



## Draft Report

### Roundtable discussion and Take away messages

in

### CEWP Webinar Series

### March 29<sup>th</sup>, 2022 – CEWP Market and Technology Outlook

**Introduction:** The webinar attended by 35 participants discussed the *CEWP Market and Technology Outlook 2021* report. At the webinar, the main findings of the Outlook report were presented. The Outlook report aims to assist European SME's in understanding how the Chinese water sector market functions and how they best can operate in the market, as well as examines the "Market Functioning"<sup>1</sup> and to which extent it provides optimal value to society. The Outlook also presents policy recommendations/advice to the main stakeholders in the Chinese water market. The present webinar report presents *take away messages* from the roundtable, the chair and rapporteur of the seminar. The webinar program is enclosed as annex to this report and the presentations from the webinar, with more details is available at the CEWP webpage.

#### ***Take away messages from the roundtable discussions:***

In general, the participants of the roundtable agreed with many findings in the Outlook report. However, it was found that the Chinese government has come up with regulation, improved water quality criteria and life cycle cost and that we should advise European SME's to align themselves with how the Chinese side develop their water sector.

It was mentioned that "return of investments" based on "market principles" usually do not work well in China, but most can be reframed in terms of lifecycle cost, risk management, regulatory compliance and operational optimization in general.

Climate change issues and energy efficiency is getting more attention in the Chinese water market.

From the roundtable discussions it appears that larger European companies are fully able to find a market position based on offering state-of-the-art solutions, but initiating the relation with the customers via customized offerings, and subsequent building of a partnership, via a dialogue and genuine interest in the performance and operations of the customers, and their actual use of the solutions, hereby gradually creating an interest in the more advanced, and costlier, state-of-the-art solutions.. European technology producers and consultants should aim at building networks and being sub-contractors to these.

---

<sup>1</sup> The wording "Market Functioning" is used as a terminology on the transactions from investments (Government or private funds) to procurement of technologies (Often via a Tender System based on selected standards)



European Chamber  
中国欧盟商会



In this way, a path towards promoting state-of-the-art solutions do exist. The important addition to this observation is another observation, that currently the tender system (in very general terms) do not constitute a framework which leads to market uptake of state-of-the-art solutions, instead tenders often end of promoting bulk solutions, which are not necessarily with the best long-term economic profile (cheaper capex, but very high opex, causing very high totex), with strong resilience to climate change, or with inbuild orientation towards digitalization.

*Mr. Henrik Dissing* thanked the roundtable participants for their valuable comments to the Outlook report. He informed that he sees a need to revise the Outlook report including the policy recommendations and that a new *CEWP Market and Technology Outlook 2021* report will be prepared, taking into account the discussions and conclusions of the activities in 2022.

### ***Setting the scene for the webinar***

*Mr. Henrik Dissing* CEWP as chair of the webinar welcomed the participants and set the scene by presenting main findings and observations in the report on: China water policy drivers, market and technology outlook, barriers to enter the Chinese water market, enablers e.g. digitalization, *waternomics*<sup>2</sup>, conditions for key water operators and finally draft policy recommendations.

### ***Results of the round table of the webinar***

*Mr. Henrik Dissing* invited the roundtable participants to reflect on two main questions: Q1: Overall comments to the Market and Technology Outlook Report and Q2: Comments to the policy recommendations.

#### ***Q1: Overall comments to the Market and Technology Outlook Report***

*Mr. Bruno Lhopiteau, Siveco China*, felt that we are not the ones to advice the Chinese government to be more market driven. Also he considered the Chinese water market is difficult for European SMS's. The Chinese government has come up with regulation, improved water quality criteria and life cycle cost. We should advice European SME's to align themselves with how the Chinese side develop their water sector.

*Mr. Huang Xiaojun, Veolia* informed that in his experience "return of investments" based on "market principles" usually do not work well in China, but most can be reframed in terms of lifecycle cost, risk management, regulatory compliance and operational optimization in general. He also added that climate issues are becoming more important in the Chinese water sector. Both water and energy efficiency and material reuse should have more importance.

*Ms. Jingjin Ma, Nordic Group* informed that Chinese tendered projects are more aggressive in being carbon positive and that if you as a company do not have climate references you will not be shortlisted.

---

<sup>2</sup> Waternomics = Water Sector and Economic Framework Conditions



European Chamber  
中国欧盟商会



Mr. Luca Boro, Sommer informed that there is a growing trend in hydroelectric plants to better monitor the flow of rivers. Also many costumers planning to build dams ask for better monitoring of flows to assess if the flow is sufficient to build a dam.

