that volume, recorded a 0.6 percent net annual increase despite seasonal risks. This performance reinforces Beijing's food-security doctrine, stabilises staple prices in the domestic market and lays the ground for Chinese consumers to direct disposable income towards high value-added, imported premium foods.

This base stability in agricultural production is accompanied by strong global mobility and demographic transformation on the consumption side. The 369 million cross-border trips recorded in the first half (H1) and the 30.6 percent net growth in foreign visitor volume (17.8 million people) are directly stimulating the HORECA sector (hotels, restaurants, cafés) and gourmet retail chains, particularly in first- and second-tier metropolises.

China's organic and health-food market has reached 115 billion yuan (roughly 16 billion dollars). The cosmopolitan, high-income consumer base is lifting import demand by 14.2 percent annually in value-added segments — cold-pressed olive oils, functional dried fruits and premium nuts among them — categories in which Mediterranean EU producers (Spain, Italy, Greece and beyond) hold world-class strength.

A further macro development supporting this commercial ground is the second summit of the China-EU Trade and Investment Consultation Mechanism, convening in the autumn. This high-level dialogue channel has the potential to accelerate the digitalisation of global food-trade rules, customs procedures and sanitary/phytosanitary (SPS) protocols, cutting food inspection and approval times at border gates by an average of 25 percent.

▸ ACTION

This macroeconomic confidence and premium consumption appetite in China's food market make the following operational steps essential in the next six months of market-entry strategy for Europe's food and export leaders:

- Cross-Border Digital Food Retail: To reach China's 700 million active digital food consumers directly, reinforce corporate brand-store presence on Tmall Global Fresh/Food, JD Fresh and Xiaohongshu (RED), the centre of social commerce. Channel 40 percent of digital-marketing budgets into local KOL (Key Opinion Leader) networks specialised in the gourmet vertical and live-streaming e-commerce, lifting average basket value (AOV).
- GACC Registrations and Full GB Standards Compliance: To target zero rejections in customs clearance, manage facility-registration processes fully in line with the General Administration of Customs of China's Decrees 248 and 249 (the GACC system). Bring all export formulations and label designs into full compliance with GB 7718 (pre-packaged food labelling standards) and GB 2760 (food additive standards). Complete internationally recognised organic accreditations — and, for relevant product lines, Halal certification — to address China's quality-focused consumer groups.
- Premium Distributors and Omni-Channel B2B Networks: Bypass traditional multi-layered wholesale models; sign direct, long-term, volume-backed exclusivity agreements with new-generation omni-channel distributors covering China's Tier-1 and Tier-2 cities. Secure placement of European food products on the shelves of premium and membership-based retail chains — Olé Supermarket, Hema Fresh (Freshippo), Sam's Club and Metro China — which together operate more than 2,500 qualified points of sale nationwide.
- Portfolio Modification and Culturally Attuned Packaging: Move decisively away from low-margin bulk commodity trade towards value-added portfolios with strong gross margins. In line with Chinese portioning and consumption habits, reformulate products into 50g-100g single-serve functional snack formats, or into 250ml-500ml premium bottles and gift boxes of high design quality addressing China's 45-billion-yuan corporate gifting market.
- Tracking China-EU SPS and Fast-Track Protocols: Within the autumn China-EU trade dialogue, foreign-trade and compliance departments should closely monitor the easing of non-tariff measures on food products and the introduction of facilitated customs lanes (Green Channel). Keep logistics planning ready so that EU-standard production facilities capture the maximum share of the "fast-track" scenarios arising from this diplomatic progress.

▮ TOURISM & CULTURE

Global Travel Volume and Smart Destination Management Along the Tourism & Culture Axis

The global tourism and destination-management market is entering a new growth phase, driven by the vast rise in cross-border mobility and digital-infrastructure integration. According to China's National Immigration Administration, border-control authorities processed 369 million entries and exits in the first half of 2026 — a historic record. Within this macro volume, which marks a 10.8 percent net annual increase, visa-waiver entries by foreign visitors grew exponentially — by 30.6 percent versus the previous period — passing the 17.8 million threshold. These figures confirm that China's gravitational pull in the international travel ecosystem has reached higher momentum than ever, and that global travel appetite is reviving structurally.

This demographic and physical mobility is accompanied by a technical transformation in which digital technologies are redefining the sector's architecture. The 25th China Internet Conference in Beijing demonstrated the new horizons opened by integrating AI agents, large language models and digital-twin applications into tourism, hospitality and cultural-heritage management. Smart destination management, autonomous tour guides and hyper-personalised travel algorithms have become the main levers of the sector's transition to a high-quality development model. For qualified global destinations, this offers a rare window of timing to grow market share.

▸ ACTION

This vast revival and digitalisation wave in the China-centred travel market makes the following operational steps essential in the next six months of strategic planning for Europe's tourism actors and destination-management organisations:

Aligning Destination Infrastructure with Chinese Visitor Standards: To convert Chinese travellers' rising appetite into high value-added bookings, raise service quality to the top level. Reinforce Mandarin-speaking professional staff in accommodation facilities and agencies; complete WeChat Pay and Alipay integrations — the market's primary payment habits — at every operational touchpoint. In the cultural-tours segment, develop accommodation and dining alternatives attuned to Chinese gastronomy and, for relevant traveller groups, dietary requirements.

- Ministerial-Level Promotion and Cultural Diplomacy: Through coordination between EU member states' culture and tourism ministries, national tourism boards and diplomatic missions, organise large-scale promotional campaigns, reciprocal culture weeks and B2B bridge programmes for travel agencies that strengthen Europe-China cultural ties.
- Strategic Alliances with Global Travel Platforms: Move beyond traditional marketing channels; structure direct senior corporate partnerships with the giant e-tourism platforms that shape China's digital travel market — Ctrip (Trip.com Group) and Fliggy (Alibaba Group). Produce niche campaigns, digital showcases and dynamic packaging solutions dedicated to European destinations on these platforms, raising European operators' visibility and booking share.
- Adapting Digital Tourism Solutions: Drawing on the next-generation digital tourism solutions exhibited at the 25th China Internet Conference — virtual-reality museum tours and autonomous travel assistants among them — bring smart-tourism applications to life across European hotel groups and destination networks. This technology transfer will secure technical advantage and guest-satisfaction gains in global competition.

