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Understanding China's evolving approach to export controls and implications for international business

From its first export control action in 1997 towards building geoeconomic capacity and power since 2020

CMG PRIMER

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China Macro Group (CMG)

China Macro Group (CMG) – a specialized European management consulting and research firm



Corporate profile

- ✓ CMG is an agile, service-minded and innovative **management consulting and research firm**
- ✓ CMG serves **corporate, investment and public sectors** on China related questions
- ✓ It specializes in aiding **strategic decision-making** of governance, executive and functional bodies
- ✓ CMG contributes **content publicly** via various initiatives such as Primers and webinars
- ✓ CMG operates with presences in **Zurich, Munich and Shanghai**

Our approach

«China inside-out»

Cross-cultural team, extensive networks in China, “reality checked” China analysis and also accountable to the Chinese discourse

Inter-disciplinarity

Business / strategy, public policy / political science, macro-economy, geopolitics / geoeconomics / trade

“Multipolar” analytically

For geopolitical / geoeconomic analysis actively use, seek and iterate with expertise and views from different “poles”

Epistemological and dialectical values

Original, fact-based and calibrated
Dialectics seen as resource and a process principle

Professional services DNA

Listening, ownership and co-creation as foundation to build trusted and tailored collaborations

Our value proposition – 6 service areas

- 1 Consulting**
 - Strategy devising/review
 - HQ-subsidary alignment
- 2 Briefing**
 - Strategic business context
 - Market/competitive trends
- 3 Sector/market/tech intelligence**
 - Value-chain, competitive and go-to-market
 - Tech, cluster and ecosystem analysis
- 4 Collaboration with Chinese firms**
 - Partner mapping and negotiations
 - Collaboration concepts
- 5 Monitoring**
 - Sector/market factors
 - Geopolitical/risk factors
- 6 Learning**
 - Learning conferences/fact-finding
 - Trainings, curation, moderations



Authors' viewpoints



Jack Lee (李懿杰)

Associate



With China's post-2020 export controls having advanced considerably along a trajectory of increasing sophistication, I expect future control actions to exhibit sharper precision and greater formal robustness. Moreover, they will be categorizable into one of the eight control types identified in our CMG Primer.



Alex Zhou (周正)

Consultant



The most noteworthy development is that China's export controls since 2020 have become geoeconomic in nature, with five export control actions activating global «chokepoints» using China's advantage in critical minerals, while we also see early evidence of China-led decoupling focused on future tech emerging.



Markus Herrmann Chen (陈瑞华)

Co-Founder and Managing Director



Even though extremely disruptive for all affected international business, HQ strategy should see China's new geoeconomic export controls since 2020 merely as a tactical element in China's overarching playbook of responding strategically to "Trump 2.0" – plus, they were enacted primarily in a retaliatory and US deal-shaping logic.

Agenda

- 1 Understanding China's evolving approach to export controls**
 - From first export control action in 1997 towards building geoeconomic capacity and power
 - Four new geoeconomic export control types since 2020

- 2 Strategic calibration and key take-aways for international business**

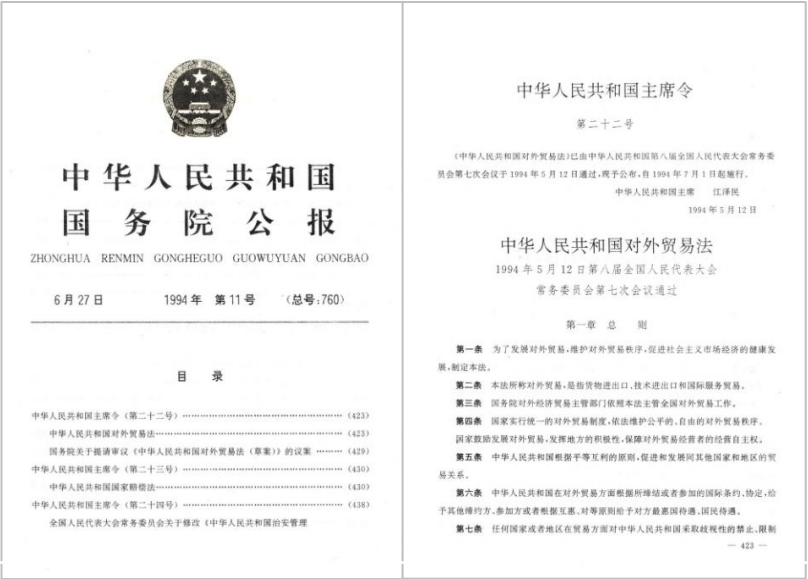
- 3 How we can support you – referential CMG services and resources**

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Historic view: China’s trade governance incl. export controls starts in 1994 – first export control action in 1997

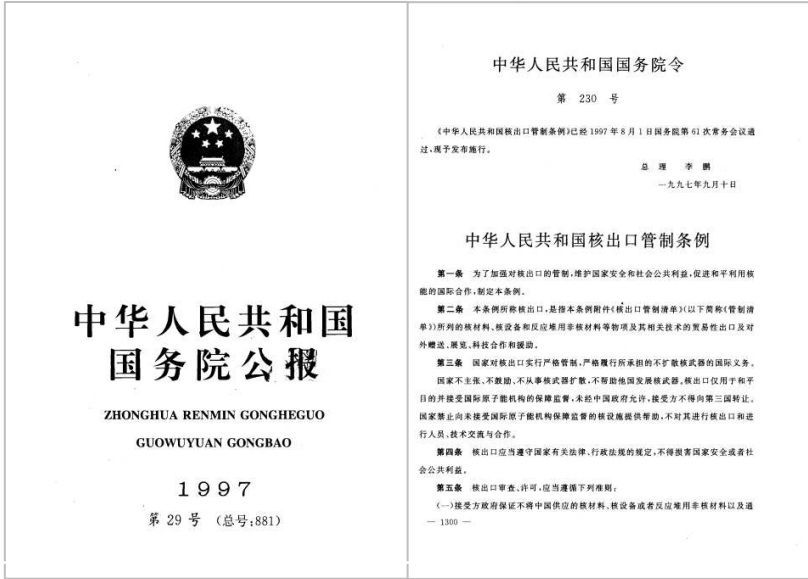
1994: Foreign trade law defined export control governance



Foreign Trade Law (1994) enacted by The 8th National People’s Congress Standing Committee on May 12, 1994

- China’s **first law** to govern trade activities, incl. export controls
- This law for first time **defined situations** in which Chinese government shall restrict or ban exports from or imports into Chinese territory
- **Key factors** to take action include national security, domestic supply shortage, obligations from international treaties

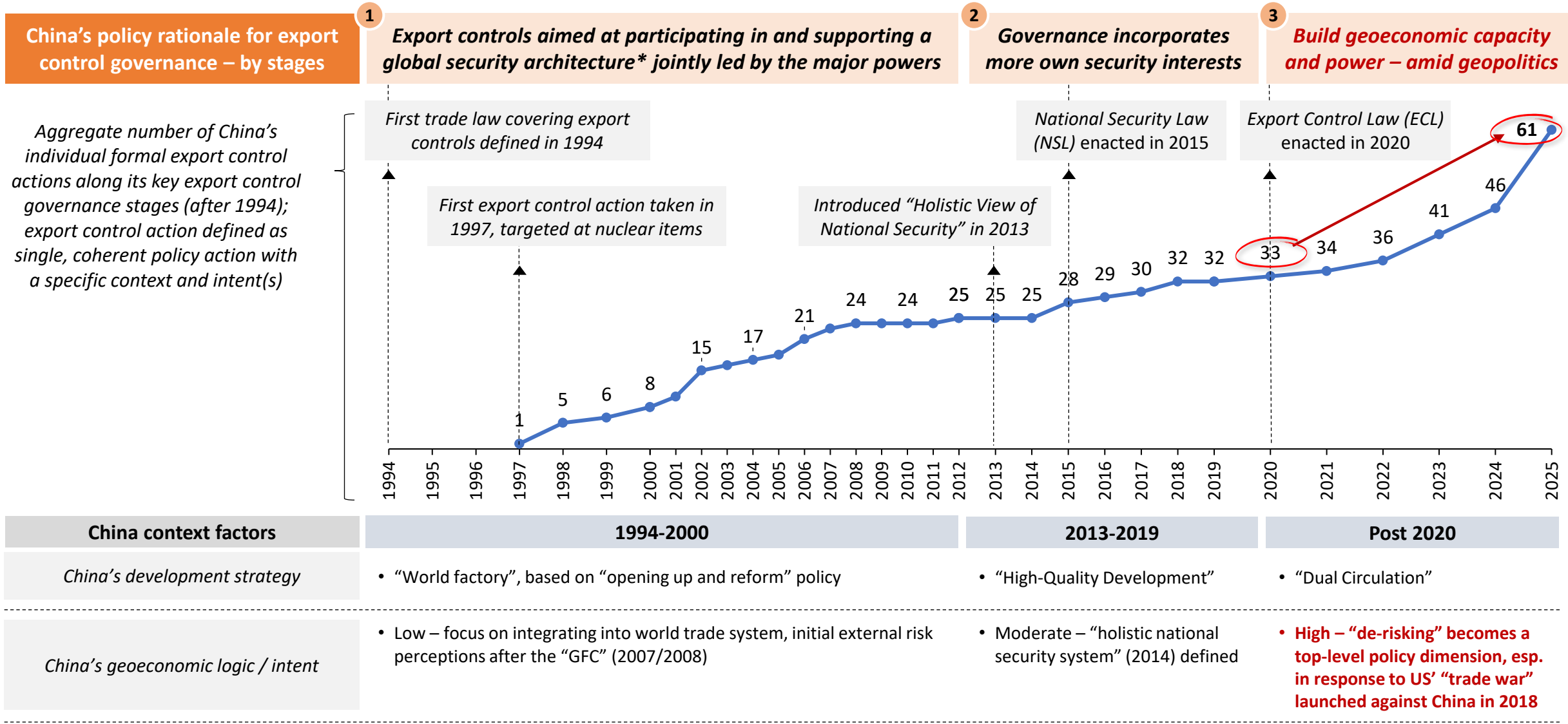
1997: China’s first ever export control action targeted at nuclear



