



Chinese-Danish Economic Spotlight

January 13, 2021

Bilateral trade reached a new high between China and Denmark

According to Chinese Customs, from January to November in 2020, the bilateral trade in Commodity between China and Denmark was \$12.04 billion, increasing by 14.7% year-on-year. China exported \$6.67 billion to Denmark, increasing 10.2%. China imported \$5.37 billion to Denmark, increasing 21%. The figures showed that the bilateral trade reached a new high in the 70th anniversary of the establishment of diplomatic relations. (Chinese Customs, December 23, 2020)

China surpasses Germany as the largest market for Danish pig exports

According to Statistics Denmark, from January to November in 2020, the pork export from Denmark to China reached 1.26 billion, sharply increasing 62% year-on-year. Thus so far, China surpassed Germany as the largest market for Danish pork export. (Statistic Denmark, January 11, 2021)

New Samsø ferry begins its journey home from China

In a few days, the new Samsø ferry "M / F Lilleøre" will be lifted onto a large German transport ship in China and begin the month-long sailing trip to Aarhus. If all goes well, the fast ferry, which from April will sail between the Port of Aarhus and Sælvig on Samsø, will arrive at the Port of Aarhus on 13 February, says director Carsten Kruse, Samsø Rederi.

"It's a long trip to Europe via the Suez Canal, and the ship will also sail some wind turbine heads and wind turbine blades to Amsterdam and Glasgow, respectively," he says. The wind turbine parts are being loaded now in Shanghai. The ship then sails to the shipping port Dongguan, which is located near the shipyard in Hong Kong, where "M / F Lilleøre" was built. Here the ferry is hoisted on board the ship, which then sails directly to Aarhus. The departure from China will take place between Friday and Sunday, "says Carsten Kruse. Previously, the plan was that the shipping company itself should have transported "M / F Lilleøre" the last stretch from Rotterdam or Hamburg. However, due to the pandemic, it has not been possible for the shipping company to send a captain and an engineer to China to test sail the ferry. Instead, technicians from Afai Southern Shipyard in Hong Kong will come to Aarhus, after which the actual handover will take place.

(Jyllands-posten, January 1, 2021)

China vows to expand global free trade area network

China will step up efforts to expand the free trade area network across the world to enlarge its "circle of friends", according to China's former Commerce Minister Zhong Shan. After signing the Regional Comprehensive Economic Partnership (RCEP), China will see the China-Cambodia free trade agreement take effect at the earliest and accelerate investment agreement negotiations with Europe, Zhong said in a signed article published Tuesday in the People's Daily. Zhong also urged efforts to upgrade the existing trade pacts with ASEAN, Singapore, Republic of Korea (ROK) and New Zealand, and facilitate China-Japan-ROK, China-Gulf Cooperation Council, China-Norway and China-Israel free trade agreement negotiations.

With the RCEP reaching a higher level in fields including customs procedures and trade facilitation, intellectual property protection, e-commerce and trade remedies, China will actively engage in dialogue and communication with more major economies and regional trade mechanisms, he said. Covering a market of 2.27 billion people and a combined GDP of \$26.2 trillion, the RCEP signatories, which account for about one-third of the world's economy, will become a large integrated market. Calling the signing of the RCEP a "milestone" in China's pursuit of opening-up, Zhong said the agreement manifests the country's sincerity and commitment to opening its market. The import and export of goods between China and other RCEP members, exceeding \$1.4 trillion in value annually, will be subject to preferential tariffs following the RCEP implementation. Meanwhile, China also promised to open more than 120 service sectors, including R&D and elderly care, 22 more than the number of sectors the country had agreed to open upon accession to the World Trade Organization. (mofcom, November 30, 2020)

China to introduce foreign investment negative list in Hainan

China on Thursday unveiled the 2020 negative list for foreign investment access in Hainan free trade port. It will come into effect on Feb. 1, 2021. The negative list, jointly released by the National Development and Reform Commission and the Ministry of Commerce, introduces measures to promote opening-up in crucial areas, such as value-added telecommunications and education, expand commercial services, and to ease market access in the manufacturing and mining industries. Approved by the State Council, the 27-item list is significant in promoting investment liberalization and facilitation in the Hainan free trade port. It should also accelerate the formation of internationally competitive opening-up policies and systems. Restrictions on foreign investment access to online data processing and online transaction processing businesses will no longer apply when the list takes effect. Overseas high-level universities and vocational colleges specializing in science

and engineering, agriculture, and medicine will be allowed to run on the island independently. Foreign ownership limits for passenger car manufacturing will be lifted. Regulations prohibiting foreign investment in the exploration, mining and ore dressing of rare earth, radioactive minerals and tungsten will no longer apply either. (ecns, January 2, 2021)

China-EU investment treaty 'definitely a win-win,' says expert

As Chinese and European leaders on Wednesday announced the completion of investment agreement negotiations as scheduled, the treaty is "definitely a win-win," an expert has said. It is "definitely a win-win" between the two economies that are reliant on each other not only for trade, but increasingly so for investment, said Margit Molnar, head of the China Desk at Economics Department of the Paris-based Organization for Economic Cooperation and Development. For China, an ever greater overseas investor, the European Union (EU) is becoming an increasingly important destination, the economist said. "This investment treaty, which has reciprocity as a basic principle, will create a more welcoming environment for Chinese investors in the EU," and EU firms will face a level playing field in China, she said.