▮ LOGISTICS & TRANSPORT

The Smart Supply-Chain Projection Along the Logistics & Transport Axis

In a macro climate of container freight-index swings above 25 percent and continued geopolitical risk, the logistics and transport sector is undergoing a deep, digitalisation-led structural transformation. China's historic record of 369 million cross-border trips in the first half of 2026 (H1) and the 14.8 percent net increase in air-cargo tonnage are read as direct indicators of a durable recovery in global commodity and supply-chain volumes.

This physical mobility is accompanied by breakthroughs in computing power. Mega-infrastructure projects such as the fully domestic Dawning 8000 (Dengfeng) 100,000-card AI supercluster — lifting national compute capacity to 250 EFLOPS — cut computation times in smart route optimisation by 75 percent, while pushing error margins below 0.3 percent in dynamic warehouse management (WMS), predictive logistics analytics and blockchain-based supply-chain networks.

These technological moves are underpinned by radical flexibility in the legal infrastructure governing China's cross-border e-commerce logistics, which passed 72 billion dollars in H1 2026. Beijing's proposed amendments to the e-commerce law secure the platform economy's international expansion while optimising bonded-warehouse procedures and bureaucracy, introducing rules that cut customs approval times from an average of 48 hours to 12.

On top of this regulatory easing at the macro level, the second summit of the China-EU Trade and Investment Consultation Mechanism this autumn carries critical weight for the security of the two blocs' annual trade volume approaching 800 billion dollars and for the standardisation of customs protocols. The dialogue opens new windows of operational predictability along Asia-Europe multimodal trade corridors — above all the China-Europe rail services, whose frequencies are growing 18 percent annually.

▸ ACTION

This vast supply volume, digitalisation vision and corridor-diversification strategy in China's logistics market make the following actions essential in the medium-term global growth planning of Europe's logistics and transport leaders:

- Strategic Alliances with Global Logistics Majors: Alongside Sinotrans — which 2026 market data rank as the world's number-one sea-freight forwarder — structure top-level (C-suite) strategic partnership agreements with Chinese global logistics champions such as COSCO Shipping and China Merchants Group. On critical trade lanes such as Rotterdam-Shanghai, Hamburg-Guangzhou and Piraeus-Ningbo, maximise freight guarantees, container-allocation priority and end-to-end (door-to-door) integrated service quality.
- Digital Logistics and Blockchain Integration: Launch cooperation processes with China's advanced-technology firms to integrate real-time supply-chain visibility platforms, IoT-based cargo-tracking systems and blockchain infrastructure guaranteeing cross-border data security into European operations.
- Vertical Specialisation in Cross-Border E-Commerce Logistics: Use the customs and logistics facilitation coming with the renewed Chinese E-Commerce Law as leverage. European logistics companies should accelerate investment in infrastructure and consolidation centres specialised in cross-border e-commerce logistics, to manage the regional distribution and fulfilment processes of China's e-commerce and marketplace majors (Alibaba, Temu and peers).
- Proactive Positioning on China-EU Corridors: Track the autumn China-EU trade dialogue closely and update strategic plans. Against swings on maritime routes, bring long-term logistics-lane planning and customs-facilitation agreements to life with Chinese partners along the China-Europe Railway Express (CRE) — growing exponentially in 2026 — and the multimodal corridors feeding the EU's rail hubs at Duisburg, Madrid and beyond.

▮ FINANCE & INVESTMENT

Financial Expansion in China and Opportunities for European Investors

In a financial climate of continued tightening cycles and rate pressure in global monetary policy, China is diverging with proactive, accommodative moves — creating a strong liquidity oasis for international capital markets. The decisions taken at the 4 July 2026 second-quarter strategy meeting of the People's Bank of China (PBoC) Monetary Policy Committee amount to an institutional financial shield against global volatility. The Committee pledged to preserve its "moderately accommodative" monetary stance to support domestic demand and absorb geopolitical external shocks, and to step up counter-cyclical and cross-cyclical regulation mechanisms decisively in the name of macroeconomic stability.

The most concrete liquidity lever of this strategic pledge came the same week: the PBoC's 3-month, 1-trillion-yuan (RMB) outright reverse-repo operation. Injected through open-market operations, this vast funding volume pulls funding costs lower in local money markets while giving financial institutions and the real sector an uninterrupted liquidity guarantee. The monetary expansion is supported by macro growth dynamics: the World Bank's latest projection that China's economy will grow 4.4 percent in 2026 confirms the market's medium- and long-term return potential at global scale. On the other pillars of financial stability, June consumer prices (CPI) came in below expectations — containing deflationary risk — while the Producer Price Index (PPI) posted a controlled 4.1 percent annual reflation, evidence that the market is advancing along a predictable macroeconomic balance.

▸ ACTION

This high liquidity volume and falling funding cost provided by the People's Bank of China make the following operational steps essential in the coming period's strategic growth plans of Europe's financial-sector leaders and corporate treasurers:

- Local-Currency Cooperation and Joint Fund Innovation: European banks and financial institutions should deepen bilateral relationships with Chinese counterparts to draw maximum benefit from the PBoC's accommodative liquidity window. Building on the existing ECB-PBOC bilateral currency swap arrangement, expand euro-renminbi trade and financing solutions, and accelerate strategic partnership discussions to develop joint structured fund products and liquidity pools based on Chinese assets.

Portfolio Diversification via the STAR Market and Shenzhen Exchange: European asset managers and institutional funds should look to alternative markets to optimise risk composition in global equities. Rapidly scale direct-investment capability and analytical research capacity (due diligence) for high-growth technology, AI and green-energy names on the Shanghai Stock Exchange's STAR Market (Sci-Tech Innovation Board) and the Shenzhen Stock Exchange (SZSE).

Panda Bonds for Alternative Financing and Arbitrage Management: The low-rate environment created by the PBoC's 1-trillion-yuan liquidity injection presents European corporates and sovereign issuers with a distinctive financing arbitrage. Corporate treasuries should add yuan-denominated instruments issued in China's onshore market — Panda Bonds above all — to their funding calendars as an active source of diversification alongside euro-market issuance.

- Long-Horizon Capital Allocation on the World Bank Projection: In line with the World Bank's 4.4 percent confirmation of sustainable growth, European investors and holding structures should position their direct investment (FDI) and capital allocations in the Chinese market with a long-term perspective. Integrate the legal protections introduced by the 1 July outbound investment law into financial risk models, and revise asset-purchase and joint-venture budgets in strategic sectors accordingly.