Nuclear Export Control Regulation (1997) issued on Sep 10, 1997, with a list of export control on nuclear relevant items

- **China’s first-ever export control action** stated *non-proliferation of nuclear weapons and the promotion of international cooperation in civilian use of nuclear energy* as key goals
- Back then there was **common interest among the “P5”** to maintain their near-monopoly on nuclear weapons, which they still have today but preventing proliferation of weapons of mass destruction is no longer main aim of export controls as rivalry among major powers has increased

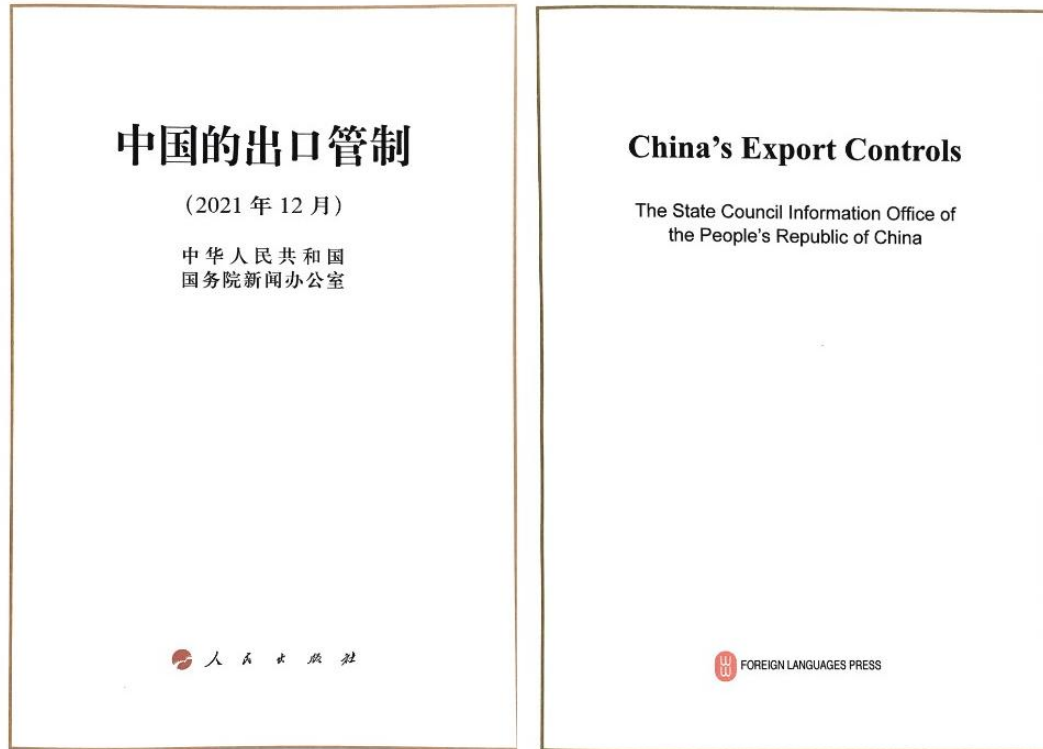
China’s approach to export controls underwent 3 stages, focus on geoeconomic capacity and power since 2020



*Note: China is subject to international obligations defined by a set of international treaties, including but not limited to NPT, CWC, BWC, CTBT, UNSCRs, MTCR, NSG, Wassenaar Arrangement

Policy logic: China's export controls first shaped by international obligations and now more by security interests

First-ever whitepaper explaining export control interests...



China's Export Control Whitepaper
(by State Council Information Office, Dec 2021)

... stating four key goals of China's export control governance

"Coordinate development and security"

- Adopting principles of "**Comprehensive National Security System** (总体国家安全观)" in trade policymaking incl. export control

International obligations

- Fulfilling China's international commitments esp. on **non-proliferation** of nuclear, as well as dual- and military-use items

International coordination

- Help build and advance **multilateral mechanisms** for dealing with export control issues, ensuring "**Global South**" influence







"Anti-" abuse and weaponization

- Ensuring **non-discrimination** in control
- Supporting **peaceful use of controlled items** for development, international cooperation and global supply-chain stability

Recap: “de-risking” as new top-level policy dimension, part of 14th FYP “strategic shift” in development strategy

Six policy dimensions of “Dual Circulation”...

... manifested shift per dimension

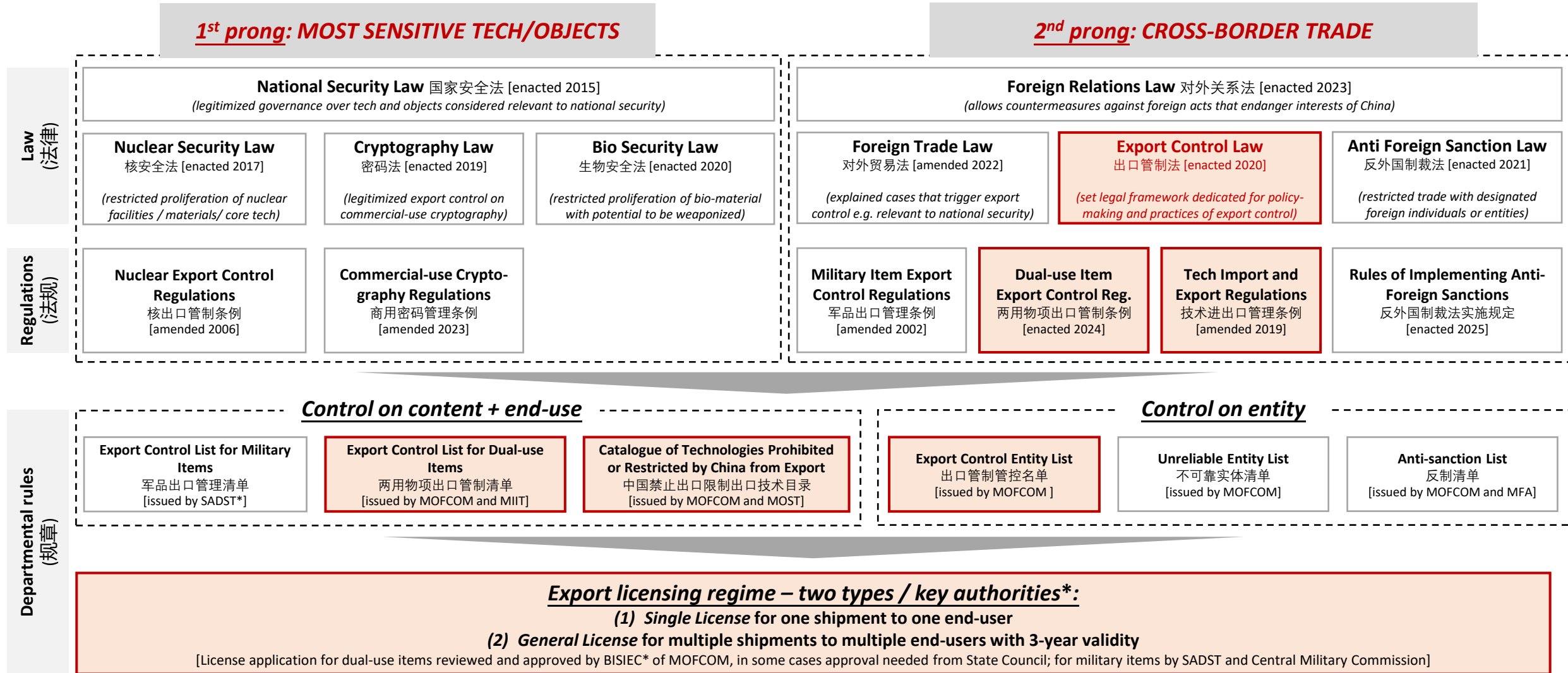
	Social “rebalancing”	<ul style="list-style-type: none"> • “Common prosperity” • Social fairness and social protection • Balanced regional and urban-rural development 	<i>Elevate social policy to the level of economic policy</i>	New policy dimension
	Domestic demand system (内需体系)	<ul style="list-style-type: none"> • Expand domestic consumption • Build unified national market • Increase efficiency and return of public investment 	<i>Make household consumption core driver of economic growth</i>	
	“De-risking” (统筹发展与安全)	<ul style="list-style-type: none"> • Protect 17 key security needs (e.g. food security) • Increase resilience of governance and economy • Build towards more technological “self-reliance” 	<i>Manage development-security trade-offs and build geoeconomic power</i>	
	Industrial upgrading	<ul style="list-style-type: none"> • Enhance indigenous innovation • SSSR*, modernized and complete industrial system • Unleash growth potential of service sector 	<i>Improve function/role of government (政府起到的作用)</i>	New policy emphasis
	Market-oriented reforms	<ul style="list-style-type: none"> • SOE reform to sharpen SOE competitiveness • Unleash the potential of all types of market entities • Market governance progression 	<i>Add focus on market governance (“visible hand”)</i>	
	High-level opening-up	<ul style="list-style-type: none"> • Broaden opening-up in more sectors • Facilitate Chinese ODFI and more trade integration • More active participation in global governance 	<i>Continue open-up “unilaterally” and “autonomously” (自主)</i>	

