

IN 2025

How will the world develop in 2025?

It will be an exciting year. What influence will trade conflicts, technological developments, and the rise and fall of authoritarian regimes have? Dagblad van het Noorden provides insight. Today part 3: China.

HILBRAND POLMAN



Marion Tjin-Tham-Sjin in Shanghai.

‘China is against war, because it is very bad for trade’

Marion Tjin-Tham-Sjin (51) from Meerstad, Groningen (The Netherlands) already travels 18 years regularly to China for her company Splendid China. "China has changed a lot," she says. "At the beginning, I still saw people with chickens in the trains. Very traditional. Now you're in hypermodern, fast trains."

China is quickly rising as the new world power. And that, we see. Car brands like BYD and Lynk & Co are arising, which forces German Volkswagen to cut back. Other prestigious German car brands are also wobbling on their foundations. Chinese webshops are very successful, selling all kinds of cheap products.

It opens up new perspectives, but also causes concern. What should we do with this new world power? Can we trust the government of that country? With Splendid China Tjin-Tham-Sjin helps entrepreneurs who want to export to China. How does she deal with this new world?

"China has peace as its main goal on the world stage," is her reassuring message. "War is very bad for trade, and they have never been a country that has, or wants to be, a military power. The US, on the other hand, does have a military industry. So, in a way, America has more to gain from war."

The incoming American president, Donald Trump, is wary of military intervention abroad. His stance could, however, mean that a trade war is coming up. Trump wants to significantly increase import duties for China, the EU, and its neighboring countries. This should lead to Americans buying many more products from its own country. The election outcome in November did not cause much excitement in China, according to Tjin-Tham-Sjin. "China knows what it can expect with Trump as President of the USA, although I

think the situation with Kamala Harris would not have been much different."

"The Netherlands and other EU countries must, in Tjin-Tham-Sjin's view, focus more on China. The Dutch foreign policy has traditionally been very focused on the US, but now that America is withdrawing from Europe, it is wise to build good relationships with the new superpower. "Go and do have a look in China for yourself. It is a country that looks very different from the image that the West want you to have.

But in West Europe there is simply distrust towards China. The car industry here is said to be suffering greatly from supply of cheap electric cars from China. Government subsidies would depress prices and thus lead to unfair competition. It also leads to import tariffs in the EU.

"This is partly true. Indeed, Chinese car manufacturers can sometimes offer companies a favorable deal for industrial estate and the like. And the Chinese also receive purchase subsidies. But such subsidies also exist in Western Europe. The main reason for those lower prices is that manufacturers in China can

‘The country doesn't resemble at all the image that people in the West have’

produce on a much larger scale. Moreover, there is fierce competition among Chinese car manufacturers. This ensures that only the best and cheapest Chinese brands survive."

Note that China has over 1.4 billion inhabitants; almost twice as many as the EU (450 million) and the US (335 million) combined. "But don't be mistaken: the Chinese are also working hard to improve and keep costs low. Regularly, companies go bankrupt, that is part of the process of moving forward."

"The German car industry has been too hesitant to develop good electric cars", says Tjin-Tham-Sjin. You can now buy a BYD with more accessories and at a lower price than you get from Volkswagen, BMW or Mercedes. "They developed also in very short time", says the entrepreneur from Groningen. "During Covid I was not able to go to China for three years. When I first went there again I also was surprised how the Chinese car industry had developed."

Which products from Holland does China need? "Certain software products, medical equipment, dairy, food, and knowledge," says Tjin-Tham-Sjin. "There is also a market in China for famous cosmetics brands. But it is not an easy market. The most important thing is that an entrepreneur must be well prepared if he is going to do business in China. Although the Chinese are very kind people to do business with, it is always important to protect your IP (Intellectual Property Rights) in advance. You would say, that speaks for itself, but I can tell you that many entrepreneurs still do not do that."

"Ask questions and don't immediately judge them" she continued. A very simple example: Someone once said: why do all those Chinese eat so stupidly with chopsticks! You can better ask why 1.4 billion people do that, there must be a good reason! That is because you can stab with a knife. Because eating is an important social event, there should be no weapon involved." However, the Netherlands is much more dependent on imports from China. "We can not do without products from China. Once there was someone who insisted on solar panels that did not come from China. In the end, he got panels that were assembled in Europe. The components still

came from China."

There are also similarities between the Netherlands and China. The demographic developments are running relatively parallel. The Netherlands has been experiencing a steady decline in birth rates since the 1970s due to the contraceptive pill, China had the one-child policy between 1979 and 2015; families were allowed to have only one child. Both countries have an aging population."

"An aging population, I think China is better prepared for it than the Netherlands," says Tjin-Tham-Sjin. "They are much further ahead in terms of robotics and digitalization. You can pay by scanning a QR code with your mobile phone. Even the elderly are keeping up. They also have a smartphone and can use it."

"In China, 2025 is the year of the snake" Tjin-Tham-Sjin says finally. "Residents see the year with confidence. In the Netherlands, the snake is a symbol for negative things. In China, the animal is seen as intelligent and creative. It can adapt and transform; it can shed its skin and start all over again."