The Week in Numbers

Data Snapshot & Infographics — 4 JULY – 11 JULY 2026

369 MLN
CROSS-BORDER TRIPS · H1
Visa-free entries up 30.6%

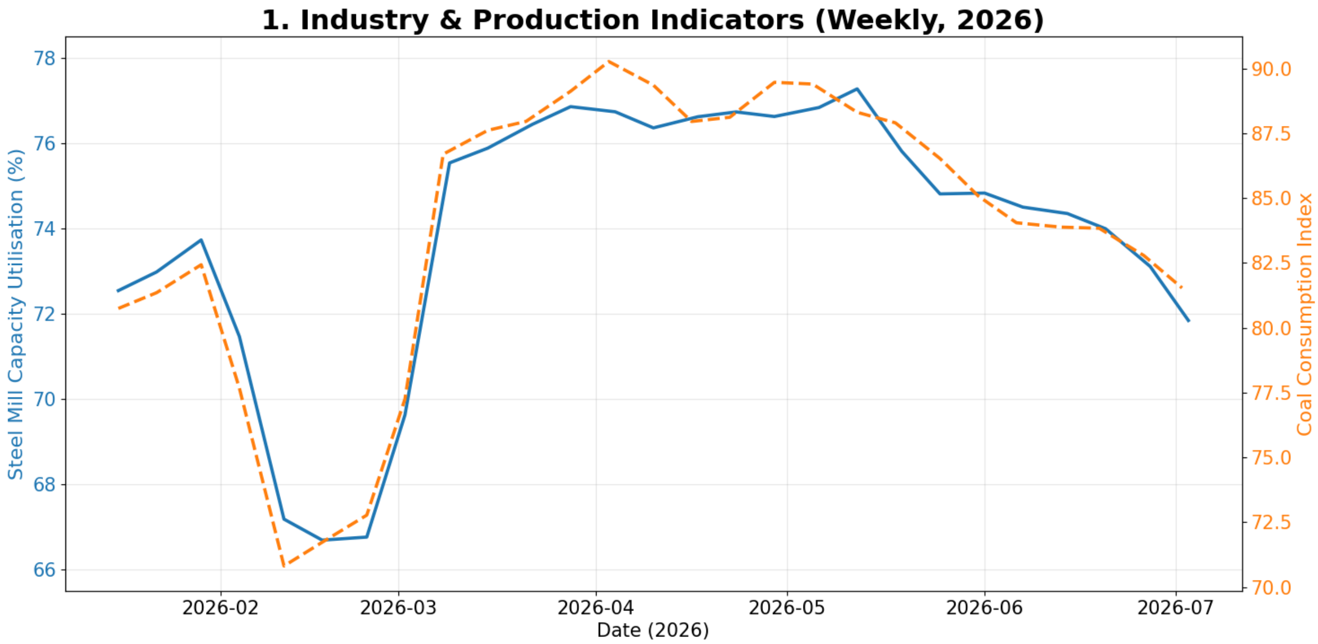
4.4%
WORLD BANK 2026 GROWTH
Global average: 2.5%

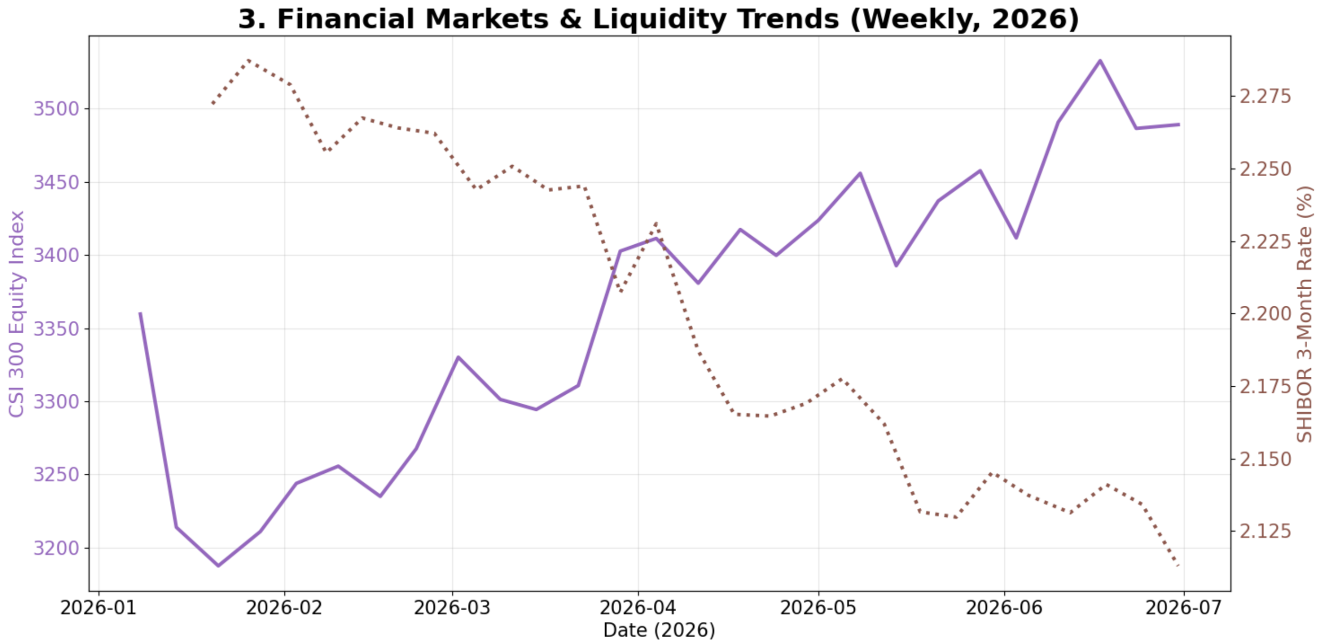
1.2 TWh
LITHIUM BATTERY SHIPMENTS · H1
ESS shipments up 80% y/y