Elevating “de-risking” newly to a top-level policy dimension serves to build China’s broader geoeconomic capacity and power

China's 'de-risking' with 6 measure types, retaliatory capacity provides for geoeconomic control points and tools

	1	2	3	4	5	6
	Self-reliance (自立自强/自主可控)	Key/core tech breakthroughs (突破/攻关)	Securing external supply (海外供应安全可靠)	'Trump cards' (杀手锏)	Sectoral governance (bio/cyber)	Retaliatory capacity
Managed "risk" (as seen by China)	China's import dependencies	China's tech bottlenecks	China's import dependencies	Western tech decoupling	Weaponization or abuse of sensitive tech	Western tech decoupling and politicization
Risk-management approach	Onshoring	Indigenization	Import diversification and OFDI	Foreign dependencies on China	Market governance	Geoeconomic control points and tools
Operational scope	Critical industrial inputs	Tech	Resources (energy, food, critical minerals)	Tech (mature vs. emerging strategic tech)	Tech	Trade flows, corporate entities and individuals
Key measures	<ul style="list-style-type: none"> Supply chain ecosystem pilots "Supply chain leader" 'Hidden champions' Storage capacity 	<ul style="list-style-type: none"> 'New system for mobilizing resources nationwide', e.g. special R&D projects or R&D value-chain coordination 	<ul style="list-style-type: none"> International supply chain cooperation, e.g. via BRI SOE-led OFDI e.g. for critical minerals Trade policy 	<ul style="list-style-type: none"> Mature: new energy, HSR, communication / electrical equipment Emerging: quantum, AI and gene tech 	<ul style="list-style-type: none"> Regulating data and esp. cross-border data transfer Restricting FIEs in some sensitive areas 	<ul style="list-style-type: none"> Export Control Law Anti-Foreign Sanctions Law Foreign Relations Law Anti-Espionage Law

Export control policy framework: 2-pronged system with 3 governance levels – export licensing regime as core



Control design: since 2024 three new controls dimensions are used, beyond control on ‘content’ and ‘end-use’

Evolution of China’s use of five export control dimensions

Control dimension	What is being controlled?	General practice to date
<div>Deep-dive</div> <div>Control on content</div>	Intrinsic characteristics of item: technical specifications, performance parameters, composition, etc.	<ul style="list-style-type: none">Applied in all 61 of China’s control actions to date, thus foundation of China’s export control governance, upon which all four other control dimensions are layered
Control on end-use	Intended application of item, regardless of content	<ul style="list-style-type: none">Applied in 43 out of 61 of China’s control actions; not applied in control actions designated as serving ‘economic security’
Control on territory	Specific destination country or region	<ul style="list-style-type: none">Appeared only once historically—Export controls on dual-use items to US as retaliation to US targeting Chinese semiconductor sector in Dec 2024
Control on entity	Specific foreign organizations, companies, or individuals	<ul style="list-style-type: none">First appeared in Jan 2025, targeting US and Taiwan under formal justification of safeguarding national security and interests
Control on re-export overseas	Transfer, re-export, or overseas movement of controlled items after re-exported from third-countries	<ul style="list-style-type: none">Most recently introduced dimension in October 2025, covering Chinese-origin rare earth items and technologies

Deep-dive: 7 actions featuring 3 new control dimensions in 2024/2025

Export control action	Description, highlighting use of new control dimension
2024 (46)	<ul style="list-style-type: none">Bans dual-use items exports to <u>US</u> or for military purposesPrincipally prohibits Ga, Ge, Sb, superhard material exports to <u>US</u>Stricter end-use/end-user review for graphite export
2025 (1)	<ul style="list-style-type: none">Prohibits dual-use items exports to listed 28 <u>US entities</u> in defense (aerospace, missiles, electronics) sectorsRetaliation to US arms sales to Taiwan
2025 (21)	<ul style="list-style-type: none">Prohibits dual-use items exports to listed 16 <u>US entities</u> in defense (aerospace, cyber, AI) sectorsRetaliation to US "Liberation Day" tariffs on Apr 2
2025 (22)	<ul style="list-style-type: none">Prohibits dual-use items exports to listed 12 <u>US entities</u> in defense (aerospace, photonics) and advanced tech sectorsRetaliation to further US "Liberation Day" tariffs on Apr 8
2025 (35)	<ul style="list-style-type: none">Prohibits dual-use items exports to listed 8 Taiwanese <u>entities</u> in defense (aerospace, shipbuilding) sectorsRetaliation to Lai's independence speech and Hanguang exercise
2025 (51)	<ul style="list-style-type: none">Prohibits dual-use items exports to listed 3 <u>US entities</u> in defense (shipbuilding) and non-defense (support services) sectorRetaliation to US arms sales to Taiwan
2025 (61)	<ul style="list-style-type: none"><u>Overseas organization or individuals</u> must obtain dual-use export license if foreign-made items contain listed Chinese-origin components (> 0.1% of value) or Chinese-origin REE tech

Core dimensions of control regime

New dimensions that appeared in 2024 and 2025

Note: 2025 (XXX) refers to Announcement XXX of 2025



Additional use of territory, entity and re-export control dimensions means that Chinese export control practice can target more precisely

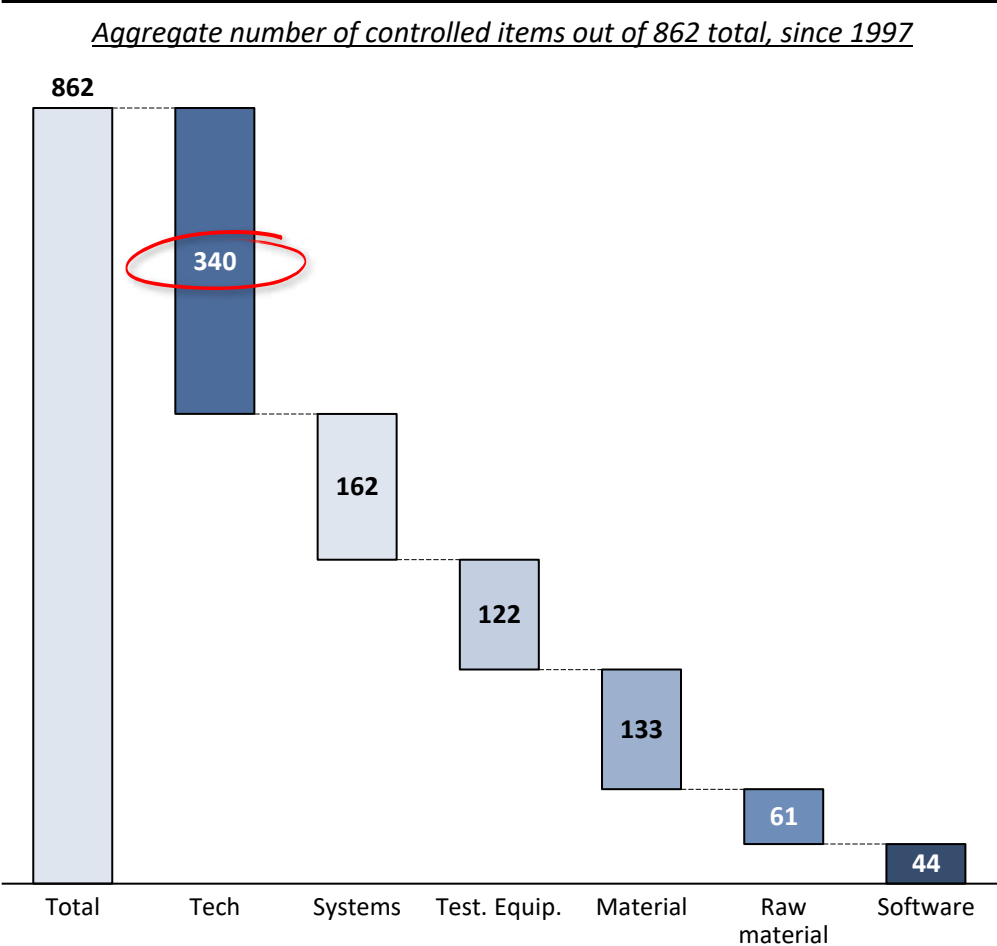
Deep-dive: controlled ‘content’ can be de-averaged into six sub-types – ‘technology’ controls most prevalent

Details on control dimension ‘content’

Types	Sub-type(s)	Description	Examples
Goods (货物)	Systems, equipment, and components (系统、设备、部件)	Systems (physical integrated end product), equipment, and critical components	<ul style="list-style-type: none">• UAV systems• Battery electric passenger vehicles
	Testing, inspection, production equipment (测试、检测、生产设备)	Equipment used to test, inspect, or produce controlled items or tech	<ul style="list-style-type: none">• Biomaterial processing equip.• Nuclear testing and production equipment
	Material (材料)	Processed or semi-processed materials	<ul style="list-style-type: none">• Titanium alloys• Chromium oxide
	Raw material (原材料)	Unprocessed or minimally processed materials	<ul style="list-style-type: none">• Tantalum• Niobium
Tech (技术)	Technology (技术)	Knowledge or technical processes to design, produce, or use controlled items	<ul style="list-style-type: none">• Battery cathode materials preparation tech• Lithium-ion battery tech
Service (服务)	Software (软件)	Programs or code enabling controlled equipment or tech	<ul style="list-style-type: none">• Software for landmines• Software for gas turbine engines research

Note: Typology directly derived from official dual-use export control list structure

Tech as most controlled ‘content’, followed by ‘systems’



Note: We compiled a comprehensive dataset covering 862 unique controlled items across all 61 export control actions; the controlled items are consolidated into standardized, analytically useful item names and assigned a sub-type allowing for further analyses

