

FOREIGN INVESTMENT GUIDE OF THE PEOPLE'S REPUBLIC OF CHINA

2025 Edition



MINISTRY OF COMMERCE OF THE
PEOPLE'S REPUBLIC OF CHINA

Foreign Investment Guide of the People's Republic of China

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INvest in China

Ministry of Commerce of the
People's Republic of China

Foreword

Opening up is a basic state policy of China. The third plenary session of the 20th Central Committee of the Communist Party of China pointed out that "opening up is a defining feature of Chinese modernization. We must remain committed to the basic state policy of opening to the outside world and continue to promote reform through opening up. Leveraging the strengths of China's enormous market, we will enhance our capacity for opening up while expanding cooperation with other countries and develop new institutions for a higher-standard open economy." Chinese President Xi Jinping has repeatedly stressed that China will remain steadfast in reform and opening up. China's door will only open wider. The policy of utilizing foreign investment has not changed and will not change.

Foreign-invested enterprises are important participants in Chinese modernization, key players in China's reform, opening up, and innovation, and crucial participants in connecting China with the world and integration the country in economic globalization. For the past few years, faced with changes in the external environment, the country has pursued a more proactive strategy of opening up in a bid to promote reform and development more vigorously through high-standard opening up and deepen mutually beneficial and win-win international economic and trade cooperation. China has leveraged the strengths of its enormous market, attracted global resources and production factors with our strong domestic economy, amplified the interplay between domestic and international markets and resources, advanced voluntary and unilateral opening up in a well-ordered way, and steadily expanded institutional opening up with regard to rules, regulations, management, and standards. China has continuously shortened the negative list for foreign investment and introduced a series of policies to stabilize foreign investment. It has created the brand of "Invest in China", enhanced services and support for foreign-invested enterprises, and protected the rights and interests of foreign investors in accordance with the law, in an effort to foster a world-class business environment that is market-oriented, law-based, and internationalized and create a stable, transparent, and predictable policy environment. China has also optimized regional opening up, upgraded pilot free trade zones, and worked faster to develop the Hainan Free Trade Port. Foreign-invested enterprises can fully leverage their advantages and capabilities in China to gain a competitive edge in the global market.

To help foreign investors understand the investment environment in China and inquire about relevant policy measures, the Department of Foreign Investment Administration and the Investment Promotion Agency of the Ministry of Commerce (MOFCOM) have compiled and published the Foreign Investment Guide of the People's Republic of China every year since 2020. The Foreign Investment Guide of the People's Republic of China (2025 Edition) has a revised structure according to the new circumstances and policies. The main body is composed of eight chapters, namely Meeting China, Innovative Ecosystems Open Up New Blue Oceans for Investment, Vast Market Size Offers Ample Opportunities, Remarkable Advantages in Investment Environment, Highly Law-Based Policy Environment, Procedures for Foreign Investment, Working and Living in China as Business Expatriates, and Overview of Provinces (Autonomous Regions and Municipalities), with appended Directory of Institutions that Handle the Complaints of Foreign-invested Enterprises, Compilation of Major Laws and Policies Related to Foreign Investment in China, and Relevant Guidelines for Business Operations Issued by Various Departments. The new edition has also updated and supplemented relevant policies and initiatives, various types of data, and administrative procedures. It is worth noting that this Guide is not intended as the basis for law enforcement or application for policy incentives. Please refer to official documents for policy implementation. Due to the wide scope of materials collected and organized, if there are any omissions, we kindly invite readers to provide valuable feedback and suggestions so that we can make continuous improvements. The Guide will be released in Chinese and English. It is hoped that the Guide will be helpful for foreign enterprises and investors.

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1. Meeting China

1.1 Country Overview

Located in East Asia on the western shores of the Pacific Ocean, China has a total land area of approximately 9.6 million square kilometers. It has a sea area under its jurisdiction of around 3 million square kilometers and a mainland coastline stretching 18,000 kilometers. The sea is dotted with over 11,000 islands, the largest of which is Taiwan, encompassing an area of 35,759 square kilometers.

By the end of 2024, China had a total population of 1,408,280,000 (including residents in the 31 provinces, autonomous regions, and municipalities directly under the central government and active duty military personnel, excluding residents of Hong Kong, Macao, and Taiwan and foreigners in the 31 provinces, autonomous regions, and municipalities directly under the central government)¹.

China is composed of 34 provincial-level administrative regions, including 23 provinces, five autonomous regions, four municipalities, and two special administrative regions. Beijing is the capital of China.

1.2 Basic Systems

China's fundamental political system consists of the people's congresses, with the National People's Congress (NPC) of the People's Republic of China

as the supreme organ of state power. Its permanent body is the Standing Committee of the National People's Congress (NPCSC). Both the NPC and the NPCSC exercise the legislative power of the state.

President of the People's Republic of China conducts state visits and receives foreign ambassadors on behalf of the People's Republic of China. The president also names or dismisses ambassadors to foreign countries and signs or annuls treaties or important agreements with foreign entities in accordance with the decisions of the NPCSC.

The State Council (the Central People's Government) of the People's Republic of China is the executive body of the NPC and the highest organ of state administration. The State Council is responsible for and reports to the NPC and NPCSC.

China's judicial organs consist of the Supreme People's Court of the People's Republic of China and the local people's courts. The people's courts exercise judicial power independently in accordance with laws, without interference from administrative bodies, social organizations, or individuals. The Supreme People's Procuratorate and the people's procuratorates of various levels are the state organs of legal supervision. The people's procuratorates execute procuratorial power independently in accordance with laws, without interference from administrative bodies, social organizations, or individuals.

1. 2024 Statistical Communiqué of the People's Republic of China on National Economic and Social Development
(https://www.gov.cn/lianbo/bumen/202502/content_7008605.htm)

China has maintained long-term political and judicial stability, guaranteeing prosperous social development in a secure environment with smoothly operating systems.

At present, China's socialist market economic system features public ownership as the mainstay developing side by side with other forms of ownership and a labor-based distribution system coexisting with various modes of distribution. In order to develop an economy with more effective market mechanisms, dynamic micro-entities, and sound macro-regulation, China endeavors to foster a pattern of government-market coordination with organic integration, complementarity and mutual reinforcement. By doing so, China can achieve the goal of transforming property rights as effective incentives, free flows of factors, flexible prices, fair and orderly competition, and the survival of business determined by competition. Market-oriented management system allows the free movement of labor in the market. Meanwhile, business entities enjoy operational autonomy in accordance with law. No organization or individual is allowed to intervene in the various matters related to business entities' independent decision-making in accordance with law.

1.3 National Strategy

1.3.1 Overall Strategy

About a decade into the reform and opening up period, China proposed its "Three-step Development Strategy" for achieving socialist modernization. At the turn of the 21st century, China entered a new stage of building a moderately

prosperous society in all respects and accelerating the advancement of socialist modernization. China focused on developing a stronger economy, greater democracy, more advanced science and education, a thriving culture, greater social harmony, and a better quality of life by 2020; it now proposes to essentially achieve modernization by the middle of the century and turn China into a modern socialist country. In 2017, China drafted a two-stage development plan for the 2020 to 2050 period. The plan draws on a comprehensive analysis of development environments and conditions both domestically and internationally. In the first stage from 2020 to 2035, China will build upon its already established moderately prosperous society to realize basic socialist modernization; in the second stage from 2035 to 2050, China will build on that foundation to become a prosperous, strong, democratic, culturally advanced, harmonious, and beautiful modern socialist country.

In the new era of developing socialism with Chinese characteristics, China's strategic vision is as follows: establishing a moderately prosperous society in all respects, realizing modernization, and developing China into a great modern socialist country in all dimensions. In 2022, the report to the 20th CPC National Congress pointed out that "from this day forward, the central task of the Communist Party of China will be to lead the Chinese people of all ethnic groups in a concerted effort to realize the Second Centenary Goal of building China into a great modern socialist country in all respects and to advance the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization."

In 2017, China put forward the goal of "basically achieving common prosperity for everyone by the middle of the 21st century"; in 2020, China proposed to "achieve more substantial progress in common prosperity for everyone" by 2035. In 2022, the report to the 20th CPC National Congress pointed out that "Chinese modernization is the modernization of common prosperity for all. Achieving common prosperity is a defining feature of socialism with Chinese characteristics and involves a long historical process. The immutable goal of our modernization drive is to meet the people's aspirations for a better life. We will endeavor to maintain and promote social fairness and justice, bring prosperity to all, and prevent polarization."

China upholds the underlying principle of pursuing progress while ensuring stability; puts into action the new development philosophy featuring innovative, coordinated, green, open, and shared development; promotes coordinated economic, political, cultural, social, and ecological advancement; and implements the following strategies: national rejuvenation through science and education, strengthening the country through human resource development, innovation-driven development, rural revitalization, coordinated regional development, and sustainable development. As a result, the country can transition from a phase of rapid growth to a stage of high-quality development. In 2020, China attained decisive achievements in securing a victory in building a moderately prosperous society in all respects, laying a solid foundation for it to embark on a new journey to fully build a modern socialist country. In 2021, China stepped into the 14th Five-Year Plan period, the initial stage

of building a modern socialist country in an all-round way.

High-quality development is the first and foremost task in building a modern socialist country in all respects. The report to the 20th CPC National Congress states that "Pursuing high-quality development as our overarching task, we will make sure that our implementation of the strategy to expand domestic demand is integrated with our efforts to deepen supply-side structural reform; we will boost the dynamism and reliability of the domestic economy while engaging at a higher level in the global economy; and we will move faster to build a modernized economy. We will raise total factor productivity, make China's industrial and supply chains more resilient and secure, and promote integrated urban-rural development and coordinated regional development, so as to effectively upgrade and appropriately expand China's economic output."

1.3.2 The Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035

The Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 (the "Outline of the 14th Five-Year Plan" for short) was published on March 12, 2021. It is a programmatic document to guide China's economic and social development in the next 5 to 15 years, specifying guiding principles, major goals, tasks, and measures during the 14th Five-Year Plan period.

According to the Outline of the 14th Five-Year Plan, we will ground our efforts in

the **new development stage, follow the new development philosophy, foster a new development paradigm, and strive to achieve high-quality development**. The "new stage of development" refers to the new journey towards a modern socialist country. The "new development philosophy" refers to the innovative, coordinated, green, open, and shared development. The "new development paradigm" refers to the paradigm with the domestic circulation as the mainstay and domestic and international circulations reinforcing each other.

Long-Range Objectives Through the Year 2035: By 2035, China will basically achieve socialist modernization.

Main objectives for economic and social development during the 14th Five-Year Plan period: China will strive to make new strides in economic development during the period; new steps will be taken in reform and opening up; China's social etiquette and civility will be further enhanced; new progress will be made in building an ecological civilization; the well-being of people will be boosted; further progress will be made in China's governance capacity.

Main measures include innovation-driven development to build new strengths; industrial modernization to strengthen the foundation of real economy; building a robust domestic market and a new development paradigm; an initiative to build a digital China through accelerated digitization; comprehensive and in-depth reform to develop a well-functioning socialist market economy; agricultural and rural development and rural revitalization; new urbanization strategy with a focus on quality development; improving regional economic structures and promoting

coordinated regional development; green development and harmonious co-existence between humanity and nature; further opening up for win-win cooperation; and improving people's well-being through a participatory approach.

1.3.3 14th Five-Year Plan for Development of Commerce

In June 2021, MOFCOM released the 14th Five-Year Plan for Development of Commerce, which contains the outlook for commerce development by 2035 and goals of commercial development during the 14th Five-Year Plan period. It focuses on ways to connect markets, integrate industries, promote innovation, and correlate rules; makes overall arrangements for commerce work promoting the new development paradigm, in terms of smoothing domestic circulation, boosting "dual circulation", promoting high-level opening up, accelerating digital development, and spurring green development.

Commerce development goals through 2035: The role of China as a large consumer country will be further consolidated; products and services will feature better quality to meet people's needs for a better life; the commerce circulation network will be significantly modernized. A new pattern for opening up will take shape; the country will enjoy remarkably stronger advantages in international economic cooperation and competition; high-quality trade development will realize new progress; China will have an obviously better capability to utilize foreign investment, make outbound investment, and cooperate with other countries. Digital, green, and secure commerce development will reach a higher level. China will become

a critical contributor and leader in global economic governance.

Commerce development goals during the 14th Five-Year Plan period: New achievements are made in developing a strong domestic market; new advancements are made in promoting higher-level opening up; new roles are established in participating in global economic governance; new improvements are obtained in preventing and addressing risks.

Main measures: Promoting the shaping of a strong domestic market; boosting innovative foreign trade; improving the quality of foreign investment utilization; stimulating high-quality development of free trade zones and ports; optimizing plans for regional opening up; upgrading the capability of outbound investment and economic collaboration; deepening Belt and Road economic and trade cooperation; playing an active role in global economic governance; and perfecting the commercial risk prevention and control system.

1.3.4 14th Five-Year Plan for the Utilization of Foreign Investment

In October 2021, MOFCOM released the 14th Five-Year Plan for the Utilization of Foreign Investment, clearly setting out the guiding principles, development goals, and key tasks in the utilization of foreign investment by China during the 14th Five-Year Plan period, facilitating investment and business operation by foreign investors.

Goals of foreign investment utilization by 2035: China's comprehensive competitive advantages in attracting foreign investment become more prominent; the capacity and quality of foreign investment utilization are

significantly improved; with world-class business environment, China becomes a main destination for transnational investment; an East Asian innovation and high-end manufacturing center is developed; new advantages of China in international economic cooperation and competition are greatly enhanced.

Goals of foreign investment utilization during the 14th Five-Year Plan period: More sectors are allowed to receive foreign investment; the structure for foreign investment utilization is further improved; opening up platforms play a greater role; the foreign investment management system becomes more robust; foreign investment enjoys an optimized environment. The scale of foreign investment ranks among the top in the world; China secures its position as a powerhouse in this sector; the coordinated relations between foreign investment and outbound investment, foreign trade, and consumption promotion are further strengthened; foreign investment contributes more to boosting the domestic economy and connecting domestic and foreign markets.

Main measures: China will encourage higher-level opening up, optimize the structure for foreign investment utilization, strengthen the functions of opening up platforms, upgrade the capabilities to serve foreign investment promotion, perfect the foreign investment management system, improve foreign investment environment, and advance international investment liberalization and facilitation.

1.3.5 Regional Development Strategy

China is making progress in developing new and more effective

mechanisms to further its reform and opening up for national integration. By bringing into full play the comparative advantages and narrowing the development gaps of different regions, the government strives to ensure well-coordinated development across different regions in China.

The Outline of the 14th Five-Year Plan demands improvement of regional economic structures and promotion of coordinated regional development. China will continue to implement the major regional development strategies as well as the strategies for coordinated regional development and functional zoning, so as to create regional economic structures and a territorial space system that will sustain high-quality development.

The 2025 Report on the Work of the Government proposed to redouble efforts to implement regional strategies. We will create greater synergy between the coordinated regional development strategy, major regional strategies, and the functional zoning strategy, so as to foster new growth poles. We will press ahead with the strategies for large-scale development of the western region, full revitalization of the Northeast, accelerated rise of the central region, and faster modernization of the eastern region. We will boost the capacity for innovation of economically developed regions, such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area, and see that they play a stronger role in driving the growth of surrounding areas. We will also make new advances in the development of the Yangtze River Economic Belt and the ecological protection and high-quality development of the Yellow River basin. We

will support major provincial economies in assuming greater responsibility. To this end, we will work out supporting policies including those for ensuring supply of production factors, scientific and technological innovation, and trials of reform and opening up. Other regions will be encouraged to fully tap into their local conditions and distinctive strengths in pursuing development. We will move forward with high-standard, high-quality development of the Xiong'an New Area and take solid steps to develop the Chengdu-Chongqing economic circle. We will promote deeper industrial collaboration between eastern, central, western, and northeastern regions as well as the orderly, gradual relocation of industries. We will support old revolutionary base areas and areas with large ethnic minority populations in accelerating development. We will promote the development of border areas by boosting local economies, raising living standards, and ensuring stability and security along the border. New avenues will be explored for resource-dependent areas to transform their growth models. A major push will be made to develop the marine economy and national demonstration zones will be established for this purpose.

■ Major Regional Development Strategies

Coordinated Development of the Beijing-Tianjin-Hebei Region: The Beijing-Tianjin-Hebei region includes two municipalities (Beijing and Tianjin) and one province (Hebei), which cover a combined area of 216,000 square kilometers. China will relieve Beijing of functions that are non-essential to its role as the capital city and implement several corresponding landmark projects. China will ensure

Xiong'an New Area is developed up to the highest standards and promote innovation of the management system. China will ensure high-quality development of Beijing Municipal Administrative Center and promote integrated development with Sanhe, Xianghe, and Dachang in Hebei Province. China will promote the high-quality development of Tianjin Binhai New Area and support the development of Capital Water Source Conservation Functional Zone and Ecological Environmental Supporting Zone in Zhangjiakou. China will improve the basic research and original innovation capacity of Beijing International Science and Technology Innovation Center, give full play to the role of Zhongguancun National Independent Innovation Demonstration Zone in piloting and testing new initiatives, and promote the in-depth integration of the industrial chain and innovation chain in the Beijing-Tianjin-Hebei region. China will ensure the basic completion of the highly connected rail transit in the region and improve the coordination among airport and port clusters.

Development of the Yangtze River Economic Belt: The Yangtze River Economic Belt includes two municipalities (Shanghai and Chongqing) and nine provinces: Jiangsu, Zhejiang, Anhui, Jiangxi, Hubei, Hunan, Sichuan, Yunnan, and Guizhou, with a total area of about 2.05 million square kilometers. China will consistently prioritize ecological conservation, boost green development, ensure well-coordinated environmental protection, prevent overdevelopment, and adopt a holistic approach to pursue both ecological and environmental protection and economic development, to create a model of Beautiful China where humanity and nature harmoniously co-exist. China

will take comprehensive steps to improve the environment and enforce a 10-year fishing ban in the waters of the Yangtze River. Focusing on the construction of the Yangtze River artery, China will design a comprehensive transportation system to ease the bottleneck of the Three Gorges Project and accelerate the construction of the high-speed railway and freight railway along the Yangtze River. China will give full play to the overall advantages of industrial coordination and connectivity to build a green industrial system, and make every effort to protect the cultural relics and heritage of the Yangtze River.

Construction of the Guangdong-Hong Kong-Macao Greater Bay Area:

With an area of about 56,000 square kilometers, the Guangdong-Hong Kong-Macao Greater Bay Area includes the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the cities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, and Zhaoqing in Guangdong Province. China will strengthen collaborative development among enterprises, universities, and research institutions in Guangdong, Hong Kong, and Macao, and improve the framework system consisting of "two corridors" (the Guangzhou-Shenzhen-Hong Kong and the Guangzhou-Zhuhai-Macao science and technology innovation corridors) and "two pivots" (Lok Ma Chau Loop and Hengqin), to promote the development of comprehensive national science centers and facilitate the cross-border flow of innovation factors. China will advance the construction of intercity railways in an orderly manner, coordinate the functional layout of ports and airports, and optimize the allocation of shipping and aviation resources; deepen the reform of customs

clearance models, and promote the convenient and efficient movement of people, goods, and vehicles; expand the mutual recognition of professional qualifications between the mainland and Hong Kong and Macao, and further promote the convergence of rules and mechanisms in key areas; make it easier for the youth from Hong Kong and Macao to study, work, and start businesses in mainland cities of the Greater Bay Area (GBA), and create top-notch youth exchange brands among Guangdong, Hong Kong, and Macao.

Integrated Development of the Yangtze River Delta: The Yangtze River Delta includes the Shanghai Municipality and three provinces (Jiangsu, Zhejiang, and Anhui), which together cover an area of 358,000 square kilometers. With the development of Shanghai as an international center of economy, finance, trade, shipping, and sci-tech innovation as a driving force, China will further utilize the municipality's leading role while allowing Jiangsu, Zhejiang, and Anhui to showcase their strengths, thereby enhancing the overall competitiveness of the region. It will vigorously promote scientific and technological innovation, strengthen the deep integration of technological innovation with industrial innovation, and actively create a more globally competitive innovation ecosystem. Faster moves will be seen in infrastructure connectivity, the construction of the highly connected rail transit in the region, and the development of a world-class airport cluster, with all cities at the prefecture level and above in the Yangtze River Delta covered in the high-speed railway network. It is imperative to promote high-level collaborative opening up, further upgrade the level of Hongqiao International Open

Hub, thoroughly implement the strategy of upgrading pilot free trade zones, and promote a higher level of opening up in the China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area. China will accelerate the sharing of access to public services, ensuring that integrated development benefits all people. Coordinated efforts will be made to protect and restore the environment, solidify the ecological foundation for green development, and strive to build a green and beautiful Yangtze River Delta. China will build a high-level demonstration zone of green and integrated ecological development of the Yangtze River Delta while expediting the transition from regional project collaboration to regional integrated institutional innovation.

Ecological Conservation and High-quality Development of the Yellow River Basin: The Yellow River runs across nine provinces and autonomous regions: Qinghai, Sichuan, Gansu, Ningxia, Inner Mongolia, Shanxi, Shaanxi, Henan, and Shandong, which together cover an area of 1.3 million square kilometers. China will intensify the protection and restoration of key ecosystems in the upper reaches of the Yellow River, take appropriate steps to protect Sanjiangyuan, "China's Water Tower", and enhance the water conservation capacity of Gannan, Ruo'ergai (Zoige), and other areas. China will seek new methods for addressing soil erosion in the middle reaches of the river in the Loess Plateau, advance efforts to comprehensively address secondary suspended rivers and floodplains, and strengthen the protection and restoration of wetlands in the Yellow River Delta. China will rationally control the intensity of coal exploitation, promote the integrated development and utilization of

energy and resources, and strengthen the ecological restoration of mines; improve the development pattern of central cities and city clusters, and coordinate the development of counties and villages along the Yellow River; implement systematic conservation projects related to the Yellow River cultural heritage, create an internationally influential Yellow River cultural tourism belt, and build a pilot area for ecological protection and high-quality development in the Yellow River basin.

■ Strategy for Coordinated Regional Development

Large-scale development of the western region: The strategy of large-scale development of the western region has been rolled out across 12 provinces, autonomous regions, and municipalities: Sichuan, Shaanxi, Gansu, Qinghai, Yunnan, Guizhou, Chongqing, Guangxi, Inner Mongolia, Ningxia, Xinjiang, and Xizang, covering an area of 6.87 million square kilometers. Enshi Prefecture in Hubei Province, Xiangxi Prefecture in Hunan Province, Yanbian Korean Autonomous Prefecture in Jilin Province, and Ganzhou City in Jiangxi Province may implement similar measures. China will implement several major ecological projects in key areas, actively integrate the regional development into the Belt and Road Initiative, strengthen the development of the large opening up corridors, and build multi-level platforms for opening up interior areas. China will increase investment in infrastructure construction in the western region, support the development of competitive industries that take advantage of local strengths, pool efforts to consolidate the achievements

of poverty alleviation, and shore up the weaknesses in the fields of education, healthcare, and people's livelihood. China will promote the development of Chengdu-Chongqing economic circle and make it an important economic center, a center for science and technology innovation, a new highland for reform and opening up and a livable place for high-quality life of national influence. China will upgrade the city clusters in the Central Shaanxi Plain to promote cooperation and interaction between the northwest and southwest regions. China will support Xinjiang in building "three bases and one corridor"² and Xizang in building an important passageway opening to South Asia.

Full revitalization of the Northeast: The Northeast China revitalization strategy involves Liaoning Province, Jilin Province, Heilongjiang Province, Hulunbuir City, Hinggan League, Tongliao City, Chifeng City, and Xilingol League (eastern Inner Mongolia) in Inner Mongolia Autonomous Region, which have a combined area of 1.45 million square kilometers. China will quicken the pace in shifting government functions, deepen the reform of state-owned enterprises, step up efforts to improve the business environment, and vigorously develop the private economy. China will build Liaoning Coastal Economic Belt and Changchun-Jilin-Tumen Development and Opening up Pilot Zone and improve Harbin's cooperation with and opening up to Russia. China will accelerate the development of modern agriculture and intensify the protection of ecological resources. China

2. The "three bases and one corridor" refers to the bases for large-scale oil and gas production and storage, for coal production, thermal power generation and coal chemical industry, and for wind power generation, as well as the national energy and resources corridor constructed in Xinjiang under the national support.

will transform and upgrade traditionally competitive industries such as equipment manufacturing, foster and develop emerging industries, vigorously develop characteristic industries including ice and snow and eco-tourism in cold regions, and build an internationally influential ice and snow tourism belt, so as to develop a new industrial structure for balanced development and competitive advantages. China will implement measures more attractive to talents and deepen paired cooperation with the eastern region.

The Rise of Central China: Central China includes six provinces—Shanxi, Anhui, Jiangxi, Henan, Hubei, and Hunan, which together cover an area of 1.028 million square kilometers. China will step up efforts to build a nationally important grain production base, an energy and raw materials base, a base for modern equipment manufacturing and high-tech industries, and a comprehensive transportation hub, improve the ability of independent innovation in key areas, build a highland for inland provinces to open to the outside world, and consolidate the ecological and green development model. China will strive for bigger and stronger advanced manufacturing, build mid-to-high-end industrial clusters along the Yangtze River and along the Beijing-Guangzhou, Lanzhou-Lianyungang, and Beijing-Kowloon railway lines, and actively undertake the deployment and transfer of emerging industries. China will promote the coordinated development of city clusters in the middle reaches of the Yangtze River and the Central Plains, accelerate the development of Wuhan, Changsha-Zhuzhou-Xiangtan metropolitan area, and Zhengzhou, and make them important growth poles in China. China will build up the foundation

for grain production, keep up efforts to improve the comprehensive benefits and competitiveness of agriculture, and accelerate the development of modern agriculture. China will make coordinated efforts to protect and restore the environment and strive to build the shields for ecological security. China will support the inter-connected development of the upper and lower reaches of the Huaihe River and Hanjiang River ecological economic belts, accelerate the construction of corridors for opening up, and build high-level platforms for opening up inland provinces.