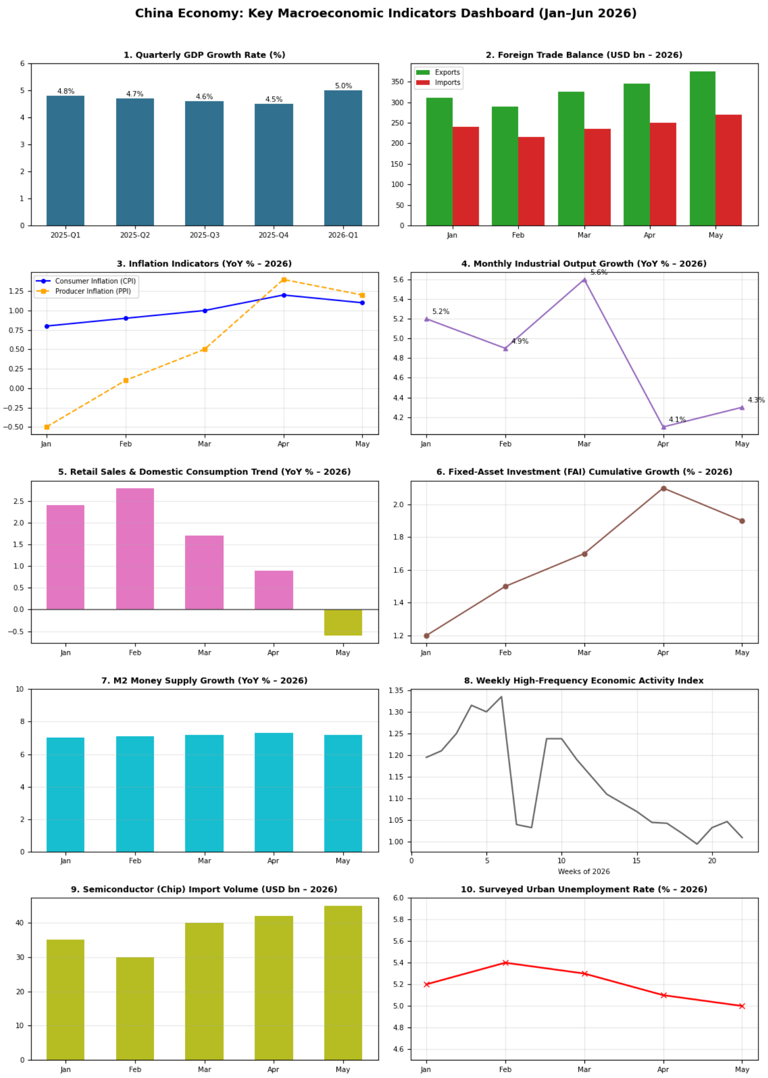
744,600
NEV SALES · H1 (UNITS)
BEV share 67% · output 743,800

1 TRN ¥
PBOC REVERSE REPO
3-month liquidity injection

30%+
AI PENETRATION IN INDUSTRY
WAIC 2026 · 17-20 July · Shanghai







Note: The indicators above are compiled from official data released during the week of 4–11 July 2026 (National Immigration Administration, World Bank, GGII, Xinhua/CPCA, PBOC, MIIT). The industry, financial and macro dashboards are built on weekly series.

Upcoming China/Asia Events

July – December 2026 · Business, Trade Fairs and Conferences

Date	Event	Location	Why It Matters
17-20 Jul 2026	**World AI Conference (WAIC) 2026**	Shanghai	AI, large language models, robotics; 300+ global launches
27-28 Jul 2026	**APEC Forestry Ministers' Meeting**	Shenzhen	Forestry, sustainability, green transition
1-5 Aug 2026	**China International Industry Fair**	Shanghai	Smart manufacturing, robotics, industrial automation
10-14 Aug 2026	**Shanghai Auto Parts Expo**	Shanghai	Automotive components, OEM supply
25-28 Aug 2026	**China Renewable Energy Expo**	Beijing	Solar, wind, batteries, energy storage
5-8 Sep 2026	**China Digital Economy Summit**	Hangzhou	Digital transformation, cloud computing, AI
15-18 Sep 2026	**China International E-Commerce Expo**	Yiwu	E-commerce, cross-border trade, logistics
20-23 Oct 2026	**CIIE - China Import Expo**	Shanghai	The largest platform to present European products to the Chinese market
5-8 Nov 2026	**China International High-Tech Fair**	Shenzhen	High technology, innovation, start-ups
15-18 Nov 2026	**Guangzhou Lighting Exhibition**	Guangzhou	LED, smart lighting, construction, decoration
3-5 Dec 2026	**CATL Tech Summit 2026**	Ningde/Online	Battery technologies, energy storage, partnerships

01

ECONOMY & MACRO

Economy

30 HEADLINES

01 **China's summer grain harvest tops 300 billion jin for the first time**
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02 **China's cross-border trips hit record 369 million in first half**
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03 **Visa-free entries by foreign visitors rise 30.6 percent**
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04 **World Bank: China's economy to grow 4.4 percent in 2026**
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05 **China's central bank to maintain accommodative monetary policy**
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10 **China-EU trade and investment dialogue to convene for second time this autumn**
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25 **Chinese government sets 2026 growth target at 4.5-5.0 percent**
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30 **China's economic resilience underpins growth outlook**
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WHAT DOES THIS MEAN FOR EU BUSINESSES?

► China's record cross-border travel figures open a substantial market opportunity for European tourism and trade companies.

► The World Bank's 4.4 percent growth forecast confirms China's stable trajectory and the continuity of investment opportunities.

► The autumn session of the China-EU trade dialogue creates timely openings for EU firms to take an active role across China-EU trade corridors.

► The APEC Digital and AI Ministerial Meeting is a notable platform for European technology firms to join regional cooperation initiatives.

02

BUSINESS & CORPORATIONS

Business

30 HEADLINES

01 **Chinese firms shift from Nvidia to domestic AI suppliers**
Yahoo Finance · 7 Jul 2026
www.yahoofinance.com

02 **DeepSeek develops its own AI chip**
Reuters · 7 Jul 2026
www.reuters.com

03 **Chinese AI firms transition to domestic silicon solutions**
Yahoo Finance · 7 Jul 2026
www.yahoofinance.com

04 **2026 World AI Conference to open in Shanghai with record participation**
People's Daily · 9 Jul 2026
www.people.cn

05 **More than 300 products to make global debut at WAIC 2026**
People's Daily · 9 Jul 2026
www.people.cn

06 **Huawei Atlas 950 super-node to be showcased for the first time at WAIC**
STDaily · 8 Jul 2026
www.stdaily.com

07 **MiniMax M3 multimodal large language model to be unveiled at WAIC**
STDaily · 8 Jul 2026
www.stdaily.com

08 **World's first AI-agent smartphone to be exhibited at WAIC**
STDaily · 8 Jul 2026
www.stdaily.com