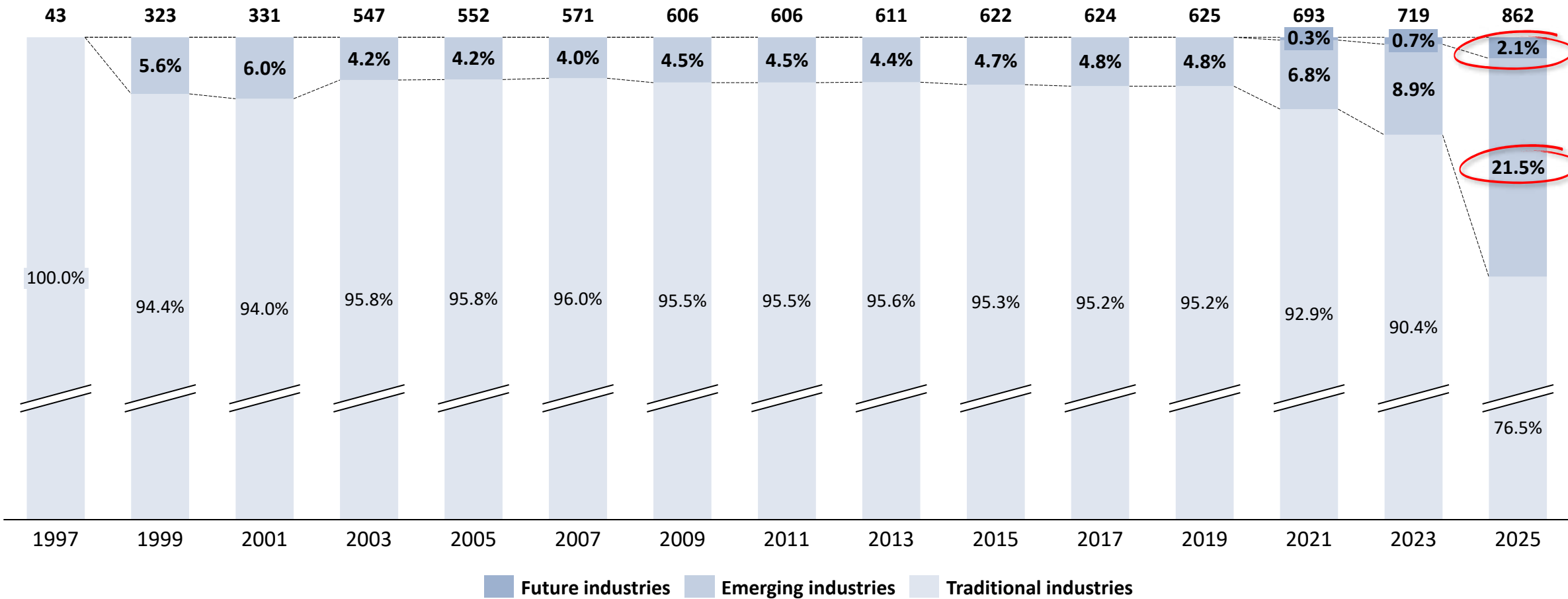


Though more granular itemization on (physical) goods, large number of ‘tech’ as controlled content shows focus on production knowledge

Industrial policy logic: control practice targets more on what China views as emerging and future industries...

Export control on items used for emerging and future industries rapidly expanded since 2021

Breakdown of number of sum of controlled items, stacked to 100% -- according to NQPF categorization* on industries

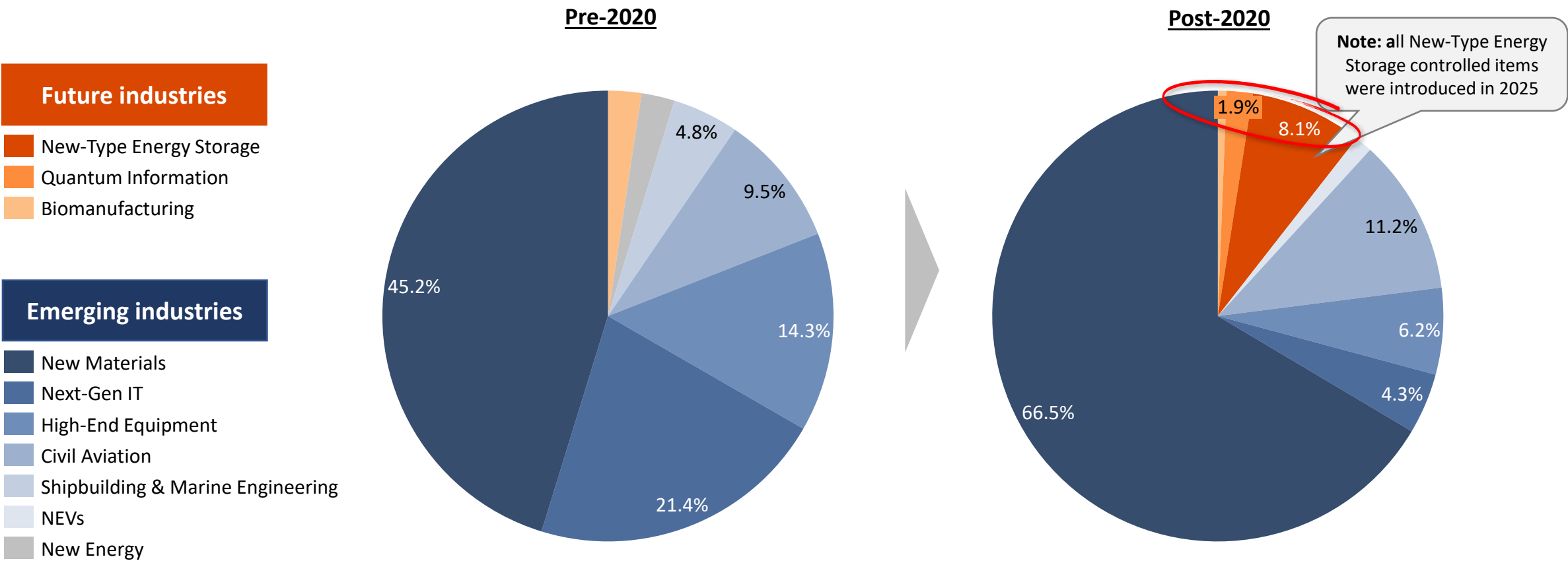


Note: New-quality Productive Forces (NQPF) categorization derived from “Implementation Plan for the New Industry Standardization Pilot Program “新产业标准化领航工程实施方案” (2023-2035) document

... zooming-in surfaces “new-type energy storage” and “quantum information” as two new controlled categories

China’s controlled items: 18 classified as ‘future’ and 185 as ‘emerging’ across 61 control actions

Breakdown of number of controlled items by sectors defined in NQPF categorization



Note: Sum of controlled items differs between left and right pie chart



Emphasis on Next-Gen IT, High-End Equipment and Shipbuilding fell sharply, signaling de-prioritization due to strong global market position

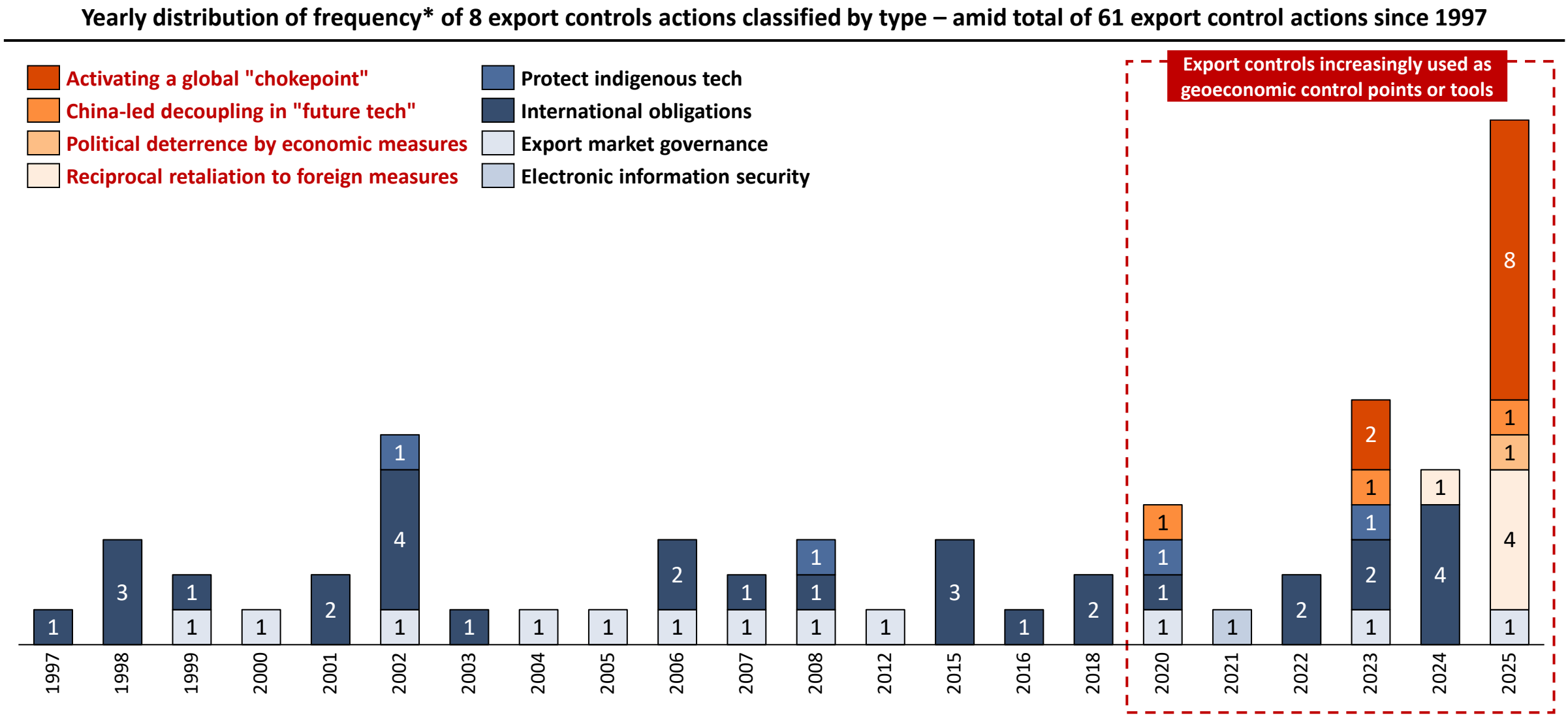
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Typology: 8 types discerned amid China's export control practice, 4 new geoeconomic control types since 2020...