Leading Development of the Eastern Region: The eastern region involves 10 provinces and municipalities, including Beijing, Tianjin, Hebei, Shandong, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, and Hainan, covering an area of 933,000 square kilometers. China will give full play to the advantages of the eastern region in bringing together innovative factors and help the region to make faster breakthroughs in innovation. China will move faster to foster world-class advanced manufacturing clusters, spearhead the development of emerging industries and modern service sector, improve the output efficiency of production factors, and take the lead in upgrading industries. China will ensure the region can participate in international economic cooperation and competition at a higher level, create new advantages in opening up, and take the lead in establishing a system for an all-round open economy. China will support Shenzhen in building a pilot demonstration area of socialism with Chinese characteristics, Pudong in building a pioneer area for socialist modernization, and Zhejiang in building a demonstration zone for

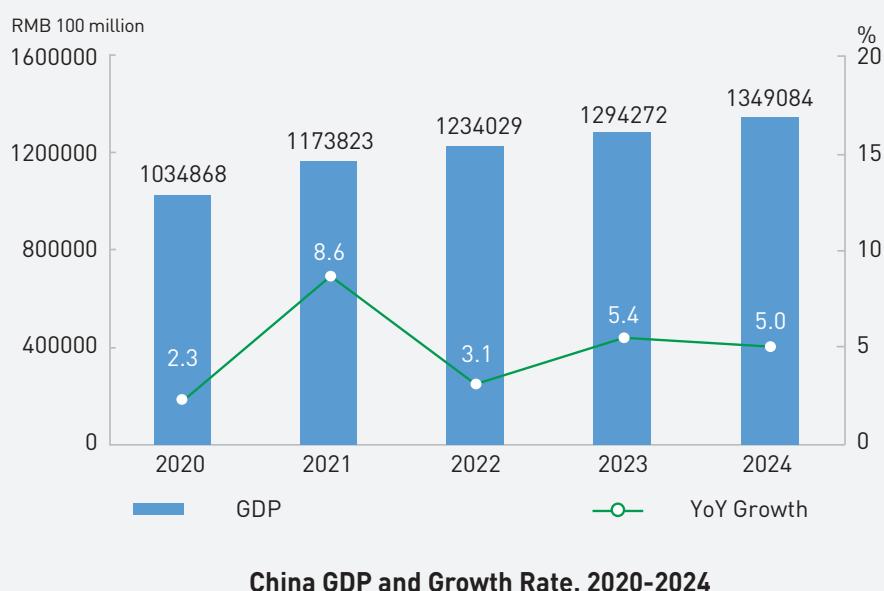
promoting common prosperity. China will further promote the development of the comprehensive pilot zone to replace old economic growth drivers with new ones in Shandong Province.

1.4 Economic Development

The Chinese economy is making steady progress and continues to provide strong impetus for the world economy. China is an important engine of global development. Over the years, its contribution to world economic growth has stayed at around 30%. As the second

largest economy in the world, China has established, after years of development, sound and solid fundamentals.

In 2024, China's national economy was generally stable with steady progress, and new achievements were made in high-quality development. China's GDP grew by 5.0% year on year to RMB134.9084 trillion, making the Chinese economy the fastest growing among all major economies and fully demonstrating its extraordinary resilience and potential. The per capita GDP reached RMB95,749, up by 5.1% over the previous year. The gross national income was RMB133.9672 trillion, a rise of 5.1% over the previous year.³



Source: National Bureau of Statistics

3. Source: 2024 Statistical Communiqué of the People's Republic of China on National Economic and Social Development (https://www.stats.gov.cn/sj/zxfb/202502/t20250228_1958817.html)

In 2025, the Chinese government will adhere to the general principle of pursuing progress while ensuring stability, fully and faithfully apply the new development philosophy on all fronts, move faster to create a new pattern of development, and make solid progress in high-quality development. It will further deepen reform comprehensively, expand high-standard opening up, modernize the industrial system, better ensure both development and security, implement more proactive and effective macro policies, and expand domestic demand. China will promote integrated advancements in technological and industrial innovation, ensure stability in the real estate market and the stock market, guard against and defuse risks in key areas and external shocks, stabilize expectations and boost economic vitality, and promote sustained economic recovery and growth. It will keep improving people's living standards, maintain social harmony and stability, and fulfill the targets and tasks set in the 14th Five-Year Plan to a high standard. These efforts will enable us to lay a solid foundation for a good start to the 15th Five-Year Plan (2026-2030).

International organizations remain upbeat about China's economy. According to the International Monetary Fund (IMF) analysis, China's sustained economic growth generates positive spillover effects for the rest of the world. A 1 percentage point increase in China's GDP growth results in an average of 0.3 percentage point increase in growth for other economies. The World Economic Outlook Report released by IMF in July 2025 forecasts China's economic growth rates for 2025 and 2026 to be 4.8% and 4.2%, respectively; The Organization for Economic Cooperation and Development (OECD) released its economic outlook

report in June 2025, predicting China's economic growth rates for 2025 and 2026 to be 4.7% and 4.3%, respectively. The World Bank released the Global Economic Prospects in June 2025, predicting that China's GDP will grow by 4.5% in 2025.

2. Innovative Ecosystems Open Up New Blue Oceans for Investment

China is steadfastly implementing the innovation-driven development strategy, and committed to leading industrial innovation with technological innovation, and nurturing and developing new quality productive forces. This has not only enhanced production efficiency and promoted the optimization and upgrading of industries but also driven the transformation of China's economic development model from labor and resource-intensive to capital and technology-intensive, providing vast investment opportunities for foreign-invested enterprises.

2.1 Important Policies for Technological Innovation

In recent years, China has revised the Law of the People's Republic of China on Progress of Science and Technology and other laws and regulations. The State Council has successively issued the following policies as the important basis and support for the advancement of technological innovation: the Outline of the National Strategy on Innovation-driven Development, the Outline of the National IT Development Strategy, the National 14th Five-Year Plan for S&T Innovation, the New-generation Artificial Intelligence Development Plan, the Several Opinions of the State Council on Comprehensively Strengthening Basic Research, and the Opinions on Strengthening Intellectual Property Protection.

To enable all types of innovation entities to understand the preferential tax and fee policies for scientific and technological innovation better and ensure accurate application and enjoyment of these policies, the Ministry of Finance, in collaboration with the Ministry of Science and Technology, the General Administration of Customs, the State Taxation Administration, and other departments, has systematically reviewed the current main tax and fee policies supporting scientific and technological innovation, collected and organized the regulations for tax collection and administration and measures for industry management, and compiled the Guidelines on Major Preferential Tax and Fee Policies for Scientific and Technological Innovation in China. The Guidelines classifies policies based on the stages of scientific and technological innovation activities, including venture capital investment, research and experimental development, achievement commercialization, key industry development, and the entire industrial chain. It outlines in detail the type of each incentive, the types of taxes and fees involved, the content of the incentives, the beneficiaries, application conditions, application timelines, submission methods, required materials, and the policy basis.

To expand international scientific and technological exchanges and cooperation and increase the support for foreign investment in establishing R&D centers in China to conduct scientific and technological research and innovation activities, the General Office of the State

Council forwarded the Measures on Further Encouraging Foreign Investment in Establishing R&D Centers issued by the Ministry of Commerce and the Ministry of Science and Technology, proposing a total of 16 policies and measures in four aspects, including supporting scientific and technological innovation, improving R&D convenience, encouraging the introduction of overseas talent, and improving the level of intellectual property protection. Eligible foreign-invested R&D centers can also enjoy tax support policies, such as exemption from import tariffs and import linkage taxes on scientific research supplies, as well as value-added tax refunds on the purchase of domestically produced equipment.

The Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization, adopted at the third plenary session of the 20th Central Committee of the Communist Party of China, pointed out that education, science and technology, and talent function as basic and strategic underpinnings for Chinese modernization. We must fully implement the strategy of invigorating China through science and education, the strategy of developing a quality workforce, and the innovation-driven development strategy, make coordinated efforts to promote integrated reform of institutions and mechanisms pertaining to education, science and technology, and talent, and improve the new system for mobilizing resources nationwide, so as to boost the overall performance of our country's innovation system. Scientific and technological structural reform will be deepened. To boost China's strength in strategic science and technology, we will refine the system of national laboratories and better define the roles and layout of our

national research institutions, advanced-level research universities, and leading high-tech enterprises. We will promote closer collaboration between the central and local levels, work for coordinated development of technological innovation platforms of various kinds, and encourage and regulate the development of new types of R&D institutions. Giving play to the guiding role of China's enormous market, we will see that innovation resources are more effectively allocated and that our innovation capabilities are better organized, with a view to promoting integrated advancements in technological and industrial innovation. We will expand international science and technology exchanges and cooperation, encourage the establishment of international science and technology organizations in China, and improve the management mechanisms whereby China's universities, research institutes, and science and technology-related social groups engage in specialized exchanges and cooperation with their foreign counterparts.

2.2 Strong Support for Scientific and Technological Innovation

As basic research and original innovation kept strengthening, much was accomplished toward making China a country of innovators, with major advances in manned spaceflight, lunar and Martian exploration, deep sea and deep earth probes, super-computing, quantum information, new energy technology, and other areas. Giving a high priority to scientific research, China ranks second in the world in terms of nationwide R&D spending and first in the total number of

R&D personnel. In 2024, China invested a total of RMB3,613 billion in R&D, an increase of 8.3% over the previous year; the ratio of R&D expenditure to the GDP reached 2.68%. Basic research funding amounted to RMB249.7 billion, representing a growth of 10.5% compared to the previous year and accounting for 6.91% of the total R&D expenditure. A total of 54,900 projects were financed by the National Natural Science Foundation.

2.3 Scientific Research Institutes with Growing International Influence

The Nature Index 2024 Research Leaders—previously known as Annual Tables—reveals that in the country rankings, China takes the lead in high-quality research output. Since the Nature Index was introduced, the Chinese Academy of Sciences has topped the rankings of leading institutions in three disciplines (physical sciences, chemistry, and earth & environmental sciences) for 12 consecutive years. Six Chinese universities also landed in the top 10: The University of Chinese Academy of Sciences, the University of Science and Technology of China, Peking University, Nanjing University, Zhejiang University, and Tsinghua University.

2.4 Scientific and Technological Innovation Keeps Improving

With joint efforts of the government at all levels and the entire society, business

entities have become more active and dynamic, leading to continuous progress in terms of innovation and entrepreneurship.

■ Home to the World's Most Science and Technology Clusters

The Global Innovation Index 2024, released by the World Intellectual Property Organization (WIPO) in September 2024, unveiled that China ranks 11th among the over 130 economies. China has 26 clusters in the top 100 S&T clusters of the Global Innovation Index, leading the world for two consecutive years. It is one of the fastest-growing economies in terms of innovation over the past decade. Among them, the Shenzhen-Hong Kong-Guangzhou cluster, Beijing cluster, and Shanghai-Suzhou cluster ranked 2nd, 4th, and 5th, respectively.

■ More Active Intellectual Property Innovation

According to the Statistical Communiqué of the People's Republic of China on the 2024 National Economic and Social Development, a total of 1.045 million invention patents were granted in 2024, an increase of 13.5% over the previous year, while about 75,000 international patent applications were accepted via the Patent Cooperation Treaty (PCT). The number of valid invention patents in China had exceeded 5.689 million by the end of 2024, up 14.0% from the end of the previous year. The number of high-value invention patents reached 14 per 10,000 people. There were 4.781 million trademarks registered throughout the year. The proportion of Chinese citizens with scientific literacy reached 15.37%.

According to a report released by the World Intellectual Property Organization (WIPO), in 2024, the total number of international patent applications under

the PCT worldwide was 273,900, and China remained the top origin of PCT applications, with the number reaching 70,160, a year-on-year increase of 0.9%.

2.5 Deep Integration of Technological Innovation with Industrial Innovation

2.5.1 Cultivating and Developing New Quality Productive Forces through Scientific and Technological Innovation

■ Profound Connotation Embodied in New Quality Productive Forces

In recent years, promoting high-quality development has become the main theme of China's economic and social growth, while new quality productive forces have emerged in practice and played a significant role in driving and supporting high-quality development. The concept of "new quality productive forces" was officially introduced in September 2023. In a nutshell, the new quality productive forces are primarily driven by innovation, breaking free from traditional economic growth modes and productivity development paths; they feature high technology, high performance, and high quality; they are advanced productivity in line with the new development philosophy. They are shaped by revolutionary technological breakthroughs, innovative allocation of production factors, and in-depth industrial transformation and upgrading, and the optimal combination of laborers, means of labor, and subjects of labor as well as their renewal and upgrading. A substantial

increase in total factor productivity is its core hallmark. Marked by innovation, and with high quality as the key, new quality productive forces are advanced productivity in essence.

■ New Quality Productive Forces Created Investment Opportunities

Technological innovation and industrial innovation are the fundamental pathways for developing new quality productive forces. The Central Economic Work Conference 2024 pointed out that efforts should be made to drive the development of new quality productive forces through scientific and technological innovation and build a modernized industrial system. The 2025 Report on the Work of the Government set forth to develop new quality productive forces in light of local conditions and accelerate the development of a modernized industrial system. We should pursue integrated advancements in technological and industrial innovation, press ahead with new-type industrialization, expand and strengthen advanced manufacturing, and vigorously develop modern services. This will enable us to build up the momentum of new growth drivers while upgrading and reviving traditional ones.

For foreign-invested enterprises, China's focus on developing new quality productive forces signifies new investment and development opportunities:

The first is to foster emerging industries and industries of the future. We will advance integrated and clustered development of strategic emerging industries, carry out demonstration initiatives on the large-scale application of new technologies, products, and scenarios, and promote safe and sound development of commercial space, the low-altitude economy, deep-sea science

and technology, and other emerging industries. We will establish a mechanism to increase funding for industries of the future and foster industries such as biomanufacturing, quantum technology, embodied AI, and 6G technology. We will advance trials for integrated development of advanced manufacturing and modern services to accelerate the development of service-oriented manufacturing. To promote orderly industrial development and healthy competition, we will improve coordination and planning of industries and strengthen monitoring and early warning for production capacity. We will accelerate innovative development of national high-tech zones. We will advance tiered development of innovative enterprises, promote the growth of small and medium enterprises (SMEs) that use specialized and sophisticated technologies to produce novel and unique products, and support the development of unicorn and gazelle companies. These efforts will enable more enterprises to surge ahead in new areas and arenas.

The second is to promote the transformation and upgrading of traditional industries. We will accelerate high-quality development of key industrial chains in the manufacturing sector and step up efforts to advance industrial foundation reengineering and major technology and equipment research. We will further extend the coverage of projects and lower eligibility requirements to carry out major technology transformation and upgrading as well as large-scale renewal of equipment in the manufacturing sector. We will accelerate the digitization of manufacturing, foster a number of service providers with both industry expertise and digital know-how, and bolster support for digital transformation of SMEs. We

will elevate national standards to guide the upgrade of traditional industries. To advance initiatives on improving product variety, quality, and brand-building in the manufacturing sector, we will strengthen all-around quality management and develop popular brands, quality products, and renowned traditional industries.

The third is to unleash the creativity of the digital economy. Under the AI Plus initiative, we will work to effectively combine digital technologies with China's manufacturing and market strengths. We will support the extensive application of large-scale AI models and vigorously develop new-generation intelligent terminals and smart manufacturing equipment, including intelligent connected new-energy vehicles, AI-enabled phones and computers, and intelligent robots. We will promote broader application of 5G technology, accelerate the innovation-driven development of the Industrial Internet, optimize the layout of computing resources across the country, and foster internationally competitive digital industry clusters. Basic data systems will be improved at a faster pace, data resources will be extensively developed and utilized, and cross-border data flows will be promoted and kept under regulation. We will promote the healthy and well-regulated development of the platform economy and give better play to its role in inspiring innovation, expanding consumption, and stabilizing employment.

2.5.2 Improving Environment for Commercialization of Scientific and Technological Achievements

China also actively supports the commercialization of scientific and technological achievements. To this end,

it has issued regulations and policies, set up funds, built service platforms, and improved the system for reporting and sharing information on achievements in science and technology, creating a favorable institutional environment. By the end of 2024, there were altogether 206 national industrial technology engineering centers included in the new sequence management and 1,798 enterprise technology centers under the National Development and Reform Commission. A total of 36 sub-funds were established under the national sci-tech achievement transformation guidance fund, with a total capital of RMB62.4 billion.

In October 2023, the General Office of the State Council issued the Special Action Plan for Patent Transformation and Application (2023-2025), which outlines specific measures to vigorously promote patent industrialization and catalyze the transformation of innovation achievements into productive forces. The Plan proposed that as of 2025, a raft of high-value patents will realize commercialization; a slew of enterprises boasting hardcore technology and solid patents can grow big and strong; IP edge in some key sectors may materialize at speed; and the output of certified patent-intensive products will exceed RMB1 trillion. The Plan aims to address the quality issues at their source, spur the motivation of relevant actors, and expand market channels in patent commercialization and application through a three-year special action program. By upgrading patent quality and reinforcing policy incentives, the Plan seeks to effectively improve the effectiveness of patent commercialization and application, thereby contributing to high-quality economic development.

2.5.3 Scenario Innovation Builds a New Engine for Development

With a commitment to high-quality development, China is accelerating green, digital and smart transformation, which, coupled with the country's sophisticated industrial ecosystem, provides the best testing ground for the latest outcomes of technological revolution and industrial upgrading. Scene innovation is driven by application scenarios constructed by enterprises, guided by the integrated R&D of new technologies and the creative commercialization of scientific and technological achievements. It emphasizes the deep integration of technological innovation with industrial innovation, as well as the interaction between supply and demand, continuously advancing the promotion and application of new technologies, the iterative upgrade of new products, and the innovative development of new business models. Scene innovation involves multiple stakeholders, including government, enterprises, universities, research institutes, finance, and users, stimulating the production and interdisciplinary integration of knowledge. China has harvested significant original outcomes in foundational and cutting-edge fields such as artificial intelligence, laying a solid foundation for the development of new technology application scenarios.

In recent years, China has made efforts in practical explorations of new technology application scenarios. There are both strategies for comprehensive scenario innovation developed by innovation hubs and specific initiatives for scenario innovation launched in areas that combine their advantageous industries. Terms like "scenario construction" and "scenario innovation" frequently appear

in relevant policy documents. Digital innovation application scenarios are continuously extending into various sectors of the national economy, accelerating the digital transformation of industries. In July 2024, the State Council issued the Opinions on Promoting High-Quality Development of Service Consumption, underscoring the need to nurture and expand new forms of consumption such as digital consumption, green consumption, and health-related consumption, while innovating service consumption scenarios. In August 2024, the General Office of the CPC Central Committee and the General Office of the State Council released the Opinions on Improving the Market Access System, pointing out the need to effectively utilize advanced technology application promotion centers and various platforms for commercializing scientific and technological achievements, facilitating industrial systems, and introducing new resources, capital factors, application scenarios, and institutional policies, so as to speed up the development of new quality productive forces tailored to local conditions.

The Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization, adopted at the third plenary session of the 20th Central Committee of the Communist Party of China, incorporates reform of the mechanisms for applying scientific and technological advances as a crucial part of deepening scientific and technological structural reform. China will build a scenario innovation ecosystem featuring collaboration among diverse entities, including the government, enterprises,

universities, research institutions, and professional service providers, which will be crucial for promoting the deep integration of the innovation chain, industrial chain, capital chain, talent chain, and policy chain, to facilitate a virtuous cycle of "technology—industry—finance".

3. Vast Market Size Offers Ample Opportunities

China has remained the world's second-largest consumer market and the largest online retail market for over a decade, boasting the largest middle-income group globally. The continuously released consumption potential is transforming "Chinese demand" into "world opportunities". In 2024, the total retail sales of consumer goods continued to grow, with residents' consumption demand and structure constantly upgrading, the proportion of service consumption expenditures rising, and new market spaces expanding.

driving force of economic expansion. The nationwide per capita consumption expenditure witnessed an increase of 5.1% over the previous year, and the per capita spending on services accounted for 46.1% of per capita consumption expenditures. The Engel's coefficient (the proportion of total personal consumption expenditures going into food) was 29.8%.

3.2 New Consumption Models Drive Continuous Consumption Upgrading

3.1 Super-large Consumer Market Fosters Tremendous Consumption Potential

China has a vast market and is in a phase of rapidly releasing demand, making it the most dynamic consumer market in the world. With a total population of over 1.4 billion, the country's middle-income group has surpassed 400 million and is expected to continue growing over the next decade or so, providing strong momentum for consumption upgrades.

In 2024, the per capita disposable income of Chinese residents grew by 5.1%, outpacing GDP growth. The total retail sales of consumer goods reached RMB48.3 trillion, with a year-on-year increase of 3.5%. The final consumption expenditures drove the GDP up by 2.2 percentage points, contributing 44.5% to economic growth, positioning it as the primary

In recent years, new consumption models characterized by online shopping, mobile payment, and the integration of online and offline experiences have shown sustained and rapid development in China, placing the country at the forefront of global trends. In 2024, the annual online retail sales grew by 7.2% from the same period last year, making China the world's largest online retail market for 12 consecutive years. The Internet, big data, and artificial intelligence have been deeply integrated into the real economy. New business types like intelligent retail and production capacity sharing keep emerging. Technological innovations are nearly non-stop in such fields as mobile communication, the Internet of Things, smart wearables, and artificial intelligence, while their application scenarios in traffic, medical services, tourism, and smart city construction are increasingly sophisticated. Products that are green,

healthy, and intelligent are increasingly favored by consumers.

In September 2020, the General Office of the State Council issued the Opinions on Accelerating the Development of New Types of Consumption Led by New Business Types and Models, which provided a comprehensive plan for the development of new types of consumption. In March 2021, 28 departments and units including the National Development and Reform Commission, jointly issued the Implementation Plan for Accelerating the Development of New Types of Consumption. This plan focused on four key areas: promoting the integration of online and offline service consumption, accelerating the development of infrastructure and improvement of service and support capacity for new types of consumption, strengthening the provision of factors for the development of new types of consumption, and improving the business environment for new types of consumption. It proposed 24 policies and measures.

In June 2024, the National Development and Reform Commission and four other departments jointly issued the Measures to Create New Consumption Scenarios and Cultivate New Growth Points in Consumption, proposing six key tasks and a total of 17 measures aimed at fostering new scenarios for catering, cultural tourism and sports consumption, shopping, bulk commodity consumption, health, elderly care, and childcare consumption, and community consumption. These measures are designed to accelerate the application of scientific and technological achievements in the consumer sector and further cultivate and expand new growth drivers in consumption. In terms of health

consumption, capable regions and medical institutions are encouraged to provide special medical services and to develop medical equipment and healthcare products that integrate technologies such as digital twins and brain-computer interaction. Regarding the expansion of consumption scenarios for the elderly, support is given for the age-friendly transformation of consumption venues, and the optimization and improvement of meal assistance services for the elderly. Capable medical and health institutions are encouraged to extend services to communities and households. This also includes promoting the upgrade of rehabilitation assistive devices and developing intelligent products related to health management, elderly care, and psychological comfort.

In March 2025, the General Office of the CPC Central Committee and the General Office of the State Council issued the Special Action Plan to Boost Consumption, proposing 30 policies and measures focused on enhancing consumption capacity, releasing consumer willingness, optimizing the consumption environment, and resolving consumption bottlenecks. This aims to further improve the system and mechanism for stimulating consumption and opening up new space in the consumer market.

3.3 Policy on Large-scale Equipment Upgrades and Consumer Goods Trade-ins Continues to Unleash Consumption Momentum

In March 2024, the State Council issued the *Action Plan to Promote Large-*

scale Equipment Upgrades and Consumer Goods Trade-ins (hereinafter referred to as the "policy"), which outlines 20 key tasks across five areas, namely equipment renewal, consumer goods trade-in, used goods recycling, standard leveling-up, and policy support. The policy will significantly boost investment and consumption and provide equal policy support to both domestic and foreign-funded enterprises.

In July 2024, the National Development and Reform Commission and the Ministry of Finance issued the *Several Measures to Intensify Support for Large-Scale Equipment Renewals and Trade-ins of Consumer Goods*. In terms of increasing support for equipment renewals, the measures include optimizing the support methods for equipment renewal projects; supporting the scrapping and renewal of old operating ships; supporting the scrapping and renewal of outmoded operating trucks; raising the subsidies for the scrapping and renewal of agricultural machinery; raising the subsidies for the renewal for new energy buses and power batteries; and increasing the proportion of financial subsidies for equipment renewal loans. Regarding strengthening support for trade-ins of consumer goods, the measures include supporting local areas in enhancing their capacity for consumer goods trade-ins; raising the subsidies for the scrapping and renewal of automobiles; supporting the trade-ins of home appliances; and implementing funding support policies for the collection and disposal of discarded electrical and electronic products.

In January 2025, the National Development and Reform Commission and the Ministry of Finance issued the *Notice on Increasing Efforts to Implement Large-scale Equipment Upgrades and Consumer Goods Trade-ins in 2025*. Regarding

stepping up efforts to promote equipment renewal, the notice emphasizes increasing support for equipment upgrading projects in priority sectors, intensifying equipment upgrading loan interest subsidies, accelerating the assessment and diagnosis of existing equipment and project reserves, strengthening the implementation of scrapping and renewal projects for old operating ships, expanding support for scrapping and replacing outmoded operating trucks and agricultural machinery, and raising the subsidy standards for the renewal for new energy buses and power batteries. In expanding support for the trade-in of consumer goods, the notice aims to optimize the allocation of funds for consumer goods trade-ins, broaden the scope of support for vehicle scrapping and renewal, improve the subsidies for automobiles trade-ins, increase support for trade-ins of home appliances, provide subsidies for purchasing new digital products such as mobile phones, actively support the trade-ins of home improvement products, and expedite the trade-ins of electric bicycles. To accelerate the improvement of recycling and reuse levels, the notice calls for strengthening the capacity for recycling and reuse, promoting the upgrading of second-hand goods trading and remanufacturing industries, supporting the recycling and disposal of discarded electrical and electronic products, and driving the high-quality development of the resource recycling industry. To fully leverage the role of standards, it emphasizes speeding up the formulation and revision of standards and strengthening the supervision of standard implementation. In terms of intensifying organization and implementation, the notice stresses

enhancing organizational leadership, reinforcing financial support, optimizing participation thresholds, simplifying subsidy application processes, maintaining market order, strengthening project fund supervision, and enhancing tracking evaluations and promotional guidance.

