



## European Chamber Representatives Visiting the Science and Technology Section of the EU Delegation to China

**Date and Time:** 28 October 2020, 13:30-14:30

**Venue:** EU Delegation to China

<b>Attendees from the EUCCC</b>		
<b>No.</b>	<b>Company</b>	<b>Name</b>
1	Air Liquide	Steven Cheng
2	Scania	Andreas Jerhammar
3	Total	Zhonghua Xi
4	Covestro	Fan Zong
5	European Chamber	Xinyi Xie

<b>Attendees from the EUD and MS</b>		
<b>No.</b>	<b>Embassy/ Organization</b>	<b>Name</b>
1	EU Delegation to China	Philippe Vialatte
2	EU Delegation to China	Vojko Bratina
3	EEAS	Aleksandra Kozłowska
4	Bulgaria	Ivaylo Iordanov
5	Denmark	Mikkel Meyer Christensen
6	Norway	Magnus Jorem
7	Latvia	Ingus Rozenblats
8	Poland	Artur Gradziuk
9	Poland	Maria Wejs-Domzalska
10	Ukraine	Oleh Malyi
11	EURAXESS	Halldor Berg

### Meeting Minutes

#### 1. Opening Remarks

Dr. Philippe Vialatte, Head of the Science and Technology Section of the EUD, welcomed the attendees of the meeting and emphasized the importance of a better EU-China collaboration



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on science and technology causes.

Dr. Zhonghua Xu, National chair of the Research and Development Working Group (R&D WG) of the European Chamber, thanked the hosts for receiving the group and expressed his wish to strengthen communication in the future.

## **2. Presentation:** the R&D WG 2020/2021 Position Paper and latest activities

Ms. Xie presented the background of the European Chamber as well as the R&D WG. Five key recommendations were addressed to during the presentation:

- Encourage Foreign-invested Enterprises to Contribute to China's R&D Operations by Optimising the Financial Incentives Framework as well as Improving International R&D Cooperation;
- Invest in Green and Sustainable Technology Development to Facilitate Relevant R&D Activities;
- Facilitate the Mobility of International Talent between China and Foreign Countries;
- Facilitate Multinational Enterprises' Digital Innovation in China;
- Strengthen Protection of R&D Including Intellectual Property-related Aspects to Foster a Business Environment that Enables World-Class Innovation in China.

Ms. Xie also presented to the attendees the recent activities that the R&D WG had, including internal meetings, public events and government official meetings.

## **3. Discussion and Q&A**

- When it comes to funding, the R&D WG members wish to see more equal and transparent funding project in R&D between the EU and China. While foreign-invested companies have more and more access to funding opportunities from the Chinese government, those in the R&D field are still hard for them to acquire. Tax incentives provided to R&D activities are simply not enough compared with the beneficial policies that local Chinese companies enjoy from the government.
- Foreign-invested companies see great amount of opportunities in R&D activities in China, especially the fast technology application in Chinese market has a huge potential.
- To build an innovative China, a friendly ecosystem for talent mobility and intellectual property rights (IPR) protection is essential. The R&D WG is happy to work with the EURAXESS on the field study about European researchers in China in the future.
- The attendees all agree that plastic circularity is a topic of attention for both EU and China since technology is the final and only solution to it. It goes hand in hand with the Green Deal from European side and the carbon neutrality promise from the Chinese side. It is expected that more emphasis on it could be made from both sides when it comes to cooperation: webinars, public events...etc.
- In order to direct better the public sector in helping the development of R&D activities of foreign-invested companies in China, the R&D WG will remain in contact with the attendees from the EU side and come up with more concrete examples and cases to further elaborate their issues in the future.



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- The regulations on data flow (e.g. Data Security Law and Export Control Law) are influencing the R&D activities of foreign-invested companies in China. On the one hand, companies in certain domains (e.g. pharmaceutical) could not nowadays transfer their R&D results to headquarters based abroad. On the other hand, while most intellectual property rights of companies are owned by the global corporate, it is not easy to predict how the strategy of the Chinese government on IPR will change in the next few years.
  - Not all foreign-invested high-tech enterprises are eligible for High and New Technology Enterprise (HNTE) status, mainly due to the fact that the ownership of IPR seldom belongs to the branch company in China. Even for companies that have gained the HNTE status, they lack attraction to talents compared to some local Chinese companies because of treatments such as “Hukou” (registered residence) and better education opportunities for employees’ children that they could not provide.
  - Attendees all agreed to keep an eye to the 14<sup>th</sup> Five-year plan that will come out soon and see how it plans out for R&D activities in China.

#### **4. Closing remarks**

Dr. Philippe Vialatte, Head of the Science and Technology Section of the EUD, thanked the attendees of the meeting and proposed that the R&D WG could come for the next catch-up meeting again at the beginning of next year.