



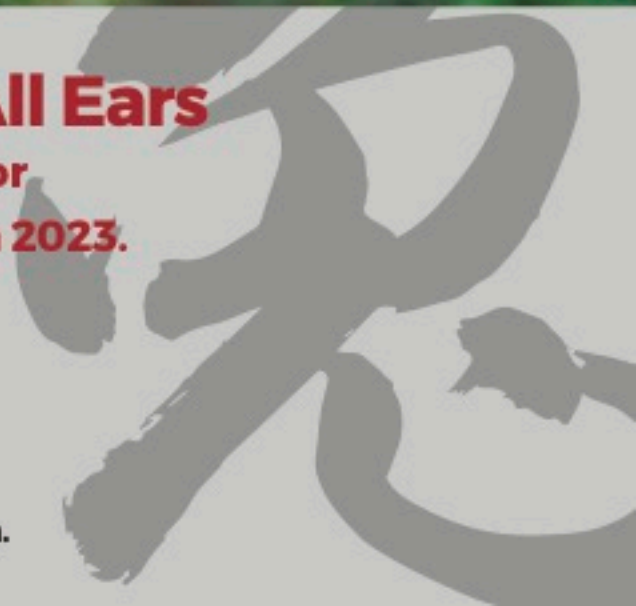
IRISH CHAMBER

of Commerce China



2023...We're All Ears
An Irish perspective for
businesses in China in 2023.

January 2023, Shanghai, China.



CONSULATE GENERAL OF IRELAND IN SHANGHAI



On behalf of the Consulate of Ireland in Shanghai, I'm delighted to take this opportunity to wish you a very Happy New Year and to introduce the Irish Chamber's annual forecast for 2023, the Year of the Rabbit.

The end of 2022 has brought rapid changes to China and it is clear that 2023 will be a very different year. For the Irish community, the ability to come and go from China for business but also to see loved ones will be a major positive change. Hopefully this will be the end of a long period of uncertainty in many areas of life in China.

I very much look forward to a very active 2023 with increased capacity for events, visits, and business across the Eastern China Region.

I would like to congratulate Peter Markey, the committee of the Irish Chamber of Commerce China, and this year's editorial board for writing this interesting and highly engaging read and for successfully navigating what was a very difficult 2022!

Ronan Mullin 穆洛蓝
Deputy Consul General
Consulate General of Ireland

I am delighted to introduce our 2023 outlook report, an insight into what Irish experts living and working in China expect for the year ahead, the Year of the Rabbit.

This is our third such report and while there is some continuity from last year, there are also new contributors from different sectors. What distinguishes this report from the previous two is that it was prepared while China is transitioning out of the zero COVID policy. The contributions were largely prepared in mid-December, at a time when every day brought a new Government announcement, and hence they reflect the uncertainty as to how this transition is going to play out.

Our experts are from across different industry sectors, and work in a wide range of companies, including multi-nationals, Irish private companies and state organisations, as well as SMEs. Accordingly, the report captures diverse perspectives, with some common themes emerging. Many thanks to them for taking the time at this busy time of year to provide their insights.

I'm sure our members will find this report stimulating reading during the Chinese New Year holiday!
Peter

Peter Markey
Chairperson, The Irish Chamber of Commerce China



WITH THANKS TO:

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The ICCC posed the following 8 questions:

- **ARE YOU FEELING LUCKY?** Rabbits are considered lucky in both Irish and Chinese cultures. Do you feel 2023 is going to be a lucky year for your sector?
- **CHALLENGES & OPPORTUNITIES:** What challenges and opportunities do you see for 2023? How are you planning to overcome/take advantage of them?
- **SUSTAINABILITY:** What initiatives do you see happening during the Year of the Rabbit in your sector/company to enhance sustainability?
- **HOW WILL YOU WIN?** Besides sector challenges, what's the biggest challenges you and your company face for 2023? How are you planning to address them?
- **WHAT'S NEW?** What are you doing differently now that you weren't doing 12 months ago.... has it become the new normal or are you still transitioning to a desired state
- **NEW NORMAL:** How has working life evolved for you over the last year and do you expect these changes to continue?
- **2024:** What do you think we'll be all taking about in January 2024
- **ADVICE:** What one piece of advice would you give your younger self at the beginning of this new Year of the Rabbit?