09 **China's humanoid robot production to exceed 100,000 units in 2026**
CGTN · 8 Jul 2026
www.cgtn.com

10 **AI application penetration exceeds 30 percent among China's industrial enterprises**
CGTN · 8 Jul 2026
www.cgtn.com

11 **National AI Industry Investment Fund channels more private capital**
CGTN · 8 Jul 2026
www.cgtn.com

12 **China's first fully unmanned AI R&D; laboratory opens in Shanghai**
CGTN · 8 Jul 2026
www.cgtn.com

13 **25th China Internet Conference held in Beijing**
CGTN · 9 Jul 2026
www.cgtn.com

14 **Chinese platform companies expand into global markets**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

15 **China's e-commerce law to protect platform companies internationally**
China.org · 6 Jul 2026
www.china.org.cn

16 **China's first 100,000-card AI supercluster goes live in Zhengzhou**
China Daily · 10 Jul 2026
www.chinadaily.com.cn

17 **Dawning 8000 supercluster built entirely with domestic components**
CCTV · 10 Jul 2026
www.cctv.com

18 **China's Greater Bay Area becomes launchpad for biotech ascent**
Xinhua · 3 Jul 2026
www.xinhuanet.com

19 **Chinese biotech firms tap deep pool of domestic researchers**
Xinhua · 3 Jul 2026
www.xinhuanet.com

20 **Biomedicine designated a priority sector in the 15th Five-Year Plan**
Xinhua · 3 Jul 2026
www.xinhuanet.com

21 **China-UK services trade agreement feasibility study accelerates**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

22 **China confident of reaching agreement with US within 90 days**
CGTN · 2 Jul 2026
www.cgtn.com

23 **China ready to facilitate bilateral agricultural trade with US**
People's Daily · 2 Jul 2026
www.people.cn

24 **2026 Global Digital Economy Conference showcases Chinese technology**
People's Daily · 8 Jul 2026
www.people.cn

25 **China's fast-growing services sector creates opportunities for UK businesses**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

26 **China's platform economy digital ecosystem grows increasingly sophisticated**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

27 **China's new outbound investment regulation removes uncertainties**
CGTN · 3 Jul 2026
www.cgtn.com

28 **China's outbound investment rules provide a protective framework**
People's Daily · 3 Jul 2026
www.people.cn

29 **China-EU trade and investment dialogue to convene for second time this autumn**
CCTV · 3 Jul 2026
www.cctv.com

30 **China's new e-commerce rules to boost platform companies' global competitiveness**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► DeepSeek's domestic AI chip and the Dawning 8000 supercluster offer European technology firms new touchpoints with China's AI ecosystem.

► WAIC 2026 is a unique platform for EU companies to establish direct contact with China's technology leaders.

► The amendments to China's e-commerce law ease European companies' access to the Chinese market.

► The new outbound investment regulation provides EU investors with a more predictable business environment.

03

TECHNOLOGY & AI

Technology

30 HEADLINES

01 **China's first 100,000-card AI supercluster goes live in Zhengzhou**
CCTV · 10 Jul 2026
www.cctv.com

02 **Dawning 8000 supercluster built entirely with domestic components**
CCTV · 10 Jul 2026
www.cctv.com

03 **China's first integrated supercomputing-AI resource pool enters service**
ECNS · 10 Jul 2026
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www.reuters.com

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People's Daily · 9 Jul 2026
www.people.cn

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www.people.cn

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www.stdaily.com

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www.cgtn.com

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CGTN · 9 Jul 2026
www.cgtn.com

16 **AI agents and large language models integrate into daily life**
CGTN · 9 Jul 2026
www.cgtn.com

17 **China's 15th Five-Year Plan targets stronger digital economy industries**
SCIO · 6 Jul 2026
www.scio.gov.cn

18 **China contributes to global digital economy with domestic AI models and applications**
SCIO · 6 Jul 2026
www.scio.gov.cn

19 **China's first national standard for embodied intelligence takes effect**
STCN · 6 Jul 2026
www.stcn.com

20 **China's digital transformation strategy supports high-quality development**
CGTN · 9 Jul 2026
www.cgtn.com

21 **Chinese platform companies expand into global markets**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

22 **China's e-commerce law to protect platform companies internationally**
China.org · 6 Jul 2026
www.china.org.cn

23 **China's supercomputing-AI integration opens a new era**
ECNS · 10 Jul 2026
www.ecns.cn

24 **Investment in China's AI infrastructure continues at full pace**
CCTV · 10 Jul 2026
www.cctv.com

25 **Chinese tech firms stand out in global AI race with domestic solutions**
Yahoo Finance · 7 Jul 2026
www.yahoofinance.com

26 **China's AI hardware ecosystem strengthens through domestic production**
Reuters · 7 Jul 2026
www.reuters.com

27 **Smart applications increasingly become part of daily life in China**
CGTN · 9 Jul 2026
www.cgtn.com

28 **China's digital twin technologies spread from city management to manufacturing**
CGTN · 9 Jul 2026
www.cgtn.com

29 **AI-driven R&D; in China breaks new ground in materials science**
CGTN · 8 Jul 2026
www.cgtn.com

30 **China's technology ecosystem is open to global partnerships**
CGTN · 9 Jul 2026
www.cgtn.com

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► The Dawning 8000 supercluster and DeepSeek's domestic AI chip give European technology firms new integration opportunities in China's AI infrastructure.

► WAIC 2026 is a unique platform for EU companies to establish direct contact with China's technology leaders.

► AI penetration exceeding 30 percent of industrial enterprises opens sector-solution opportunities for European software firms.

► The 25th China Internet Conference lets European companies track digital transformation trends at close range.