The policy, with its broad scope, quick implementation, and wide participation, is becoming a key lever to unlock consumption potential. In 2024, retail sales of household appliances and audio-visual equipment grew by 12.3% year on year, surpassing RMB1 trillion for the first time. Nationwide, more than 6.8 million vehicles were scrapped and replaced, driving automobile sales to exceed RMB930 billion, further invigorating consumer spending. Investment in the purchase of equipment and tools rose by 15.7% year on year, accelerating by 9.1 percentage points compared to the previous year. Preliminary estimates suggest that, driven by the policy, the total number of equipment upgrades in key sectors exceeded 20 million units (sets), strongly boosting investment in related fields. The policy not only effectively enhances consumers' sense of gain and happiness but also driving industrial innovation and green transformation through product iteration, demonstrating multidimensional positive effects. It plays an important leading role in boosting consumer demand and expanding effective investment.

3.4 New-type Urbanization Releases County-level Consumption Vitality

China has experienced the largest and fastest urbanization process in

world history. In recent years, significant historical achievements have been made in China's new-type urbanization, with the urbanization rate of the permanent resident population rising from 53.10% in 2012 to 67.00% in 2024, an increase of 0.84 percentage points compared to the end of the previous year.

In July 2024, the State Council issued the *Five-Year Action Plan for Deepening the People-centered New Urbanization Strategy*, which sets forth the goals and tasks for implementing a people-centered new urbanization strategy over the next five years. These include promoting urbanization with the focus on county seats, facilitating the urbanization of the rural population, and advancing urban-rural integrated development with counties as basic units.

The Central Economic Work Conference held in December 2024 called for efforts to pursue coordinated progress in new urbanization and all-around rural revitalization and promote integrated urban-rural development. Moreover, modern metropolitan areas should be developed, while the governance of super-large and mega cities should be more modernized, and county economies should be vigorously boosted.

Currently, China's urbanization has entered the later stage of rapid development, with still room for improvement in the urbanization rate. From a domestic perspective, the productivity gap between agricultural and non-agricultural labor, along with the income disparity between urban and rural residents, are intrinsic driving forces for urbanization. There remains strong demand and substantial space for surplus rural labor to move into the secondary and tertiary industries and to find employment

and settle in urban areas. Drawing on the development experience of developed countries at comparable stages, there is still potential for growth in China's urbanization rate.

In terms of consumption, estimates based on the annual consumption expenditure gap between urban and rural residents suggest that each 1 percentage point increase in the urbanization rate can generate over RMB200 billion in new consumption demand annually. Regarding investment, each 1 percentage point increase in the urbanization rate is expected to drive investment demand by over RMB1 trillion. Additionally, urban renewal will create enormous investment demand. New urbanization is an important link that can not only expand effective investment but also stimulate potential consumption, thus holding enormous potential for domestic demand.

4. Remarkable Advantages in Investment Environment

4.1 Open Economy Brings Greater Opportunities

■ Opening up is the Hallmark of Contemporary China

Opening up is a basic state policy of China. China is promoting high-standard opening up, steadily expanding institutional opening up with regard to rules, regulations, management, and standards.

According to the report to the 20th CPC National Congress, China will "promote high-standard opening up. We will leverage the strengths of China's enormous market, attract global resources and production factors with our strong domestic economy, and amplify the interplay between domestic and international markets and resources. This will position us to improve the level and quality of trade and investment cooperation."

In July 2023, the *Opinions on Establishing New Systems for a Higher-level Open Economy to Build a New Development Paradigm* required that centering around fostering a new development pattern, institutional opening up should be the focus when it comes to further reform of systems and mechanisms in such key areas for international exchange and opening up as investment, trade, finance, and innovation, so as to improve policy support, and proactively elevate the country's opening up to a higher level. We should improve the top-level design

of new systems for an open economy, deepen the reform of the system and mechanism in the field of trade and investment, expand market access, comprehensively optimize the business environment, improve the service guarantee system, give full play to China's comprehensive strengths, and attract global resources with the flow of domestic economy, so as to improve the quality and level of trade and investment cooperation.

The Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization, adopted at the third plenary session of the 20th Central Committee of the Communist Party of China in July 2024, asked for further reforming the management systems for inward and outward investment. "We will foster a world-class business environment that is market-oriented, law-based, and internationalized and protect the rights and interests of foreign investors in accordance with the law. We will expand the Catalogue of Industries for Encouraging Foreign Investment, appropriately shorten the negative list for foreign investment, remove all market access restrictions in the manufacturing sector, and promote wider opening with regard to telecommunications, the internet, education, culture, medical services, and other sectors in a well-conceived way. We will further reform the institutions and mechanisms for promoting foreign investment, ensure

national treatment for foreign-funded enterprises in terms of access to factors of production, license application, standards setting, and government procurement, and support them in collaborating with upstream and downstream enterprises in industrial chains. We will improve relevant measures to make it more convenient for people from outside the mainland to live, receive medical services, and make payments on the mainland."

The 2024 Central Economic Work Conference said that efforts should be made to expand high-standard opening up while keeping foreign trade and foreign investment stable. Work should be done to expand voluntary and unilateral opening up in an orderly manner, steadily enhance institutional opening up, improve the quality and efficiency of pilot free trade zones and expand mandate for reform tasks, and accelerate the implementation of core policies of the Hainan Free Trade Port. Work should be done to actively develop service trade, green trade and digital trade, further reform the institutions and mechanisms for promoting foreign investment, steadily open up the service sector, expand the pilot programs in opening up such fields as telecom, healthcare and education, and continue to make China a favored destination for foreign investment. The meeting also urged solid progress in high-quality Belt and Road cooperation and improvement in the overseas comprehensive service system.

The 2025 Report on the Work of the Government called for expanding higher-standard opening up and stabilizing foreign trade and investment. Regardless of changes in the external environment, we should remain steadfast in our commitment to opening up. We should

steadily expand institutional opening up and take the initiative to open wider and advance unilateral opening up in a well-ordered way, so as to promote reform and development through greater openness. We will vigorously encourage foreign investment. We will promote comprehensive trials and demonstrations for expanding opening up of the service sector. We will open internet-related, cultural, and other sectors in a well-regulated way and expand trials to open sectors such as telecommunications, medical services, and education. We will encourage foreign investors to increase their reinvestment in China and support them in collaborating with upstream and downstream enterprises in industrial chains. We will ensure national treatment for foreign-funded enterprises in fields such as access to production factors, license application, standards setting, and government procurement. Foreign investors will receive better services and support, and the launch of landmark investment projects will be expedited. These efforts will help make China a favored destination for foreign investment. We will enhance the quality and performance of pilot free trade zones and grant them more powers to pursue reforms. We will step up the implementation of core policies for the Hainan Free Trade Port, improve opening up and development policies for economic development zones, and promote the transformation and upgrading of comprehensive bonded areas. We will keep working to foster a first-rate business environment that is market-oriented, law-based, and internationalized, thus enabling foreign-funded enterprises to achieve even greater business success in China.

■ Scale of International Trade and Investment Rank among the Top in the World

China has grown into the world's largest trader in goods, the second-largest trader in services, the largest holder of foreign exchange reserves, and the second-largest recipient of foreign capital. China has continuously consolidated its status as a major economy and trading nation, and become a strong pillar for economic globalization. The total value of imports and exports of goods in 2024 reached RMB43.84208 trillion, up by 5.0% over the previous year; the total trade in services reached RMB7.5238 trillion, a rise of 14.4% over the previous year. The number of newly established foreign-invested enterprises reached 59,080 in 2024, representing a growth of 9.9% compared to the previous year. The paid-in foreign direct investment (FDI) amounted to RMB826.25 billion, down 27.1%. The actual use of foreign capital in high-tech manufacturing was RMB96.29 billion, accounting for 11.7% of the country's actual use of foreign capital. Additionally, non-financial outbound direct investment (ODI) stood at RMB1.0245 trillion, a growth of 11.7% from the previous year.

■ Investing in China will Enable Investors to Grow with the Country's Economy

According to the 2024 Statistical Communiqué of the People's Republic of China on National Economic and Social Development, the profits made by industrial enterprises above the designated size funded by foreign investors or investors from Hong Kong, Macao and Taiwan were RMB1.7638 trillion. According to the calculation of SAFE, the average return on investments

made by foreign companies in China is about 9%, a relatively high level across the globe. According to the 2025 *Foreign Direct Investment Confidence Index* (FDICI) report released by Kearney, a leading global management consulting firm, in April 2025, China's global ranking stood at sixth place, being among the top 10 for four consecutive years, and seized the top spot among emerging markets for three consecutive years.

4.2 A Safe and Stable Environment Ensures Development

China is widely recognized as one of the safest countries in the world. In 2024, the number of criminal cases nationwide declined by 25.7% year on year. Whether measured by crime rates or the number of homicides and gun-related incidents, China's figures remain far below those of many developed economies.

China's system possesses remarkable vitality and immense advantages, demonstrating resilience through self-improvement, capable of continuous reform and innovation while maintaining stability and continuity. China's political system guarantees China's effective governance. In an uncertain world, China has always been a major contributor to and anchor of global economic growth, always adopting an open stance to inject stability into the global economy. A transparent, stable, and predictable policy environment not only contributes to economic development but also provides solid support for social security and stability, allowing the public to have stable expectations for the future.

China possesses rich cultural heritage that values harmony and co-existence, characterized by a social atmosphere of trust, goodwill, and neighborliness, which forms a strong basis for social stability and security.

The country has long maintained political stability and social order. It has been and will remain an ideal, secure, and promising destination for foreign investors. Partnering with China will bring more opportunities. Believing in China is believing in tomorrow, and investing in China is investing in the future.

4.3 Full-fledged Industrial System

4.3.1 Transformation and Upgrade of Manufacturing Industry

China has established an independent modern industrial system with complete categories of industries, including 41 large categories, 207 medium sectors, and 666 small sub-sectors, making it the only country covering all industrial categories indexed in the United Nations (UN) International Standard Industrial Classification of All Economic Activities (ISIC). China has world-leading industrial chain support systems, strong resilience and great potential.

The overall strength and international influence of China's manufacturing industry have gradually improved. Key industries are performing well, with 28 out of the 41 large categories maintaining growth. China ranks first in the world in terms of output for more than 40% of the world's 500 major industrial products. In 2024, China's industrial added value

totaled RMB40.5442 trillion, up by 5.7% over the previous year. The value-added output of industries above the designated size expanded by 5.8%. The value-added output of China's high-tech manufacturing industry and equipment manufacturing industry grew by 8.9% and 7.7% year on year, accounting for 16.3% and 34.6% respectively of the value-added output of industries above the designated size. The quantity, quality and level of China's industrial products have been upgraded across the board.

China has achieved innovative breakthroughs in large aircraft, manned spaceflight, ships and marine engineering equipment, electrical equipment, high-end computer numerical control (CNC) machines and other fields. Emerging industries such as new energy vehicles, robots, new materials, biomedicine and medical devices have developed rapidly. The development of small and medium enterprises (SMEs) has achieved remarkable results and their innovation capacity has improved at a faster pace. China has cultivated over 140,000 SMEs that specialize in niche sectors, command a high market share and have strong innovative capacity and core technologies, including 14,600 "little giant" firms. It has also developed 300 characteristic industrial clusters of SMEs.

China's transition from manufacturing to innovation has accelerated significantly. In 2023, China's high-tech manufacturing sector invested RMB696.02 billion in R&D, an increase of approximately 7% compared to the previous year, with an investment intensity nearing 3.1%, up by about 0.2 percentage points year on year. "Little giant" firms exhibited an average R&D intensity of 7%. More than 570 industrial enterprises were listed among

the top 2,500 enterprises that invested the largest sums in R&D worldwide. China has constructed 33 national manufacturing innovation centers and 2 manufacturing innovation centers co-developed by the central and local governments, accelerated the building of 35 national advanced manufacturing clusters, and supported 283 basic public service platforms for industrial technology. Its generic technology supply capacity has greatly improved.

China is speeding up the technological transformation and upgrading of traditional industries and intensifying the promotion of intelligent manufacturing. China has 62 "Lighthouse Factories", accounting for 40% of the global total. China has cultivated 421 state-level intelligent manufacturing demonstration factories and over 10,000 provincial-level digital workshops and smart factories. The installed capacity of industrial robots accounts for over 50% of the global total. In fields such as large aircraft, new energy vehicles, and high-speed train sets, the product development cycles in demonstration factories have been shortened by approximately 30%, while production efficiency has simultaneously increased by nearly 30%.

China has accelerated the formation of a number of high-level development platforms represented by national new-type industrialization demonstration bases and advanced manufacturing clusters. The number of national new-type industrialization demonstration bases has reached 445, and their industrial added value has accounted for more than 30% of China's total.

Foreign-funded enterprises are a key force in promoting new industrialization. In the manufacturing sector, foreign investment is present in 31 large

categories and 548 small sub-sectors. In 2024, the profit margin for foreign-funded industrial enterprises above designated size was 6.6%, which is 1.2 percentage points higher than the national average for industrial enterprises above designated size. In 2024, China removed all market access restrictions for foreign investors in the manufacturing sector, with actual utilized foreign investment exceeding RMB220 billion, and the share of actual utilized foreign investment in high-tech manufacturing reached 11.7%.

4.3.2 Rapid Development of Services Sector

In 2015, for the first time, the services sector contributed over 50% to China's GDP. In 2024, the added value of the services sector reached RMB76.5583 trillion, expanding by 5.0% over the previous year and accounting for 56.7% of the GDP, 0.4 percentage points higher than that of the previous year. The growth of the services sector contributed 56.2% to economic growth, driving GDP growth by 2.8 percentage points. The growth of value added of information transmission, software, and information technology registered at 10.9%.

4.3.3 Modernizing the Industrial System

The report to the 20th CPC National Congress has made important arrangements for modernizing the industrial system. A modern industrial system is the foundation of the new development paradigm, as orderly links between industries are a prerequisite for smooth economic circulation. Accelerating the development of a modern industrial system is an important measure to enhance the dynamism and reliability of

domestic economy while engaging at a higher level in the global economy, which plays a critical role in building a new development paradigm. The third plenary session of the 20th Central Committee of the Communist Party of China proposed a systematic reform plan for constructing a modern industrial system, centering on the core goal of advancing Chinese modernization. Through practical explorations such as technological innovation-driven development, deep integration of digital and real sectors, breakthroughs through regional collaboration, and production factors allocation optimization, various regions are accelerating the shaping of a new modern industrial pattern characterized by a solid foundation in advanced manufacturing, a strategic emerging industry chain, and the exploration of future-oriented industries. This aims to propel the transition of "made in China" to "smart manufacturing in China" amidst a century of change, laying a solid foundation for advancing Chinese modernization.

Focusing on boosting China's strength in manufacturing, product quality, aerospace, transportation, cyberspace, digital development, and agriculture at a faster pace, China's modern industrial system primarily consists of the following components. The first is the modernized industry to achieve high-end, intelligent, and green development in the manufacturing sector. This includes accelerating R&D and application promotion of cutting-edge technologies such as new energy, artificial intelligence, biomanufacturing, green low-carbon technologies, and quantum computing, while constructing industries centered on new-generation information technology, artificial intelligence, biotechnology,

new energy, new materials, high-end equipment, and environmental protection. This will enhance the strategic resource supply capability and promote the deep integration of the digital economy with the real economy. The second is the modernized agriculture to further advance agricultural modernization and build China into an agricultural powerhouse. The third is the modernized service sector to establish a new system of high-quality and efficient services, establish an efficient and smooth circulation system, and achieve deep integration of the modern services sector with advanced manufacturing and modern agriculture. The fourth is the modernized infrastructure to continuously optimize the layout, structure, functionality, and system integration of infrastructure.

4.4 Prominent Advantages of Factor Endowments

4.4.1 Increased Talent Dividend

■ Human Capital Stock Shows Significant Advantages

China's demographic dividend is turning into talent dividend. Quantitatively speaking, at present and for some time to come, a large population remains China's basic national condition. It is still a developing country with a massive population and labor force. Data show that China has more than 800 million people in the labor force aged between 16 and 59, ranking first in the world. In terms of structure, the number of the older labor force has decreased while that of the younger labor force has shown steady growth. The population quality is steadily improving, with the average years of

education for the working-age population reaching 11.2 years and for new entrants to the labor market 14 years. China ranks first globally in total talent resources, scientific and technological human resources, and R&D personnel, making it a country with the largest scale and most complete categories of talent resources in the world.

■ Labor Force Educational Levels Continue to Improve

China's professional and skilled workforce continues to grow, with ongoing reforms to the professional title system and the implementation of the "New Eight-Grade Worker" vocational skills grading system. Efforts have been made to promote vocational skill certification and strengthen the standardized management of skills evaluation. By 2024, more than 12 million individuals obtained vocational level and vocational skill certificates, with over 2,000 individuals awarded the titles of senior technician and chief technician. By the end of 2024, about 51 million people across the country had obtained various professional qualification certificates. As of the end of 2023, the total number of skilled workers in China exceeded 200 million, accounting for over 27% of the total employed population, with more than 60 million high-skilled professionals. By the end of 2024, there were 2,440 technical schools nationwide, with over 4.287 million students; a total of 1,176 national high-skilled talent training bases and 1,475 national skill master studios had been established nationwide. Various types of technical and skilled talent are actively engaged in frontline production and innovation, becoming an important force driving high-quality development.

■ Human Resource Services Gradually Improved

In recent years, the policy framework for human resource services has been upgrading. In 2018, the State Council enacted its first administrative regulation on the human resources market, the *Provisional Regulation on the Human Resources Market*. This act defines the country's statutory duties to enhance the development of the human resource service sector at the legislative level. In 2021, five departments and commissions, including the Ministry of Human Resources and Social Security, jointly printed and distributed the *Opinions on Promoting High-Quality Development of the Human Resource Service Industry in the New Era*. In 2022, the Ministry of Human Resources and Social Security formulated the *Notice on Implementing the Action Plan for Promoting Innovation and Growth of the Human Resource Services Industry (2023-2025)*. In 2024, five departments and commissions, including the Ministry of Human Resources and Social Security, issued the *Opinions on Strengthening Human Resources Services to Facilitate High-quality Development of Manufacturing Industry*.

The human resources market has been improving, and the level of integration between human resource services and the manufacturing industry is steadily rising. Human resource service agencies have offered a variety of services to key areas of manufacturing, including targeted recruitment, skills training, competency assessments, labor adjustment, and flexible employment. Many agencies have established long-term and stable strategic partnerships with manufacturing enterprises. As of the

end of 2024, there were 74,000 human resource service organizations of various types across the country, employing 1.093 million people. Throughout the year, these agencies served 350 million laborers and 56.77 million employers, approximately 40% of which are manufacturing enterprises.

Human resource services for foreign talent have been progressing. Creating a good policy environment for foreign talents that work in China is an important part of China's international talent strategy. Since August 1, 2019, China has implemented 12 preferential policies on immigration, entry and exit, including expanding the range of foreigners qualified for long-term visas and residence permits, broadening the scope of foreign talent, and improving services for foreign talent, so as to further encourage, support, and assist foreign talent, outstanding foreign youths, and overseas Chinese to start businesses, invest, study, and work in China. China has optimized immigration administration policies and measures starting from January 8, 2023, including the resumption of the acceptance and approval of Chinese citizens' applications for ordinary passports for the purposes of tourism and visiting friends abroad, the resumption of the processing of endorsements for Chinese mainland residents to visit the Hong Kong Special Administrative Region for tourism and business purposes, and the resumption of the issuance of exit-and-entry permits of the People's Republic of China and exit-and-entry permits for border control

areas. Starting from December 1, 2024, the work permits for foreigners have been integrated with social security cards. Incorporating the work permit information for foreigners coming to China onto the physical and electronic social security cards will provide convenience for foreigners working and living in China.

4.4.2 Ample Capital

During the more than 40 years of reform and opening up, capital, together with other production factors like land, labor, technology and data, has contributed to the prosperity and development of our socialist market economy. Since the 18th CPC National Congress, the principle of "unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting, and guiding the development of the non-public sector"⁴ has been included in the basic policy of upholding and developing socialism with Chinese characteristics in the new era, and established as a part of the major principles and policies of the Party and the state. It emphasizes the need to let the market play the decisive role in the allocation of resources and the government better fulfill its role, create a more favorable market and legal environment for the development of all types of capital, and stimulate the vitality of capital of all types, including non-public capital.

At present, capital in China comes in various forms, such as state-owned, collective, private, foreign and mixed-

4. We will unswervingly consolidate and develop the public sector and unswervingly encourage, support, and guide the development of the non-public sector. We will ensure that economic entities under all forms of ownership have equal access to factors of production in accordance with the law, compete in the market on an equal footing, and are protected by the law as equals.

ownership capital, which is witnessing significant expansion in scale, further diversification in ownership, faster pace of operation and massive inflows of international capital. Capital shortage is replaced by abundance. Global share of annual capital formation approaches 30%. In 2024, gross capital formation contributed to 25.2% of economic growth, driving GDP growth by 1.3 percentage points.

4.4.3 Abundant Data

China's substantial data output and rich data resources position it as the world's second-largest data repository. China has thoroughly implemented the national cyber development strategy and national big data strategy, and rolled out the *Outline of Digital Economy Development Strategy and the 14th Five-Year Plan for Development of Digital Economy*. It has accelerated efforts to promote industrial digitization and digital industrialization and boost the digital economy. The scale of China's digital economy has grown from RMB11.2 trillion in 2012 to RMB53.9 trillion in 2023, a 3.8-fold expansion during 11 years, ranking second globally in total volume, with its proportion of GDP rising to 42.8%. The contribution rate of digital economic growth to GDP growth is 66.45%, making it an important engine to stabilize growth and promote transformation.

During the 14th Five-Year Plan period, China's digital economy will enter the new stage of in-depth application, standardized development, and inclusive sharing. In 2024, China's total data production increased by 25% year on year, with the added value of the core digital economy industries accounting for about 10% of GDP. Significant

progress was made in integrated circuits, artificial intelligence, industrial software, and foundational software. China's "Lighthouse Factories" represented over 40% of the global total, while smart products and live-streaming e-commerce emerged as new consumer hotspots.

The 2025 Report on the Work of the Government proposed to accelerate the digitization of manufacturing. China will unleash the creativity of the digital economy. Under the AI Plus initiative, China will work to effectively combine digital technologies with China's manufacturing and market strengths. China will support the extensive application of large-scale AI models and vigorously develop new-generation intelligent terminals and smart manufacturing equipment, including intelligent connected new-energy vehicles, AI-enabled phones and computers, and intelligent robots. China will promote broader application of 5G technology, accelerate the innovation-driven development of the Industrial Internet, optimize the layout of computing resources across the country, and foster internationally competitive digital industry clusters. Basic data systems will be improved at a faster pace, data resources will be extensively developed and utilized, and cross-border data flows will be promoted and kept under regulation. China will promote the healthy and well-regulated development of the platform economy and give better play to its role in inspiring innovation, expanding consumption, and stabilizing employment.

China places great importance on the safe and orderly cross-border flow of data. Based on international practices and the actual situation in China, the

Chinese government has progressively formulated several regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulations on Network Data Security Management*, the *Measures for the Security Assessment of Data Exports*, and the *Measures for Standard Contract for Cross-Border Transfer of Personal Information*. In March 2024, the government issued the *Regulations on Promoting and Regulating Cross-Border Data Flow* (hereinafter referred to as the "Regulations"), which clarifies that data processors do not need to apply for security assessments for data exports as important data if they have not been informed or publicly announced as such by the relevant departments or regions. The Regulations also specifies a series of scenarios exempt from data export security management, including cross-border shopping, cross-border remittances, flight and hotel bookings, and visa applications, creating favorable conditions for international digital trade cooperation. Following the implementation of the Regulations, the average monthly number of data export security assessment projects accepted decreased by approximately 60%, while the average monthly number of filings for standard contracts for the export of personal information fell by about 50%.

During the implementation of the Regulations, China established a green channel for security assessments of data exports for foreign-invested enterprises. This facilitates foreign-invested enterprises operating in China (including foreign-funded R&D centers)

to export data within a reasonable scope. Additionally, special roundtable meetings for foreign-invested enterprises have been organized to address concerns that foreign enterprises have regarding cross-border data flows. This mechanism further enhances the management efficiency of cross-border data and guides and assists foreign-invested enterprises in achieving lawful, compliant, high-quality, and efficient cross-border data flows.

4.4.4 Reliable Supply Chain Support

The industrial and supply chains are essential components of the modern economy. China has a complete range of industries and well-developed infrastructure, with the upstream and downstream sectors across various industries having formed aggregate advantages. Additionally, China has the largest pool of scientific and professional talent in the world. All of these have transformed the country into a global manufacturing hub and resulted in the success of "Made in China".

The industrial and supply chains are vital global public goods. Over the past few decades, as economic globalization has deepened, global industrial and supply chains have gradually expanded and become closely interconnected. Various parties have become integral parts of the global cooperation chain, increasingly forming a community of shared interests and a shared future, which has strongly promoted rapid world economic growth. Both history and the present demonstrate that when global industrial and supply chain cooperation are remains stable and continues to deepen, all nations generally reap benefits.

China plays a crucial role in the global industrial and supply chains. Leveraging China's strengths in these areas and its high-standard opening up, enterprises will be better positioned to expand into global markets and deeply participate in global value chains. In recent years, China's industrial system has continued to improve, and its ability for technological innovation has significantly strengthened, making it the country with the most complete industrial categories and industrial system in the world under UN standards. China's manufacturing scale has ranked first globally for 15 consecutive years, with the added value of manufacturing accounting for about 30% of the global total. China is increasingly integrated into the global industrial and supply chains, enhancing its opening up while expanding international cooperation. Currently, it has become a major trading partner of over 150 countries and regions, with the scale of trade in goods topping the world for many consecutive years.

