



benelux 荷比卢商会
chamber of commerce in china

To:

上海市商务委

顾军主任 收

上海市浦东新区世博村路 300 号 7 号楼

Shanghai Municipal Commission of Commerce

Director Mr. Gu Jun

Building 7, No. 300, Shibocun Rd., Pudong New District

Shanghai, 29 April 2022

Dear Director Gu,

On behalf of the business community of Belgium, The Netherlands, and Luxembourg ('Benelux'), as well as the Consulates General of the Kingdom of Belgium, the Kingdom of The Netherlands, and the Grand Duchy of Luxembourg we would like to reach out to you to share our appreciation for the government's hard work at all levels to prevent and control the pandemic. Our sympathy also goes out to the countless volunteers and ordinary citizens who have suffered greatly, but bravely, and made extraordinary efforts to reach the shared goals. We have seen many people in the city sharing resources and helping elderly and others who need it.

We also express our gratitude to the officials, volunteers and citizens who have gone the extra mile to help people from the Benelux community who do not master the language, to navigate the new measures, laws, and digital tools where needed. We are glad to see that alongside the many Chinese companies, a small number of Benelux invested companies - especially in the Foods & Agricultural sector - have jointly worked day and night to provide support to the community, reciprocating the hospitality of your city's population. We are in this together.

The Shanghai government is facing a great challenge currently for which no stone is left unturned to reach eventual success. We understand and appreciate that this requires focus and temporarily should take priority over other interests, even strong economic ones.

The Benelux-invested companies in Shanghai number around 500, and there are several thousands of expatriates of Belgium, The Netherlands, and Luxembourg living and working in Shanghai. As the stricter Covid prevention and control measures have been in place for a longer period of time, the Benelux Chamber of Commerce has recently held a survey among the CEOs in its community to understand the effects for both companies and individuals, in smaller and larger companies, and across industries such



as Semiconductors, Foods & Agriculture, Biotech/Pharma, Automotive, Logistics and Services.

We would like to share the findings from this survey, as well as from conversations with our businesses because we find them concerning. The concerns have also been echoed in feedback received from both other international companies and Chinese enterprises. We would be grateful for any measures that can help dampen the effect of the current crisis on businesses, their employees, and the economy. We hope that this could help to mitigate effects in 2022, but also to successfully address potential longer-term effects, impacting the dynamism of the economy and future FDI.

The CEO survey has indicated strong consequences of the current crisis for nearly all Benelux invested companies, with in particular smaller and medium sized businesses being affected more, as are tens of thousands of citizens employed by these companies. While battling the crisis has, in many cases, also increased friendship and collaboration between colleagues and between locals and expats on all levels, the operational, economic, and personal impact is now becoming very serious.

The issues in transport and handling of goods are hampering domestic logistics as well imports and exports. Closures or strongly reduced handling capacity forces production stops even of those companies that are able to operate. Customer contracts cannot be met, and suppliers cannot deliver. Employees are suffering from challenges at home or living at their work location, and they are much less productive. We appreciate the efforts of the government to deal with the crisis and restore the flow of goods and worker productivity. The sooner we will see the results, the better our China CEOs will be able to avoid that their headquarters start separating their global supply chains from operations here.

The survey also indicated inspiration by the world-leading personal digital tools, which have helped to increase the efficiency and speed in dealing with the pandemic. Our CEOs consider that a use of digital tools for businesses (B2B) and dealings with authorities (B2G) help to make the economy more robust: more and more transactions can be done digitally, without paper and without meeting face to face. According to the survey, some areas where digitization may be especially impactful include tax invoices, international banking, and customs handling.

Perhaps specific to Chinese returnees and expatriates is a sentiment that the current pandemic prevention and control measures come on top of travel and visa restrictions which last already more than two years. It has been nearly impossible for head offices to visit subsidiaries in China, for investors to see projects, and for families to see each other. This is of course also true for Chinese nationals in the Benelux. These measures have unfortunately led to a strong decline in the presence of Benelux nationals, to an extent that Chinese and foreign companies alike are reporting difficulties finding



international talent. Even support systems such as foreign schools who are experiencing an unprecedented loss of foreign teachers, impact the investment climate and can ultimately affect business investment decisions. Introducing firm support measures will help to turn the tide on this development.

Some key industries are now re-opening on a closed-loop system, which is a welcomed step towards reopening. We look forward to further steps to support the opening up of factories and offices, while keeping the necessary measures for successful prevention and control of the epidemic. The Shanghai government has been successful in implementing a balanced approach in many fields and we stand ready with our business community to continue to do our part of the work to reach the common goals.

We would like to ask for an opportunity to discuss with you in more detail these issues and ways to help support companies and value chains as we move to the next phase.

With sincere thanks, and great respect,

Dr. Karel Eloot

Chairman

Mr. Bas Kreukniet

President

Our office is currently closed. Contact via:

Teresa Liu - 刘引|

Email: teresa@bencham.org

Phone: 136 4185 9386