04

POLICY & REGULATION

Policy

30 HEADLINES

01 **China's new outbound investment regulation took effect on 1 July**
CGTN · 3 Jul 2026
www.cgtn.com

02 **New outbound investment rules remove uncertainties**
CGTN · 3 Jul 2026
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03 **China's outbound investment regulation provides a protective framework**
People's Daily · 3 Jul 2026
www.people.cn

04 **China's outbound investment regulation comprises 34 articles**
People's Daily · 3 Jul 2026
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05 **China's new regulation brings clarity for international businesses**
CGTN · 3 Jul 2026
www.cgtn.com

06 **China publishes draft rules to strengthen financial cybersecurity oversight**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

07 **China reinforces critical infrastructure protection in the financial sector**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

08 **China proposes e-commerce law amendments to protect platform companies**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

09 **China to safeguard platform companies' interests in international markets**
China.org · 6 Jul 2026
www.china.org.cn

10 **China's e-commerce law clarifies rights and obligations in the platform economy**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

11 **China establishes legal basis for countermeasures protecting its platform economy**
China.org · 6 Jul 2026
www.china.org.cn

12 **China introduces temporary ban on helium exports**
Xinhua · 10 Jul 2026
www.xinhuanet.com

13 **Helium ban implemented in line with the Foreign Trade Law**
Xinhua · 10 Jul 2026
www.xinhuanet.com

14 **China-EU trade and investment dialogue to convene for second time this autumn**
CCPIT · 6 Jul 2026
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15 **China confident of reaching agreement with US within 90 days**
CGTN · 2 Jul 2026
www.cgtn.com

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CGTN · 2 Jul 2026
www.cgtn.com

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People's Daily · 2 Jul 2026
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18 **China-UK services trade agreement feasibility study accelerates**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

19 **APEC Digital and AI Ministerial Meeting to be held in Chengdu**
CGTN · 10 Jul 2026
www.cgtn.com

20 **China to host ministerial-level meetings across 11 fields in 2026**
CGTN · 10 Jul 2026
www.cgtn.com

21 **APEC Forestry Ministers' Meeting to be held in Shenzhen on 27-28 July**
CGTN · 9 Jul 2026
www.cgtn.com

22 **Biomedicine designated a priority sector in the 15th Five-Year Plan**
Xinhua · 3 Jul 2026
www.xinhuanet.com

23 **China's 15th Five-Year Plan targets stronger digital economy industries**
SCIO · 6 Jul 2026
www.scio.gov.cn

24 **China to build internationally competitive digital industry clusters**
SCIO · 6 Jul 2026
www.scio.gov.cn

25 **China's first national standard for embodied intelligence takes effect**
STCN · 6 Jul 2026
www.stcn.com

26 **China's data security policies support international cooperation**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

27 **China's new regulations improve the investment environment**
CGTN · 3 Jul 2026
www.cgtn.com

28 **China's outbound investment rules lay solid ground for long-term economic cooperation**
CGTN · 3 Jul 2026
www.cgtn.com

29 **China's e-commerce rules to boost platform companies' global competitiveness**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

30 **Digital services and online marketplaces keep advancing in China's platform economy**
China Daily · 4 Jul 2026
www.chinadaily.com.cn

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► The new outbound investment regulation offers EU investors a more predictable and reliable business environment.

► The e-commerce law changes ease European companies' access to the Chinese market.

► The autumn China-EU trade dialogue presents EU firms with opportunities along new trade corridors.

► APEC meetings give European technology and forestry companies avenues into regional cooperation.

05

INDUSTRY & ENERGY

Industry

30 HEADLINES

01 **China's lithium battery shipments reach about 1.2 TWh in first half**
GGII · 8 Jul 2026
www.ggii.com

02 **China's energy storage battery shipments jump 80 percent year-on-year**
GGII · 8 Jul 2026
www.ggii.com

03 **China's NEV output reaches 743,800 units in first half**
Xinhua · 9 Jul 2026
www.xinhuanet.com

04 **China's NEV sales reach 744,600 units in first half**
Xinhua · 9 Jul 2026
www.xinhuanet.com

05 **Battery-electric vehicles take 67 percent share of NEV sales**
Xinhua · 9 Jul 2026
www.xinhuanet.com

06 **China's June NEV sales set a new record**
CPCA · 8 Jul 2026
www.cpca.org.cn

07 **China's combustion-engine car sales decline markedly in June**
CPCA · 8 Jul 2026
www.cpca.org.cn

08 **China's strictest battery safety standards take effect in July**
Batteries News · 3 Jul 2026
www.batteriesnews.com

09 **New battery standards mandate a "no fire, no explosion" requirement**
Batteries News · 3 Jul 2026
www.batteriesnews.com

10 **New battery safety standards to raise costs by 15-20 percent**
China Daily · 6 Jul 2026
www.chinadaily.com.cn

11 **New standards to accelerate exit of lower-capability manufacturers**
Batteries News · 3 Jul 2026
www.batteriesnews.com

12 **China's 2026 battery shipments projected at 888.7 GWh**
China Auto Battery Innovation Alliance · 6 Jul 2026
www.cabia.org.cn

13 **Energy storage and EV exports reinforce China's battery demand**
Sina Finance · 10 Jul 2026
www.sina.com.cn

14 **China's battery sector enters a phase of transformation and upgrading**
China Auto Battery Innovation Alliance · 6 Jul 2026
www.cabia.org.cn

15 **China's new energy vehicle sector maintains its vitality**
CN Energy News · 6 Jul 2026
www.cnenergynews.com

16 **Strong growth expected in global NEV sales in 2026**
CN Energy News · 6 Jul 2026
www.cnenergynews.com

17 **Demand remains strong across the lithium battery sector**
Sina Finance · 10 Jul 2026
www.sina.com.cn

18 **Profitability of China's battery cell makers holds steady**
Sina Finance · 10 Jul 2026
www.sina.com.cn

19 **China's solar sector anticipates profitability recovery**
Sina Finance · 10 Jul 2026
www.sina.com.cn

20 **New national standards for EV battery safety now in force in China**
Sohu · 3 Jul 2026
www.sohu.com

21 **China's new battery standards create a quality-selective effect in the sector**
Sohu · 3 Jul 2026
www.sohu.com

22 **China's solar sector transforms under new national standards**
CN Energy News · 6 Jul 2026
www.cnenergynews.com

23 **China's energy storage battery shipments beat expectations**
GGII · 8 Jul 2026
www.ggii.com

24 **China's lithium battery shipments grow more than 50 percent year-on-year**
GGII · 8 Jul 2026
www.ggii.com

25 **China's energy storage sector grows faster than expected**
GGII · 8 Jul 2026
www.ggii.com

26 **China's electric vehicle exports remain strong**
Sina Finance · 10 Jul 2026
www.sina.com.cn

27 **LFP orientation gives China's battery technologies an edge**
Batteries News · 3 Jul 2026
www.batteriesnews.com

28 **Growth momentum continues in China's energy storage battery sector**
GGII · 8 Jul 2026
www.ggii.com

29 **Summer demand rises in China's NEV sector**
CN Energy News · 6 Jul 2026
www.cnenergynews.com

30 **China's clean energy transition is backed by industrial policy**
CN Energy News · 6 Jul 2026
www.cnenergynews.com

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► The 80 percent growth in China's energy storage battery shipments creates new partnership and supply opportunities for European energy companies.

