

China encourages foreign investment

Overseas funding seen as key to high-quality national development

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China's latest move to open its market to foreign investment in the manufacturing sector will contribute to high-quality development, and ensure the stability and security of global industrial and supply chains, market watchers and business leaders said.

Right after the conclusion of the 20th National Congress of the Communist Party of China last month, the National Development and Reform Commission, which is the country's top economic planner, and five other central government departments jointly released a notice to encourage foreign investment in high-end equipment, basic components and key parts for advanced manufacturing, as well as high-tech industries.

The government will take further steps to facilitate the border entry and exit of executives and technicians of multinational companies and their families in accordance with national COVID-19 pandemic prevention and control policies, according to the notice.

China will also encourage foreign investment in research and development, design and modern logistics in the service industry, as well as in innovation and applications related to new energy, green and low-carbon technologies, the notice said.

Wang Wen, executive dean of the Chongyang Institute for Financial Studies of the Renmin University of China in Beijing, said these policy measures reflect China's unwavering determination to expand high-level opening-up, optimize foreign investment structure and attract more global stakeholders to invest and develop in the country.

Reiterating that high-end manufacturing is crucial for growing the real economy and advancing new industrialization, he said that the high-quality development of Chinese manufacturing needs the participation of foreign companies, and that their investment will in turn generate decent financial returns.

As China continues to focus on supporting the real economy and expanding the use of foreign investment in key sectors for innovation-driven development — for instance, high-tech manufacturing and other strategic and emerging industries — it will accelerate the transformation and upgrading of traditional industries and bring growth opportunities to small and medium-sized businesses in the years ahead, said Zhao Ping,

Foreign investment has long played an important role in driving the growth of China's economy.”

Tamas Hajba, representative of the Organization for Economic Cooperation and Development in China

deputy head of the Academy of Beijing-based China Council for the Promotion of International Trade.

“The policies aimed at facilitating the exchange of workers from foreign companies are also conducive to further shoring up the confidence of multinationals and speeding up the implementation of major foreign investment projects,” she said.

Thanks to its social stability, tremendous economic potential, complete industrial chain and preferential policies, China's attractiveness as a destination for foreign direct investment remained strong in the third quarter of 2022, according to a survey released by the CCPIT.

Attracted by opportunities in areas such as carbon neutrality, high-end manufacturing and innovation-driven development, foreign direct investment in China expanded 15.6 percent year-on-year to more than 1 trillion yuan (\$136.7 billion) in the first nine months of the year, statistics from China's Ministry of Commerce show.

The ministry data showed that the FDI growth rate in the high-tech sector was 32.3 percent between January and September. The figures for high-tech manufacturing and high-tech services were 48.6 percent and 27.9 percent, respectively.

“China is playing an ever-greater role in the world,” said Chen Yudong, president of Bosch China — a branch of Germany's Robert Bosch GmbH — and a five-time participant at the annual China International Import Expo, which concluded on Nov 10. “Take the automotive industry as an example. This market is leading the transformation towards electrified and connected mobility.”

Bosch operates four business divisions in China: mobility solutions, industrial technology, consumer goods, and energy and building technology. The most significant sector, mobility solutions, accounts for 75 percent of its total business.

Under its plan, Bosch's cross-

domain computing solutions research and development center will be inaugurated in Shanghai later this month. Phase II of the company's united automotive electronic systems plant in Taicang, Jiangsu province, is expected to be completed in the second quarter of 2023.

Danish engineering company Danfoss Group is upbeat about the development of the green sector in China after seeing its sales revenue jump from 4 billion yuan in 2015 to over 10 billion yuan last year.

“Danfoss is committed to investing in China, which is the company's second home market,” said Arthur Xu, president of Danfoss China.