Export control type	Example / (highest) frequency*	Checklist*: assess control actions along 4 criteria to determine <i>export control type</i>			
		Formal control purpose	Control design	Industrial policy logic	Political correlation
1 Activating a global "chokepoint" <i>Deep-dive</i>	• REE export control in Oct 2025, triggered by expansion of US export control in Sep 10/61	• National security • Economic security	• Generic control that impacts all trade partners	• Mature industrial or protracted industrial policy priorities	• Triggered by foreign political, trade or economic measure(s)
2 China-led decoupling in "future tech"	• Gene engineering tech included in 2020 list for tech export restriction 3/61	• n/a	• Tech control: <i>Tech Export Restriction & Ban Catalogue</i>	• Identified as "future industries" in "NQPF" classification	• n/a
3 Political deterrence by economic measures	• Export control to TW entities in Jul 2025, as response to Lai's independence speech 1/61	• National security	• Targeting specific entities or territory only	• n/a	• Asymmetric – "punish" political action(s) of a foreign country
4 Trade retaliation to foreign measures	• Export control to US entities in Jan 2025, as retaliation to US sanction on CN entities 5/61	• n/a	• Targeting specific entities or territory only	• n/a	• Symmetric – respond to foreign trade or economic measure(s)
5 Protect indigenous tech	• Traditional Chinese Medicine included as tech in 2002 list for tech export ban 5/61	• Protect competitiveness of China's leading tech	• Tech control: <i>Tech Export Restriction & Ban Catalogue</i>	• n/a	• n/a
6 International obligations	• Export control on nuclear dual-use items and related tech in 1998 32/61	• International obligations	• Targeting officially defined dual-use + military-use items	• n/a	• n/a
7 Export market governance	• Export restriction on electric passenger vehicles in Sep 2025 for market governance 12/61	• Export governance • Maintain export "orderliness"	• n/a	• n/a	• n/a
8 Electronic information security	• Export control on commercial cryptography in Dec 2021 1/61	• n/a	• Only targeting cryptography export	• n/a	• n/a

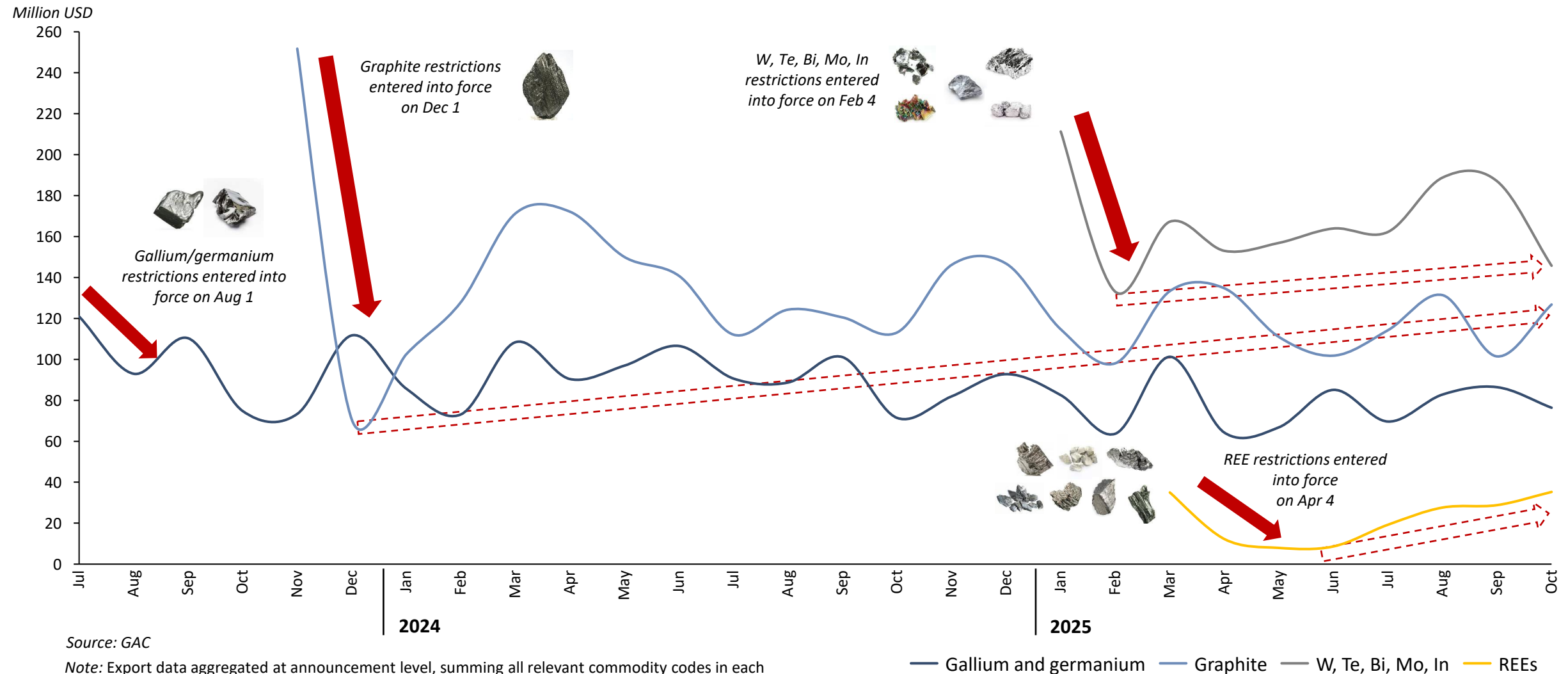
... which can also be seen in how these 8 types amid China's export control practice have evolved over time



6 control actions on critical minerals (战略性关键矿产) after July 2023 – 5 are activating “global chokepoints”...

Chinese control action		Jul 3, 2023 Export control on Gallium + Germanium	Oct 20, 2023 Temporary export control on Graphite	Aug 15, 2024 Export control on Antimony	Feb 4, 2025 Export control on W, Te, Bi, Mo, In	Apr 4, 2025 Export control on REEs (Sm, Gd, Tb, Dy, Lu, Sc, Y)	Oct 9, 2025 Export control on REEs , equipment, tech
							
							
Political context		US export control on advanced chipmaking equipment on July 2	US export control on AI chips + chipmaking equipment on Oct 17	Officially stated to ensure non-proliferation of dual-used items	US announced 10% tariffs on imports from China on Feb 1	US announced “Liberation Day” tariffs on Apr 2	US announced OFAC 50% rule for export control on Sep 29
Control type assessment		Activating a “global choke-point”	Activating a “global choke-point”	International obligations	Activating a “global choke-point”	Activating a “global choke-point”	Activating a “global choke-point”
	Formal control purpose	National security	National security	Non-proliferation	National security	National security	National security
	China’s industrial policy logic	Industrial policy priorities (advanced metal materials)	Matured industrial capabilities	Industrial policy priorities (advanced metal materials)	Industrial policy priorities (advanced metal materials)	Industrial policy priorities (advanced REE materials)	Industrial policy priorities (advanced REE materials)
	Triggered by US actions	✓	✓	✗	✓	✓	✓
Control design	Impacted all trade partners	✓	✓	✓	✓	✓	✓
	End-use/user clarification needed	✓	✓	✓	✓	✓	✓
	License required for all exports	✓	✓	✓	✓	✓	✓
	License required for re-export overseas	✗	✗	✗	✗	✗	✓
Control design	Types of controlled items	Raw materials	Raw materials	Raw materials, materials, tech, equipment	Raw materials, materials, tech	Raw materials, materials	Raw materials, materials, tech, equipment