*Mr. Mads Terkelsen, Rambøll*, found that local presence was important even for SME's to get into the Chinese market and that this was very costly.

## *Q2. Comments to the policy recommendations in particular on technology transfer and use of ISO standards*

*Mr. Luca Bovo, Sommer* informed that they found a big interest in their technology in China. As a company they were worried about copying and IPR of their technology. Also they found that the specifications of the Chinese tenders sometimes were a bit vague and that the end users of their technology did not always know how to get the most out of the technology.

*Mr. Bruno Lhopiteau, Siveco China* found that there is a big interest in digitalization in the Chinese water sector. The market is technology driven, however there is often a lack of precise specifications in tenders. Standards like ISO 55000 may help in making specifications more precise. Siveco tries to go into dialogue and advice their customers. Siveco has experienced a strong competition from the customers own IT departments, and try to go into cooperation with these if possible. Siveco see an international market outside China, where they bid for projects in cooperation with Chinese partners.

## *Final remarks on the Outlook report*

*Mads Therkelsen* found that tender procedures in the Chinese Water Market are ok, however that specifications do not in general promote innovation as the market and tenders are regulation driven.

*Ms. Jingjin Ma, Nordic Group* has seen a new development after COVID 19. Now they always need to have a Chinese partner. China is still looking for technology from abroad however.

*Mr. Bruno Lhopiteau, Siveco China* found that policy recommendations could be re-worded, reflecting more the present conditions of the Chinese water market.

*Mr. Luca Bovo, Sommer* agreed with the finding of the Outlook that costumers in China are looking more on the investment cost and not the total life-time cost of technology. Sommer cooperates with universities to demonstrate/prove their technology in Chinese conditions. Luca Boro stressed the importance of having brochures and to talk with costumers.

*Mr. Li Ke, Danfoss China* hoped to talk in person in the future.

*Mr. Henrik Dissing* thanked the roundtable participants for their valuable comments to the Outlook Report. He informed that he sees a need to revise the Outlook including the policy



European Chamber  
中国欧盟商会



recommendations and that a new Outlook report will be prepared also including some of the activities in 2022.

### ***Closing session of the webinar***

*Ms. Helika Jürgensen, China IP SME Helpdesk* an EU supported project aimed to help European Companies solve Intellectual Problems in China. They provide free of charge services to SME's including a helpline, training workshops, webinars, website and Blog, guides and factsheets. Ms Jürgensen informed that according to their experience 80% of all SME's that fail in China fail because they did not protect their IP in China. Ms. Jürgensen informed that it is possible to deal with IP rights in China and minimize the risks for SME's. She urges the SME's to contact their helpdesk and informed that the helpdesk would be present in the Aquatec Shanghai event for further consultation.

*Mr. Henrik Dissing, [hedis@mst.dk](mailto:hedis@mst.dk), CEWP* closed the webinar and thanked RAI Amsterdam for their assistance in organizing the event and the interpreters for their work during the event. The slides from the event and a short report will be made available after the webinar on the CEWP webpage. He urged the participants to register for the April 19<sup>th</sup> – Small Scale Water Supply and Wastewater Infrastructure for Rural Areas and May 24<sup>th</sup> – Water Quality Management, Groundwater Protection and Ecological Restoration. And to save dates for upcoming CEWP events

- Physical side-event @Aquatec Shanghai, June 8<sup>th</sup>-10<sup>th</sup>, 2022, co-organized with the EU SME Centre
- Physical side-event and webinar in connection with the Water Tech Expo in Nanchang, Jiangxi province, co-organized with the Chinese Ministry for Water Resources
- Physical side-event @IWA World Water Congress, Copenhagen, September 11<sup>th</sup>-15<sup>th</sup>, co-organized with IWA

<https://www.cewp.eu/waterurban>

Report by Palle Lindgaard-Jørgensen, IN-Water Denmark



### **Program - Chinese Time/European Time**

15:00/09:00 Welcome remarks - Henrik Dissing, CEWP

15:05/09:05 China Water Market and Technology Outlook Report 2021 – Henrik Dissing, CEWP

- Market Expectations
- Technology Outlook and Market Niches
- Market Barriers
- Market Functioning
- Draft Policy Recommendations

15:45/09:45 Roundtable

16:00/10:00 China IP SME Helpdesk: Project Introduction - Helika Jorgensen, IP SME Helpdesk

16:15/10:15 Looking forward to Aqautech Shanghai – Liam Jia, EU SME Centre

16:25/10:25 Closing remarks, next webinars - Henrik Dissing CEWP