Andrew Mitchell

*Regional Director Asia-Pacific
Intrepid Spirits Limited*



LIQUORS AND SPIRITS

Experienced international Brand Development, Brand Marketing and Commercial Manager within the spirits and wine industry. Over 16 years in China, with mostly regional roles managing portfolios of international brands across Asia-Pacific.

Rabbits are considered lucky in both Irish and Chinese cultures. Is 2023 going to be a lucky year for your sector?

It'll certainly be better than 2022! However, I'll hold judgement for now, in that the consumer landscape has shifted. Even with the re-opening of these channels, it's unlikely consumers will return in the same numbers or consume as flippantly as before. We are seeing this play out in Japan where, despite re-opening for some time, business is not returning to pre-covid levels in said channels.

What challenges and opportunities do you see for 2023? How are you planning to overcome/take advantage of them?

Our main challenge will be re-igniting our brands that focus on the late-night channels, which have taken the biggest hit since 2020, with the forced closure of nightclubs and bars. Whilst these channels have largely opened up in neighbouring markets, such as Japan and Korea, consumption levels are still below 2019 levels, suggesting consumer habits have shifted. We can expect the same for China.

The opportunity lies in developing a more 'balanced' channel approach, where late-night channel woes are offset by gains in eCommerce and, to a lesser extent, in retail. However, despite the hype surrounding eCommerce in China, it remains a small channel for imported spirits as a whole. It will continue to grow fast but expectations should be realistic.

Lastly, with the rapid easing of restrictions from December 2022, we anticipate the on-premise channels to bounce back somewhat. To what extent we will have to wait and see but undoubtedly there will be more venues opening up and more 'bums on seats'. Per what we're seeing in nearby markets, it may not be enough for the sector to regain all lost ground but it should improve the overall picture from CNY onwards.

What initiatives do you see happening during the Year of the Rabbit in your sector/company to enhance sustainability?

Raw materials, power generation and water usage will remain the key drivers in our industry's pursuit of more sustainable and economical avenues. We too at Intrepid Spirits are continually looking at how we can reduce our footprint when producing and distributing our products, across the globe. We work with amongst the most sustainable and 'green' bottling facilities in Ireland, Terra in Cavan, the wine we source for our Australian vermouth brand, Regal Rogue, is 100% organic, and our Italian glass supplier is an industry leader when it comes to energy – all coming from solar. The 'heavy-hitters' are also doing their part: Irish Distillers recently announced their plans to invest €50 million over the next 4 years aimed at transforming Midleton Distillery into a carbon neutral operation by the end of 2026.

Besides sector challenges, what's the biggest challenges you and your company face for 2023? How are you planning to address them?

Our pre-covid business was on an aggressive upward curve and we took this opportunity to both expand our team but also acquire interests in further spirits brands. With a general slowdown in consumption in key contributory markets, this has put us under pressure. As an organisation, we will need to manage our growth more carefully and keep a closer eye on cashflow. Inventory management, where forecasting demand is ever more difficult, is also a challenge.

What are you doing differently now that you weren't doing 12 months ago...has it become the new normal or are you still transitioning to a desired state?

Working from home has been the biggest change, which also involves managing my time a lot better. With two young children in the house, conducting meetings can be a challenge. I don't see this as a transition as much as a general shift – once companies and individuals understand how to set tasks for each other, and measure deliverables, the need for large (expensive) office spaces will inevitably reduce. That said, there's still nothing to match meeting in the flesh and working through an issue. I don't think the office is dead by any means, but the 'fixed desk' will continue to die out in favour of 'hot desking' and open interactive spaces.

How has working life evolved for you over the last year and do you expect these changes to continue?

Living in Shanghai, it really has been a rollercoaster year! I expect we've seen the last of the heavy-handed lockdowns, but it has opened the eyes of a great many to working at home and both the benefits and drawbacks. With two young children bouncing around the apartment after school hours, managing my working hours and ensuring I have a quiet space to conduct calls has been a challenge. I see a general migration back to the office over the course of 2023 but the ability to 'work from home' a few days a week is much more acceptable here now and I expect more progressive businesses to embrace this or at the very least not obstruct it overly.

What do you think we'll be all talking about in January 2024?

Apart from my winning the Euro Millions, I predict a world with Covid firmly in the rear-view mirror but other challenges remaining. We'll be talking about the ongoing energy crisis, upwards inflation and how it's putting pressure on low- and middle-income earners, and evermore discussion on climate change and what we can do to mitigate it. Strangely, these can present opportunities for businesses such as

Intrepid Spirits: consumers will be ever more conscious of where they source products, how the product is made, by who, and whether the manufacturer shares similar values regarding waste, energy, emissions, pesticides, etc. I won't hazard a guess on politics, but Putin's future must be in serious doubt and election results in the US will affect us all. The UK will continue to slide without a more galvanised opposition.