As a major manufacturing country, China is one of the world's most important markets, possessing a complete supply chain network where nearly all products can find suitable suppliers with greater efficiency and lower costs. For many multinational companies, this represents the core competitiveness of "Made in China" and is a key reason for their continued commitment to the Chinese market.

4.4.5 Agglomeration of Production Factors and Resources

China has a significant advantage in the agglomeration of production factors and resources, housing the

largest number of megacities and urban populations in the world. The large-scale concentration of population and industries in metropolitan areas and urban clusters has become an important contributor to regional labor productivity and a new driving force for China's economic development. There is a noticeable positive correlation between population density, employment density, and output efficiency. China's Yangtze River Delta, Beijing-Tianjin-Hebei Region, Guangdong-Hong Kong-Macao Greater Bay Area, and Chengdu-Chongqing region are not only characterized by high population density, but also represent important innovation clusters, serving as key engines of economic growth.

Clustering is an important feature of China's industrial development, which has strongly boosted high-quality economic development. China's advanced manufacturing clusters involve multiple fields such as new-generation information technology, high-end equipment, consumer goods, new energy, and intelligent connected vehicles. They are key forces to drive the innovative development of priority sectors, concentrated in the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Pearl River Delta, the Chengdu-Chongqing region, and other key regions, and function as vital engines for regional economic development. Additionally, there are 300 state-level distinctive industrial clusters of SMEs, which are characterized by a remarkable cluster of high-quality SMEs, a significant role in strengthening and complementing industrial and supply chains, and a strong impact on local economic development.

An increasing number of Chinese cities are proactively encouraging the

synergy of industrial, talent, innovation, and financial chains. With the industrial chain as the main line, these cities are continuously strengthening, complementing, and extending the chains to fully leverage the effects of industrial clusters. This approach allows high-quality projects to gather and gain momentum, accelerating their integration into global industrial chains. The strong industrial supporting capabilities are a key reason for attracting foreign investment into China.

4.5 Sound Infrastructure

4.5.1 Developed Transport Infrastructure Network

China is building an efficient transport network in line with international standards. In recent years, China's integrated three-dimensional transport network has improved significantly in both scale and quality. During the 14th Five-Year Plan period, China accelerated the effort to build a strong transport industry. Focusing on serving and supporting the modern industrial system construction, it will work faster to build a sustainable transport system that is safe, convenient, efficient, green, economical, inclusive, and resilient. Efforts are being made to invigorate the sector, mitigate risks, stabilize expectations, ensure smooth operations, reduce costs, and enhance quality and efficiency. The goal is to build China into a country with a strong transport industry and significantly improve the capacity and connectivity of international transport corridors.

■ Land Transport Network

(1) Railways. By the end of 2024, China's total railway mileage had grown to 162,000 kilometers, including 48,000 kilometers of high-speed railway, with an electrification rate of 76.2% and a double-line railway rate of 60.8%. China's railway system transported 4.312 billion passengers in 2024, up 11.9% year on year; railway cargo transport volume reached 5.175 billion tons last year, reflecting a 2.8% growth compared to the previous year.

(2) Highways. By the end of 2024, the total mileage of highways in China had stood at about 5.49 million kilometers. The mileage of expressways had reached 190,000 kilometers, ranking first in the world. In 2024, the country's road network facilitated approximately 59.29 billion passenger trips, up 4.8% year on year. The rapid development of road infrastructure has significantly improved road traffic capacity, transport efficiency, and logistics development.

■ Shipping Network

China has gradually improved the class and increased the mileage and harbor capacities of its inland waterways. It has ranked first in terms of seaport connectivity across the world for many years. As of the end of 2024, China's inland waterway had the mileage of 129,000 kilometers with 68,000 kilometers of classified waterways and 17,600 kilometers of high-grade waterways; the ports owned 22,219 productive wharf berths, including 2,971 berths with a handling capacity of 10,000 tons and above; 52 automated terminals have been built, ranking among the top in the world in terms of application scale, operation efficiency, and technical level. China has established sea transport

routes with more than 100 countries and regions, covering all coastal countries and regions along the Belt and Road. The service network is continuously improving, and China's sea transportation connectivity is globally leading.

■ Aviation Network

China has been committed to developing a national comprehensive airport system with world-class clusters of airports and international aviation hubs as the key component, regional hubs as the mainstay, and non-hub airports and general airports as important supplements, to accelerate the improvement of the airport network. By the end of 2024, there were 263 airports in China (excluding Hong Kong, Macao, and Taiwan). China's airports saw passenger throughput reaching 1,459.518 million (some passengers flew more than once; the same below), an increase of 15.9% over the previous year and 8.0% over 2019. The cargo throughput reached 20.062 million tons, up 19.2% over the previous year and 17.3% over 2019. The airports completed 12.4 million flights, an increase of 5.9% over the previous year and 6.3% over 2019. There were 40 airports with an annual passenger throughput of more than 10 million, representing a net increase of 2 compared to the previous year, 37 airports with an annual passenger throughput of 2-10 million, an increase of 1 from the previous year, and 34 airports with an annual cargo and mail throughput of more than 100,000 tons, a rise of 3 compared to the previous year.

In 2024, China's regular international passenger flights increased to 6,400 flights per week, recovering to 84% of the pre-COVID-19 level. As of now, there are 28 Chinese airlines and 100 foreign airlines operating international passenger

routes in China, connecting a total of 78 countries, which is a net increase of 4 countries compared to 2019. The route network between China and traditional markets in Asia and Europe continues to be improved, while routes to Latin America, the South Pacific, and African countries have been further expanded, enhancing the accessibility of international flights.

4.5.2 Stable and Sufficient Energy Supply

In 2024, energy production steadily increased, energy supply was robust, while the energy consumption structure continued to optimize. The green transition accelerated, with clean energy maintaining its growth, as efforts to ensure energy security were coordinated with the transition to a low-carbon and green economy.

■ Ample and Reliable Power Supply

In 2024, the cumulative installed capacity of power generation across China was about 3.35 billion kilowatts, a year-on-year increase of 14.6%. Specifically, the installed capacity of thermal power amounted to 1,444.45 million kilowatts throughout the year, up by 3.8%; hydropower totaled 435.95 million kilowatts, a rise of 3.2%; nuclear power was 60.83 million kilowatts, an increase of 6.9%; wind power reached 520.68 million kilowatts, expanding by 18.0%; and solar power stood at 886.66 million kilowatts, climbing by 45.2%.

■ Stable Water Supply

In 2024, the water resources across China totaled 3,001 billion cubic meters; the total water consumption was 592.5 billion cubic meters, an increase of 0.3% over the previous year.

■ Stable Gas Market

In 2024, China generated 246.4 billion cubic meters of gas, marking the eighth consecutive year with an increased production of over 10 billion cubic meters. To ensure a stable gas market, Chinese oil and gas enterprises are striving to optimize the domestic distribution of gas, coordinate and expand the import of natural gas, improve facilities for gas transmission and storage, and promote connectivity of the pipe network.

4.5.3 Expanding New Infrastructure

New infrastructure refers to an infrastructure system guided by the new development philosophy, driven by technological innovation, based on information networks, and oriented to the needs of high-quality development. It provides services such as digital transformation, intelligent upgrading, and integrated innovation and includes three categories, namely information infrastructure, integrated infrastructure, and innovation infrastructure. In recent years, the construction of new infrastructure represented by 5G, artificial intelligence, data centers, and industrial Internet has shown a good momentum of development. New infrastructure is being deeply embedded in and empowering the high-quality development of China's economy and society. Currently, China has achieved initial results in its new infrastructure construction efforts.

The information infrastructure is being upgraded rapidly. In terms of network facilities, efforts have been made to achieve "5G access in every county and broadband access

in every village". The network scale and application level lead the world. Regarding computing power facilities, the rollout of artificial intelligence infrastructure is picking up pace, including the deployment of 9 million standard server racks in data centers. The construction of an integrated national big data system is also speeding up and eight national computing hubs initiated. In terms of space infrastructure, a national civil space infrastructure system, mainly composed of the satellite remote sensing system, the satellite communications and broadcasting ground system, and the BeiDou Navigation Satellite System, has taken the initial shape.

The rollout of integrated infrastructure is accelerating. Smart facilities are penetrating various industries. A three-dimensional intelligent transportation system is being constructed at an accelerated pace, with emerging new transportation forms such as unmanned terminals and autonomous driving. Paperless travel is now available at over 99% of airports. The intelligent energy dispatch system and the intelligent routing inspection system have significantly enhanced the energy supply efficiency and the safety level. A national industrial Internet network, platform, security, and identification resolution system has been essentially established. Furthermore, facilities for people's well-being such as e-commerce, telehealth, and online education are being constructed at a faster rate.

The innovation infrastructure is being optimized rapidly. China has developed a relatively complete system of major scientific and technological infrastructure. Of the 77 national major scientific and technological infrastructure projects

planned for construction, 32 have been completed and put into operation, with some facilities ranking among the top in the world.

4.6 "Peak Carbon and Carbon Neutrality" Goals Offer Investment Opportunities

4.6.1 "Peak Carbon and Carbon Neutrality" Goals, Policies, and Measures

At the general debate of the 75th session of the United Nations General Assembly on September 22, 2020, Chinese President Xi Jinping pledged that China would scale up its Intended Nationally Determined Contributions by adopting more vigorous policies and measures, to have carbon dioxide emissions peak before 2030 and achieve carbon neutrality before 2060.

The Outline of the 14th Five-Year Plan states that "China will make sustained efforts to achieve the goal of scaling up its Intended Nationally Determined Contributions and formulate an action plan to reach the peak of carbon emissions by 2030. China will improve the dual control system of total energy consumption and intensity with a focus on controlling fossil energy consumption. China will implement a system that focuses on carbon intensity control supplemented by total carbon emission control, and support the key industries and enterprises in places where conditions permit to take the lead in reaching the peak of carbon emissions. China will promote clean, low-carbon, safe and efficient use of energy, and further promote the transformation of industry, construction, transportation, and other

sectors towards low-carbon development; increase efforts to control methane, hydrofluorocarbons, perfluorocarbons, and other greenhouse gases; increase the carbon sink capacity of ecosystems; and step up efforts to achieve carbon neutrality by 2060 by adopting even more robust policies and measures."

In September 2021, the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* was released. It clarifies the key tasks to peak carbon dioxide emissions and achieve carbon neutrality: First, promoting comprehensive green transformation in economic and social development; second, in-depth industrial restructuring; third, accelerating the development of a clean, low-carbon, safe and efficient energy system; fourth, accelerating the construction of a low-carbon transportation system; fifth, improving the quality of green and low-carbon development of urban and rural areas; sixth, strengthening research on green and low-carbon technologies and promoting their application; seventh, continuing to consolidate and improve carbon sink capacity; eighth, promoting a green and low-carbon mode of opening up; ninth, improving laws, regulations, standards and statistical and monitoring systems; and tenth, improving policy mechanisms.

In October 2021, the State Council released the *Action Plan for Carbon Dioxide Peaking Before 2030*. According to the Plan, China will see that the goal to peak carbon dioxide emissions informs the whole process and every aspect of economic and social development. Particular focus will be placed on implementation of ten major peaking

carbon dioxide emissions actions, which are the action for green and low-carbon energy transition; energy saving, carbon emission mitigation and efficiency improvement; peaking carbon dioxide emissions in industry sector; peaking carbon dioxide emissions in urban-rural development area; promoting green and low-carbon transportation; promoting circular economy for carbon mitigation purpose; advancing green and low-carbon technology innovation; consolidating and enhancing carbon sink; green and low-carbon society; and promoting all regions to peak carbon dioxide emissions in a gradient and orderly manner.

To support the endeavor to peak carbon dioxide emissions and achieve carbon neutrality with science and technology, nine departments including the Ministry of Science and Technology jointly issued the *Action Plan on Supporting Carbon Peak and Carbon Neutrality by Science and Technology Measures (2022-2030)* in June 2022. The Action Plan features specific actions to promote scientific and technological innovation in 10 aspects, including green and low-carbon energy transition, low-carbon and zero-carbon industrial process reengineering, low-carbon and zero-carbon construction and transport, negative carbon and non-carbon dioxide greenhouse gas emission reduction, cutting-edge frontier technologies and disruptive technologies, low-carbon and zero-carbon demonstration, carbon peak and carbon neutrality management decisions, synergy of innovative projects, bases and talent for carbon peak and carbon neutrality, cultivation of and services for green and low-carbon technology enterprises, and global cooperation in carbon peak and carbon neutrality.

The third plenary session of the 20th Central Committee of the Communist Party of China proposed to improve the mechanisms for green and low-carbon development. China will implement fiscal, tax, financial, investment, and pricing policies as well as standards to support green and low-carbon development, develop green and low-carbon industries, improve incentive mechanisms for eco-friendly consumer spending, and work toward an economy that facilitates green, low-carbon, and circular development. China will optimize policies on green government procurement and refine the green taxation system. China will improve the systems for total resource consumption control and comprehensive resource conservation, as well as the system for recycling waste and used materials. Mechanisms for ensuring clean and efficient use of coal will be refined. China will accelerate the planning and development of a new type of energy system and improve the policies and measures for promoting the absorption of electricity generated from new energy sources into power grids and for the regulation of such energy. Improvements will be made to the working systems for adapting to climate change. New mechanisms will be put in place to facilitate the transition from controlling the total amount and intensity of energy consumption to controlling the total amount and intensity of carbon emissions. China will establish a carbon emissions statistics and accounting system, a carbon labeling and certification system, as well as a carbon footprint management system. China will also improve the cap-and-trade system for carbon emissions and the trading system for voluntary greenhouse gas emissions reduction. On this basis,

China will actively and prudently move toward reaching peak carbon emissions and carbon neutrality. The People's Bank of China is making great efforts in green finance, continuously guiding financial institutions to increase their support for major strategies, key areas, and vulnerable links, serving the green and low-carbon transition of the economy through high-quality financial development.

China inaugurated its national carbon market on July 16, 2021, with the power generation sector as the first to be included in the market. In 2024, more than 188.6 million tons of allowances changed hands in total, with the total trading volume reaching RMB18.1135 billion.

4.6.2 Low-carbon Transition Achievements and Investment Opportunities

China has made a major strategic decision to peak carbon dioxide emissions and achieve carbon neutrality, further promoted the green and low-carbon transition, and accelerated the formation of green production modes and lifestyles, thus injecting strong impetus into the global response to climate change.

China is building a clean, low-carbon, safe, and efficient energy system at a faster pace, and continuously upgrading the energy consumption structure. The proportion of non-fossil energy in total energy consumption in 2024 increased by 1.8 percentage points compared to the previous year. The greening of the energy sector is advancing rapidly, with the share of clean energy generation continuously rising. In 2024, the clean energy generation from hydropower, nuclear power, wind power, and solar power in industries above designated size reached 3.1 trillion kWh, an increase of 11.6% from the previous year.

The output of green, low-carbon products is also growing rapidly. Over the past decade, China's annual production and sales of new energy vehicles (NEVs) have surged from tens of thousands to tens of millions, with products exported to more than 70 countries and regions, accounting for over 60% of the global market share. NEVs have become a "shining business card" for Chinese manufacturing. In 2024, the new achievements in the development of China's NEV industry can be summarized as "one breakthrough and three enhancements". The "one breakthrough" refers to the annual production and sales of NEVs reaching the milestone of over ten million units, specifically reaching 12.888 million and 12.866 million units, respectively. The sales of new NEVs accounted for 40.9% of the total new automobile sales, maintaining the number one position globally for ten consecutive years. The "three enhancements" refer to further improvements in product performance, industrial system, and user convenience. In terms of product performance, the average driving range of NEVs is nearly 500 kilometers, and rapid advancements in intelligent assisted driving and human-machine interaction technology have made driving easier and more enjoyable. Features such as active suspension and smart lighting systems have been popularized from high-end vehicles to mass-market models, making NEVs the "first choice" for increasing numbers of consumers. Regarding the industrial system, a comprehensive and efficient industrial chain has been established, covering basic materials, components, complete vehicles, and manufacturing equipment. China supplies 70% of the battery materials and 60%

of the power batteries to the world. In terms of user convenience, for example, in charging services, China has established 12.818 million charging piles and 4,443 battery swap stations, forming the world's largest charging network. Fast-charging technology that can charge up to 80% in just 15 minutes has achieved mass production and application.

In terms of green manufacturing, China's exemplary and leading role is increasingly evident, and the industrial development is becoming increasingly eco-friendly. A total of 6,430 green factories have been established at the national level in China, and the output value accounted for approximately 20% of the total output value of the manufacturing sector, an increase of 2 percentage points from the previous year. These factories have largely achieved intensive use of land, use of non-toxic raw materials, clean production, transformation of waste into resources, and low-carbon energy consumption. In 2024, the comprehensive utilization rate of bulk industrial solid waste exceeded 55%, an increase of 1.2 percentage points over the previous year. It is estimated that the comprehensive utilization of end-of-life power batteries surpassed 300,000 tons in 2024, representing a year-on-year growth of 33%. Currently, nearly 30,000 types of electrical and electronic products meet China's RoHS control requirements, which restrict the use of harmful substances such as cadmium, with a year-on-year growth of approximately 10%. In key industries such as steel, cement, and glass, the energy consumption per unit of added value in industrial enterprises above designated size continues to decline, while the emission intensity of major pollutants in the industrial sector continues to decrease, and water consumption per

RMB10,000 of industrial added value continues to drop.

In terms of new driver cultivation, the planning and development of future-oriented industries are accelerated. In the industrial sector, application scenarios of hydrogen energy and new energy storage continue to expand. China's first 10,000-ton-level green hydrogen production project has been completed and put into operation, and the first 100-million-ton-level hydrogen-based shaft furnace in the steel industry is up and running.

China's "peak carbon and carbon neutrality" strategy presents numerous investment opportunities. First, China put forward the "peak carbon and carbon neutrality" goals and promoted the low-carbon transition in 2020 when per capita GDP just exceeded USD10,000. Compared with developed countries, which advanced such transition at a per capita GDP of USD30,000 or higher, China will incur lower costs for the production and operation of traditional non-green products. Many products in China that have not yet reached their peak demand can be directly replaced by green products. Second, China does not start from scratch in the field of green technologies and industries, and the gap with developed countries is not significant. Especially in fields such as new energy vehicles, PV power generation, wind power, energy storage, green hydrogen, and digital technology, China is at a comparable level or even ahead of developed countries. China now has close to half of the world's installed PV capacity. Over half of the world's new energy vehicles run on roads in China. China contributes one-fourth of increased area of afforestation in the world. China is also cultivating large-scale new growth drivers in sectors such as

green infrastructure, green energy, green transportation and green lifestyle. This will generate investment and consumption markets with an estimated size of RMB10 trillion annually, and promises huge potential. Third, there is enormous growth potential for the demand for green products in China. With its population remaining among the largest in the world and the country's economy expected to continue growing at a relatively high pace, there is ample market demand for the innovation and promotion of green products, making it easier for companies to develop business models and achieve economies of scale.

4.7 Improving Business Environment

4.7.1 Issuing Regulation on Optimizing the Business Environment

In October 2019, the Executive Meeting of the State Council adopted the Regulation on Optimizing the Business Environment, which came into force on January 1, 2020. It provides a summary of the experience and practices of China in optimizing the business environment in recent years, turns the reform measures that have been proven effective, satisfactory among the people and welcomed by business entities into provisions, and improves the institutional framework to align with advanced international standards to address prominent short links in China's business environment and the pressing pain points, choke points and other issues and challenges of major concern to business entities.

4.7.2 Accelerating the Construction of a Unified National Market

In April 2022, the Opinions of the CPC Central Committee and the State Council on Accelerating the Construction of a Unified National Market (hereinafter referred to as the "Opinions") was released. According to the Opinions, the main goals of accelerating the construction of a unified national market are: to continue to promote the efficient and smooth operations and scale expansion of the domestic market, to accelerate the creation of a stable, fair, transparent, and predictable business environment, to further reduce market transaction costs, to promote technological innovation and industrial upgrading, and to cultivate new edges for international competition and cooperation. The Opinions clarifies the key tasks of constructing a unified national market at a faster pace from six aspects: first, to strengthen the unification of basic market systems and rules; second, to promote high-standard connectivity of market facilities; third, to create a unified market for factors and resources; fourth, to promote the high-level unification of product and service markets; fifth, to promote fair and unified market supervision; sixth, to further regulate unfair market competition and market intervention.

Building a unified national market can be simply summarized as "five unifications" and "one removal". This involves ensuring the underlying institutions and rules, market facilities, sub-markets of factors and resources as well as goods and services, and market regulation are unified while removing local protectionism, to build a super-

large market that is highly efficient, rules-based, fair, and fully open.

In June 2023, the State Administration for Market Regulation, the National Development and Reform Commission, the Ministry of Finance and the Ministry of Commerce jointly issued a notice to review and remove regulations and practices that impede the development of a unified market and fair competition, especially that impede market access and exit, hinder the free flow of goods and factors, increase production and operation costs, and impact business behavior. These regulations and practices include effective rules, normative documents and other policies and measures relating to the economic activities of business entities formulated by various departments directly under the State Council and local people's governments at or above the county level, as well as their subordinate departments before December 31, 2022. In 2023, localities and departments revised or abolished 17,600 policies and measures that impeded the development of a unified market and fair competition while effectively preventing the introduction of policies and measures that would exclude or restrict competition. Significant progress has been made in addressing prominent issues related to local protectionism and market segmentation. Key tasks aimed at facilitating efficient market connectivity have shown results, and reforms in key areas have been stepped up with positive progress. In general, accelerating the construction of a unified national market has played a positive role in promoting domestic circulation, stimulating market vitality, reducing transaction costs, unleashing domestic demand potential,

and consolidating the foundation for economic recovery and growth.

The third plenary session of the 20th Central Committee of the Communist Party of China pointed out that a unified national market should be built. We will work to see that the underlying institutions and rules of the market are unified, that market regulation is exercised in an impartial and unified manner, and that connectivity between market facilities is built to high standards. We will enhance the binding force of fair competition review, take stronger action against monopolies and unfair competition, and review and abolish regulations and practices that impede the development of a unified national market and fair competition. We will bring local regulations and institutions for attracting investment under regulation and strictly prohibit policy incentives in breach of laws and regulations. We will establish sound, unified, and well-regulated public resource trading platforms that facilitate information sharing. Such platforms will cover public bidding as well as procurement by the government, public institutions, and SOEs and ensure full transparency throughout the project management process. Overall market regulation capabilities will be enhanced. We will refine the national system of standards and deepen reform of local systems for standards management.

Fair competition is a fundamental principle of the market economy and an objective requirement for building a unified national market. On August 1, 2024, the Regulations on Fair Competition Review (hereinafter referred to as the "Regulations") was officially implemented, providing comprehensive, systematic, and detailed provisions regarding the targets,

standards, mechanisms, and supervisory guarantees of fair competition reviews. The Regulations holds significant importance for accelerating the establishment of a unified national market, ensuring that all types of business entities can lawfully and equally utilize production factors and fairly participate in market competition. In terms of market access and exit, equal opportunities must be ensured; concerning the flow of goods and factors, freedom of entry and exit must be guaranteed; in influencing production and operating costs, fair competition must be assured; and in impacting production and operational behaviors, business autonomy must be protected. The Regulations stipulates that relevant policies and measures must not unlawfully impose approval procedures on industries, sectors, or businesses that are outside the negative list for market access; nor should they restrict products or factors from other regions or imports from entering the local market or impede the relocation of local operators or the outflow of goods and factors; furthermore, they must not unlawfully interfere with the prices of goods and factors subject to market-regulated pricing. With the comprehensive implementation and in-depth execution of the Regulations, the foundational framework for fair competition in building a unified national market will become stronger, and policies and measures for various business entities, including foreign-invested enterprises, will become fairer. China's business environment will be more market-oriented, law-based, and internationalized.

The State Administration for Market Regulation issued the Implementation Measures for the Regulations on Fair

Competition Review (hereinafter referred to as the "Implementation Measures"), which officially took effect on April 20, 2025. The Implementation Measures consists of 48 articles that refine and improve the overall requirements, department responsibilities, review standards, review mechanisms, review procedures, and supervisory guarantees for fair competition review, within the framework of the Regulations.

4.7.3 Promoting Market-Based Allocation of Production Factors

In April 2020, the Opinions of the Central Committee of the Communist Party of China and the State Council on Building an Improved System and Mechanism for Market-based Allocation of Production Factors was released. It calls for removing institutional barriers that hinder the free flow of factors, expanding the scope of market-based allocation of production factors, improving the factor market system, and promoting institutional development in factor markets. The goal is to achieve market-determined factor prices, autonomous and orderly flow of factors, and efficient and fair allocation. Specific requirements were outlined for promoting the market-oriented allocation of land, guiding the rational, smooth, and orderly flow of workforces, advancing the market-oriented allocation of capital factors, accelerating the development of technology markets and the cultivation of data markets, speeding up the market-oriented reform of pricing mechanisms, improving the operational mechanisms of factor markets, and ensuring organizational support.

In December 2021, the General Office of the State Council issued the

Master Plan for Implementing Pilot Comprehensive Reform of Market-based Allocation of Production Factors (hereinafter referred to as the "Plan") to promote the further development of the reform of the market-based allocation of factors. The Plan proposes eight pilot tasks: to further improve the efficiency of allocation of land factors, promote the rational, smooth and orderly flow of labor factors, work to ensure capital factors serve the development of the real economy, vigorously promote the transformation of technological factors into real productivity, explore the establishment of rules for circulation of data factors, strengthen the development of the resource and environment market system, improve the governance of factor markets, and further tap the effect of coordinated resource allocation.

According to the third plenary session of the 20th Central Committee of the Communist Party of China held in July 2024, the institutions and rules for production factor markets will be improved to facilitate the smooth flow of production factors, the efficient allocation of all types of resources, and the full realization of market potential.