► Record NEV sales growth presents supply-chain integration opportunities for European automotive component manufacturers.

► The new battery safety standards open technology-transfer and partnership avenues between EU firms and Chinese battery producers.

► Strong lithium battery shipment growth supports long-term supply agreements between European storage projects and Chinese manufacturers.

06

MARKET & FINANCE

Market

30 HEADLINES

01 **China's central bank conducts 1 trillion yuan of 3-month outright reverse repos**
People's Daily · 6 Jul 2026
www.people.cn

02 **PBOC Monetary Policy Committee holds Q2 2026 meeting**
STCN · 9 Jul 2026
www.stcn.com

03 **PBOC to maintain moderately accommodative monetary policy**
STCN · 9 Jul 2026
www.stcn.com

04 **PBOC to step up counter-cyclical and cross-cyclical adjustment**
STCN · 9 Jul 2026
www.stcn.com

05 **PBOC to better use dual aggregate and structural functions of policy tools**
STCN · 9 Jul 2026
www.stcn.com

06 **PBOC to strengthen monetary-fiscal policy coordination**
STCN · 9 Jul 2026
www.stcn.com

07 **PBOC to enhance policy foresight, flexibility and targeting**
CEI · 9 Jul 2026
www.cei.gov.cn

08 **PBOC to support domestic demand expansion, tech innovation and SMEs**
China.com · 9 Jul 2026
www.china.com

09 **PBOC: Market liquidity has shifted from its previously loose state**
People's Daily · 6 Jul 2026
www.people.cn

10 **PBOC makes net injection via 3-month outright reverse repos**
People's Daily · 6 Jul 2026
www.people.cn

11 **Market interest rates converge toward the policy rate**
People's Daily · 6 Jul 2026
www.people.cn

12 **China's economic growth moderates in April-June period**
CNBC · 10 Jul 2026
www.cnbc.com

13 **China's Q2 growth comes in around 4.5 percent**
CNBC · 10 Jul 2026
www.cnbc.com

14 **China's AI-driven exports stay strong despite trade disruptions**
CNBC · 10 Jul 2026
www.cnbc.com

15 **China's property sector remains subdued**
CNBC · 10 Jul 2026
www.cnbc.com

16 **Consumer demand in China remains soft**
CNBC · 10 Jul 2026
www.cnbc.com

17 **China's June CPI comes in below expectations**
Bloomberg HT · 9 Jul 2026
www.bloomberght.com

18 **China's PPI rises 4.1 percent year-on-year in June**
Bloomberg HT · 9 Jul 2026
www.bloomberght.com

19 **China's producer prices ease for the first time since May**
The Edge Singapore · 9 Jul 2026
www.theedgesingapore.com

20 **World Bank: China's economy to grow 4.4 percent in 2026**
World Bank · 8 Jul 2026
www.worldbank.org

21 **World Bank: Global growth to reach 2.5 percent in 2026**
World Bank · 8 Jul 2026
www.worldbank.org

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CCPIT · 6 Jul 2026
www.ccpit.org

23 **China's outbound investment regulation improves the investment climate**
CGTN · 3 Jul 2026
www.cgtn.com

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CGTN · 3 Jul 2026
www.cgtn.com

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China Daily · 3 Jul 2026
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26 **China's e-commerce law amendments to boost platform companies' global competitiveness**
China Daily · 4 Jul 2026
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27 **China's new outbound investment rules remove uncertainties**
CGTN · 3 Jul 2026
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28 **Digital services and online marketplaces keep advancing in China's platform economy**
China Daily · 4 Jul 2026
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29 **China confident of reaching agreement with US within 90 days**
CGTN · 2 Jul 2026
www.cgtn.com

30 **China-UK services trade agreement feasibility study accelerates**
China Daily · 3 Jul 2026
www.chinadaily.com.cn

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► The PBOC's 1 trillion yuan liquidity injection diversifies yuan-denominated financing sources for European companies operating in China.

► The PBOC's moderately accommodative stance offers EU investors a stable and predictable financial backdrop in the Chinese market.

► The World Bank's 4.4 percent growth forecast provides a supportive setting for European investment funds considering Chinese assets.

► The China-EU trade dialogue creates opportunities for European financial institutions to take an active role in China-EU trade finance.

07

INNOVATION, R&D, FUTURE TECHNOLOGIES

Innovation

30 HEADLINES

01 **China's first 100,000-card AI supercluster goes live in Zhengzhou**
CCTV · 10 Jul 2026
www.cctv.com

02 **Dawning 8000 supercluster built entirely with domestic components**
CCTV · 10 Jul 2026
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16 **AI agents and large language models integrate into daily life**
CGTN · 9 Jul 2026
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SCIO · 6 Jul 2026
www.scio.gov.cn

18 **China to build internationally competitive digital industry clusters**
SCIO · 6 Jul 2026
www.scio.gov.cn

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STCN · 6 Jul 2026
www.stcn.com

20 **AI-driven R&D; in China breaks new ground in materials science**
CGTN · 8 Jul 2026
www.cgtn.com

21 **China's supercomputing-AI integration opens a new era**
ECNS · 10 Jul 2026
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CCTV · 10 Jul 2026
www.cctv.com

23 **Chinese tech firms stand out in global AI race with domestic solutions**
Yahoo Finance · 7 Jul 2026
www.yahoofinance.com

24 **China's AI hardware ecosystem strengthens through domestic production**
Reuters · 7 Jul 2026
www.reuters.com

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CGTN · 9 Jul 2026
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CGTN · 9 Jul 2026
www.cgtn.com

27 **China's AI ecosystem is open to international partnerships**
CGTN · 9 Jul 2026
www.cgtn.com

28 **AI-assisted materials science research accelerates in China**
CGTN · 8 Jul 2026
www.cgtn.com

29 **China targets digital transformation and high-quality economic development**
CGTN · 9 Jul 2026
www.cgtn.com

30 **China's sustainable innovation vision helps shape the global future**
SCIO · 6 Jul 2026
www.scio.gov.cn

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► The Dawning 8000 supercluster and DeepSeek's domestic AI chip open access routes for European R&D; organisations into China's high-performance computing capacity.

► WAIC 2026 offers fresh inspiration for EU companies rethinking their innovation strategies.