What one piece of advice would you give your younger self at the beginning of this new Year of the Rabbit?

As cliched as it is: expect the unexpected. Given the economic upheaval infecting most markets since 2008, the challenges that covid-19 brought with it more recently, and the ongoing war in Ukraine, I don't foresee it being a tranquil world for a few more years. I would tell myself to be mindful that things will be thrown at you that you won't anticipate – be resilient, flexible but optimistic. People are generally good and despite all the woes, there has never been an easier time to change tack and guide your business or career around obstacles and through challenges. I also believe that in such uncertain times, people gravitate to optimism and positivity, so be an optimistic and positive partner or supplier or customer and you'll reap just reward. 加油!





Barry McFarlane

China Development
PM Group.



ARCHITECTURAL ENGINEERING.

I have been with PM Group, the leading Irish Engineering and Construction Management company, for 18 years, the last 8 in China. Our main business here is delivering facilities for the Pharmaceutical & Food / Beverage industry - from site selection to operational plant. My role as director of development is focused on building the business and developing clients relationships.

Rabbits are considered lucky in both Irish and Chinese cultures. Is 2023 going to be a lucky year for your sector?

I hope so as I was born in a Rabbit year! It feels like we will be relying on luck more than strategy next year. We have been fortunate that during these COVID years we had a strong order book of international clients developing major projects across China. Apart from around 6 months of disruption all the projects kept going and we recorded year on year growth. A slowdown in International Pharma investment saw us pivot towards domestic clients along with our traditional international food business. Going forward we are pivoting back to International Pharma and see green shoots of interest again. However many of the potential projects we are looking at will require senior stakeholders to at least visit China before the projects progress. Therefore we are all hoping the travel restrictions reduce and then we see a wave of new investments.

What challenges and opportunities do you see for 2023? How are you planning to overcome/take advantage of them?

The main challenges will be supporting international project decision making to invest in China in the context of geo political confidence. There are many signs of interest to come back to China and the challenge will be to position ourselves to pick the right opportunities and be ready when the clients return.

What initiatives do you see happening during the Year of the Rabbit in your sector/company to enhance sustainability?

Sustainability is a pillar of our global business, in 2023 we are appointing office champions and rolling out multidiscipline training to ensure our China team have the skills and knowledge to support sustainability in design and our client's goals. At a China macro level we still see a lack of joined up thinking in respect of rolling out the Beijing targets.

Besides sector challenges, what's the biggest challenges you and your company face for 2023? How are you planning to address them?

Our biggest challenge is people, finding good people and developing good people. The market has become increasingly competitive, margins have been squeezed so we need to do more with less people for the same fees. This means we need our people to take ownership leadership delivering projects. Sadly I don't have an easy answer to this challenge. We are recruiting heavily in young talent but it takes time to develop them. This is a challenge for PM Group across the world not just in China.





What are you doing differently now that you weren't doing 12 months ago....has it become the new normal or are you still transitioning to a desired state?

PM Group are investing heavily in Digital lean project delivery. This is a transition for the whole group but particularly challenging here in China where engineering consulting fees are competitive and embracing change to efficient lean design and construction is not valued, we will be transitioning for a while.

How has working life evolved for you over the last year and do you expect these changes to continue?

We did not embrace working from home as the rest of the PM Group did which seems to have been a good decision (in the short term anyway) as there are concerns across the network that people don't want to go back to the office and the PM Group culture is not being maintained with osmosis interactions. The main change over the year has been the lack of travel to our projects across China and the lack of face-to-face interaction with our international stake holders. I think if the quarantine drops we will be very busy next year getting out to our projects and meeting all the PM Group and client stakeholders that will be arriving in China following three years absence. There will be a lot of dinners...

What do you think we'll be all taking about in January 2024?

How we can't believe we were isolated from the world for three years and how amazing and fast the recovery has been.

What one piece of advice would you give your younger self at the beginning of this new Year of the Rabbit?

Hold the Line – by this I mean positioning ourselves for a Q3, Q4 surge.