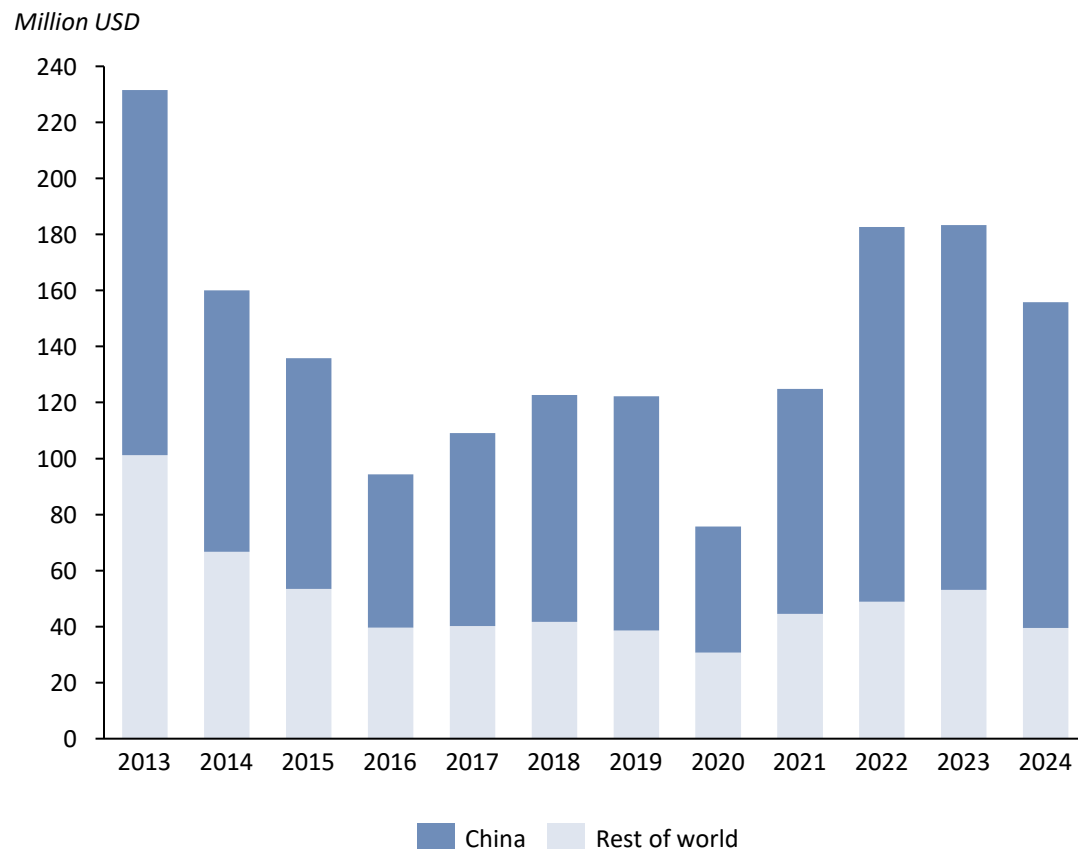
... causing sharp Chinese export declines – followed by partial rebounds and plateauing below pre-control levels



Chinese export controls on REEs translated into leverage during trade dispute and deal exploration with US

US dependence on China: US' REE sourcing as proxy

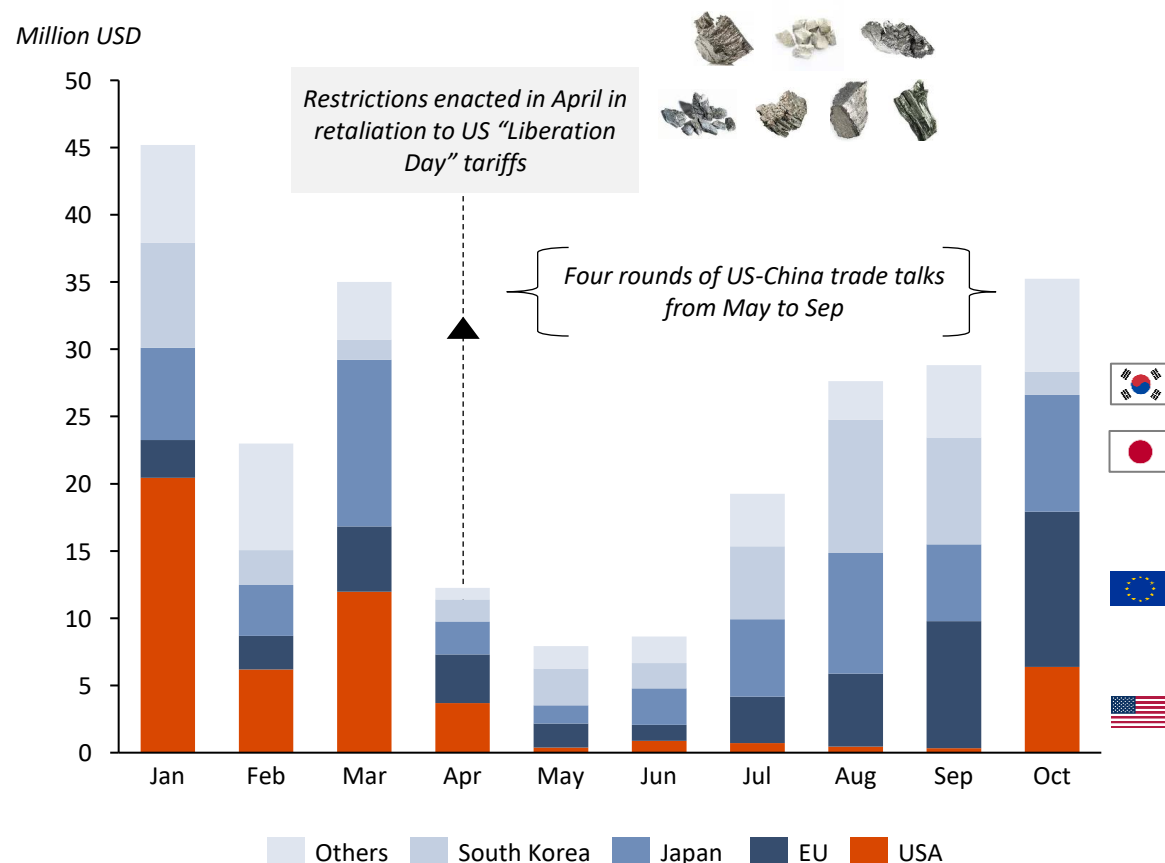
US REE imports: China vs rest of world, 2013-2024



Source: UN Comtrade
Proxies: 6-digit HS code --- 280530, 284690

REE exports to US almost entirely collapsed due to licensing regime

China REE exports by country/region, Jan-Oct 2025


















Source: GAC
Proxies: 8-digit HS codes --- 280530(xx), 284690(xx)


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Calibration: China has long lagged US and EU export control governance maturity, even more for total actions


Regime	Key milestones of export control governance...				... maturity check of export controls framework today			<div>Quantitative proxy: number of export control actions over last 30 years</div>
	Earliest legal basis	First concrete regulation	First dedicated law	First full dual-use framework				
	1994 <i>Foreign Trade Law</i>	1997 <i>Nuclear Export Control Reg.</i>	2020 <i>Export Control Law</i>	2024 <i>Dual-Use Export Control Reg.</i>	Breadth		<ul style="list-style-type: none">Formal coverage now broadenedPractical controls remain item & catalogue-based	<div>61</div>
					Depth		<ul style="list-style-type: none">Increased detail, but still developing across categories	
					Enforcement		<ul style="list-style-type: none">Enforcement institutionalizingPractical extraterritoriality still developing	
					Legal		<ul style="list-style-type: none">Modernized legal framework but institutional base still consolidating	
	1917 <i>Trading with the Enemy Act</i>	1917 <i>War Trade Board Reg.</i>	1940 <i>Export Control Act</i>	1979 <i>Export Admin. Act + EAR</i>	Breadth		<ul style="list-style-type: none">Covers virtually all advanced sectorsMost complete ecosystem coverage globally	<div>~400-500</div>
					Depth		<ul style="list-style-type: none">Highest granularity; detailed ECCNs, technical thresholds, sophisticated licensing structures	
					Enforcement		<ul style="list-style-type: none">Aggressive enforcement, strong penalties, and robust extraterritorial reach	
					Legal		<ul style="list-style-type: none">Long-established, deeply institutionalized legal architecture with large ecosystem	
	1957 <i>Treaty of Rome (EEC)</i>	1994 <i>Council Reg. 3381/94</i>	2000 <i>Council Reg. 1334/2000</i>	2000 <i>Council Reg. 1334/2000</i>	Breadth		<ul style="list-style-type: none">Covers all major dual-use sectorsBroad ecosystem coverage	<div>~200-300</div>
					Depth		<ul style="list-style-type: none">High granularity via Annex I listsLicensing depth differs across member states	
					Enforcement		<ul style="list-style-type: none">Strong enforcement but decentralizedGenerally avoids broad extraterritorial claims	
					Legal		<ul style="list-style-type: none">Well-institutionalized regulation and mature legal framework	

Note: Number of US and EU export-control measures are approximate figures. US figure from BIS/Federal Register (CCL, Entity List, UVL, etc.); EU figure from EUR-Lex (Dual-Use List amendments and restrictive measures on individuals, entities, and countries, e.g. Russia, Belarus, Iran)

 Weak

 Moderate

 Strong

 Very strong

Big picture: China wants to shape towards multipolarity and unabating, China-backed economic globalization

China's strategic goal for international political order: ensuring "equal and orderly" multipolarity

<p>1</p> <p>Strengthening China-led cooperation</p> <ul style="list-style-type: none"> • Non-Western/regional governance formats: SCO, BRICS+, ASEAN-GCC, «community of shared future with neighboring countries», RCEP-led trade integration in Asia-Pacific • "Global South": support "collective self-reliance" • Belt-and-Road: multi-dimensional connectivity 	<p>2</p> <p>Projecting China as "constructive force"</p> <ul style="list-style-type: none"> • WTO: relinquishing 'developing country' status to signal commitment to global trade rules • «NQPF»: sharing access to emerging/future tech with developing countries • Sense of responsibility: China halting trade escalation with US, declaring 120% tariffs as ceiling 	<p>3</p> <p>China shaping global governance</p> <ul style="list-style-type: none"> • Global cooperation: GDI (development delivery), GSI (security cooperation), GCI (civilizational dialogue), and GGI (governance reform) • New IOs: International Organization for Mediation (IOMED) to promote peaceful conflict resolution; proposal to set up China-UN Global South-South Development Support Mechanism
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China's strategic goal for international economic order: ensuring unabating, China-backed "inclusive" economic globalization