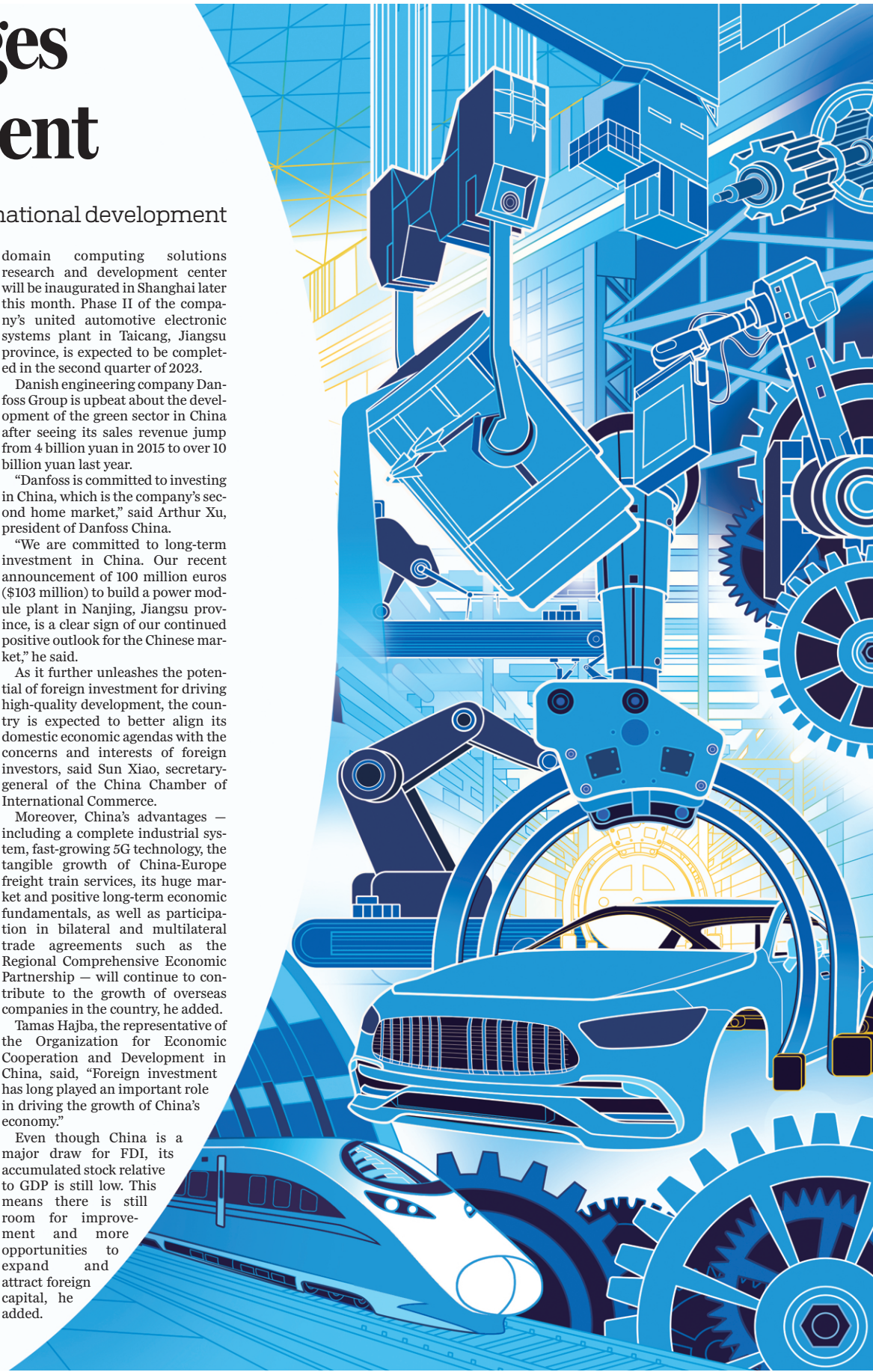
“We are committed to long-term investment in China. Our recent announcement of 100 million euros (\$103 million) to build a power module plant in Nanjing, Jiangsu province, is a clear sign of our continued positive outlook for the Chinese market,” he said.

As it further unleashes the potential of foreign investment for driving high-quality development, the country is expected to better align its domestic economic agendas with the concerns and interests of foreign investors, said Sun Xiao, secretary-general of the China Chamber of International Commerce.

Moreover, China's advantages — including a complete industrial system, fast-growing 5G technology, the tangible growth of China-Europe freight train services, its huge market and positive long-term economic fundamentals, as well as participation in bilateral and multilateral trade agreements such as the Regional Comprehensive Economic Partnership — will continue to contribute to the growth of overseas companies in the country, he added.

Tamas Hajba, the representative of the Organization for Economic Cooperation and Development in China, said, “Foreign investment has long played an important role in driving the growth of China's economy.”

Even though China is a major draw for FDI, its accumulated stock relative to GDP is still low. This means there is still room for improvement and more opportunities to expand and attract foreign capital, he added.



SHI YU / CHINA DAILY

Shanghai expo attracts intl enterprises

By ZHONG NAN

With China creating more favorable conditions for global companies to grow in its vast, lucrative market, the annual China International Import Expo will help promote investment opportunities, executives at several multinational companies said.

This year's expo, which has been held in Shanghai every year since 2018, ran from Nov 5 to 10.

The executives said that the CIIE reflects the Chinese market's growing significance to the global economy and to its dual circulation growth paradigm — in which the domestic and international markets complement each other, with the domestic market as the focal point.

“For five years, the CIIE has not only served as the optimal choice for multinational companies to debut new products and pioneering technologies, but it has also witnessed the transition of many participants from exhibitors to investors,” said Sheng Qiuping, China's vice-minister of commerce.