Clare O'Dowd

Finance & Strategy Director
BeamSuntory China

Beam SUNTORY

LIQUORS & SPIRITS

I lead Finance, Supply and Commercial Strategy for a global spirits brand company and we import, market and distribute our brands such as Yamazaki, Jim Beam, Courvoisier, Bowmore within China to the on-trade (restaurants, bars, nightclubs,) the off-trade (supermarket, liquor stores) and online.

Rabbits are considered lucky in both Irish and Chinese cultures. Is 2023 going to be a lucky year for your sector?

I predict a Bouncing Bunny in 2023 for the alcohol sector, a bounce back for the Food & Beverage industry who have really struggled to survive 2022. Revenge consumption (the incremental increase in consumer spending versus normal levels after an unprecedented adverse economic event) had a big impact on the category in some western markets post Covid lockdown for certain consumer groups including premium alcohol. Let's see how bouncy the bunny is going to be in 2023!

What challenges & opportunities do you see for 2023? How are you planning to overcome or take advantage of them?

I am optimistic on 2023, I think the first half may be a little volatile on growth due to social uncertainty as Covid inevitable spreads, but as consumers gain confidence the growth will come back. To be ready to take advantage we are tracking consumer confidence and prepare consumer engagement and brand investment to match the timing for maximum uplift impact.

What initiatives do you see in your sector/company to enhance on sustainability?

Globally the alcohol sector often focusses on improving packaging and water usage. Water quality is key to the distillation process and most companies have CSR programs supporting local water projects. Within

Suntory we have our own scientists in Japan developing alternative packaging options. Locally we have moved to E-Vehicles for local logistics and changing global supply sourcing to shorten transportation footprint.

Besides sector challenges what is biggest challenge you and your company face in 2023? How to address them?

Biggest challenges are external to the sector and company, global political tensions continue to be high on the minds of foreign companies operating in China, coupled with economic conditions in China relating to real estate etc are the two biggest consumption threats.

What are you doing differently now that you weren't doing 12 months ago?...has it become new normal or transitional state?

Becoming more agile in commercial operations across the regions in China and less Shanghai centric. The learning this year is to be quick to embrace opportunities in markets that were not in lockdown.

How has working life evolved for you over the year and do you expect these changes to continue?

Of course, the Shanghai lockdown in the first half was challenging to keep the business operational and the team spirit alive but actually it made the cross functional teams stronger as people bonded over common human struggles as opposed to just own department concerns. We have not moved to a WFH office and back to normal, fully staffed in the office.

What do you think we will all be talking about in January 2024?

Not Covid hopefully!

What one piece of advice would you give your younger self at the beginning of this new year?

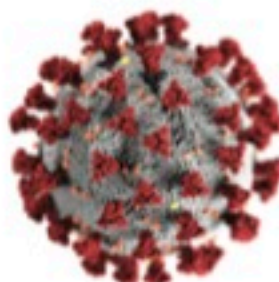
Embrace the risk of the unknown, it's probably not as bad as you think.





John Collins

Consultant



PHARMACEUTICAL & BIOTECH

I advise Chinese biotech companies on cross border deals and building competitive differentiated portfolios. Having trained as a pharmacist, I now have over 22 years industry experience (20 with Pfizer) working mainly in commercial and development roles in China, the US, & Europe.

The start of 2023 is likely to be turbulent as hospitals across the country deal with multiple COVID waves in the January to March period. Due to several factors, the healthcare system will be very stretched, and one is likely to see a significant death toll in the elderly given the relatively low vaccination rates, and low ICU bed availability. Once the initial waves of infections are out of the way, and assuming no new significantly more dangerous strains of COVID-19 emerge, things should settle into a more normal equilibrium of living with the virus. From Q2 2023 there will likely be a significant pick up in healthcare spending as many patients who have been putting off going to hospitals (during lockdowns & major Covid waves) now come back into the healthcare system. Local governments may make efforts to divert more budget into economic growth projects versus spending on healthcare and this may lower the catch-up healthcare spending growth a little (economic growth will be very much the focus of local governments in the coming year). However, overall one can expect strong healthcare growth from Q2 onward, and especially in the second half of 2023. The possibility of an mRNA approved COVID vaccine (MNC or local) may drive further growth in the sector.

