



Interview with Mr Wenhuan Xia, the Member of the Advisory Board, ENRICH in China

Mr. Wenhuan Xia is the Secretary General of Beijing Belt & Road International Co-Incubation (ICI) and Vice President of 761 C-Space (Beijing) Technology Development Co. Ltd.



Mr. Wenhuan Xia has built the ICI network with 80 members from both China and international countries. He has substantial experience with European SMEs & start-ups in developing

business in China. He has a very good commercial awareness and entrepreneurial sense with special understanding for trade and investment opportunities for SMEs. He developed in depth knowledge of legal, accounting, and technology evaluation as well as market access standard issues and he is a very experienced economic consultant, having advised many private sector and public-sector clients from Europe, North America, Israel, Korea, Japan and China.

Interviewer: Ms. Elli Stepanovic, Austrian Research Promotion Agency (FFG), Senior International Project Manager, project partner of ENRICH in China

ENRICH in China: *The European Union has more than 20 million small- and medium-sized businesses (SMEs), in other words, entrepreneurs are key drivers for economic growth, innovation and employment in Europe. Experts more and more argue that business interests and sustainable development should be combined, aligned and balanced. Mr Wenhuan Xia, given also the current covid-19 pandemic and the difficulties and challenges it poses to SMEs, do you think that supporting measures and funds for SMEs should be linked with a long-term transition to sustainability? Would it be the right time?*

Wenhuan Xia: It is the right moment to improve supporting measures and funds for SMEs, not only to help them survive the current situation, but also linked with long-term sustainable alignment and endeavors. For European SMEs under the covid-19 pandemic circumstance, it is necessary to keep a close watch on what is happening in the China market, such as new business opportunities emerging and new business models like online expert marketing plus direct sales. Then they can improve the marketing strategies and business models to respond the new trend of market requests in China.

In the meanwhile, the public platform like ENRICH can play an important role to help European SMEs better understand the China market. Some diversified supporting measures can be established to educate SMEs and help them to connect to their mentors based in China. An ecosystem including SMEs, ENRICH, and Chinese mentors shall be formed to facilitate SMEs' market entry in China. This system will enable SMEs to be co-incubated and equipped with a professional expertise.

ENRICH in China: *Since the economic reformation, SMEs have become one of the driving forces in the economy in China as well. In 2019, the number of SMEs was estimated to be over 38 million. What is the main concern in China as far as the current covid-19 situation as well as the newest trends are concerned, such as the rise of Artificial Intelligence or the global challenge of climate change?*

Wenhuan Xia: The main concern is the market opportunity, which is badly affected by covid-19 following the slowdown of economic development. A few companies launched online business models and some employ cyber-stars for online sales. For those tech-based companies it seems not easy to raise venture investment under the current situation. How to improve business models and convince the investors, rather, how to make money and positive cash flow is the first priority.

In terms of the rise and application of AI, the Chinese government encourages Chinese SMEs to develop AI-based application scenarios focusing on niche markets. The SMEs are suggested to work with large industrial sectors, with the support of government and connected by professional broker service platforms.

ENRICH in China: *The European Union is supporting research and innovation activities addressing directly SMEs, most of them part of consortiums participating in EU collaborative research and innovation projects. China's Belt and Road Initiative is claiming to have a holistic implementation with sustainable development motivations. Mr Wenhuan Xia, what do you think Chinese and European SMEs shall learn from each other in these turbulent and challenging times, how can Sino-European collaboration in research and innovation be increasingly fostered? What would be your recommendation for the future?*

Wenhuan Xia: Sino-European collaboration in research and innovation is quite important to benefit SMEs. The Belt and Road Initiative encourages Chinese companies and capitals outward. It might be of some interest in the future for European SMEs to be invested or merged by Chinese companies and investors. My advice is for ENRICH to develop more opportunities in this business practice. On one hand, more EU companies can showcase in the ENRICH network. On the other hand, ENRICH in China shall develop more Chinese investors and understand their real requests.

ENRICH in China wants to thank Mr. Wenhuan Xia for this interview which was made within the framework of the **ENRICH in China online event 'Ask the Expert'** taking place on **May 26th 2020** aiming to provide advice to European companies doing business in China.

Two companies will be selected from the applicants having the chance to ask up to 5 questions in 25 minutes each during the online session receiving practical and insightful advices provided by the ENRICH in China expert.

To register, please download the [Application Form](#) and submit the form to china@enrichcentres.eu by May 15th 2020.