► Growth in China's humanoid robot production presents partnership opportunities for European industry in automation and productivity.

► China's open innovation ecosystem makes it easier for European start-ups and researchers to develop projects with Chinese partners.

EU-China Business Collaborations & Partnerships

Partnerships and Investment Opportunities — Week 28

Partnership	Location	Focus	Status
EA Global - Chinese diplomatic missions	Bursa / Brussels	China-EU business development and distributorship training programmes	**Active**
European contractors - Chinese EPC companies	EU / third markets	Cooperation in infrastructure and energy projects	**In negotiation**
European tech firms - Chinese AI companies	EU	Localisation of AI solutions for European markets	**In negotiation**
European energy firms - Chinese battery makers	EU (incl. Hungary, Germany)	Energy storage and battery assembly partnerships	**Early stage**
European travel operators - Chinese travel platforms	EU	Tailored tour packages for Chinese visitors	**Active**
European logistics firms - COSCO Shipping	Piraeus / Rotterdam	Capacity expansion in sea and rail transport	**Ongoing**
European food exporters - Alibaba/JD.com	Online	Digital marketing of European food products in China	**Active**
European construction firms - CSCEC	EU / Beijing	Cooperation in public infrastructure projects	**In negotiation**
ECB - PBOC	Frankfurt / Beijing	Bilateral currency swap arrangement	**Ongoing**
European fashion brands - Chinese e-commerce platforms	Online	Promotion of European apparel in the Chinese market	**Active**

Risk Assessment & Advisories

Advisories and Strategic Opportunity Analysis — Week 28

HIGH ATTENTION

► Exchange-rate volatility: EUR/CNY fluctuations can create cost uncertainty in long-term supply contracts - manage with hedging instruments.

► Trade balance management: the scale of EU-China goods trade calls for value-added export strategies that broaden European participation.

► Global geopolitical dynamics: shifting conditions in international trade can affect supply chains - keep alternative scenarios ready.

► Regulatory alignment: China's new outbound investment framework rewards close monitoring of compliance processes - engage legal counsel early.

MEDIUM ATTENTION

► Competitive intensity: the cost efficiency of Chinese manufacturers invites clear differentiation strategies from European producers.

► Technology-sharing scope: strategic technologies are typically shared within carefully structured agreements - set realistic expectations and clear licensing frameworks.

► Standards alignment: differences between Chinese GB standards and EU norms can add compliance costs - address certification early in the process.

► Data governance: data transfers between China and the EU require alignment with GDPR and China's data regulations - build compliance in from day one.

OPPORTUNITY WINDOW

► AI and technology partnerships: the Dawning 8000 supercluster and WAIC 2026 open windows for European tech firms into China's compute ecosystem.

► Energy storage and batteries: the 80 percent surge in China's ESS shipments creates supply and co-investment openings for European energy players.

► E-commerce and digital markets: China's new e-commerce rules ease European brands' access to Chinese consumers.

► Cross-border travel and tourism: record travel figures present a major market opportunity for European destinations and operators.

► WAIC 2026 and APEC meetings: these platforms give EU companies direct access to prospective Chinese business partners.

Chinese Residential AC Manufacturers

Residential AC & Distribution Opportunities — 20 Companies · 2026

The list below covers Chinese residential air-conditioner manufacturers offering distributorship and partnership opportunities in European Union markets. Please establish contact through official corporate channels and websites; verify export licences, CE marking and EU energy-labelling (ErP/Ecodesign) compliance, and confirm factory credentials before contracting.

#	Company	Website	Main Products	EU Market Status
1	**Gree Electric Appliances**	gree.com	Residential and commercial ACs, heat pumps	Established EU presence; seeking to strengthen distribution
2	**Midea Group**	midea.com	Residential ACs, VRF systems, heat pumps	Established EU presence; expanding network
3	**Haier Smart Home**	haier.com	Smart home ACs, IoT-integrated systems	Established EU presence; seeking distributors
4	**Hisense Home Appliances**	hisense.com	Residential and commercial ACs	Growing EU presence; seeking distributors
5	**AUX Group**	aux.com.cn	Residential ACs, heat pumps	Limited EU network; open opportunity window
6	**TCL Air Conditioner**	tcl.com	Residential ACs, VRF systems	Growing EU presence; expansion opportunity
7	**Chigo Air Conditioning**	chigo.com	Residential and commercial ACs	No established EU distributor
8	**Kelon (Hisense Group)**	kelon.com.cn	Value-segment residential ACs	Not yet established in the EU; price-advantaged segment
9	**Changhong Electric**	changhong.com	Residential ACs, smart home systems	Limited EU presence
10	**Skyworth Air Conditioning**	skyworth.com	Smart home ACs, IoT systems	Not yet established in the EU
11	**Orient Electric**	orient-electric.com	Residential ACs, VRF systems	No established EU distributor
12	**Carrier China (UTC)**	carrier.com	Commercial and residential ACs	Present in the EU; China production line a separate opportunity
13	**McQuay China**	mcquay.com	Commercial HVAC systems	Limited EU presence
14	**DunAn Environmental**	dunan.com	Residential and commercial ACs, heat pumps	Not yet established in the EU
15	**Shenzhen Kanion Appliance**	kanion.com	Window-type and portable ACs	No established EU distributor
16	**Guangzhou Yangtong Electronics**	yangtong.com	Inverter split and window-type ACs	Not yet established in the EU
17	**Beijing Alpicool Technology**	alpicool.com	Commercial and IoT-integrated ACs	Limited EU presence
18	**Ningbo AUX**	auxgroup.com	Residential ACs, air-source energy systems	Seeking EU distributors
19	**Zhongshan Midea**	midea.com	Residential ACs (Midea production site)	Present in the EU; separate distribution window
20	**Zhuhai Gree**	gree.com	Residential and commercial ACs (Gree main plant)	Present in the EU; seeking to expand network

WHAT DOES THIS MEAN FOR EU BUSINESSES?

► China is the world's largest air-conditioner producer, offering EU distributors a substantial sourcing opportunity.

► New Chinese AC models carry IoT connectivity, AI-assisted climate optimisation and energy-saving technologies well suited to EU efficiency requirements.

► Europe's heat-pump and HVAC market is growing rapidly, while many of these manufacturers do not yet have a strong distribution network across the EU.

► The air-conditioning sector is a key pillar of China's next-generation green technology and energy-efficiency export strategy.

Colophon

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