Chinese companies in 2023 will continue to accelerate the transformation of their portfolios and pipelines to innovative and differentiated products. This is driven by government policy that is putting significant price pressure on mature medicines and complementary policy that is strongly encouraging the development of a China drug research and development ecosystem. Local companies now surpass MNCs in terms of new drug approvals, this trend will continue in 2023. In addition, ongoing challenges with pricing and reimbursement (even new innovative medicines face large price cuts when/if put on reimbursement lists) is encouraging companies to further accelerate their penetration into overseas markets, either

through partnerships or through their own effort. Legend's partnership with J&J is one such example of the partnership approach, their cutting-edge cell therapy for blood cancer was approved by the US FDA in early 2022. BeiGene is a great example (and so far, the exception) of a China based biotech company that has had considerable success in building a significant global presence, especially in the all-important US market. In 2022, one of BeiGene's key cancer drugs showed superiority to the global standard of care and the company is likely to further accelerate its growth in the global markets in 2023. We are likely to see more global companies sourcing innovative products from China. In all, there was about 28 significant cross border deals completed in 2022. 2023 is likely to see an increase in growth for reasons outlined below. In addition, we will see the continual trend of local companies to focus more on outbound deals as opposed to inbound China specific deals given the challenge of the China market, and the limited scope for value creation given the limited territory rights.

In terms of financing, 2022 was an exceptionally challenging year for early-stage companies which are so reliant on global as well as local financial markets. 2023 will also be challenging for companies, IPOs are likely to be few and far between, and most funding is likely to be focused on the earlier seed, A, and B rounds. As such, companies will need to focus their portfolios and look to do China as well as global deals to raise enough cash to allow portfolios to move forward to key research & development milestones. Companies with attractive and de-risked portfolios will have opportunities to partner and one can expect a significant amount of M&A, others will struggle. This will drive further right sizing and consolidation of the industry, something that is needed to help China bridge to the next stage of its ecosystem building.

Internally, in addition to focusing their portfolio on a few select high value products targeting areas of significant global unmet need, companies will also have to integrate earlier into the global development process as countries like the US are now insisting that any ex-US innovative drugs have a significant number of US patients in their registration trials (Innovant Lilly had their China developed product rejected in the US because of patient make up). Emerging US policy such as the IRA (Inflation Reduction Act) will also have a very important influence on how companies plan their portfolios in the coming year. There is also some unknown about how evolving US China relations may influence the biotech sector going forward, an area that relies so much on global collaboration and cooperation amongst scientists, finance markets, regulators, and companies (as I write this report the US puts a hold on F-star's takeover by China's Sino Biopharm, citing national security risks). Like climate change policy, medicine and healthcare is an area where everyone benefits when collaboration is global in nature, so one hopes that patients' interests will continue to favourably shape policy in bringing innovative medicines to people everywhere.

In terms of moving forward the global science, 2023 should be another exciting year. The new year will see big changes in the treatment of breast cancer with new medicines to treat what was previously a difficult to treat type of breast cancer. We will see further modest advances in Alzheimer's with the introduction of two new antibody treatments which show small improvements in disease progression, and so a small step in what continues to be a difficult to treat disease. We will also likely see a significant new treatment for obesity approved in the coming year. A number of new cell/gene therapies will be brought to the market including one for Haemophilia, allowing potential curative treatment of what was previously a chronic disease. In addition, the first treatment for a very difficult to treat liver disease (NASH) and the first Respiratory syncytial virus (RSV) vaccines are likely to be approved. Lastly an mRNA vaccine for skin cancer will enter large

scale trials following a positive data read out in late 2022. If successful, this will be the first ever vaccine for cancer treatment. There is still a lag between the exciting scientific progress and market reflection in terms of valuations (HK listed early stage biotech companies down 50%). This is likely to continue for some time into 2023 given the overall global macro environment, capital markets downturn, and the long-term high-risk nature of biotech investments.

In summary, the year of the Rabbit is likely to get off to a bumpy start, after which we will see strong growth in what continues to be a challenging environment. In addition, the rapid pace of scientific progress will translate to the launch of many new meaningful medicines in the year ahead.





Laura Shang

Founder & CEO
Shanghai Know How Law Firm



LEGAL

I am a qualified PRC lawyer with more than 20 years legal experience specializing on commercial & investment and dispute resolution in variety of industries. With local advantages and international horizons, I bring practical solutions for the clients from all over the world.

Rabbits are considered lucky in both Irish and Chinese cultures. Is 2023 going to be a lucky year for your sector?