4.7.4 Further Optimizing the Foreign Investment Environment

In July 2023, the State Council issued the Opinions on Further Optimizing the Foreign Investment Environment and Intensifying Efforts to Attract Foreign Investment (hereinafter referred to as "24 Measures for Foreign Investment"). The document puts forward 24 specific measures in six areas, including improving the quality of foreign capital utilization, ensuring the national treatment for

foreign-invested enterprises, continuously strengthening the protection of foreign investment, enhancing investment and operation facilitation, increasing fiscal and tax support, and refining methods for promoting foreign investment. Relevant measures outlined in the Opinions have been implemented or made phased progress. The results included the following: The Cyberspace Administration of China released and implemented the Regulations on Promoting and Regulating Cross-Border Data Flow; the Ministry of Finance and the State Taxation Administration issued a notice to extend the execution period for the tax exemption policy for foreign individual allowances and subsidies, as well as the tax rebate policy for foreign-invested research institutions purchasing domestic equipment, until the end of December 2027, while also lowering the threshold for enjoying the tax rebate policy for purchasing domestic equipment. The National Intellectual Property Administration, and the Ministry of Justice introduced the Opinions on Strengthening Administrative Adjudication of Patent Infringement Disputes in the New Era, further improving the administrative adjudication system and mechanisms. The State Administration for Market Regulation issued the Opinions on Strengthening Intellectual Property Law Enforcement in the New Era. The National Immigration Administration (NIA) launched a new version of the Foreign Permanent Resident ID Card to help foreigners travel and live in China, along with measures to relax the conditions for foreign personnel applying for port visas to enter China.

To further stabilize foreign investment in 2025, and building on

existing policies such as the 24 Measures for Foreign Investment, the 2025 Action Plan for Stabilizing Foreign Investment has been issued, focusing on common issues faced by foreign-funded enterprises. The Action Plan proposes 20 policies and measures across four areas: expanding self-initiated opening up in an orderly manner, improving the level of investment promotion, strengthening the functions of opening up platforms, and redoubling efforts to enhance services. The Action Plan has four prominent features. First, it sends a positive signal for further opening up. China will expand pilot programs to open up the telecommunications, healthcare, and education sectors; accelerate and intensify the pilot efforts in the national comprehensive demonstration zones for expanding opening up in the services sector; further reduce the items in the negative lists for foreign investment access; support pilot free trade zones in continuing to expand institutional opening up in rules, regulation, management and standards; and improve the standards of export-oriented economy in national economic and technological development zones. The second is to increase policy support. China will encourage more high-quality long-term foreign investment in listed Chinese companies; research and formulate policy measures to encourage foreign-invested enterprises to reinvest in China; encourage foreign investment in a wider range of industries; remove restrictions on foreign-invested investment companies' access to domestic loans; facilitate more rapid launch of innovative drugs; and support the participation of foreign-invested enterprises in the segmented production of biological products on a pilot basis. The third is to make proactive

efforts in promoting foreign investment. China will meticulously design and implement the "Invest in China" series of events; fully activate bilateral investment promotion working groups; encourage coordinated efforts between central and local governments in organizing overseas investment promotion events; refine the rules for setting up foreign-invested investment companies; refine M&A rules and transaction procedures for foreign investors; and support foreign-invested enterprises' participation in China's new industrialization process. The fourth is to effectively address the concerns of foreign-invested enterprises. China will place more foreign-invested projects on the lists of major and key foreign-invested projects; specify the standards of domestic products in government procurement; optimize volume-based drug procurement; continue to expand the coverage of China's unilateral visa-free policy in a prudent manner; organize targeted bank-enterprise matchmaking events; and improve the level of trade facilitation for foreign-invested enterprises. All of these clearly demonstrate the Chinese government's confidence and determination to maintain high-level opening up and vigorously attract foreign investment.

4.8 Complete High-level Opening up Platforms

4.8.1 Pilot Free Trade Zones

The establishment of pilot free trade zones (hereinafter referred to as "PFTZs") is a strategic and milestone measure of significance taken by China to promote reform and opening up in the new era.

The main purpose is to launch pilot projects in liberalization and facilitation of trade and investment, financial services for the real economy, and accelerated transformation of governments' functions with institutional innovation at the core and accumulation of experience that can be replicated and scaled as the basic requirement, to intensify stress tests for opening up, and to explore new ways and accumulate new experience for comprehensively deepening reform and expanding opening up. In line with the decisions and deployment of the CPC Central Committee and the State Council, the China (Shanghai) Pilot Free Trade Zone was inaugurated in September 2013. As of June 2025, a total of 22 PFTZs have been established successively in Guangdong, Tianjin, Fujian, Liaoning, Zhejiang, Henan, Hubei, Chongqing, Sichuan, Shaanxi, Hainan, Shandong, Jiangsu, Guangxi, Hebei, Yunnan, Heilongjiang, Beijing, Hunan, Anhui, and Xinjiang. The China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area has been established and the China (Zhejiang) Pilot Free Trade Zone expanded. Covering the eastern, western, southern, northern and central China, these PFTZs have launched a large number of fundamental and pioneering reform and opening up measures and made many landmark and leading achievements of institutional innovation, effectively playing their role as pilot platforms for comprehensive reform and opening up.

Up to now, the State Council has issued 29 overall plans, plans for deepening development, and plans for expansion for PFTZs, assigned more than 3,500 pilot tasks to the 22 PFTZs, and introduced a series of important policies, including the Measures for Supporting the

Deepening of Reform and Innovation in Pilot Free Trade Zones and the Measures for Promoting Reform and Innovation on Trade and Investment Facilitation in Pilot Free Trade Zones. A large number of important measures for fundamental reforms and high-level opening up have been advanced, including China's first negative list for foreign investment access, first "single window" for international trade, a free trade account system, and the trailblazing approach of "separating permits and certificates from business licenses", effectively leading and driving forward the nationwide reform and opening up process. As of now, at the national level, PFTZs have replicated and scaled 379 institutional innovation outcomes, establishing themselves as new hubs for reform and opening up in the new era.

In June 2023, the State Council issued Several Measures on Piloting High-standard International Rules and Institutional Opening-up in Eligible Pilot Free Trade Zones and Free Trade Port. This document focuses on six aspects, including trade in goods, trade in services, temporary entry of business personnel, digital trade, business environment, and risk prevention and control. The measures were first implemented in Hainan Free Trade Port and eligible pilot free trade zones in such places as Shanghai, Guangdong, Tianjin, Fujian and Beijing to align with high-standard international economic and trade rules and steadily expand institutional opening up.

In November 2023, the State Council issued the General Plan for Advancing Institutional Opening-up of China (Shanghai) Pilot Free Trade Zone in Alignment with High-standard International Economic and Trade Rules. A

total of 80 measures covering seven areas, including accelerating the opening up of trade in services, improving liberalization and facilitation of trade in goods, taking the lead in implementing high-standard digital trade rules, and enhancing intellectual property rights protection, were outlined in the plan, to advance high-level institutional opening up.

In February 2024, the Ministry of Finance and the State Taxation Administration issued the Notice on the Pilot Preferential Policies on Stamp Duty for Offshore Trade in the China (Shanghai) Pilot Free Trade Zone and the Lin-gang Special Area (CS [2024] No. 8). According to this document, from April 1, 2024, to March 31, 2025, enterprises registered in the China (Shanghai) Pilot Free Trade Zone and the Lin-gang Special Area will be exempt from stamp duty on sales contracts established for offshore resale transactions. Offshore resales are defined as transactions in which resident enterprises purchase goods from non-resident enterprises and then resell those goods to another non-resident enterprise, with the goods never physically entering or exiting China's borders. In March 2025, the Ministry of Finance and the State Taxation Administration issued the Notice on Continuing the Preferential Policies on Stamp Duty for Offshore Trade (CS [2025] No. 10), extending and expanding the pilot scope of the preferential policies on stamp duty for offshore trade. According to this document, enterprises registered in the China (Shanghai) Pilot Free Trade Zone and the Lin-gang Special Area, the Suzhou Area of the China (Jiangsu) Pilot Free Trade Zone, the China (Zhejiang) Pilot Free Trade Zone, the Xiamen Area of the China (Fujian) Pilot Free Trade Zone, the Qingdao Area of the China

(Shandong) Pilot Free Trade Zone, and the China (Guangdong) Pilot Free Trade Zone will be exempt from stamp duty on sales contracts established for offshore resale transactions from April 1, 2025, to December 31, 2027.

In October 2024, the State Council issued the Notice on Replication and Promotion of Institutional Opening-up Measures of Pilot Free Trade Zones in Alignment with International High Standards to replicate and apply the first batch of 30 eligible pilot measures to all pilot free trade zones or nationwide, to harmonize rules, regulations, management and standards on a broader basis.

In 2024, the CPC Central Committee and the State Council issued the Opinions on Implementing the Strategy for Upgrading Pilot Free Trade Zones, which lays out a systematic deployment for the construction of PFTZs. The document emphasizes that through approximately five years of innovative and integrated exploration, the institutional opening up level, the effectiveness of systemic reforms, and the quality of the open economy of the PFTZs will be comprehensively improved. The policy system will be further refined, focusing on facilitating the free and convenient flow of trade, investment, capital, transportation, and personnel, as well as the orderly and secure flow of data. This will involve deep integration of technological innovation and industrial innovation, elevation of modern industrial cluster capabilities, and accelerated development of new quality productive forces, thereby creating new hubs of reform and opening up with higher-level opening up, a better business environment, and stronger radiating effects.

As the pioneers for further opening up, PFTZs enjoy a higher degree of opening up than that of other areas in China. For instance, the negative list for foreign investment access for PFTZs has been shortened seven times, with the number of items reduced from 190 to 27. On top of the opening up measures adopted nationwide, PFTZs have lifted restrictions on foreign investment in fields such as value-added telecommunications, which has intensified the stress test for opening up.

According to the Regulations on Promoting and Regulating Cross-Border Data Flow announced in March 2024, PFTZs in Tianjin, Beijing, Shanghai, and Zhejiang, as well as the Hainan Free Trade Port, have released and implemented negative lists for data exports. This has effectively promoted the efficient, convenient, and secure cross-border flow of data in areas such as automobiles, pharmaceuticals, retail, reinsurance, and international shipping.

Based on their own strategic positioning, location conditions, and industrial foundation, the PFTZs have carried out in-depth differentiated exploration, solved development problems, and continuously cultivated and expanded advantageous industrial clusters to bring together new industries, and new business forms and models, stimulate market vitality, and turn themselves into models and leaders in high-quality development.

The favorable institutional environment of the PFTZs has effectively invigorated business entities and accelerated the clustering of export-oriented entities. In 2024, the PFTZs effectively served as comprehensive experimental platforms for reform and

opening up, with total imports and exports reaching RMB8.6 trillion, accounting for 19.6% of the national total. The actual utilized foreign investment amounted to RMB200.83 billion, representing 24.3% of the national total, further increasing from 2023 and significantly boosting the attraction of foreign investment.

4.8.2 Hainan Free Trade Port

At the 30th Anniversary of the Establishment of Hainan Province and Hainan Special Economic Zone in April 2018, Chinese President Xi Jinping announced that "the CPC Central Committee has consented to building a pilot free trade zone across Hainan Island, and providing support for Hainan to explore and phase in policies and the necessary institutional framework on building a free trade port with Chinese characteristics". This is a major measure of reform and opening up that President Xi Jinping has planned, deployed, and promoted in person. This is a major policy made by the CPC Central Committee after in-depth research, full consideration and rational planning, while taking into account the needs of both domestic and international economic growth.

In June 2020, the CPC Central Committee and the State Council officially promulgated the Master Plan for the Construction of Hainan Free Trade Port, which specifies the institutional design and phased arrangement for the construction of Hainan Free Trade Port.

In June 2021, the 29th session of the Standing Committee of the 13th National People's Congress (NPC) voted to adopt the Hainan Free Trade Port Law of the People's Republic of China, which came into force on the date of promulgation. Liberalization and facilitation of trade and

investment are important parts of the Law.

In terms of trade liberalization and facilitation, it introduced the liberalization and facilitation system featuring zero tariffs for trade in goods. For trade in services, it implemented the liberalization and facilitation policies that grant both market access and operation permission.

In terms of investment liberalization and facilitation, a streamlined investment approval system was implemented in an all-round manner, investment promotion and investment protection systems improved, property rights protection strengthened, the special negative list of foreign investment access and the special list of liberalized market access applied, and enterprises granted access to the market with a prior commitment. The negative list of foreign investment access specifically applicable to Hainan Free Trade Port has been formulated by the relevant departments of the State Council in conjunction with Hainan Province. The special list (special measures) for the relaxation of market access in Hainan Free Trade Port has been formulated by the relevant departments of the State Council in conjunction with Hainan Province.

In December 2020, the National Development and Reform Commission and MOFCOM issued the Special Administrative Measures for Foreign Investment Access to Hainan Free Trade Port (Negative List) (2020 Edition), which took effect on February 1, 2021. The 2020 edition involves 27 items on the negative list. There are three main areas for opening up, involving efforts to promote the opening of key areas such as value-added telecommunications and education, to expand the opening of business services, and to relax the

restrictions on access to manufacturing and mining industries.

In February 2024, the National Development and Reform Commission, the Ministry of Finance, and the State Taxation Administration revised and issued the Catalogue of Encouraged Industries in Hainan Free Trade Port (2024 Edition), continuing to follow the structure of "existing national catalogue + newly-added regional catalogue". The existing national catalogues include the Catalogue for Guiding Industry Restructuring and the Catalogue of Industries for Encouraging Foreign Investment. If there is any revision to the above catalogues, the latest versions shall apply. The "newly-added regional catalogue" has been further revised and improved based on the implementation of the catalogue in recent years and the actual needs of Hainan, focusing on key industries such as tourism, modern services, and high-tech industries. It consists of 14 major industry categories and 176 entries, with the new entries primarily concentrated in fields such as culture and tourism, new energy, medical care and healthcare, aerospace, and ecological protection.

In March 2025, the Ministry of Finance and the State Taxation Administration issued the Notice on Continuing the Preferential Policies on Stamp Duty for Offshore Trade (CS [2025] No. 10). According to this document, from April 1, 2025, to December 31, 2027, enterprises registered in the Hainan Free Trade Port will be exempt from stamp duty on sales contracts established for offshore resale transactions. Offshore resales are defined as transactions in which resident enterprises purchase goods from non-resident enterprises and then resell those goods to another non-resident enterprise,

with the goods never physically entering or exiting China's borders.

The policy and institutional framework of the Hainan Free Trade Port, based on "the free and convenient flow of trade, investment, cross-border capital, people and transportation, and the safe, orderly flow of data", has been initially established. In 2024, the construction of the Hainan Free Trade Port progressed steadily, with total imports and exports reaching RMB277.65 billion, up 20%. The scale of actual utilized foreign investment ranked tenth nationally, and since April 2018, the annual growth rate of newly established foreign-invested enterprises has averaged 57%.

Hainan Free Trade Port official website: <http://www.hnftp.gov.cn>

4.8.3 Cross-border E-commerce Comprehensive Pilot Zones

The establishment of cross-border e-commerce comprehensive pilot zones (hereinafter referred to as "comprehensive pilot zones") is a major decision made by the State Council. Since 2015, the State Council has approved the establishment of 178 Cross-border E-commerce comprehensive pilot zones in seven batches, covering 31 provinces, autonomous regions and municipalities and constituted a development pattern featuring land-sea connection and mutual complementarity of the east and the west. By promoting innovation in institutions, management and service, the comprehensive pilot zones have established an institutional framework underpinned by the "six systems" respectively for information sharing, financial services, intelligent logistics, e-commerce integrity, statistical

monitoring and risk prevention and control, and the "two platforms" including the online comprehensive service platform and the physical industrial park. They have also developed nearly 70 practices based on exploration and mature experience to be replicated and rolled out nationwide. The industrial chain and ecosystem are increasingly adapted to the development of cross-border e-commerce. According to preliminary statistics, China's cross-border e-commerce imports and exports in 2024 reached RMB2.63 trillion, up by 10.8%.

4.8.4 National Comprehensive Pilot Demonstration for Wider Opening up in the Service Sector

National comprehensive pilot demonstration for wider opening up in the service sector is a significant measure adopted by the CPC Central Committee and the State Council to promote high-level opening up. The third plenary session of the 20th Central Committee of the Communist Party of China listed the promotion of comprehensive trials and demonstrations for expanding opening up of the service sector as an important task in improving the system and mechanism of high-level opening up. In May 2015, the comprehensive pilot program was first launched in Beijing, achieving positive results. In September 2020, President Xi Jinping announced at the China International Fair for Trade in Services that support would be provided for Beijing to build a national comprehensive pilot demonstration zone for wider opening up in the service sector. In April 2021, the State Council approved carrying out the pilot projects in Tianjin, Shanghai, Hainan, and Chongqing. In December

2022, the State Council allowed an additional six cities, namely Shenyang, Nanjing, Hangzhou, Wuhan, Guangzhou, and Chengdu, to launch comprehensive pilot programs for opening up the service sector. As a result, a "1+4+6" pilot demonstration pattern has formed.

In November 2023, the State Council approved the Working Plan for Supporting Beijing Municipality in Deepening the Building of the National Comprehensive Demonstration Zone for Expanding Opening-up in the Service Sector, proposing over 170 high-standard pilot policy measures. In terms of optimizing the comprehensive environment, the Working Plan focuses on institutional opening up and intensifies efforts to align with international high-standard rules such as the CPTPP and DEPA, and the number of relevant measures reached 70, accounting for 40% of the pilot tasks. The measures for alignment cover a wide range of fields "on the border" and "behind the border", setting an example for creating a world-class business environment that is market-oriented, law-based, and internationalized. In terms of creating market opportunities, the Working Plan centers on building a modern industrial system, provides multi-dimensional support for the development of the modern services sector involving telecommunications, healthcare, finance, culture and education, and professional services, strives to open up new fields and tracks such as the digital economy and green circular economy, and puts forward about 40 pilot tasks for related business form innovation and cross-sector integration, which accurately reflects the policy demands and development needs of various domestic and foreign business entities.

In April 2025, the State Council approved the Work Plan for Accelerating

the Comprehensive Pilot Demonstration for Wider Opening up in the Service Sector, adding nine new pilot cities: Dalian, Ningbo, Xiamen, Qingdao, Shenzhen, Hefei, Fuzhou, Xi'an, and Suzhou, to accelerate and intensify the pilot efforts. The Work Plan aims to further deepen reform comprehensively, advance Chinese modernization, support the construction of a modern economic system, and meet the needs for the development of new quality productive forces, thereby introducing new content and tasks for this new round of pilots. Focusing on areas such as opening up key industries, improving factor assurance, promoting the integration of rules and standards, and strengthening risk prevention and control, the Work Plan presents 155 pilot tasks to support pilot provinces and cities in conducting in-depth reform and innovation explorations and to expand autonomous opening up in an orderly manner.

Over the past ten years since the beginning of the initiative, it has remained committed to its original mission of "testing systems for the country and seeking development for localities". It has continued to explore the promotion of institutional opening up, having launched 8 rounds of 16 pilot plans and initiated over 1,400 pilot tasks, resulting in 11 batches of more than 200 innovative achievements that have been promoted nationwide, effectively leading and driving the opening up of the service sector across the country.

4.8.5 National Economic and Technological Development Zones

Building national economic and technological development zones is an

important measure for China to promote reform and opening up. For over 40 years, these national economic and technological development zones have been expanding opening up, deepening reform and innovation, and working hard with determination and initiative, making positive contributions to the construction of a new system of the open economy, regional coordinated development, and high-quality industrial development.

In 1984, the State Council approved the establishment of the first batch of 14 National Economic and Technological Development Zones (hereinafter referred to as "NETDZs") along China's coastal areas. As of the end of 2024, a total of 232 NETDZs (104 in the east, 56 in the central region, 50 in the west and 22 in the northeast) have been established in 31 provinces (including autonomous regions and municipalities). The NETDZs are important powerhouses driving China's reform and opening up initiative, where sound infrastructure and investment environment in line with international standards are developed in designated zones. Foreign capital has been introduced into NETDZs to develop industrial systems with advanced manufacturing and modern service sectors as the mainstay. The automobile, information technology, and smart manufacturing sectors have become the leading ones in the NETDZs, which have become the driving force for economic development of their host cities and the surrounding areas. In May 2019, the State Council issued the Opinions on Promoting the Innovation and Promotion of National Economic and Technological Development Zones and Building New Highlands for Reform and Opening Up. This document put forward 22 measures in five areas, namely building a higher-

quality open economy, granting greater autonomy on reform, building a modern industrial system, improving functions as platforms for domestic and international cooperation, and better guaranteeing the supply of factors of production and enhancing the intensive utilization of resources. These measures, through advancing innovation in opening up, science and technology and institutional arrangement, aim to help NETDZs pursue higher-level international cooperation and higher-quality economic development, and develop into new pacesetters for reform and opening up.

In October 2024, President Xi Jinping made an important instruction regarding the efforts in NETDZs. He fully affirmed the achievements of their 40 years of development and emphasized the need to continuously stimulate innovation vitality and endogenous momentum and promote high-standard opening up for in-depth reform and high-quality development.

In May 2025, with the approval of the State Council, the Ministry of Commerce issued the Work Plan for Deepening Reform and Innovation in National Economic and Technological Development Zones to Lead High-Quality Development through High-Level Opening Up. The document proposed 16 supporting measures across 4 areas, namely developing new quality productive forces suited to local conditions, enhancing the level of the open economy, deepening management system reform, and strengthening factor guarantees. It aims to promote high-quality development in NETDZs, contributing even more to the solid advancement of Chinese modernization.

In 2024, NETDZs achieved a regional GDP of RMB16.9 trillion, a year-on-

year increase of 6.5% (nominal growth rate). The actual utilization of foreign investment amounted to USD27.2 billion, accounting for 23.4% of the national total. The total imports and exports reached RMB10.7 trillion, representing 24.5% of the national total.

4.8.6 National High-Tech Industrial Development Zones

China's national high-tech industrial development zones (hereinafter referred to as "national high-tech zones") are established to develop high-tech industries, optimize industrial structures, promote the transformation of traditional industries, and enhance China's international competitiveness. Driven by innovation, national high-tech zones promote development through reform. They boast remarkable achievements in high-tech industrialization, high concentration of high-tech enterprises, active private technology enterprises, and strong atmosphere of innovation and entrepreneurship. They are also focal points for the influx of financial resources. National high-tech zones have gathered a large number of high-end innovation resources, producing a range of new technologies, products, business models, and formats. They serve as important carriers for promoting the deep integration of technological innovation and industrial innovation, demonstrating significant advantages in forming new quality productive forces.

In July 2020, the State Council issued the Several Opinions on Promoting High-quality Development of National High-tech Industrial Development Zones, proposing tasks and measures in six areas: improving independent innovation

capabilities, further stimulating the vitality of enterprises for innovation and development, moving industries up the value chain, intensifying open innovation, creating a high-quality development environment, and strengthening targeted guidance and organizational management.

National high-tech zones have significant advantages in promoting the integrated development of technological and industrial innovation. By the end of 2024, these zones gathered 33% of the country's high-tech enterprises, 46% of "little giant" firms that use specialized and sophisticated technologies to produce novel and unique products, and 67% of unicorn companies. With a wealth of high-end innovation resources, they have produced a range of new technologies, products, business formats, and models. In 2024, the total GDP of national high-tech zones exceeded RMB19.3 trillion, with a nominal year-on-year growth of 7.6%, accounting for 14.3% of the national total. The total value of their international trade in goods and services was approximately RMB9.5 trillion, representing a year-on-year increase of 2.5%. Additionally, the number of newly registered foreign-invested enterprises (including those from Hong Kong, Macao, and Taiwan) grew by 24.6% year on year, with actual utilized foreign investment accounting for about 40% of the national total.

4.8.7 State-level New Areas

A state-level new area undertakes major national strategic tasks for development and reform and opening up. It is a national comprehensive functional area approved to be established in the relevant designated area of a specific city

on the basis of the relevant administrative area and the area of special functions. Since the establishment of Shanghai Pudong New Area in the early 1990s, the number of State-level New Areas in China has reached 19 (eight in the east, two in the central region, six in the west, and three in the northeast). After nearly 30 years of development, state-level new areas have gradually increased in number, continuously expanded their scales, registered remarkable growth rates and built their images as vibrant new areas.

In January 2020, the General Office of the State Council issued the Guiding Opinions on Supporting State-level New Areas in Deepening Reform and Innovation and Accelerating High-quality Development, which put forward supporting measures to five ends: higher capability for technological innovation in key areas, accelerated quality development of the real economy, continuous progress in creating new institutional advantages, higher-standard opening up on all fronts, and higher-standard development management. This move aims to help transform the state-level new areas into trailblazers in high-quality development, new pioneers in reform and opening up, and new benchmarks for urban construction.

In March 2024, the National Development and Reform Commission issued the Action Plan for Promoting High-Quality Construction of State-Level New Areas, aiming to transform the state-level new areas into trailblazers in high-quality development, new pioneers in reform and opening up, and new benchmarks for urban construction. The Action Plan outlines several key tasks focused on enhancing the technological and industrial competitiveness of the

state-level new areas, expanding effective demand through multiple measures, and supporting the deepening of reform in key areas within the new areas.

4.8.8 Special Customs Supervision Areas

A Special Customs Supervision Area refers to a specific area approved by the State Council, established within China's territory, granted with special functions and policies, and subject to the enclosed supervision by the customs along with other relevant departments. Since the reform and opening up began, China has successively established six types of special customs supervision areas, including bonded zones, export processing zones, bonded logistics parks, cross-border industrial parks, bonded port areas, and comprehensive bonded zones. As of April 2025, a total of 175 Special Customs Supervision Areas had been set up across China. Among them are 167 comprehensive bonded zones, six bonded zones, one bonded port area, and one cross-border industrial zone. Special Customs Supervision Areas cover about 450 square kilometers in total according to the planning. As China gradually deepens reform and opening up, Special Customs Supervision Areas have become trailblazers in building an open economy and clusters for the transformation and upgrading of processing trade. They play an important role in receiving relocated foreign industries, advancing coordinated regional economic development, promoting external trade and creating jobs. In 2024, the import and export value of all Special Customs Supervision Areas nationwide came to RMB8.37 trillion, accounting for 19.1% of China's total.