<p>4</p> <p>Deepening integration with world economy</p> <ul style="list-style-type: none"> • High-standard international economic rules: «Proactively align» («Third Plenum», July 2024), ongoing WTO compliance audit, CPTPP application • 2-way opening-up: 'autonomous' market access, unilateral tariff / FDI cancellations, simplified OFDI approvals, «holistic overseas support» • Domestic level playing field: equal treatment and lawful business environment 	<p>5</p> <p>Building structural geoeconomic power</p> <ul style="list-style-type: none"> • WTO reforms: reform for better compatibility with China's economic model • FTAs/RTAs: expand China-centered trade networks • Standard setting: shape standards of «future tech» • Internationalizing RMB: in transactions and as reserve currency, reducing «USD hegemony» • CIPS: building non-SWIFT payment infrastructure 	<p>6</p> <p>Building geoeconomic control points/tools</p> <ul style="list-style-type: none"> • Export controls: evolve export control practice to include geoeconomic control points and tools • In- / outbound FDI screening: protect critical infrastructure and national security domestically and control on strategic capital outflow • Sanctions: deter coercion + retaliatory capacity • Cross-border data: control 'important' and 'personal' data outflows for digital sovereignty
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Proposed key take-aways for international business (1/2)

Summary of China's evolved approach to export controls

- China is now using export controls to retaliate, act geoeconomically and/or or decouple
- China activating its global “chokepoints” has decisively influenced deal exploration dynamics with US; in doing so, China has accepted costs inflicted on non-US developed trade partners, testament to its strategic orientation towards “Global South”
- Nonetheless, geoeconomic controls are merely a tactical element in China's playbook of responding strategically to “Trump 2.0”

Policy outlook for China's export controls practice

- In line with “de-risking” as a new top-level policy dimension since 2020/2021, building and using geoeconomic capacity and power is here to stay
- Control design trends are evolving to be more targeted, while not shying away from extraterritorial application (long-arm jurisdiction)
- It is likely that China will explore a gradual build-up of plurilateral export control arrangements among developing countries

Strategic implications for international business

- Gradual transition into licensing systems for a broadening set of emerging and future tech items is the “new export control reality”
- Future Chinese actions that are retaliatory in nature may be temporary, applied without warning and/or aimed at specific companies or industries, when responding to export control or other measures taken by key actors such as the US, EU, UK or Japan; this challenging situation is further aggravated by risk of directly conflicting requirements from Chinese versus US and/or EU export controls
- This volatile context means the challenge for companies goes beyond merely expanding their licensing but involves also being ready for sudden changes and disruptions that cannot be addressed by licensing; “de-risking” may thus not always be feasible
- Necessity to understand and be aligned on the “big picture” about China to make strategically sound and rational long-term decisions

Proposed key take-aways for international business (2/2)

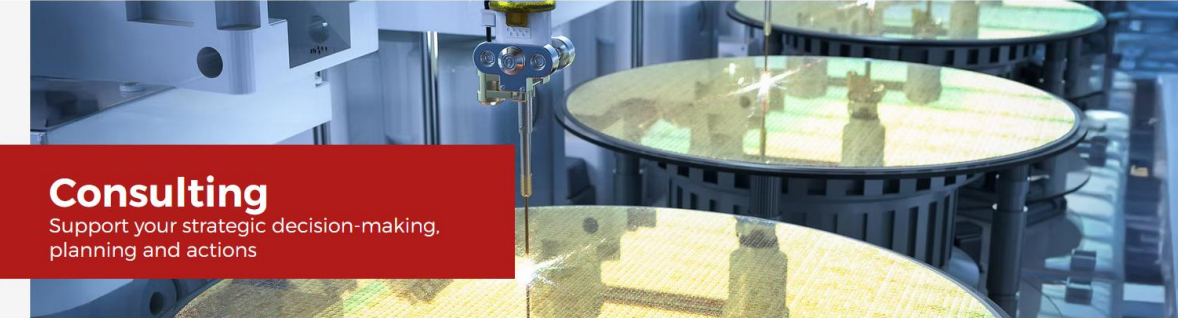
Operational success factors for international business

- “De-risking”
 - Supply chain analytics
 - Sourcing diversification / dual sourcing
 - Inventory
 - Scrutiny on agency of import / trade intermediaries
- Licensing application and compliance
 - Mobilize advocacy, diplomatic and home-government resources to back up licensing applications
 - Pursue full compliance in export applications
 - Influence, select and train for downstream compliance
 - Implement improved traceability and auditing

Agenda

- 1 Understanding China's evolving approach to export controls
 - From first export control action in 1997 towards building geoeconomic capacity and power
 - Four new geoeconomic export control types since 2020
- 2 Strategic calibration and key take-aways for international business
- 3 **How we can support you – referential CMG services and resources**

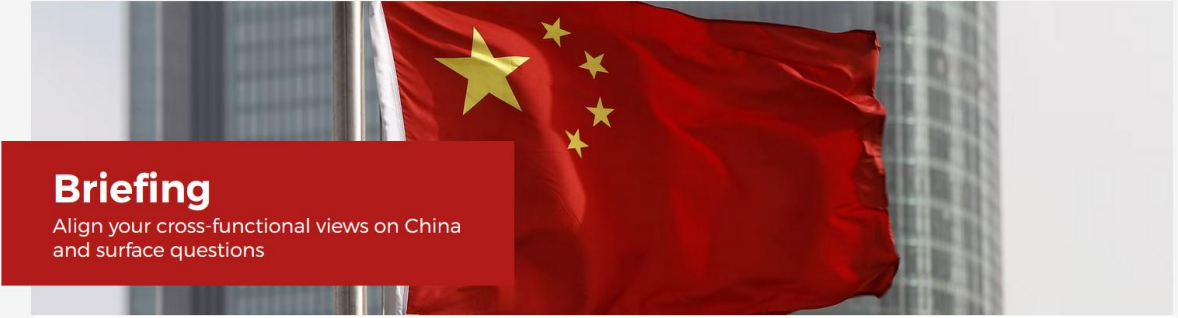
CMG's four key service areas



Consulting

Support your strategic decision-making, planning and actions

Consulting is our service area that focuses on supporting our clients in devising factually up-to-date, clearly articulated and actionable corporate strategies and plans or – more generally – the requisite research and analysis for sound decision-making. Our products are fully tailored to our clients' needs as well as evolving sector, market, competitive and regulatory realities. We usually co-create, working closely with our clients, bringing CMG's capabilities, experience and methodologies complementarily to the ongoing discussions and project work at our client for highest value-add and impact.



Briefing

Align your cross-functional views on China and surface questions

Briefing is our service area that focuses on preparing outside-in content inputs as high-value engagements with the clients and their governance, executive or cross-functional bodies, or any relevant process or platform. The goal of briefings is not immediate content decisions or conclusions, but their substance shall help bring critical momentum to ongoing discussions, identify open strategic questions and help spur process alignment on what further action shall be taken. Briefings can take place with or without actively involving the expertise and viewpoints of the clients' China operations – if involved, CMG can bring its cross-cultural DNA to full fruition for more ambitious alignment. In fact, briefings for global bodies are often initiated by China operations. Tailored research mandates also result in briefings.



Monitoring

Track what is relevant to you strategically and operationally

Monitoring is our service area that focuses on delivering regular and tailored monitoring reports for our clients that concisely yet systematically summarize relevant developments of given time-frames and flag key implications. The monitoring framework is being aligned and finetuned as needed with our clients and takes the breadth and depth seen as most value-adding, considering all available reports and information channels. Monitoring reports can be delivered to governance, executive or cross-functional bodies both at headquarter level and for the China operations. With client feedbacks, CMG optimizes layout, language and analytical depth to continually increase value-add of these monitoring reports