As the Year of the Rabbit approaches, we see the government relaxing the Covid pandemic control policies. This is a positive signal for economic recovery. We see that governmental authorities are gradually taking actions to promote business growth. We expect new regulations for the better business environment will be brought out accordingly. In this case, I believe that 2023 will bring good fortune not only to the legal service sector, but to all other sectors.

What challenges and opportunities do you see for 2023? How are you planning to overcome/take advantage of them?

In terms of challenges to the legal service sector, the first is the online working style which might continue in 2023. Although we have become accustomed to online working over the last few years and we try to make it effective and efficient, there are obstacles to our work. It is well known that the in-person communication is crucial to lawyers. Reading body language and facial expressions in negotiations, cross-examination and court hearings is an important skill. Online working significantly increases our difficulties in this respect and leaves limited opportunity for us to exert such abilities.

Another challenge involves clients reducing their legal budgets as most of them are experiencing operational challenges or suffering from financial difficulties.

According to research data published on the website of "China Judgements Online" as of 7th November 2022, the number of civil cases under the causes of action of "contract/negotiorum gestio/unjust enrichment" was 8,929,026 in 2020. This figure decreased to 6,606,794 in 2021 and is dramatically reduced to 2,634,508 in 2022. Some researchers state that one reason for this reduction in cases is people/companies prefer to negotiate a dispute rather than bring a case to legal proceedings, so that the legal cost can be lowered or saved. Although there are other factors involved to explain the decreased number of legal cases, obviously people are holding tight to their purses.

However, there is growing attention in the legal industry regarding company compliance, company bankruptcy, data protection, metaverse, digital assets, international trade control, national security review in

foreign investment, and other areas. This is a good time for legal professionals in China to be well prepared for the new legal services in high demand and looking to provide needed professional services in the emerging digital industries. Delivering a well-designed legal service product is an important task that combines challenges and opportunities.

What initiatives do you see happening during the Year of the Rabbit in your sector/company to enhance sustainability?

Currently in my law firm we focus on providing clients with foreign related legal services which very much depend on an open world economy. With our focus, we pay more attention to policies related to foreign investment and international trade.

The 20th National Congress report sent a new signal of China's opening-up. In the report it calls for promoting high-level opening-up and steadily expanding institutional opening-up based on rules, regulations, management and standards; and speeding up the building of a trade powerhouse. The report states a priority for "maintaining diversified and stable international economic structure and economic and trade relations".

In the Year of the Rabbit, we will wait and see the measures to reduce the negative list for market access and implementing the principle of competition neutrality, and improving the business environment, etc.

Besides sector challenges, what are the biggest challenges you and your company face for 2023? How are you planning to address them?

The biggest challenge facing my law firm in 2023 will continue to be uncertainty. We must stick to our goals and plans while making immediate adjustment to meet the needs of changing circumstances.

What are you doing differently now that you weren't doing 12 months ago... has it become the new normal or are you still transitioning to a desired state?

At this time I do not have recruitment plans or internship plans while it was on the agenda 12 months ago.

How has working life evolved for you over the last year and do you expect these changes to continue?

In the second half of 2022, I spent more time teaching and the time is doubled compared to the earlier year. I teach legal negotiations to post graduates at East China University of Political Science and Law. This experience will be a plus to the law firm when we recruit new team members or interns in the future. We will have very good candidate source. I would like to continue if time permits.

What do you think we'll be all talking about in January 2024?

I guess recovering and development would be the hot topic in January 2024.

What one piece of advice would you give your younger self at the beginning of this new Year of the Rabbit?

Read more, exercise more and be positive.



Patrick O'Riordan

*Director China
Enterprise Ireland*



GOVERNMENT AGENCY/ INTERNATIONAL BUSINESS DEVELOPMENT

Enterprise Ireland works in partnership with world class Irish companies to accelerate their development in global markets thereby contributing to employment and economic value add in Ireland. Here in China I lead a small team spread across three offices providing market entry and scaling supports to innovation rich Irish companies seeking to grow their exports to China.

Rabbits are considered lucky in both Irish and Chinese cultures. Is 2023 going to be a lucky year for your sector?

We at Enterprise Ireland are optimistic heading into the Year of the Rabbit. Notwithstanding prevailing challenges, world class Irish companies are increasingly ambitious for global markets not least China.

China can be a challenging market to enter but remains critical for Irish trade, with excellent potential for scale. We have seen real success stories of home-grown Irish companies expanding in the market across a range of sectors. The key success factors that these companies tend to have in common is market fit, innovation and excellence at their core, and a long-term commitment to the China market. The 14th Five-Year Plan sets out a clear roadmap for economic development and strategic priorities in China. There are real synergies between Ireland and China's focus areas for investment.

