

# Navigating China's Governance – Key Insights for Foreign Entities





# NAVIGATING CHINA'S GOVERNANCE PRESENTS UNIQUE CHALLENGES

## Foreign Entities Complications



- **Characteristics of Current Policies**
- **Unpredictable Policy Environment**
- **Understanding Protectionism**
- **Access Restrictions**

**Misinterpretations**

**Uncertainty**

**Fear**

**Pressure**

**Ambiguities**

**Unfair**

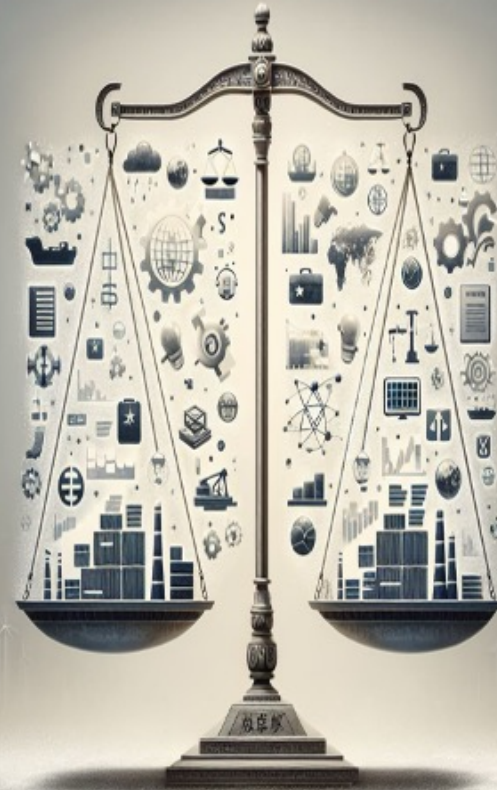
# FROM PAST FOREIGN DEPENDENCIES TO TODAY'S SELF-RELIANCE

## China's Strategic Shift



### Path to Self-Reliance

- Reducing dependencies by balancing protectionism and openness.



### Foreign Dependencies

- **Operations**  
Reliance on foreign businesses
- **IP & Knowledge**  
Safeguarding transfer secrets
- **Imports**  
Reliance on foreign parts & products
- (Dependence on Foreign Nations)

# UNDERSTANDING COMPLEXITY: POLICY TOOLS THAT PROPEL GOVERNMENT GOALS

## Policy Instruments



- **Regulatory Instruments**

- Laws, regulations, fines, mandates etc.
- Instruments establish rules & penalties to enforce compliance



- **Financial Instruments**

- Tax breaks, subsidies, grants, financial incentives etc.
- Instruments provide incentives and rewards to motivate compliance through positive reinforcement

- **Informational Instruments**

- Education and awareness campaigns, advisory etc.
- Instruments aim to educate and influence behavior through awareness and knowledge

# THE ESSENTIAL TOOLKIT FOR FOREIGN ENTITIES IN CHINA

## China's Governance

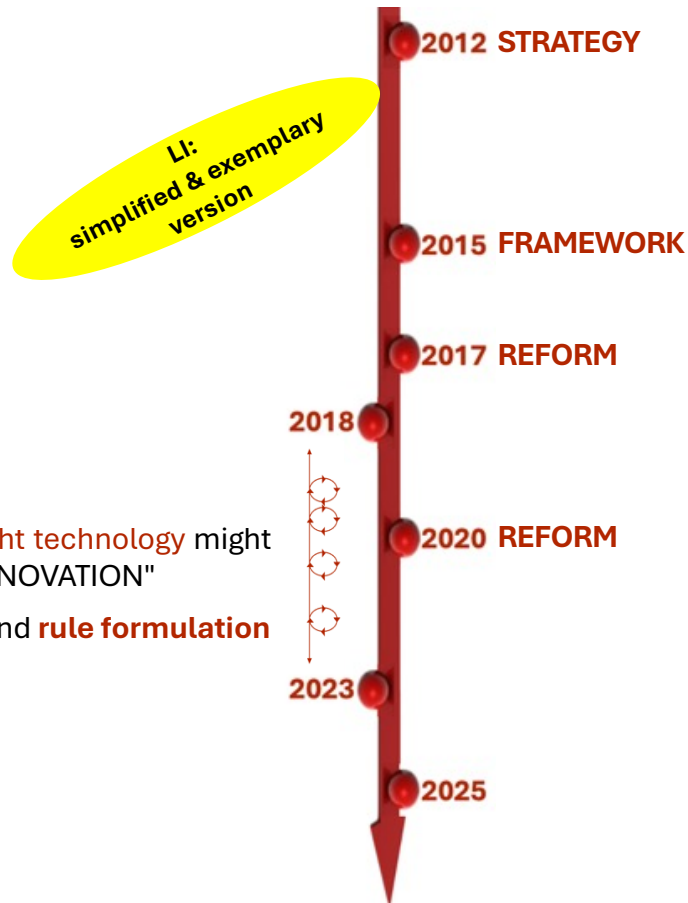


### Demanded & Experimental Bottom-Up

### Centralized & Top-Down-Level Design

## INDUSTRIAL POLICY

- Large-scale commercialisation of foresight technology might mistakenly associate with "SPEED" or "INNOVATION"
- Encompasses **standard interpretation** and **rule formulation**