Once such transitions are consolidated, foreign companies will seek more trade, investment and cooperation opportunities. This will better enable China to reinforce its economic and trade ties with other economies, said Hong Junjie, vice-president of the University of International Business and Economics in Beijing.

Such positive sentiment is shared

by Lars Eckerlein, general manager of ABB (China) Ltd, the local branch of Swiss technology company ABB Group, which has participated in all five CIIE events.

Eckerlein said that as a major global trade fair promoting globalization and openness, the CIIE is an important platform in which ABB can share its latest digital technologies and work with customers and partners toward high-quality growth and a more sustainable future.

The Swiss company's robotics mega factory will enter operation in Shanghai in December. It represents the next level of ABB's manufacturing technology and will deploy the latest manufacturing processes, including machine learning, as well as digital and collaborative solutions. It will be the group's most advanced automated and flexible factory, where robots will make robots.

With the outdoors market growing rapidly in China in recent years, French sporting goods retailer Decathlon has launched a number of innovative products, including more environmentally friendly mountain bikes, at the CIIEs to meet consumers' demands for home fitness, camping, kitesurfing and other emerging sports and activities.

Pascal Bizard, senior vice-president of Decathlon China, said that the CIIE has been witness to the company's growth in China in recent years. China is Decathlon's first overseas market

outside of France with a whole industrial chain presence.

After seeing sales revenues register an increase of 20 percent year-on-year last year, Wilo Group, a German provider of pumps and pump systems and a two-time participant of the CIIE, will open an Industry 4.0 standard plant in Changzhou in Jiangsu province early next year. Its products will be sold in both the Chinese and international markets.

According to Lyman Tu, Wilo's vice-president for China and Southeast Asia, with the growing importance of the Chinese market — which became Wilo's second-largest last year — the company has announced plans to further invest in research and development and enlarge its product portfolio in China as part of its 2025 strategy.

The country's broad market prospects, integrated supply chain and improving the market environment are the main reasons behind Wilo's plans to expand its presence, he said, adding that China will likely become the group's largest market by 2023.

“These facts show that most investment decisions by global companies are based on market conditions and growth potential, and they are acutely aware that no economy can independently provide all the resources and innovation other markets need, or offer all the goods and services that consumers demand,” said Xu Mingqi, a researcher with the Shanghai Academy of Social Sciences.

Policy Digest

Organizations to aid accessibility certification

As China mulls measures to provide a better barrier-free environment for the disabled and the elderly, organizations are being invited to apply for the right to issue accessibility certificates to participating venues.

According to a plan officially issued on Nov 10 by the State Administration for Market Regulation and China Disabled Persons' Federation, Organizations must demonstrate that they are qualified and capable.

Once the organizations are approved by authorities, they will be able to certify places with barrier-free environments.

Those found in violation of laws and regulations during the certification process will face legal redress, and organizations found to be in severe breach of the law will be designated as dishonest.

Plan seeks business boost in Yangtze Delta

The National Development and Reform Commission has unveiled a three-year action plan to build a world-class business environment in the Yangtze River Delta area.

According to the plan issued on Nov 10, by the year 2025, a unified open-market system will be established in this major eco-

nomic hub in China. This will allow the free, orderly flow of materials and other resources to be realized, and administrative barriers will be gradually removed.

Efforts will also be made to facilitate trade, investment and government affairs services and to reduce the cost of institutional transactions, the plan said.

Meanwhile, it aims to boost the vitality and quality of market entities and improve the efficacy of governance in a comprehensive way.

As the delta area develops, a market-oriented, world-class business environment governed by a sound legal framework will be set up, with the region expecting to become more competitive globally.

Counterfeits destroyed during crackdown

The State Administration for Market Regulation conducted a nationwide operation on Nov 10 that destroyed more than 3,000 metric tons of counterfeit and inferior commodities worth about 500 million yuan (\$70.68 million).

During the crackdown, which was conducted simultaneously in 17 provincial-level regions, more than 100 types of goods, including food, drugs, clothing, cigarettes and pirated publica-

tions, were destroyed.

Reimbursement of medical fees expanded

Statistics from the National Healthcare Security Administration show that coverage of the country's direct settlement of cross-provincial outpatient expenses has expanded.

Under the program, the central government reimburses patients for their medical fees.

In the first nine months of this year, more than 20.62 million direct settlements of cross-provincial outpatient expenses were made, with patients spending more than 4.96 billion yuan (\$701 million).

About 2.96 billion yuan from the public medical insurance fund was used to reimburse patients during this period, accounting for 59.7 percent of the total spent.

In a notice issued on Nov 3, the administration also said reimbursement for fees spent on the treatment of five chronic diseases and special diseases, including hypertension and diabetes, is now offered in 86 percent of the country.

By the end of September, there were about 76,100 designated hospitals and medical institutions nationwide.