Education continues to shine brightly for Sino-Irish trade. Ireland's positive reputation for quality education and its green, friendly country image makes it an increasingly popular destination for the growing number of Chinese students seeking to study abroad. Our positive bilateral relationship with China coupled with being a well-known English-speaking country in the EU also contributes to this rising demand. Outside of students travelling to Ireland, there are also an increasing number of transnational education programmes between Chinese and Irish HEIs (higher education institutions), and there are currently over 6000 students in China who are studying a blended Sino-Irish curriculum. This further bolsters our reputation in the sector. We take great pride in the excellence of our Education Ireland and HEI teams marketing efforts and impact which is hugely supported by the broader Team Ireland in China, particularly by our Embassy, Consulates and Visa office.

What challenges and opportunities do you see for 2023?

The challenges for Irish companies operating in China remain largely the same heading into 2023. Cultural and geographical distance, the language barrier and high levels of internal capability make China a difficult market to gain a foothold in initially.

The opportunity for more normal domestic and international travel patterns will be a real positive for Irish business in the year ahead and especially so for new market entrants to China.

When looking at specific opportunities for Irish companies in China, we see the recovery of the aviation industry being favourable for established suppliers to the sector. In AgriTech, Irish companies that can increase farm efficiency and produce higher-value outputs. For example, farm equipment that reduces inputs, or feeds and fertilizers that make animals and crops more productive with better sustainability performance.

What initiatives do you see happening during the Year of the Rabbit in your sector/company to enhance sustainability?

China's sustainability priorities for 2023 are not only to reduce emissions but also to ensure the security of critical resources like energy and food. China has always had a long-term focus and we see sustainability as also ensuring longevity. Irish innovation is helping supply chains and sectors to operate more efficiently and effectively, and in this way aiding their customers to improve both environmental and financial performance.

In terms of organisation-level initiatives, hybrid, or omni-channel approaches to marketing activities in China will remain key to sustainable growth in 2023.





Besides sector challenges, what's the biggest challenges you and your company face for 2023? How are you planning to address them?

Irish industry is grappling with a very uncertain economic backdrop with inflation and talent ranking highly as challenges. For Enterprise Ireland in China the biggest challenge is to assist more of our client companies realise their scaling ambitions.

What are you doing differently now that you weren't doing 12 months ago....has it become the new normal or are you still transitioning to a desired state?

In the past twelve months our small team in China has become much more reliant on remote working. In responding to prevailing circumstances, we have introduced more hybrid events, and we have also seen the growing importance of having a comprehensive digital media presence and finding new channels to engage with the Chinese market. The future of work for us will be blended but with a definite appetite amongst our team and clients for in person engagement.

How has working life evolved for you over the last year and do you expect these changes to continue?

Over the last year we have become accustomed to working remotely and we will continue to harness the benefits of digital working tools. However, commerce is fundamentally a people-based endeavour, and we are very optimistic about the return of international travel between China and Ireland so key to establishing, nurturing, and cementing business relationships.

What do you think we'll be talking about in January 2024?

In January 2024, I believe we will be talking more about the incredible affinity diaspora that Ireland is developing in China. We are very fortunate to have several thousand Chinese graduates who have lived, studied, and worked in Ireland and enhancing our engagement will yield positive benefit for all.

What one piece of advice would you give your younger self at the beginning of this new Year of the Rabbit?

Stay positively focused on things you can influence and seize opportunities as they arise in this amazing country.





Shane Farrelly

*Legal Counsel & Legal Advisor
D'Andrea & Partners*



LEGAL

I am a legal advisor of D'Andrea & Partners Legal Counsel, Chongqing Branch, a company of DP Group. I am responsible for the development of foreign invested businesses in the Chongqing/Chengdu area in collaboration with D'Andrea & Partners' offices globally, ranging from China, Italy, India and Vietnam. I have obtained experience in the Criminal Defence arena in my native Ireland and have also been a regular contributor to well established international legal journals in relation to legal issues affecting both the Chinese and European markets.

Rabbits are considered lucky in both Irish and Chinese cultures. Is 2023 going to be a lucky year for your sector?