After the talk was sealed, China's Ministry of Commerce said Wednesday that the treaty will bring more investment opportunities for companies from both sides and provide better business environment by making high-level market access commitments and adopting high-level fair competition rules. "Greater transparency on subsidies will also open up markets for Chinese firms, if markets are assured that competitiveness is not because of subsidies," said Molnar. "Furthermore, some of the opening measures in the Chinese market will create efficiency-enhancing competition and bring know-how," she said, noting that foreign-invested private hospitals, for example, can shorten queuing time in public hospitals and raise salaries of medical staff.

As for EU firms, Molnar expressed confidence that the treaty will help them cement their positions in the Chinese market as "they will no longer face the joint-venture requirement in a number of industries, including advertising, real estate, environmental services, private hospitals and the automotive sector."

Moreover, the expert noted, the two major global players' commitment to making investment in each other easier will bring benefits to other economies through multiple channels.

"Falling barriers to investment reduce transaction costs and enhance efficiency, while more

foreign direct investment will enhance competition, again, raising efficiency in markets, benefitting also consumers and leading to stronger growth," said Molnar. "Third countries will thus benefit from the enlarged markets." "Part of the content of the treaty is related to manufacturing, including the automotive sector, which is highly spliced up into many segments in multiple locations along global value chains. Participants in those value chains will thus benefit from increased production," she said.

Highlighting the recent liberalization wave in the area of foreign direct investment in China, Molnar said the investment treaty will be an additional step in that direction, "exclusively for EU companies, which will thus have a competitive edge in the Chinese market." "This may trigger another wave of treaties if other competitors wish to receive the same treatment," she said. (ecns, December 31, 2020)

China-Europe freight trains via Xinjiang hit record high in 2020

A record number of 9,679 inbound and outbound China-Europe freight trains passed through northwest China's Xinjiang Uygur Autonomous Region in 2020, according to China Railway Urumqi Group Co. Ltd. The number of trains traveling through Alataw Pass reached 5,027 in 2020, up 41.8 percent year on year, while those through Horgos Port totaled 4,652, up 37 percent year on year. Sources with the company said a large quantity of goods previously transported to Europe via air and sea shifted to the China-Europe freight train last year.

Local railway authorities expanded the capacity of the Alataw Pass and the Horgos Port and optimized the operation of production in 2020. Through better coordination among railway, customs, border control authorities as well as Kazakh authorities, the time a train needed to pass the border was reduced to less than one hour from 10 hours, the sources said. Currently, 22 lines run through Alataw Pass, reaching 13 countries including Germany and Poland, and 16 lines travel through Horgos Port to over 10 countries including Uzbekistan. (Xinhua, January 4, 2021)

China International Consumer Products Expo will be held in Hainan in May

On June 1, 2020, the General Plan for the Hainan Free Trade Port is officially released to the world. To underline China's Commitment to expand opening-up and share business opportunities with the rest of the world, China International Consumer Products Expo (Hainan Expo) will be held in Hainan in 2021.

The theme for the first Hainan Expo is “Hainan, a Pioneer of Opening-up in China”, which is designed to build Hainan into an International Tourism and Consumption Center. The total exhibition area is about 100,000 square meters, the exhibition is divided into two parts: Country & Region Exhibition and Industries Products Exhibition. The import and sale of foreign exhibits during national level exhibitions will be entitled to tax exemption policy which will be formulated by relevant departments.

The Country & Region Exhibition is divided into Pavilion of Countries and Taiwan, Hong Kong and Macao and Pavilion of Provinces, Municipalities, Autonomous Regions of China. And will inviting some countries to show how the consumption-related development, industry status, featured products, policies to facilitate trades and investments, etc. Also inviting some regions show their overall image, mainly about advantaged industries of consumption, specialties, business environment, etc. The Industries Products Exhibition is divide into Fashion Life, Food, Automobile, Consumer Electronics, Jewelry, Culture and Creation, Outdoors, Healthcare, Hospitality and Professional Services, Pet Supplies and others. Aggregating all the global consumer resources, create a trading platform for international consumer products, and drive the global consumption growth.

We sincerely invite Danish enterprises and Associations to participate. For more information, please visit the official website: <http://www.hainanexpo.org.cn>