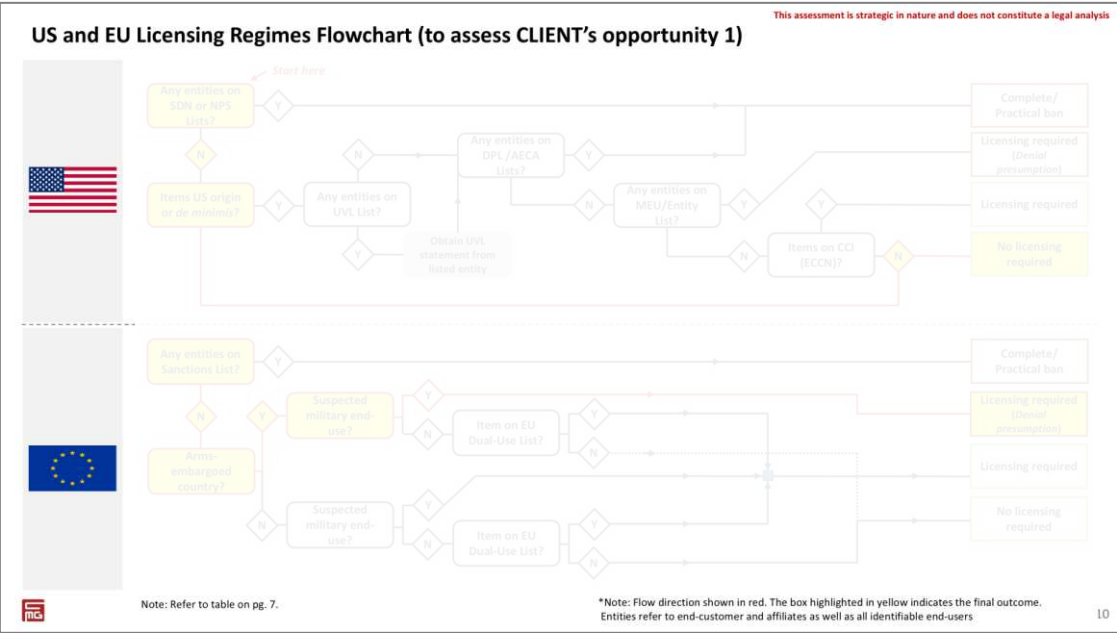


Curation

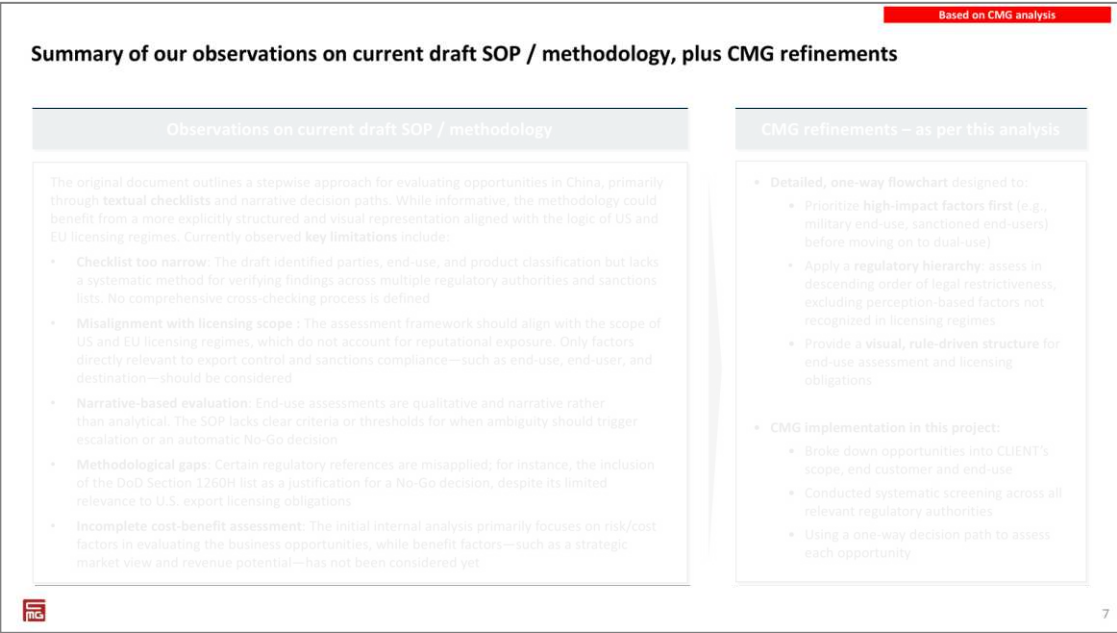
Design value-adding events and interactions related to China

Curation is our service area that focuses on curating fully tailored high-value interactions and events focusing or related to China for our clients. CMG can take different roles in such interactions and events, as moderator, speaker, (co-)host or note-taker. Preceding the interaction or event, there are usually several steps of co-creation with the client: a detailed alignment on the clients' needs and vision for the event, followed by the calibrated search of suited experts/speakers, preparing clear and engaging marketing materials and developing rundown covering event logistics and all required pre-event briefings. A key type of interaction curation CMG has special expertise in are training or business learning conferences where the goal is to equip a target group with relevant conceptual or practical knowledge and insights for transfer into day-to-day work contexts.

Consulting reference of assisting international business in dealing with export controls related to China



Strategic analysis of US/EU export control impact on operations and commercial opportunities of international business in China



Aiding process design / SOP development to establish pragmatic capability at client to effectively analyze trade conditionalities

Key publication series: CMG Primers

Understanding the “**Taiwan issue**” – context, influencing factors and outlook



Chinese government remodeled at the **Two Sessions 2023** – policy, people and structure



Understanding supply chain distortions of **critical minerals** powering the green energy transition



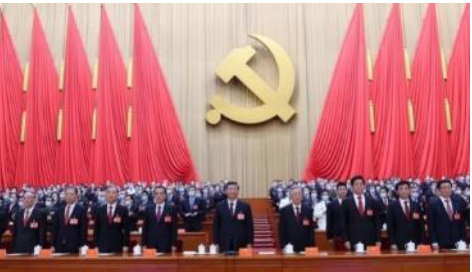
Xi's third ‘**Third Plenum**’ pivots to implementation, doubling down on China’s industrial ambition



Caixin Summit 2024 - CMG's analytical digest: slide deck and read-out webinar recording



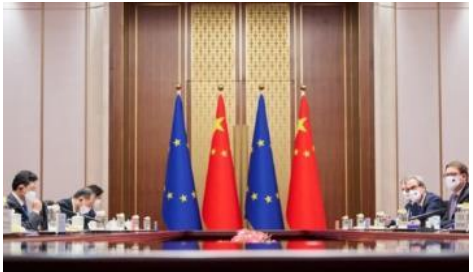
Understanding process and key outcomes of China’s **20th Party Congress**



Two Sessions 2024 – Strengthening proactive and better coordinated economic policy



EU-China relations – from economic integration to EU’s strategic autonomy and ‘de-risking’



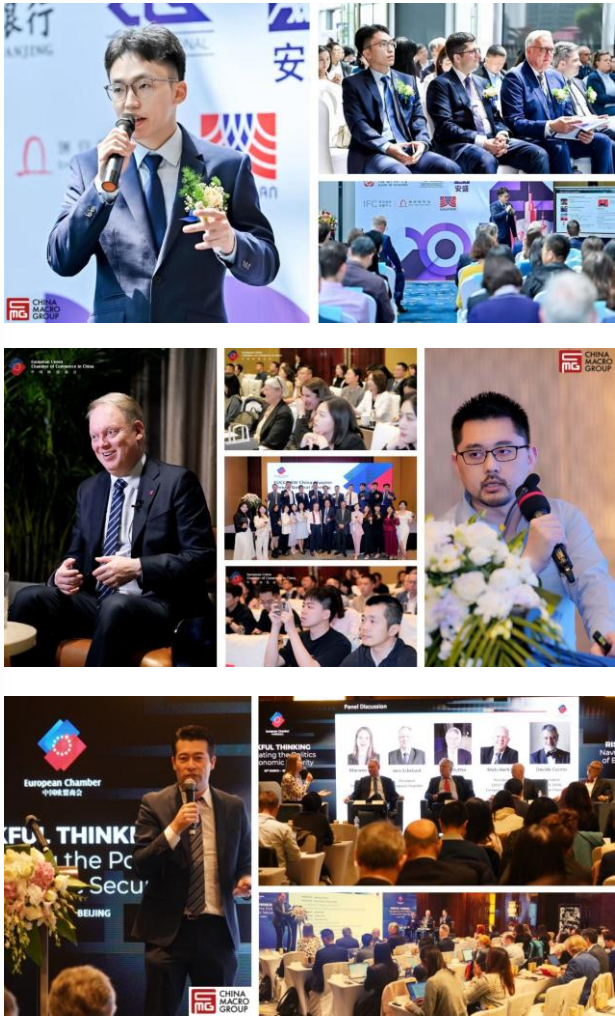
Understanding China’s economy into 2025 – evolved development strategy, reform priorities and short-term macroeconomic management



2025 "Two Sessions" - implementing reforms as follow-through from the "Third Plenum" in the face of insufficient domestic demand and



CMG publication reference: EUCCC-CMG report “Riskful Thinking – Navigating the Politics of Economic Security”



Download
report here

Most recent CMG publication, analyzing the “Fourth Plenum”



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“We are in a period where strategic opportunities and challenges coexist and uncertainties are increasing, but with solid resilience and growth potential in economy, the positive trajectory of China’s long-term development remains unchanged”

--- The Communique of Fourth Plenum of CCP 20th Central Committee

“Fourth Plenum”: towards more assertively shaping strategic conditions externally to better focus on “Chinese-style modernization” internally

CMG Primer – understanding process and key outcomes of the CCP 20th Central Committee’s “Fourth Plenum”

6th November 2025

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China Macro Group (CMG)

China's 15th FYP 2026-2030: towards China's next milestone in 2035 under unabating geopolitical pressure

CET: Central European Time | CST: China Standard Time



26 February 2025

9-945am CET | 4-445pm CST

Dealing with Trump 2.0 – is China making tactical or strategic adjustments in view of the 15th FYP?

DA Wei, Director of Center for International Security and Strategy (CISS) and Professor of International Relations, Tsinghua University



9 October 2025

9-945am CEST | 3-345pm CST

“Changes Unseen in a Century” – How Beijing Sees Foreign Affairs, Geopolitics and Geoeconomics as It Drafts the 15th Five-Year-Plan (2026-2030)

Yu Tiejun, President of the Institute of International and Strategic Studies (IISS), Professor at the School of International Studies (SIS) of Peking University (PKU)



23 April 2025

9-945am CEST | 3-345pm CST

Four years into 14th FYP – taking stock of its execution after the NPC 2025

ZHU Guangyao, former Vice-Minister of Finance and Counsellor of the State Council



23 January 2026

9-945am CET | 4-445pm CST

Interpreting 15th Five-Year-Plan “proposition” (建议) as key output of the CCP’s 20th CC “Fourth Plenum” to anticipate policy priorities and shifts

YAO Yang, Professor and Dean of the Dishuihu Advanced Finance Institute at Shanghai University of Finance and Economics, former Dean of Peking University’s National School of Development (NSD)



20 June 2025

9-945am CEST | 3-345pm CST

The long view – 10-year outlook imagining China in 2035 as the next key modernization milestone

XIE Danxia, Associate Professor at the Institute of Economics, Tsinghua University



February 2026

9-945am CEST | 4-445pm CST

Transitioning to the 15th FYP – zooming-in on Shenzhen as local government case-study

ZHANG Lin, Director of Science, Technology and Innovation Commission of Shenzhen Municipality



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