As many a legal professional will retort when answered a direct question, it depends. Within the legal sector, ordinary legal compliance, contract disputes, intellectual property concerns etc. have remained somewhat steady for existing clientele in 2022, however we can't ignore the fact that the vast majority of the year has been plagued with the uncertainty brought upon by COVID prevention measures, whether that be travel difficulties, cancelled events, snap lockdowns etc. For 2023 to be considered lucky, as the swift turnaround of harsh COVID related control measures looms, for foreign investors especially (our prime clientele), the Chinese marketplace, while still lucrative, has lost some of its appeal while other marketplaces (India, Vietnam) pick up the slack. While the Chinese market will never be wholly ignored or "de-coupled" from, should a sense of business certainty be restored in 2023, companies within our sector will begin to reap the benefits in terms of foreign direct investments into the country.

What challenges and opportunities do you see for 2023?

How are you planning to overcome/take advantage of them? In terms of opportunities, we are seeing a trend in recent years of Chinese companies investing abroad or failing that, conducting transactions within Europe/the Middle East/South East Asia. We envision this trend to continue as large players domestically enter into new marketplaces. Our firm has established initiatives in order to tap into this demographic and to explore how to develop alongside large Chinese companies abroad.

What initiatives do you see happening during the Year of the Rabbit in your sector/company to enhance sustainability?

In regards to our company and enhancing sustainability efforts, our long-term environmental goal is to reduce our company's carbon footprint to 0, in order to achieve these lofty goals we deduct 1.5 RMB from all employee pay slips to pay for the planting of trees to neutralize the carbon impact generated by all of our employees (as yearly assessed by our HR Department) which will of course continue into 2023 (e.g.) we planted 115 trees in Inner Mongolia to cover the emission of carbon footprint our employees (at Group level) in 2021. Next year, in an effort to reduce the pollution of plastic waste in the ocean, we are launching a new program "Action for blue", where each member of our group will volunteer to clean up the coasts near Shanghai and to use all the collected plastic bottles in cooperation with recycling brands to give new life to the waste.

Besides sector challenges, what's the biggest challenges you and your company face for 2023? How are you planning to address them?

In terms of challenges, the general downturn in the economy is of course a challenge for not only our sector but the marketplace in general, but of course, when purse strings are being tightened, it is often the service industry which feels the pinch. When such macro-economic factors are at play it's important for companies to show worth and to be close to clients during this time, we pride ourselves on treating our clients' problems as our own and thus in 2023 we will aim to be as close to our clients as possible, whether that be providing promotional marketing, information sharing webinars, addressing sector specific issues within articles, voicing advocacy concerns through institutional platforms or business networking opportunities.

What are you doing differently now that you weren't doing 12 months ago....has it become the new normal or are you still transitioning to a desired state?

We are exploring more diverse and emerging marketplaces as well as niche service areas. As I mentioned "exploring", I think you can surmise that this has not become the new normal as of yet, however it is part of a growth strategy moving forward.

How has working life evolved for you over the last year and do you expect these changes to continue?

An increased level of autonomy and trust has been placed on employees in general this past year, however at the same time, less leeway allowed for unexpected mishaps, with the well renowned excuse of "due to COVID restrictions I/he/she/they couldn't...(insert task here)" no longer applicable for every situation as it once was, work-arounds have become the new norm for working life, rather than excuses.

However, as harsh COVID control measures are being lifted, I don't imagine this trend to continue but perhaps this experience could lead to this approach to be integrated into other aspects of working life such as in company culture.

What do you think we'll be all taking about in January 2024?

What I think we'll be all taking about in January 2024 may seem a bit hopeful at the time of writing, however considering the recent

reintegration of China to international diplomatic summits, most notably at the G20 and the APEC forum, as well as visits to Beijing by German Chancellor Scholz & President of the European Council Charles Michel, I would wager that there should be some sort of developments in regards to the EU-China Comprehensive Agreement on Investment, which although agreed in principle on December 30th 2020 has since been suspended due to tensions from both sides.

it may be overly ambitious to imagine any dynamic commitment, however, considering the harder stance taken by European leaders recently, there may be a renegotiation on certain points of the Agreement.

What one piece of advice would you give your younger self at the beginning of this new Year of the Rabbit?

Hope for the best but prepare for the worst.





Bliain an Choinín shona daoibh

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The IRISH CHAMBER OF COMMERCE CHINA - ICCC

Our mission is to represent and support the Irish Business community in China in promoting, developing and maintaining business relations by providing access to information, resources and networking opportunities.



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