## GOVERNANCE MODEL STRATEGIC POLICY LAW

# CASE STUDY - ENHANCING PUBLIC TRUST IN CONNECTED MOBILITY

## Policy Evolution



### "seeing things through"

### "serve the people"

Li:  
simplified & exemplary  
version

#### "Rules for the Administration of the Road Testing of Intelligent Connected Vehicles for Trial Implementation"

The ICV policy encompasses standard interpretation and rule formulation, with governance involving multiple layers.

- The initial draft in April 2018.
- The subsequent draft in July 2021
- The final release in July 2023

2018

2020

2023

2012 STRATEGY

#### Xi Jinping's Thought

- Adapting socialism to modern conditions
- "self-reliance, common prosperity, ecological civilization"

2015 FRAMEWORK

#### LiKeQiang's Made in China 2025

- Continued focus on Xi's strategic vision and its expectations

2017 REFORM

#### State Council's Service Oriented Gov.

- *Report on the Work of the Government by LiKeQiang*

2020 REFORM

#### "NDRC Foreign Investment Law of the PRC"

#### "China's new 'dual circulation' development paradigm"

2025 GoGoGo

#### Autonomous Driving & Urban Air Mobility "fully prepared and poised for action"

Reference: [http://www.china.org.cn/china/NPC\\_CPPCC\\_2017/2017-03/16/content\\_40465441.htm](http://www.china.org.cn/china/NPC_CPPCC_2017/2017-03/16/content_40465441.htm)  
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# INCENTIVES & ACCESS FOR FOREIGN ENTITIES AMIDST BARRIERS

## Dynamics of Trade-Offs in Collaboration Efforts



TESLA

### Licensing

Foreign OEMs previously needed 50:50 JVs with Chinese companies to operate in China. In 2018, this requirement for EVs was lifted, enabling Tesla to open its wholly owned Gigafactory in Shanghai.

### Financing

Tesla received significant support from the Shanghai government for its Gigafactory 3, including land use rights, tax incentives, and a low-interest loan from Chinese banks to fund construction, reportedly backed by the Shanghai Government.



VOLKSWAGEN

### R&D & Production

Accelerated land use and construction approvals. Access to local supply chains and skilled labor. Favorable NEV policies aligned with China's Made in China 2025 strategy.

### Autonomous Driving

Hefei has established itself as a national pilot zone for ICVs, supported by favorable policies and licensing.

SEBASTIAN FREY

### Advisory Services

Advisory services from foreign entities are restricted at state-owned entities.

However, if there is alignment on objectives, clear accountabilities, commitment, and responsibilities, project restrictions can be lifted.



# EMBRACING COMPLEXITY TO FOSTER MEANINGFUL COLLABORATION

## Recommended Way of Action



- **Europe could evolve from rigid frameworks to responsiveness**

Policies could be designed not as fixed structures, but as frameworks that breathe, bend, and evolve with the world they aim to shape

(common evidence based policy-making needs an upgrade)

- **Standardization is a shared language — not a contest**

By laying stones together, Europe & China can build pathways of mutual understanding, where shared standards become the scaffolding of future innovation, foster interoperability and mutual progress

- **China's Governance is not a wall — it's a terrain**

For those who bring cultural fluency, humility, and strategic foresight, it offers a rich terrain of opportunity, if you know how to read the map







**Unlocking opportunities in China is not about changing the system —**

**it's about understanding it, respecting it, and working within it to build something greater together.**

# TRUSTED LIASON FOR GOVERNMENT & INDUSTRY: NAVIGATE WITH PRECISION

VIGERES GmbH



## **Accelerate Commercialization at Scale**

Transform foresight technology into market-ready solutions

## **Bridge Policy & Practice**

Deliver strategic guidance on regulatory and standardization frameworks to foster trust and interoperability between EU and Chinese markets

## **Leverage Scientific Insights**

Combine academic rigor with executive-level coaching to align innovation strategies, deliver measurable outcomes, and inspire through high-impact, research-driven lecturing