4.8.9 Major Experimental Areas for Development and Opening up along the Border

A major experimental area for development and opening up along the border is a comprehensive development and opening up platform established along the border with the approval of the State Council, which underpins the joint construction of the six major international economic cooperation corridors under the Belt and Road Initiative. Up to now, the State Council has approved the establishment of 10 such areas, including in Dongxing, Pingxiang and Baise in Guangxi, Ruili and Mengla (Mohan) in Yunnan, Tacheng in Xinjiang, Manzhouli and Erenhot in Inner Mongolia, Suifenhe-Dongning in Heilongjiang, and Yanji-Changbai in Jilin.

In 2015, the State Council issued the Opinions on Several Policies and Measures for Supporting the Development and Opening up of Major Border Areas with 31 policies and measures in eight aspects such as stabilizing and revitalizing border areas, personnel exchanges, processing and logistics, tourism, and infrastructure construction to support the development of key border areas including major experimental areas at a faster pace. In accordance with the requirements approved by the State Council and the implementation plan issued by the National Development and Reform Commission, the said major experimental areas focus on institutional innovation, accumulate replicable and scalable practices as required, and boldly explore new models of cross-border economic cooperation, new mechanisms to promote the development of border

areas, and new paths to bring prosperity to border areas and their residents. The major experimental areas have become an important economic growth driver for border areas in China and an important platform for opening up and cooperation.

4.8.10 Border (Cross-border) Economic Cooperation Zones

The development of border (cross-border) economic cooperation zones is an important decision made by the CPC Central Committee and the State Council to promote opening up in border areas. After 30 years of construction, the border (cross-border) economic cooperation zones have continuously fortified their economic strength and developed into an increasingly important platform for deepening cooperation with neighboring countries and regions and a major driver of the economic and social development in border areas.

The border economic cooperation zones are established within the territory of China. At present, China has 18 border economic cooperation zones in eight border provinces and autonomous regions.

Cross-border economic cooperation zones are zones established through collaboration between China and neighboring countries, where each side allocates a specific area within its border to facilitate interconnected development. China has already built the China-Kazakhstan Khorgos International Border Cooperation Center, the China-Laos Mohan-Boten Economic Cooperation Zone, and the China-Mongolia Erenhot-Zamyn-Uud Economic Cooperation Zone in collaboration with neighboring countries.

4.9 Full-fledged Investment Promotion Service System

4.9.1 Foreign Investment Promotion Service System

Since the beginning of reform and opening up, China has gradually developed a systematic service framework to promote foreign investment, putting in place a model of investment promotion services with government departments providing guidance, investment promotion agencies doing the work, and all sectors of society involved in it.

According to the division of responsibilities for departments under the State Council specified in the Foreign Investment Law, MOFCOM, as the competent department for commerce, the National Development and Reform Commission, as the authority for investment, and other relevant departments with respective duties jointly promote, protect and manage foreign investment. Drawing on advanced international experience, MOFCOM has worked to establish a system of foreign investment promotion with Chinese characteristics and a nationwide service network. It also encourages and guides the development of foreign investment promotion agencies by local authorities, putting in place a multi-level foreign investment promotion system.

At the national level, MOFCOM's Investment Promotion Agency, a national investment promotion institution, is responsible for implementing China's opening-up policies, introducing China's investment environment to the world, building a platform to promote cross-border industrial investment, and conducting investment promotion

activities throughout the country. Social organizations like the China Association of Enterprises with Foreign Investment, the China Council for International Investment Promotion, and the China Council for the Promotion of International Trade also actively participate in foreign investment promotion activities.

Dedicated agencies for investment promotion have been established in most of China's provinces, autonomous regions, municipalities, and major cities. Despite differences in name, local investment promotion agencies perform the same functions such as publicity for localities, activity organization and coordination, and project introduction and tracking. Investment promotion agencies around China continue to optimize their setup with increasingly stable and expanded teams, and greater emphasis has been placed on promoting investment in a distinctive way that takes into account regional advantages.

4.9.2 Continuously Building the Brand of "Invest in China"

The 2024 Central Economic Work Conference pointed out that efforts should be made to expand high-standard opening up while keeping foreign trade and foreign investment stable, and continue to build the brand of "Invest in China". The 2025 Action Plan for Stabilizing Foreign Investment proposes to devise an annual implementation plan for building the brand of "Invest in China" and meticulously design and implement a series of "Invest in China" events. MOFCOM will carry out six major investment promotion actions involving iconic exhibitions, investment promotion mechanisms, brand empowerment, overseas investment attraction,

roundtable meetings, and bank-enterprise matchmaking. Leveraging NETDZs and Comprehensive Pilot Demonstration Zones for Wider Opening up in the Service Sector, two sub-brands have been created: "Partner with NETDZ" and "Join Hands with Comprehensive Pilot Demonstration Zones for Wider Opening up in the Service Sector". Through iconic exhibitions, key activities, and major platforms, MOFCOM will better explain and analyze China's comprehensive economic advantages, business environment, and related policies to foreign investors to attract more high-quality foreign-invested projects.

4.9.3 Task Force for Major Foreign-invested Projects

In April 2020, MOFCOM established a task force for major foreign-invested projects under the foreign trade and foreign investment coordination mechanism in accordance with the decisions and plans of the CPC Central Committee and the State Council to stabilize foreign trade and foreign investment. Since its establishment, the task force has played an important role in stabilizing foreign trade and foreign investment. With the joint efforts of various departments and localities, it has actively promoted the introduction of relevant policies, facilitated the resumption of work and production of foreign trade and foreign-invested enterprises, helped foreign trade enterprises receive orders and maintain market stability, supported the implementation of major foreign-invested projects, and addressed various difficulties faced by foreign-invested enterprises. Service hotline: (86) 010-85093600

E-mail: fdiservice@mofcom.gov.cn

4.9.4 Roundtable Meeting System for Foreign-invested Enterprises

In July 2023, MOFCOM established a roundtable meeting system for foreign-invested enterprises according to the plans of the State Council, so as to provide more channels for collecting complaints and soliciting opinions. It required all localities to set up corresponding systems at the provincial level to further strengthen regular communication with foreign-invested enterprises and foreign business associations. Detailed records of issues reported at relevant meetings have been established and responsible departments clearly identified to tighten ongoing oversight and ensure that the issues are handled properly and feedback given in a timely manner to protect foreign investors' rights and interests in accordance with the law. In 2024, the Ministry of Commerce continued to deepen regular communication with foreign-invested enterprises, convening 15 roundtable meetings with them and coordinating solutions to over 300 issues faced by these enterprises.

4.9.5 System for Collecting and Handling Complaints of Foreign-invested Enterprises

To help foreign-invested enterprises report complaints more easily and improve processing efficiency, MOFCOM launched a system for collecting and handling complaints of foreign-invested enterprises in September 2023. This system allows enterprises to report various issues encountered in project implementation and business operations at any time online. Since its launch, the system has welcomed a steadily

increasing number of users, enhanced the sense of gain for enterprises, and provided an efficient and convenient new channel for enterprises to express concerns. Enterprises can access the registration page for a new dedicated account through the "System for Collecting and Handling Complaints of Foreign-invested Enterprises" section in the "Hot Topics" column on the website of MOFCOM (<http://www.mofcom.gov.cn>), and submit relevant complaints and track the progress of their handling.

4.9.6 Major Exhibitions

China hosts increasingly diverse foreign investment promotion activities. Central and local governments proactively establish exhibition platforms and expand channels for foreign investment promotion. At the national level, MOFCOM promotes investment and trade exhibitions like the China International Import Expo and the China International Fair for Investment & Trade. These events unleash the full potential of exhibitions by galvanizing resources of governments, organizations and businesses and provide platforms for foreign investors to better understand the investment environment in different places of China and engage in consultation and collaboration.

■ China International Import Expo (CIIE)

The China International Import Expo (CIIE) is the world's first large-scale national expo themed on import. Holding the CIIE is a major decision made by China to advance its new round of high-standard opening up and a significant measure to open its market to the rest of the world of its own accord. The CIIE is conducive to the strengthening of trade and economic exchange cooperation among countries,

the growth in global trade and the world economy, and the building of a more open world economy.

The CIIE consists of Country Exhibition, Business Exhibition, Hongqiao International Economic Forum, Supporting Events, and People-to-People Exchanges. A successful annual gathering since 2018, the CIIE has, over the past seven years, received 23,000 foreign exhibitors from more than 180 countries and regions, as well as international organizations. A total of 31 countries served as guest countries of honor. Nearly 3,000 iconic products, technologies, and services were debuted at the Business Exhibition. The total value of intended transactions exceeds USD500 billion. The CIIE has welcomed more than 2.9 million registered professional visitors registered, and an audience of over 4.9 million.

Official website: <http://www.ciie.org>

■ The China Import and Export Fair

The China Import and Export Fair, also known as Canton Fair, was founded in the spring of 1957 and is held every spring and autumn in Guangzhou. It is China's most reputable comprehensive international trading event with the longest history, the largest scale, the most complete range of exhibits, the largest number of buyers, the widest coverage of countries and regions, and the best transaction outcomes.

Canton Fair has enhanced trade exchanges and friendly interactions between China and the world, and presented China's image and development achievements. It serves as an outstanding platform for Chinese enterprises to participate in international trade and a frontrunner of China's foreign trade development strategy. After many years

of development, Canton Fair has become China's No. 1 foreign trade promotion platform, known as a "barometer" and "wind vane" of the foreign trade sector, and a window and epitome of China's opening up to the outside world.

Official website: <http://www.cantonfair.org.cn>

■ China International Fair for Trade in Services (CIFTIS)

To enhance the international competitiveness of the service industry and services trade, and give full play to their role in accelerating the transformation of the economic development model, since 2012, MOFCOM and the People's Government of Beijing Municipality have jointly hosted the China (Beijing) International Fair for Trade in Services, which was renamed as the China International Fair for Trade in Services in 2019. As China greets a new era for economic development, the fair has also stepped into a new upgraded stage. In 2020, the short form of the name was changed from Beijing Fair to CIFTIS.

CIFTIS (and the preceding Beijing Fair) has become an important platform for exchanges, supply-demand matching, business opportunities, and common development in the field of international service trade. It is one of the largest comprehensive services trade exhibitions around the world and a flagship services trade exhibition in China.

Official website: <http://www.ciftis.org>

■ China International Consumer Products Expo (CICPE)

China International Consumer Products Expo (CICPE, also known as Hainan Expo) is the only national-level expo in China with consumption as its theme. Positioned as a global showcase

and trading platform for quality consumer goods, the CICPE gathers innovative, unique, and characteristic consumer goods and brings together globally renowned consumer brands. As the largest consumer products exhibition in the Asia-Pacific region, the CICPE has become an important platform leading consumption upgrade trends and showcasing diverse consumption scenarios.

Official website: <http://www.hainanexpo.org.cn>

■ Global Digital Trade Expo (GDTE)

The Global Digital Trade Expo (GDTE) is China's only national-level international professional exhibition under the theme of digital trade. The GDTE acts as an important all-round window display of new digital technologies, products and ecosystems, a platform of exchanges on new standards, topics and trends of international digital trade, and a platform for open collaboration in new markets, opportunities and development of economic and trade cooperation in the new era.

Official website: <https://www.gdte.org.cn>

■ China International Fair for Investment & Trade (CIFIT)

Themed on "attracting FDI" and "going global", the China International Fair for Investment & Trade (CIFIT) is China's only international investment promotion event targeting two-way investment, and also the largest investment exhibition recognized by the Union of International Fairs (UFI).

CIFIT has become an international investment event with global influence. In recent years, CIFIT has focused on building three important platforms

for two-way investment promotion, information release, and investment trend discussion. It is committed to the international, professional, and brand development for products, and building itself into an important platform for high-level opening up for China. The 24th CIFIT of 2024 attracted participants from 120 countries and regions, 18 international organizations, over 1,000 domestic and foreign government agencies and business delegations, and nearly 80,000 traders. A total of 688 project cooperation agreements were concluded, with a total planned investment of RMB488.92 billion.

Official website: <http://www.chinafair.org.cn>

■ Central China Investment and Trade Exposition (EXPO Central China)

The Central China Investment and Trade Exposition (EXPO Central China) focuses on industrial upgrades and transformations as well as investment and trade promotion. It gathers such activities as investment and trade exhibitions, keynote forums, symposiums, and investment project matching. It serves as a platform for the economic and technological exchanges and cooperation among domestic and foreign traders, promoting all-round engagement between central China and other regions in China and around the world in terms of markets, capital, and resources.

With the approval of the State Council, EXPO Central China has been held on a rotating basis by the six provinces in the central region (Hunan, Henan, Hubei, Anhui, Jiangxi, and Shanxi) since 2006. It has become an important platform for the said six provinces to open up wider and strengthen regional and international exchanges and cooperation.

The expo provides opportunities for traders and investors from home and abroad to comprehensively understand the investment policies of central China, obtain information on key projects and conduct trade exchanges for industrial development. It also builds as a platform showcasing enterprises from all over the world, especially developing countries and regions.

Official website: <http://expocentralchina.mofcom.gov.cn>

■ China International Small and Medium Enterprises Fair (CISMEF)

The China International Small and Medium Enterprises Fair (CISMEF) is an international platform integrating exhibition, exchange, trade, and cooperation to strengthen communication and cooperation among small and medium-sized enterprises (SMEs) worldwide. It is also an international event in China specially designed for SMEs. The CISMEF has been successfully held in 19 editions, fully demonstrating China's achievements in high-quality SME development and effectively facilitating exchanges and cooperation between Chinese and foreign SMEs in economy, trade, and technology.

Official website: <https://www.cismef.com.cn>

4.9.7 Online Service Platforms

■ Invest in China

Invest in China (<http://fdi.mofcom.gov.cn/>) is an online public service platform for investment promotion. Serving domestic and foreign governments, institutions, and enterprises, it aims to provide more efficient and accessible online services for foreign investors to invest in China and for Chinese enterprises to "go global". Invest

in China provides information available in News, Project Database, Investment Environment, Legal Service, Data Service, and IPAs sections.

■ Investment Project Information Database

The Investment Project Information Database (<http://project.mofcom.gov.cn/>) is a project information system for two-way investment promotion that gives equal priority to "attracting FDI" and "going global". Its large coverage, massive information, widespread influence, and easy-to-use inquiry make it an efficient online service platform for governments at all levels to attract investment, for enterprises to conduct investment cooperation, and for domestic and foreign investors to display and promote their investment projects. The Investment Project Information Database has dedicated sections for projects released by such entities as investment promotion agencies, development zones and enterprises, making it convenient for users to search and filter information based on the type of entities publishing project information.

5. Highly Law-Based Policy Environment

5.1 Chinese Legal System

Owing to the unremitting joint efforts since the founding of the People's Republic of China more than 70 years ago, most notably since the beginning of reform and opening up 40-plus years ago, a socialist legal system with Chinese characteristics has been formed, steady progress has been made in building a law-based government, the judicial system has seen ongoing improvements, and the awareness of the rule of law has increased significantly.

As underpinned by Constitution of the People's Republic of China, The Chinese Legal System is an inseparable whole commanded by the Constitution, consisting of constitutional, civil and commercial laws, administrative, economic, social and criminal laws, litigation and non-litigation procedural laws and other legal branches stemming from the backbone of laws, and supplemented by administrative and local regulations as important elements. The Constitution is the fundamental law of the country, assuming the ultimate commanding position in the socialist legal system with Chinese characteristics. The people of all ethnic groups, all state organs and armed forces, all political parties and social organizations, and all enterprises and public institutions in the country must treat the Constitution as the fundamental standard of conduct, and have a duty to uphold the sanctity of the Constitution and ensure its compliance. The Constitution has supreme legal authority in the socialist legal system with Chinese characteristics. All laws, administrative and local regulations

must be made in accordance with the Constitution and may not conflict it.

The NPC and NPCSC exercise the legislative power of the State. The laws enacted by the NPC and NPCSC establish the important and basic legal systems in China's economic, political, cultural, social, and ecological development. They constitute the main body of the socialist legal system with Chinese characteristics. The laws may not be contravened by administrative or local regulations.

The State Council formulates administrative regulations in accordance with the Constitution and laws. Administrative regulations may regulate matters concerning the implementation of the provisions of the laws and the performance of the administrative functions and powers of the State Council. For matters which fall within the legislative power of the NPC and NPCSC, the State Council may first formulate administrative regulations with authorization from the NPC and NPCSC.

The people's congresses and their standing committees of provinces, autonomous regions, municipalities directly under the central government, cities divided into districts, and autonomous prefectures may, in accordance with the Constitution and laws, formulate local regulations. The people's congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations on the basis of the political, economic, and cultural characteristics of the local ethnic group(s). The people's congresses and their standing committees of the provinces and cities

where special economic zones are located may, upon authorization by the NPC, formulate and enforce regulations within the special economic zones.

The ministries and commissions under the State Council, the People's Bank of China, the National Audit Office, authorities directly under the State Council with administrative management functions, as well as the bodies prescribed by law, may formulate rules within the scope of their respective authorities in accordance with laws and the State Council's administrative regulations, decisions, and orders. The people's governments of provinces, autonomous regions, municipalities directly under the Central Government, cities divided into districts, and autonomous prefectures may formulate rules according to laws, administrative regulations, as well as the local regulations of the provinces, autonomous regions, or municipalities directly under the Central Government.

The judicial interpretation is also an important source of laws in China. The judicial interpretation of Chinese laws specifically refers to interpretations made by the Supreme People's Court of the People's Republic of China and the Supreme People's Procuratorate that have universal judicial effects on the specific governing laws and procuratorial work based on the powers granted by laws. The judicial interpretation has legal effect, but it may not contravene the Constitution and laws. Courts can directly quote judicial interpretations as the basis for judgment.

Although China is not a country that practices case law, some judicial cases are effective guidance for judicial practice. Such judicial cases in China are called Guiding Cases, and are issued by the Supreme People's Court of the People's Republic of China and the Supreme People's

Procuratorate. As of now, the Guiding Case system is not a formal source of laws, but it provides important references for judges dealing with similar cases.

5.2 Alignment with International Rules

China actively participates in the reform and development of the global governance system, maintains and improves the multilateral economic governance mechanism, and deepens multilateral, bilateral and regional cooperation, to promote openness and development of the world.

China has always been a staunch proponent of, active participant in, and significant contributor to the multilateral trading system. On December 11, 2001, China formally acceded to the World Trade Organization (WTO). In more than two decades, China has comprehensively strengthened its compliance with multilateral trade rules, earnestly fulfilled its commitment to opening up in the fields of goods and services, and fortified the protection of intellectual property rights. Its opening-up policy has become more stable, transparent and predictable. To promote alignment with WTO rules, the Chinese central government has reviewed and revised more than 2,300 pieces of laws and regulations, and local governments more than 190,000 pieces, establishing a system of laws, regulations and policies in line with WTO rules. To open up its market, China has significantly reduced tariffs, delivering on its accession commitment in this regard in 2010. China's overall tariff rate dropped from 15.3% in 2001 to 9.8% in 2010, and further to 7.3% from July 1, 2023 as China

reduced the tariff on its own accord and fulfilled the tariff concession commitments under the expanded Information Technology Agreement. China has opened up its services market extensively. It had kept its promise of opening up 100 sub-sectors under nine categories in the services sector by 2007 and has actually opened up nearly 120 sub-sectors by now. As regards rules compliance, China has continuously ratcheted up law enforcement in the protection of intellectual property rights, actively fulfilled its transparency obligations, and always respected and conscientiously implemented the rulings under the dispute settlement mechanism. China has actively participated in the reform of the WTO, by submitting a position paper and a proposal for reform, putting forward the "three basic principles" and "five suggestions"¹⁵, and promoting the formulation of rules in emerging fields such as investment facilitation and e-commerce. In February 2024, China, together with more than 120 WTO members, concluded the Agreement on Investment Facilitation for Development, the world's first multilateral investment agreement. In December 2024, China and 70 WTO members confirmed the conclusion of e-commerce negotiations and reached the E-commerce Agreement, the world's first multilateral digital trade agreement. In May 2025, in response to the turbulent global trade situation, China submitted the Statement on Supporting the Multilateral Trading System under Current Situation,

proposing an SDR (stability, development and reform) approach for the WTO.

China implements the strategy of upgrading free trade areas. It has signed 23 free trade agreements (FTAs) with 30 countries and regions across Asia, Oceania, Latin America, Africa, and Europe. The globally-oriented network of high-standard free trade areas is beginning to yield results. On January 1, 2022, the Regional Comprehensive Economic Partnership (RCEP) Agreement came into force, marking the establishment of the world's largest free trade area. The total population, GDP and trade of the 15 member countries account for about 30% of the world's total.

China has taken the initiative to align itself with high-standard international economic and trade rules and deepen domestic reform and innovation. On September 16, 2021, China formally applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). China is willing and able to fully align itself with the CPTPP rules and standards and make high-standard opening-up commitments in the field of market access that exceeds its existing FTA practices, so as to provide CPTPP members with market access opportunities that come with huge commercial interests. On November 1, 2021, China formally applied to join the Digital Economy Partnership Agreement (DEPA). China is willing to provide cooperation opportunities and a broad market for companies of DEPA members and tighten digital economy

5. "Three basic principles": First, the WTO reform shall preserve the core values of the multilateral trading system; second, the WTO reform shall safeguard the development interests of developing members; third, the WTO reform shall follow the practice of decision-making by consensus.

"Five suggestions": First, the WTO reform should uphold the primacy of the multilateral trading system; second, the priority of the WTO reform is to address the existential problems faced by the WTO; third, the WTO reform should address the imbalance of trade rules, and respond to the latest developments of our time; fourth, the WTO reform should safeguard special and differential treatment for developing members; fifth, the WTO reform should respect the members' development models.

cooperation among each other, thus contributing to innovation and sustainable development among members. In 2023, the State Council successively issued Several Measures on Piloting High-standard International Rules and Institutional Opening Up in Eligible Pilot Free Trade Zones and the Free Trade Port, and the Master Plan for Advancing Institutional Opening Up of China (Shanghai) Pilot Free Trade Zone in Alignment with High-standard International Economic and Trade Rules, under which Shanghai and other pilot free trade zones take the lead in implementing pilot projects for alignment with high-standard international economic and trade rules such as CPTPP and DEPA. According to the Notice by the State Council of Effectively Replicating and Promoting the Measures for the Pilot Program of Aligning with International High Standards and Promoting Institutional Opening Up in Pilot Free Trade Zones issued in October 2024, all pilot free trade zones or all parts of the country are encouraged to replicate and promote the first 30 measures that had been effectively implemented in some eligible pilot free trade zones and the free trade port. It allows foreign financial institutions to offer new financial services similar to their Chinese counterparts, enables the accompanying spouses and family members of foreign-invested enterprises' internal experts to enjoy the same policies on entry facility and stay duration, and supports equal participation of overseas stakeholders in the formulation and revision of standards. These measures effectively ensure national treatment for foreign-invested enterprises and provide greater convenience for their investment and business operation in China.

With increasingly close ties with the world economy, China has entered into

bilateral investment treaties and FTAs containing investment chapters with more than 100 countries and regions; China has signed agreements on the prevention of double taxation with 114 countries and regions (including the tax arrangements between the Chinese mainland and Hong Kong and Macao, and tax treaties between the Chinese mainland and Taiwan), covering nearly all China's major overseas investment destinations and major countries and regions investing in China.

5.3 The Legal System for Foreign Investment

5.3.1 Overview

China encourages foreign investors to invest in China in accordance with laws. China also protects the legitimate rights and interests of foreign investors and foreign-invested enterprises in accordance with laws. China has always followed the rule of law in utilizing foreign investment. In the early stage of reform and opening up, China successively formulated the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures, the Law of the People's Republic of China on Wholly Foreign-owned Enterprises, and the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (collectively referred to as the "Three Laws on Foreign Investment"), laying a legal foundation for China to attract foreign investment. Since then, in order to meet the needs of foreign capital use, China has continuously established and improved its legal system for foreign investment. This has helped to shore up the confidence of foreign investors and improve the investment environment.

On March 15, 2019, the Foreign Investment Law of the People's Republic of China (hereinafter referred to as the Foreign Investment Law) was approved at the second session of the 13th National People's Congress, replacing the "Three Laws on Foreign Investment" as the new fundamental law on foreign investment in China. The Foreign Investment Law sets a basic framework for China's new legal system for foreign investment, affirms that the administration system of pre-establishment national treatment plus a negative list is to be implemented for foreign investment, and further strengthens investment promotion and protection. In December of the same year, the State Council issued the Implementing Regulations for the Foreign Investment Law of the People's Republic of China (hereinafter referred to as the Implementing Regulations), detailing the main legal systems defined by the Foreign Investment Law. The Foreign Investment Law and its Implementing Regulations came into effect on January 1, 2020. Foreign investment has henceforth been enjoying a market environment with greater consistency, transparency, predictability for a leveling playing field.

5.3.2 Market Access for Foreign Investment

■ Administration System of Pre-establishment National Treatment plus a Negative List

According to the Foreign Investment Law, China is implementing an administration system of pre-establishment national treatment plus a negative list for foreign investment.

"Pre-establishment national treatment" refers to the pre-

establishment treatment given to foreign investors and their investment, which is not lower than that given to their domestic counterparts.

The "negative list" refers to special administrative measures for foreign investment access in specific fields as stipulated by the State. Foreign investors are not allowed to invest in any field that the negative list "prohibits" foreign investment. For those fields where the negative list "restricts" foreign investment, foreign investors must meet the conditions set out by the negative list. Fields not included in the negative list for foreign investment access shall be managed in accordance with the principle of treating domestic and foreign investment equally.

The Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) was released on September 6, 2024 and took effect from November 1, 2024. Compared with the 2021 edition, the 2024 edition of the negative list reduced the market access restrictions on foreign investment to 29 items. It fully lifted restrictions on foreign investment access in the manufacturing sector, deleting two items: "For the printing of publications, Chinese investors must have a controlling interest", and "Investing in the application of steaming, stir-frying, moxibustion, calcination of Chinese herbal medicines and other processing techniques as well as the production of confidential prescription products of proprietary Chinese medicines shall be prohibited".

In addition to relevant laws and regulations and the negative list for foreign investment access, foreign investors and foreign-invested enterprises should also follow the Negative List for Market Access. In this list, which is applicable to both

domestic and foreign business entities, the State Council clearly lists the industries, fields, businesses, etc. that are forbidden or restricted from investment or operation in China. Governments at all levels have adopted corresponding law-based administrative measures. The items in the list are divided into prohibited and licensed matters. For prohibited areas, business entities are not allowed to enter, and administrative agencies are not allowed to approve or ratify the relevant matters, or go through relevant procedures. For areas with access under a license, including the relevant qualification requirements and procedures, technical standards and licensing requirements, business entities shall make applications, and administrative agencies shall make decisions in accordance with laws and regulations on whether to grant access or not; or business entities shall gain access in accordance with the access conditions and methods stipulated by governments. For industries, fields, and businesses not included in the negative list for market access, all kinds of business entities shall be granted entry on an equal footing and in accordance with laws. In April 2025, the National Development and Reform Commission, the Ministry of Commerce, and the State Administration for Market Regulation issued the Negative List for Market Access (2025 Edition), which reduced the number of items from 117 in the 2022 edition to 106, a decrease of 11 items. The number of national management measures under these items was reduced from 486 to 469, and that of local management measures from 36 to 20.

■ Orderly Opening Up of the Financial Sector

In 2023, the Central Financial Work Conference proposed to "accelerate the

building of a nation with a strong financial sector" for the first time. It emphasized the need to promote high-standard financial opening up, give equal priority to "bringing in" and "going global", and steadily expand institutional opening up in the financial field, to attract more foreign financial institutions and long-term capital to invest and operate in China. China will align itself with financial rules in high-standard international economic and trade agreements, streamline restrictive measures, enhance the transparency, stability and predictability of opening-up policies, strengthen the interconnectivity between domestic and foreign financial markets, improve the facilitation of cross-border investment and financing, and actively participate in international financial regulatory reform.

In June 2015, the China Securities Regulatory Commission (CSRC) issued the Interim Measures for the Administration of Overseas Traders' and Overseas Brokers' Engagement in the Trading of Specified Domestic Futures Products, allowing overseas traders to entrust domestic futures companies or overseas brokers to engage in the trading of specified domestic futures products of China. Additionally, eligible overseas traders approved by the futures exchanges may engage in the trading of such products directly on the exchanges. As of now, there have been 24 specified futures and options products in the Chinese market.

In April 2018, the CSRC issued the Measures for the Administration of Foreign-invested Securities Companies, allowing foreign investors to hold up to 51% shares in securities companies and fund management companies, and allowing the business of foreign-invested securities companies to enjoy national

treatment (fund management companies have already been offered national treatment); in August 2018, the CSRC issued the Measures for the Administration of Foreign-invested Futures Companies, allowing foreign investors to hold up to 51% shares in futures companies. On June 14, 2019, the CSRC clarified that in accordance with the principle of treating domestic and foreign investment equally, a foreign shareholder is allowed to hold shares in no more than two securities/fund management companies, of which the shareholder should have controlling stakes in no more than one securities/fund management company. In the first half of 2020, the CSRC lifted restrictions on the equity ratio of foreign investors in securities, fund management, and futures companies, according national treatment to foreign-invested institutions in terms of both business scope and regulatory requirements. In July 2020, the CSRC and the former China Banking and Insurance Regulatory Commission (CBIRC) jointly revised and issued the Measures for the Administration of Securities Investment Fund Custody Business, which, applying to all foreign banks' branches in China, allows foreign banks' branches in China to apply for the qualification for operating securities investment fund custody business, with financial indicators such as net assets calculated on the basis of the overseas head office of the bank, and clarifies the responsibilities of overseas head offices and makes more stringent arrangements for risk control. The Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors and its supporting rules, which came

into effect on November 1, 2020, ease access for qualified foreign institutional investors (QFIIs) and RMB qualified foreign institutional investors (RQFIIs), optimize access management, expand the range of investible securities, futures and funds categories, and facilitate investment operations. The People's Bank of China and the State Administration of Foreign Exchange (SAFE) revised the Regulations on the Domestic Securities and Futures Investment Capital of Foreign Institutional Investors. The new regulation took effect from August 26, 2024, further optimizing the cross-border capital management for QFIIs and RQFIIs.

In June 2018, the CBIRC issued the Circular on Allowing Foreign Investors to Operate Insurance Agency Business in China, which clarifies that the professional insurance agencies invested in and established in China by overseas professional insurance agencies that have operated insurance agency business for more than three years may apply for the operation of insurance agency business, while professional insurance agencies set up in China by foreign-funded insurance companies operating business in China for more than three years may apply for the operation of insurance agency business.

In June 2018, the CBIRC issued the Circular on Allowing Foreign Investors to Operate Insurance Surveyor and Loss Assessment Business in China, which clarifies that insurance surveyors established in China by foreign insurance surveyors that have operated the survey business for more than three years can operate the business, and the Regulations on the Supervision of Insurance Surveyor and Loss Assessor shall apply for business filing; insurance surveyors established in China by foreign-invested insurance

companies that have operated in China for more than three years may engage in the business, and the Regulations on the Supervision of Insurance Surveyor and Loss Assessor shall apply for business filing.

The Decision of the State Council to Amend the Regulation of the People's Republic of China on the Administration of Foreign-invested Insurance Companies and the Regulation of the People's Republic of China on the Administration of Foreign-invested Banks, promulgated in September 2019, relax access conditions for foreign-invested banks and insurance companies and optimized relevant regulatory requirements.

The Decision to Amend the Detailed Rules for the Implementation of the Regulation of the People's Republic of China on the Administration of Foreign-invested Insurance Companies, issued by the CBIRC in March 2021, clarifies the access conditions for foreign insurance group companies and overseas financial institutions, improves shareholder change and access requirements, and removes restrictions on foreign shareholding.

In December 2021, the CBIRC issued the Circular on Clarifying Measures for the Opening Up of the Insurance Intermediary Market, allowing the insurance brokerage companies invested in and established in China by overseas insurance brokerage companies with actual business experience and in compliance with relevant regulations of the CBIRC to operate in the area of insurance brokerage, and allowing the professional insurance intermediaries invested in and established in China by foreign insurance group companies and foreign-invested insurance group companies in China to operate in insurance intermediary.

In July 2022, the CBIRC issued the Rules on Insurance Asset Management Companies, which removes the equity cap on foreign insurance companies in insurance asset management companies and sets forth qualification criteria applicable to all domestic and overseas shareholders.

In May 2022, the People's Bank of China (PBOC), CSRC and SAFE issued a joint announcement on Issues Concerning Further Facilitating Overseas Institutional Investors' Investment in China's Bond Market to coordinate and simultaneously promote the opening up of interbank and exchange bond markets. In November 2022, the PBOC and SAFE released the Regulations on the Administration of Funds for Foreign Institutional Investors to Invest in China's Bond Market, improving and clarifying the fund administration requirements for foreign institutional investors and promoting the further opening up of China's bond market.

In October 2023, the National Financial Regulatory Administration (NFRA) issued the revised Implementation Measures for the Administrative Licensing of Non-bank Financial Institutions, removing the restrictions on foreign non-financial institutions from being investors in financial asset management companies and eliminating the requirements on the total assets of foreign financial institutions as investors in financial asset management companies.

In July 2024, MOFCOM, PBOC, NFRA, and SAFE jointly issued the Opinions on Strengthening Commercial and Financial Collaboration to Enhance Support for High-quality Development of Cross-border Trade and Investment, proposing 11 policies and measures in five aspects around major areas such as stabilizing

foreign trade and foreign investment and key links such as promoting financing, preventing risks and optimizing services.

■ Pilot Program for Expanding the Opening Up of Value-Added Telecommunications Services

The opening up of China's telecommunications industry has been deepened. Eight of the ten value-added telecommunications services⁶ have been opened up in PFTZs, and four of them, as well as e-commerce and application stores, are not subject to foreign equity caps. Since 2018, the policies of China (Shanghai) Pilot Free Trade Zone have been implemented in all PFTZs. Since the revision of the Provisions on Administration of Foreign-Invested Telecommunications Enterprises in 2022, the market access threshold for foreign investment has been further lowered. By the end of 2024, a total of 2,343 foreign-invested enterprises had been licensed to operate telecommunications services in China.

In April 2024, the Ministry of Industry and Information Technology issued the Circular on Launching the Pilot Program for Expanding the Opening Up of Value-Added Telecommunications Services. For regions approved for implementation of the pilot program, the Circular canceled restrictions on foreign shareholding the Internet data centers (IDCs), content distribution networks (CDNs), Internet service providers (ISPs), online data and transaction processing, as well as information release platforms and delivery services in information services (except Internet news information, online publication, online audiovisual services, Internet cultural business, and public

information release on the Internet), and information protection and processing services. Beijing National Comprehensive Demonstration Zone for Expanding Opening Up in the Services Sector, China (Shanghai) Pilot Free Trade Zone Lingang Special Area and Pioneer Area for Socialist Modernization, Hainan Free Trade Port, and Shenzhen Pilot Demonstration Area of Socialism with Chinese Characteristics have taken the lead in carrying out the pilot program. The Circular is accompanied by the Scheme of the Pilot Program for Expanding the Opening Up of Value-Added Telecommunications Services, which details requirements in such aspects as the registration place, service facility location and service scope of business operators. The Ministry of Industry and Information Technology is responsible for organizing the evaluation and demonstration of the implementation schemes and conditions of the four pilot areas, and giving approval to qualified areas.

■ Pilot Program for Expanding the Opening up of the Medical Field

In September 2024, MOFCOM, the National Health Commission, and the National Medical Products Administration issued the Circular on Further Expanding Pilot Programs for Opening Up in the Medical Field. It allows foreign-invested enterprises to carry out the development and application of technologies relating to human stem cells and gene diagnosis and treatment in the PFTZs in Beijing, Shanghai and Guangdong, as well as in the Hainan Free Trade Port, for the registration, launch and production of relevant products. All registered and approved products can be distributed

6. Value-added telecommunications services refer to additional telecommunication and information services provided by using public network infrastructure, such as Internet data centers, e-commerce and information services.

nationwide. Wholly foreign-owned hospitals are permitted in Beijing, Tianjin, Shanghai, Nanjing, Suzhou, Fuzhou, Guangzhou, Shenzhen and throughout the island of Hainan. Such hospitals should not specialize in traditional Chinese medicine or carry out mergers and acquisitions of public hospitals. In November 2024, the National Health Commission and three other government ministries issued the Pilot Work Plan for Expanding Opening Up in the Field of Wholly Foreign-owned Hospitals, outlining specific requirements for the entities, establishment, operation, and management of wholly foreign-owned hospitals. In November 2024, the National Health Commission released Opening-up Policies in the Field of Wholly Foreign-Owned Hospitals: Q&A.

5.3.3 Investment Promotion

■ Catalogue of Encouraged Industries for Foreign Investment

China implements policies to encourage and guide foreign investment. Qualified foreign investment in fields specified in the Catalogue of Encouraged Industries for Foreign Investment are eligible for the following support policies: (1) A free tariff policy will be provided for self-use equipment imported within the total investment of encouraged foreign investment projects, except for the equipment listed in the Catalogue of Major Technological Equipment and Products Not Exempt from Import Duty and the Catalogue of Goods Not Exempt from Import Duty for Foreign Investment Projects; (2) Qualified foreign-invested enterprises investing in the encouraged industries in the western regions and the Hainan Free Trade Port are eligible for a lower enterprise income tax rate of 15%; (3) Encouraged foreign investment

industrial projects that utilize land efficiently are given priority in land supply. The minimum price for land transfer may be determined at no less than 70% of the national minimum price standard for industrial land corresponding to the local land grade; (4) Foreign investors may benefit from tax credits when they use their profits gained in China to invest directly in fields specified in the national Catalogue of Encouraged Industries for Foreign Investment.

In October 2022, the National Development and Reform Commission and MOFCOM issued the Catalogue of Encouraged Industries for Foreign Investment (2022 Edition), which came into force on January 1, 2023. The Catalogue consists of two parts: (1) a national Catalogue of Encouraged Industries for Foreign Investment; (2) a Catalogue of Industries with Advantages for Foreign Investment in the Central and Western Regions. The national catalogue highlights the high-quality development of the manufacturing industry and promotion of technology iteration and upgrading at a faster pace by adding new items and optimizing the structure. The catalogue for the central and western regions further improves the regional layout of foreign investment by adding new items and enriching existing items in light of local circumstances, resources and industrial conditions. The Catalogue has 1,474 items, among which 239 are newly added, and 167 are modified from that in the previous catalogue released in 2020. Specifically, the national catalogue encompasses 519 items, among which 39 are newly added and 85 are modified; the catalogue for the central and western regions includes 955 items, among which 200 are newly added and 82 are modified.

In December 2024, the National Development and Reform Commission and MOFCOM issued a draft amendment of the Catalogue of Encouraged Industries for Foreign Investment (2022 Edition) for public comments. Relevant departments have made modifications based on the feedback from all parties, and will issue a new version of the catalogue promptly following the required procedures.

■ Expanding, Stabilizing and Enhancing Foreign Investment by Focusing on the Manufacturing Industry

In October 2022, six ministries including the National Development and Reform Commission and MOFCOM jointly issued the Policies and Measures on Expanding, Stabilizing and Enhancing Foreign Investment by Focusing on the Manufacturing Industry, proposing 15 policies and measures in three aspects to further intensify investment attraction efforts in the manufacturing industry, solve prominent problems faced by foreign-invested enterprises, strengthen foreign investment promotion and services in all aspects, and boost the high-quality development with FDI utilization.

■ Encouraging Foreign Investment to Establish R&D Centers

In January 2023, the General Office of the State Council forwarded the Measures on Further Encouraging Foreign Investment to Establish R&D Centers issued by MOFCOM and the Ministry of Science and Technology, pointing out that foreign-invested R&D centers are an important part of China's scientific and technological innovation system. To accelerate the implementation of the innovation-driven development strategy and expand international scientific and technological exchanges and cooperation,

it is necessary to increase the support for foreign investment in establishing R&D centers in China to conduct scientific and technological research and innovation activities, and leverage their positive roles in building a new development pattern and advancing high-quality development. The Measures proposes a total of 16 policies and measures in four aspects.

■ Supporting Overseas Institutions Investing in Domestic Technology Companies

In April 2024, MOFCOM, the Ministry of Foreign Affairs, National Development and Reform Commission, Ministry of Science and Technology, Ministry of Industry and Information Technology, PBOC, State Taxation Administration, NFRA, CSRC, and SAFE jointly issued Several Policy Measures in Further Support of Overseas Institutional Investment in Domestic Technology Companies, proposing 16 specific measures from four aspects focusing on the business characteristics of overseas institutions and the development needs of domestic technology enterprises. In terms of optimizing administration and services, China will examine and approve applications for QFII and RQFII qualifications efficiently in accordance with laws; support will be given to overseas institutions investing in domestic technology enterprises by serving as qualified foreign limited partners (QFLPs); venture capital funds (enterprises) set up by overseas institutions in China will enjoy the same treatment as domestic venture capital funds (enterprises). In terms of increasing financing support, qualified overseas institutions will be supported to issue RMB bonds in China and invest in the field of science and technology; technology enterprises

invested by overseas institutions will receive support in issuing corporate credit bonds in a legal and compliant manner, pilot projects for cross-border financing facilitation will be promoted nationwide, incorporating technology enterprises at the start-up stage, and eligible enterprises will be encouraged to independently borrow foreign debt within the quota; domestic banks will be supported to strengthen cooperation with overseas institutions and explore business models, such as "loans plus external direct investment", in compliance with regulations. For strengthening exchanges and cooperation, the Measures proposes to set up funds of funds or specialized sub-funds in the fields and directions of new-generation information technology, artificial intelligence, quantum technology, biotechnology, new energy and future energy, industrial machine tools, aviation and aerospace equipment, electrical equipment, new materials, and core basic components and instruments; support will be given to technology enterprises invested by overseas institutions to deepen industrial chain cooperation with relevant countries. In terms of improving the exit mechanism, China will accelerate the filing for overseas listing of qualified technology enterprises in accordance with laws and regulations, support technology enterprises to list in Hong Kong, support listed companies to comprehensively use various payment instruments such as shares and directional convertible bonds, merge and acquire technology enterprises, and facilitate the exit of mergers and acquisitions. China will revise the Measures for the Administration of Strategic Investment in Listed Companies by Foreign Investors to further relax investment conditions, and steadfastly

advance the pilot program for share transfer of private equity venture capital funds.

■ Encouraging Foreign Investment in Equity in China

In November 2024, MOFCOM, the CSRC, the State-owned Assets Supervision and Administration Commission of the State Council, the State Taxation Administration, the State Administration for Market Regulation, and SAFE revised and issued the Measures for the Administration of Strategic Investment in Listed Companies by Foreign Investors, aiming to further broaden channels for foreign investment in the securities market, leverage the potential of strategic investment channels in attracting capital, and encouraging foreign capital to engage in long-term investment and value trading. The revised document lowered investment thresholds in five major aspects: (1) Foreign natural persons are allowed to make strategic investment. (2) The asset requirements for foreign investors are relaxed. (3) Tender offers are added as a method for strategic investment. (4) Investors making strategic investment through directional issuance or tender offers are allowed to use shares of foreign non-listed companies as the consideration. (5) The requirements on the shareholding ratio and the lock-up period are eased as appropriate. On February 21, 2025, MOFCOM issued a Q&A on the specific operational rules for the Measures.

■ Lifting Restrictions on the Use of Domestic Loans by Foreign-invested Enterprises

On December 28, 2024, MOFCOM and SAFE announced the repeal of the Circular of the Ministry of Commerce and State Administration for Foreign Exchange on Further Improving

Administrative Measures Concerning Foreign-invested Companies. This decision lifts the restrictions on foreign-invested enterprises when using domestic loans for equity investment. These enterprises can now apply for loans in accordance with the Guidelines on Risk Management of Merger and Acquisition Loans Business of Commercial Banks and other relevant regulations.

■ Leveling the Playing Field for Foreign-invested Enterprises

Foreign-invested enterprises and domestic enterprises are equally entitled to policies supporting enterprise development provided by the State, including but not limited to government funding, land supply, tax and fee reductions, licensing and permits, standard setting, project applications, and human resources. As regards the organization form, institutional framework and standard of conduct, all relevant provisions of the Company Law of the People's Republic of China, the Law of the People's Republic of China on Partnerships and other laws shall be applied to both domestic and foreign-invested enterprises.

The government treats the products and services produced by domestic and foreign-invested enterprises equally in procurement activities in accordance with laws. No organization may obstruct or restrict foreign-invested enterprises from freely entering the government procurement market in local regions and industries. Foreign-invested enterprises may not be discriminated against in the release of government procurement information, supplier assessment and qualification examinations, bid evaluation standards, etc., or be restricted in terms of supplier qualifications for the ownership form, organization form, shareholding

structure, investor nationality, and product/service brand by the government's procurement staff or agents. No organization may treat the products and services provided by foreign-invested enterprises in China differently from those provided by domestic-funded enterprises in government procurement. The above regulations guarantee the right of foreign-invested enterprises to participate in Chinese government procurement through fair competition in accordance with laws. In October 2021, the Ministry of Finance issued the Circular of the Ministry of Finance on Implementing Related Policies Concerning Equal Treatment to Domestic and Foreign-invested Enterprises in Government Procurement Activities, requiring that relevant departments should ensure equal participation of domestic and foreign-invested enterprises in government procurement activities, implement requirements concerning equal treatment to domestic and foreign-invested enterprises in government procurement activities, and equally safeguard the legitimate rights and interests of both domestic and foreign-invested enterprises. All regions shall, in a timely manner, abolish and rectify rules and practices that are in violation of the circular, as well as illegal rules and unlawful practices of setting up candidate pools, directories, or qualification databases for products and suppliers. Relevant departments are actively revising the Government Procurement Law of the People's Republic of China and developing specific standards for "production in China" in government procurement, so as to ensure that products made by enterprises of various ownership types can equally participate in government procurement activities.

Foreign-invested enterprises enjoy fair treatment in the formulation and application of various standards. The State shall guarantee that foreign-invested enterprises can participate equally in setting standards (in accordance with laws) and shall improve information disclosure and social supervision for the setting of standards. Compulsory standards formulated by the State shall apply equally to domestic and foreign-invested enterprises. No technical requirements higher than the compulsory standards shall be specifically applied to foreign-invested enterprises. Domestic and foreign-invested enterprises shall participate in the formulation and revision of national standards, industry standards, local standards, and group standards on an equal basis in accordance with laws. Foreign-invested enterprises may formulate enterprise standards either by themselves or jointly with other enterprises as needed. In November 2017, the National Standardization Administration, the National Development and Reform Commission, and MOFCOM jointly issued the Guiding Opinions for Foreign-Invested Enterprises' Participation in Standardization Work of China. This document clearly outlines the entities, scope of participation, patent protection, rights, and obligations of foreign-invested enterprises in China's standardization efforts. Foreign-invested enterprises may engage in various stages of standard development, including project approval, organization, formulation, solicitation of opinions, and review, through the National Public Service Platform for Standards Information. Relevant departments have made significant efforts to diversify the membership of technical committees. They have opened membership

applications to the public during the establishment of standardization organizations and during leadership elections. By the end of 2024, members from foreign-invested enterprises had participated in 827 national professional standardization technical committees, representing 61% of the total.

■ **Facilitating Access for Foreigners to China**

Under the clear instruction from the 2023 Central Economic Work Conference that "Barriers shall be removed to make it easy for foreigners to do business, study and travel in China", all relevant departments have taken various measures to strengthen service guarantees.

First, relevant departments have continued to promote visa facilitation policies. To further facilitate access for foreigners to China, relevant departments have expanded the scope of visa-free countries and the scope of purposes for visa-free entry, optimized the visa-free transit policy, and simplified visa procedures. As of June 2025, China established comprehensive visa-free agreements with 29 countries, unilaterally granted 30-day visa-free entry to 47 countries, rolled out 240-hour visa-free transit policy for 55 countries, and signed mutual visa exemption agreements with 157 countries, covering different types of passports. On December 17, 2024, the National Immigration Administration announced an extension of the visa-free transit period to 240 hours, and the addition of 21 ports of entry and exit for visa-free transit individuals, bringing the total to 60.

Second, relevant departments have continued to resume international flights. The year 2024 registered 585,000 international civil passenger flights,

increasing by 93.4% from the previous year and recovering 74.8% of the pre-COVID-19 level. The international passenger throughput reached 65 million (including only data of domestic airlines), marking a year-on-year increase of 124% and a recovery rate of 87.7%.

Third, relevant departments have improved the level of payment services. In March 2024, the General Office of the State Council issued the Opinions of the General Office of the State Council on Further Optimizing Payment Services to Facilitate Payments, emphasizing the need to strengthen coordination, increase necessary resource investment, and promote the parallel development and mutual complementation of mobile payment, bank cards, cash and other payment modes. Attaching great importance to the Opinions, the PBOC has strengthened interdepartmental cooperation, accelerated the improvement of policy systems, and cooperated with relevant parties to focus on key scenarios and key tasks and improve bank card acceptance at airports, business districts, scenic spots, hotels and other key places. It has guided Alipay, Tenpay and other platforms in simplifying mobile payment business processes, raising transaction limits and enriching product functions, organized commercial banks to hand out RMB cash "change purses", and optimized the cash use environment. The PBOC has released a guide to payment services in China in eight languages including Chinese, English, German and French, and continued with publicity and promotion of payment services.

Fourth, relevant departments have optimized the travel environment. In April 2024, the Ministry of Transport, together with seven departments

including the Ministry of Culture and Tourism and the PBOC, jointly issued the Circular on Effectively Improving Transportation and Payment Facilitation, focusing on improving transportation facilitation for foreigners coming to China (accelerating the resumption of international flights, enriching the supply of cruise transport products, optimizing international passenger train services, and resuming international road passenger transportation), improving transportation experience (optimizing services such as fare collection, multilingual guidance at passenger stations, travel guidance and new forms of transportation) and optimizing transportation payment services (enhancing payment facilitation in port transportation, urban public transportation, taxi and online car-hailing services, intercity travel and other fields). The Circular also calls for improving the service experience, continuing promotion of taxi-hailing and "one-click online car-hailing" services, and optimizing the car rental process for foreigners.

Fifth, relevant departments have improved the experience of using permanent residence ID cards. On December 1, 2023, the National Immigration Administration began issuing a new version of the Foreign Permanent Resident ID Card, nicknamed the "Five-star Card". The cardholder may use the card as a valid form of identification in situations requiring proof of personal identity, such as registering for accommodation or purchasing train, ship or airplane tickets, without the requirement for presenting a foreign passport. The cardholder may also manage personal affairs related to transportation, consumption and finance through online platforms, making work and life in China much easier.

Sixth, relevant departments have improved the departure tax refund service for overseas tourists. According to the Announcement of the State Taxation Administration on Promoting the "Tax Refund upon Purchase" Service for Departure Tax Refund of Overseas Shopping Tourists (State Taxation Administration Announcement [2025] No.9) issued in April 2025, the "Tax Refund upon Purchase" pilot program will be implemented nationwide to further stimulate the consumption of overseas tourists. On April 27, MOFCOM, the Ministry of Finance, the Ministry of Culture and Tourism, the General Administration of Customs, the State Taxation Administration, and the Civil Aviation Administration of China jointly issued the Circular Concerning Further Optimizing Departure Tax Refund Policy to Boost Inbound Consumption. The policy lowers the threshold for departure tax refunds from RMB500 to RMB200, and raised the cash refund limit from RMB10,000 to RMB20,000 while keeping tax refunds paid through bank transfer uncapped. It also relaxes the registration requirements for tax refund stores. A new M-level tax credit tier is added to the existing A and B tiers for the filing of departure tax refund stores, and newly opened stores are allowed to apply for becoming tax refund stores provided that other requirements are met. The filing process for tax refund stores is streamlined, where qualified entities may become tax refund stores by submitting a record to the tax authority, obtaining the tax refund store identification, and installing the departure tax refund management information system. The Circular also calls for increasing the number and capacity of tax refund stores and diversifying the range

of tax refund products to better meet the needs of overseas tourists. On the same day, to ensure effective implementation of relevant measures, the State Taxation Administration revised the Administrative Measures for Departure Tax Refunds for Purchases by Overseas Tourists, optimizing the tax refund management information system by connecting it to the invoicing system, thus saving stores from manually inputting invoice information. This makes tax refund more efficient and enhances the consumption experience for overseas tourists, which is conducive to fully releasing the potential of inbound tourism consumption.

5.3.4 Investment Protection

■ Expropriation and Compensation

According to the Foreign Investment Law, "The State shall not expropriate the investment of foreign investors. Under special circumstances, the State may expropriate or requisition the investment of foreign investors in accordance with law and for the needs of public interests. Such expropriation and requisition shall be conducted in accordance with legal procedures, and fair and reasonable compensation shall be paid in a timely manner."

The Implementing Regulations of the Foreign Investment Law further clarifies, "When the State, under extraordinary circumstances, lawfully expropriates investment made by foreign investors because of public interests, it shall do so in accordance with the legal procedures and in an indiscriminatory manner. Compensation shall be given to foreign investors promptly based on the market value of the expropriated investment. Foreign investors may apply for administrative reconsideration or

file administrative litigation against such expropriation decisions in accordance with the law."

■ Freedom of Technological Cooperation

Technological cooperation is an essential mode of cooperation between foreign-invested enterprises and their partners. It plays an important role in releasing the full potential of their respective advantages to achieve the goals of investment.

According to the Foreign Investment Law and its Implementing Regulations, "The State encourages technical cooperation based on the voluntary principle and commercial rules in the process of foreign investment. Administrative agencies (including organizations authorized by laws and regulations to perform the functions of public affairs management) and their staff shall not take advantage of administrative licensing, inspection, punishment and enforcement, or other administrative means to force, either overtly or covertly, foreign investors or foreign-invested enterprises to transfer their technologies."

It is stipulated in paragraph 2, Article 31 of the Administrative License Law of the People's Republic of China that an administrative agency and its staff shall not directly or indirectly require transfer of technology as a condition for obtaining an administrative license or in the process of implementing an administrative license.

■ Building Trustworthy Local Governments

According to the Foreign Investment Law and its Implementing Regulations, "Local people's governments at all levels and their relevant departments shall honor their policy commitments to

foreign investors and foreign-invested enterprises (written commitments made by local people's governments at all levels and relevant departments within their statutory authority regarding the supporting policies, preferential treatment or facilities that foreign investors and foreign-invested enterprises can enjoy in their respective regions) and all types of contracts concluded with them in accordance with the law. The contracts shall not be breached or terminated on the ground of changes of administrative areas, government and its institutions, or personnel in charge. Where there is a need to change policy commitments and contract agreement out of national or public interests, the government shall act in accordance with its statutory mandate and due process, and give prompt, fair and reasonable compensation to foreign investors and foreign-invested enterprises for any loss incurred in accordance with the law."

■ Opening up Complaint Channels for Foreign-invested Enterprises

In accordance with the Foreign Investment Law and its Implementing Regulations, "The State establishes a complaints mechanism for foreign-invested enterprises to address the problems raised by foreign-invested enterprises or their investors in a timely manner, and coordinates and improves relevant policies and measures. If foreign-invested enterprises or their investors believe that their legitimate rights and interests are infringed due to the administrative actions of the administrative departments and their staff members, they may apply for coordination to resolve the problems through the complaints mechanism for foreign-invested enterprises or raise issues

with relevant departments through other lawful channels."

The 2020 Revised Rules on Handling Complaints of Foreign-invested Enterprises clearly stipulates that MOFCOM, in conjunction with other relevant departments, establishes an inter-ministerial joint meeting system for complaints of foreign-invested enterprises. MOFCOM is responsible for handling complaints where the matter involves relevant departments under the State Council, and people's governments of provinces, autonomous regions and municipalities, or where the matter has a significant national or international impact. The National Center for Complaints of Foreign-invested Enterprises, established at MOFCOM, is in charge of handling the complaints. Local people's governments at and above the county level shall designate a department or agency for handling complaints in their respective jurisdictions and according to their due responsibilities. Foreign investors may report to the complaint-handling agencies (1) applications for coordination and resolution concerning administrative actions of administrative agencies and staff which have infringed on their legitimate rights and interests; and (2) reports on issues concerning investment environment and suggestions about improvements of relevant policies and measures.

The Rules attaches great importance to protecting the rights and interests of the complainants, and stipulates that the complaints shall not affect the rights of the complainants to put forth administrative reconsideration and administrative litigation in accordance with laws; complaint-handling agencies shall take effective measures to protect

complainants' trade secrets, confidential business information and personal private information obtained during the process of handling complaints; no organization or individual may suppress or retaliate against complainants who raise matters or apply for coordination and resolution through the complaint mechanism for foreign-invested enterprises.

As of December 2024, a total of 2,942 complaint-handling agencies were established at all levels across China. Complaint systems for foreign investors have been formulated or revised in 28 provinces. Complaint-handling agencies of 32 provinces have developed and published their complaint guidelines for foreign investors. The majority of regions have established well-structured local complaint networks for foreign investors and published lists of their complaint-handling agencies. Interdepartmental coordination mechanisms for complaints of foreign-invested enterprises at all levels have been gradually established and improved. An all-round system for the protection of foreign investors' rights and interests featuring information sharing and mutual coordination combining MOFCOM and local complaint-handling agencies has taken shape. As part of China's continuously improving business environment, complaint-handling agencies at all levels help foreign-invested enterprises address disputes before a complaint is made while forestalling issues causing complaints. A comprehensive framework for complaint services has been established, covering all stages of foreign investors' complaints and protection of their rights and interests, namely pre-complaint preventive measures, standardized complaint handling processes, follow-up services,

and early warning of risks. This framework has become a crucial element of MOFCOM's efforts to safeguard the rights and interests of foreign investors.

Procedures for the filing, acceptance, and handling of complaints are detailed in the Rules (see Flow Chart 6.5: Complaints of Foreign-Invested Enterprises).

5.3.5 Investment Administration

■ Information Reporting System

China has established an information reporting system for foreign investment. Foreign investors or foreign-invested enterprises shall submit investment-related information to the competent commercial department via the enterprise registration system and the National Enterprise Credit Information Publicity System. Investment-related information submitted by foreign investors or foreign-invested enterprises shall be authentic, accurate, and complete.

On January 1, 2020, the Measures for Reporting Foreign Investment Information and the Announcement on Matters Related to the Information Reporting of Foreign Investment entered into force. Foreign investors and foreign-invested enterprises shall, in accordance with the requirements of the aforementioned documents, submit the initial report, any report of modification or cancellation, and annual reports to the competent commercial department.

■ Foreign-Invested Project Administration

The National Development and Reform Commission formulates and implements macroeconomic development strategies and plans to coordinate and supervise the development of the national economy. Any foreign-invested project involving a fixed asset investment program needs to go through investment project

approval and filing in the same way as domestic-funded projects.

■ National Security Review

The Foreign Investment Law stipulates, "Foreign investors and foreign-invested enterprises that conduct investment activities in the territory of China shall abide by Chinese laws and regulations and shall neither endanger China's national security nor harm public interests." "The State establishes a foreign investment security review system to conduct security reviews of the foreign investment that affects or may affect national security. Security review decisions made in accordance with law shall be final."

As approved by the State Council, the Measures for the Security Review of Foreign Investment was promulgated on December 19, 2020, and came into force on January 18, 2021. It clearly stipulates that two types of foreign investment shall apply for security review: (1) investment in fields related to national defense and security, such as the military industry and its supporting industries, as well as investment in areas surrounding military facilities and military industry facilities; (2) investment in, and acquisition of actual control over, companies in nine areas concerning national security, including important agricultural products and important energy and resources. Applications for foreign investment security review are received by the Government Service Center of the National Development and Reform Commission. For channels of consultation, please refer to the Announcement No. 4 [2019] of the National Development and Reform Commission.

■ Review of Concentration of Undertakings

China has established a system to review concentration of undertakings.

If the investment activities carried out by foreign investors or foreign-invested enterprises within the territory of China constitute concentration of undertakings and meet the declaration standards stipulated by the State Council, the business operators shall declare to the anti-monopoly enforcement agency under the State Council in advance, or otherwise no concentration may be implemented.

5.4 Enterprise Registration

5.4.1 Investment Entities

Foreign investment entities include foreign natural persons, enterprises, and other organizations.

5.4.2 Organizational Forms of Foreign-Invested Enterprises

Foreign-invested enterprises in China mainly take on two organizational forms: companies and partnerships. Provisions of the Company Law of the People's Republic of China and the Law of the People's Republic of China on Partnerships apply to foreign-invested enterprises established after January 1, 2020 with regard to their organizational form, organizational structure, and codes of conduct; foreign-invested enterprises are no longer categorized into Chinese-foreign equity joint ventures, Chinese-foreign cooperative joint ventures, and wholly foreign-owned enterprises. Foreign-invested enterprises shall apply for the registration of companies or partnerships in accordance with laws and regulations such as the Company Law of the People's Republic of China, the Law of the People's Republic of China on Partnerships, the

Foreign Investment Law of the People's Republic of China, and the Regulations of the People's Republic of China on the Registration and Administration of Market Entities.

■ Companies

Foreign investors may establish limited liability companies and companies limited by share within the territory of China.

A limited liability company refers to an economic organization that is funded and established by more than one but fewer than 50 shareholders, each of whom bears limited liability to the company within the limit of their subscribed capital contribution, and bears liability for its own debts with all its assets. A company limited by share refers to an economic organization whose registered capital is composed of equal shares that are raised through the issuance of shares (or stock warrants), whose shareholders are each liable to the company within the limit of their subscribed shares, and that bears liability for its own debts with all its assets.

■ Partnerships

Foreign investors may set up general partnerships, special general partnerships, and limited partnerships within the territory of China.

A general partnership is composed of general partners who bear unlimited joint and several liabilities for the debts thereof. Professional institutions offering paid services based on specialized knowledge and skills may be established as special general partnerships. A limited partnership is composed of general partners who bear unlimited joint and several liabilities for the debts of the partnership and limited partners who are liable for the debts of the partnership within the limit of their subscribed capital contribution.

■ Resident Representative Offices of Foreign Enterprises in China

Resident representative offices of foreign enterprises established in China shall abide by Chinese laws and regulations (including the Regulations on the Administration of Registration of Resident Offices of Foreign Enterprises).

A representative office is an office set up within the territory of China engaged in non-profit activities related to the business of foreign enterprises. It does not have the status of a legal person and may not engage in profit-making activities. A representative office may only engage in market research, exhibition and publicity activities related to the products or services of a foreign enterprise and the liaison activities related to a foreign enterprise's product sales, service delivery, domestic sourcing, and domestic investment. Where international treaties or agreements concluded or acceded to by China contain different provisions, such provisions shall prevail, except for those provisions to which China has declared reservations.

5.4.3 Mergers and Acquisitions of Domestic Enterprises by Foreign Investors

Foreign investors' acquisition of the shares, equity, property shares, or other similar rights and interests of enterprises within the territory of China either by merger, acquisition, or other means are regarded as foreign investment as stipulated in the Foreign Investment Law. Currently, mergers and acquisitions by foreign investors are regulated by laws and

regulations such as the Foreign Investment Law and its Implementing Regulations, Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, and Measures for the Administration of Strategic Investment in Listed Companies by Foreign Investors.

5.5 Tax Administration⁷

5.5.1 Introduction to the Tax System

■ Taxation Environment

China's competent department of taxation is the State Taxation Administration, a direct subordinate to the State Council. Responsible for managing nationwide collection of taxes, social insurance premiums and relevant non-tax revenue, the State Taxation Administration has subsidiary taxation organs at provincial, municipal, county, and township levels, which carry out tax collection within the scope of their respective jurisdictions under the leadership of the State Taxation Administration. Local taxation bureaus at and below the provincial level implement a dual-leadership management system led by the State Taxation Administration and supported by the people's governments of their respective provinces, autonomous regions or municipalities. The State Taxation Administration has issued a number of new measures to optimize the tax business environment and facilitate tax and fee payment. These include simplifying tax procedures, implementing policies on tax refunds and tax and fee

7. This section does not cover all the rules in the tax law. Moreover, in practice, due to possible changes in laws and regulations, it is recommended that enterprises immediately consult professional service agencies on whether or not to take an action.

cuts, and advancing the tax system reform aiming at streamlining administration, delegating power, strengthening regulation, and improving services.

The Customs of the People's Republic of China is the country's supervisory and administrative authority for the entry and exit of articles. In accordance with the law, it levies customs duties and other taxes and fees on goods allowed to be imported and exported and on inbound articles. The General Administration of Customs established by the State Council administers all customs across China in a unified manner. The import duties levied by the customs on the country's behalf shall be collected by the customs in accordance with the law, and the regulations on the administration of customs duties shall be applied.

■ Tax Categories

Like other countries, China adopts a compound tax system of multiple tax categories. Under the current system, 18 categories of tax are established: (1) turnover taxes (for goods and services), including value-added tax, consumption tax, tariffs, and tobacco tax; (2) income taxes, including enterprise income tax and individual income tax; (3) property taxes, including house property tax, vehicle and vessel tax, and urban land use tax; (4) resource and environmental taxes, including resource tax and environmental protection tax; (5) taxes for behaviors and other purposes, including vehicle purchase tax, urban maintenance and construction tax, stamp tax, deed tax, tonnage tax, cultivated land occupation tax, and land value increment tax.

The following is an overview of five major tax categories.

1. Enterprise Income Tax

Enterprises and other organizations

that have obtained income within the territory of China are the taxpayers responsible for payment of the enterprise income tax in accordance with regulations.

Enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises established in China in accordance with the law, or which is established in accordance with the law of a foreign country (region) but with effective management located in China. Non-resident enterprises are enterprises established in accordance with the law of a foreign country (region) with effective management located outside China, but which has an establishment or a place in China, or which has no such establishment or place but has income sourced from inside China.

The statutory tax rate for the income of a resident enterprise obtained both within and outside the territory of China is 25%. A non-resident enterprise that has an establishment or a place in China shall pay enterprise income tax at the statutory tax rate of 25% on the income sourced from inside China that is derived by its establishment or place and the income sourced from outside China but which is effectively connected with the aforesaid establishment or place established in China. Where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay enterprise income tax on the portion of its income sourced from inside China at the reduced rate of 10% (a lower tax rate agreed upon under applicable tax treaties or tax exemption, if any, shall prevail).

Enterprise income tax is calculated according to the tax year, beginning on

January 1 and ending on December 31 of a calendar year. Enterprise income tax shall be prepaid on a monthly or quarterly basis, and final settlement shall be carried out at the end of the year.

2. Individual Income Tax

In 2018, China implemented individual income tax reform and established a comprehensive and classified individual income tax system that is fairer and more reasonable than its predecessor. It further clarified the judgment criteria for resident individuals and non-resident individuals, adjusted and optimized the structure of tax rates, raised basic deduction levels, set up special deduction programs, fine-tuned the tax reporting system, put in place a credit mechanism, and introduced anti-tax avoidance clause for individuals.

An individual who is domiciled in China, or an individual who is not domiciled in China but has resided in China for an aggregate of 183 days or more within a tax year, shall be regarded as a resident individual. Income received by a resident individual from within China or overseas shall be subject to individual income tax in accordance with the law. In addition, according to the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China, an individual who is not domiciled within the territory of China and resides within China for 183 days or more per year for less than six consecutive years shall be exempted from individual income tax for income derived from outside the Chinese territory and paid by entities or individuals outside the Chinese territory, after filing with the competent tax authorities; if an individual is absent from China for more than 30 days in any year in which the individual resides in China for 183 days

or more, the consecutive years when the individual has resided in China for 183 days or more shall be counted anew.

An individual who is not domiciled in China and does not reside in China, or an individual who is not domiciled in China but has resided in China for less than an accumulated 183 days within a tax year, shall be regarded as a non-resident individual. Income received by a non-resident individual from within China shall be subject to individual income tax in accordance with the law. According to the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China, for an individual who is not domiciled within the Chinese territory and who has resided within China for no more than 90 days in a tax year, the income of the individual that is derived within China and paid by an employer outside China but not borne by the employer's establishment or place within China shall be exempted from individual income tax.

A tax year for individual income tax begins on January 1 and ends on December 31 within a calendar year. For comprehensive income in excess of the specified amounts, seven levels of progressive tax rates ranging from 3% to 45% shall apply; for income from business operation in excess of the specified amounts, five levels of progressive tax rates ranging from 5% to 35% shall apply; for income from interest, dividends or bonuses, income from leasing of assets, income from transfer of assets, and incidental income, a flat tax rate of 20% shall apply (A lower tax rate agreed upon under applicable tax treaties or tax exemption, if any, shall prevail).

For non-Chinese expatriates, the following categories of income are

temporarily exempted from individual income tax: (1) dividends and bonuses obtained from foreign-invested enterprises; (2) wages and salaries paid to foreign experts in accordance with relevant regulations of China; (3) special deductions, or tax exemptions on housing subsidies, language training fees, child education expenses, etc., for non-Chinese expatriates who qualify as resident individuals, for a period from January 1, 2019 to December 31, 2027. Regarding item (3), a non-Chinese expatriate chooses one option over the other and may not make any change within the tax year.

3. Value-added Tax

On May 1, 2016, China's business tax was altogether replaced by value-added tax (VAT). Those subject to VAT include organizations and individuals that sell goods, provide services, manage intangible assets or real estates, or import goods within the territory of the People's Republic of China. Besides the rate of 0, there are three levels of VAT rates at 13%, 9%, and 6% respectively. For small-scale taxpayers, the VAT rate is 3%, unless otherwise provided. The customs is responsible for collecting VAT on imports.

From 2017 to 2022, China introduced a series of reform measures to simplify the rate structure and reduce VAT rates, with supporting policies including input deductions for domestic passenger transport services, and implementation of the VAT credit refund system.

4. Tariffs

For goods permitted for import and export by the People's Republic of China as well as inbound articles, the customs shall levy tariffs in accordance with relevant laws and administrative regulations. The taxpayers of tariffs are the consignees of

imported goods, the consigners of goods for export, and the carriers or recipients of inbound articles.

With regard to tariffs on imported goods, in recent years, China has taken the initiative to introduce a series of new measures reducing import tariffs. In 2018, China voluntarily reduced the most-favored-nation import tariff rate, making substantial tax reductions on pharmaceuticals, automobiles and auto parts, high-demand consumer goods, and certain industrial products. The overall tariff rate fell from 9.8% in 2010 when China fulfilled all of its tariff reduction commitments after its WTO accession to 7.5%. Starting from July 1, 2023, China, fulfilling its tariff concession commitments under the expansion agreement of the WTO's *Information Technology Agreement*, has lowered its overall tariffs to 7.3%. In addition, China imposes provisional tariffs lower than the most-favored-nation rates on certain imported goods. Since January 1, 2025, China has imposed provisional import tariffs lower than the most-favored-nation rates on 935 items.

5. Consumption Tax

Entities and individuals engaged in the production, consigned processing and import of taxable consumer goods within the territory of the People's Republic of China, as well as other entities and individuals selling taxable consumer goods determined by the State Council, are the taxpayers responsible for paying consumption tax in accordance with the law. Commodities subject to consumption tax fall into 15 major categories: cigarettes, liquor, high-end cosmetics, precious stones and jewelry, firecrackers and fireworks, refined oil, motorcycles, cars, golf balls and golf equipment, luxury watches, yachts,

disposable wooden chopsticks, solid wood flooring, batteries, and coatings. Either flat or lump-sum tax rates are applied. The amount of consumption tax payable shall be calculated *ad valorem*, based on specific rates, or via a composite method combining *ad valorem* rates and specific rates. The customs is authorized to collect consumption tax on taxable imported consumer goods.

5.5.2 Preferential Enterprise Income Tax

China implements preferential enterprise income tax policies for key supported and encouraged industries and projects. Income derived from agriculture, forestry, animal husbandry, and fishery projects, public infrastructure projects, environmental protection projects, energy conservation projects and water saving projects may enjoy tax exemption or reduction treatments; high-tech enterprises are taxed at the reduced rate of 15%; extra tax deductions are given on research and development costs; small, low-profit enterprises may receive preferential tax treatment. This *Guide* focuses on recent noteworthy preferential tax policies in China. Enterprises are advised to refer to specific laws and regulations for the preferential tax policies of particular categories.

These preferential tax policies include:

(1) High-tech enterprises enjoy a preferential tax rate of 15%.

(2) The amount of taxable income is reduced to 25% and enterprise income tax is levied at 20% for small, low-profit enterprises, effective through December 31, 2027.

(3) Enterprises in the western region in industries designated by the

government for special encouragement enjoy a preferential tax rate of 15%, effective through December 31, 2030.

(4) Enterprises engaged in public infrastructure projects with major support from the government enjoy a "three-year exemption and three-year half rate" enterprise income tax incentive, starting from the tax year when the first production or operational income is generated.

(5) Enterprises engaged in agriculture, forestry, animal husbandry, or fishery projects pay enterprise income tax at a reduced rate or be exempted from it.

(6) Starting from the tax year that production or operational income is first generated, enterprises engaged in eligible environmental protection or energy and water conservation projects enjoy a "three-year exemption and three-year half rate" enterprise income tax incentive. For enterprises purchasing specialized equipment for environmental protection, energy and water conservation, or production safety, 10% of the investment in equipment may be deducted from the tax amount payable for that year. Unused credits can be carried forward into the next five tax years.

(7) An additional 100% deduction of an enterprise's eligible R&D expenditure is applied after the actual enterprise R&D expenditure is taken out in accordance with regulations; where enterprise R&D expenditure generates intangible assets, 200% of the cost of intangible assets is amortized.

(8) Enterprise income from technology transfer not exceeding RMB 5 million within a tax year is exempted from the enterprise income tax; that which exceeds RMB 5 million is taxed at half the rate. Starting from January 1, 2020,

resident enterprises registered in specific areas of the Zhongguancun National Independent Innovation Demonstration Zone have been exempted from enterprise income tax for the portion of eligible technology transfer income not exceeding RMB20 million in a tax year and have been exempted from enterprise income tax by half for the portion exceeding RMB20 million.

(9) Starting from the tax year that the first production or operational income is generated, newly founded high-tech enterprises located in any of China's five special economic zones or the Shanghai Pudong New Area enjoy a "two-year exemption and three-year half rate" enterprise income tax incentive.

(10) Venture capital enterprises making eligible venture capital investments can enjoy deduction for the tax amount payable at a certain percentage of the amount invested.

(11) Income from equity investments, including interest earned from government bonds and stock dividends of resident enterprises, as well as eligible certain specified income of non-profit organizations, are exempted from enterprise income tax.

(12) The eligible reinvestment of the profits by foreign investors in China is temporarily exempted from withholding income tax. Profits distributed to these investors by resident enterprises in China can qualify for a tax credit against their taxable amount if used for eligible direct investment in China between January 1, 2025, and December 31, 2028. Unused credits can be carried forward.

(13) Eligible cutting-edge service enterprises across the country pay the enterprise income tax at a reduced rate of 15%.

5.5.3 Tax Policies on Stabilizing Foreign Trade and Foreign Investment

To fully leverage taxation in stabilizing foreign trade and foreign investment, the State Taxation Administration has revised and updated prevailing tax policies and collection management measures and compiled a new edition of the *Tax Policy Guidelines on Stabilizing Foreign Investment and Foreign Trade*, released on January 15, 2024, aiming at helping taxpayers better understand and adopt policies and creating a sound tax collection management environment for the development of foreign trade and foreign investment.

The latest Guidelines consists of 51 policies for stabilizing foreign trade and foreign investment. Of the 51 policies, 19 are related to stabilizing foreign trade, including policies on goods and service exports, value-added tax policies on cross-border taxable activities, policies for new forms of foreign trade, and policies facilitating export tax rebates and exemptions, and 32 are for stabilizing foreign investment, such as tax policies encouraging foreign investment, attracting overseas individuals, and supporting the opening up of the financial market. These updated policies help taxpayers understand and use the policies, while sending a positive signal that China continuously expands opening up and vigorously reinforces the fundamentals of foreign trade and foreign investment, boosting confidence on the market.

5.5.4 Import Tax Policies Supporting Scientific and Technological Innovation

According to the Notice by the Ministry of Finance, the General

Administration of Customs and *the State Taxation Administration on Import Tax Policies Supporting Scientific and Technological Innovation during the 14th Five-Year Plan Period* (Cai Guan Shui [2021] No. 23), tariffs, value-added taxes and consumption taxes are exempted from January 1, 2021 to December 31, 2025 for articles which are imported by scientific research institutions, technological development institutions, and educational institutions for scientific research, technological development and teaching purposes, and which are unable to be produced in China or whose domestic counterpart fails to meet the performance criteria. Foreign-invested R&D centers that meet the conditions are eligible for this policy.

According to the *Notice of the Ministry of Finance, the Publicity Department of the CPC Central Committee, the National Development and Reform Commission, the Ministry of Education, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the Ministry of Civil Affairs, the Ministry of Commerce, the Ministry of Culture and Tourism, the General Administration of Customs, and the State Taxation Administration on Measures for the Administration of Import Tax Policies Supporting Scientific and Technological Innovations during the 14th Five-Year Plan Period* (Cai Guan Shui [2021] No. 24), the provincial-level competent department for commerce, together with the provincial-level finance and taxation departments and the customs with jurisdiction over foreign-invested R&D centers, shall review the list of foreign-invested R&D centers. The provincial-level competent department for commerce shall notify the customs

with jurisdiction over the foreign-invested R&D centers of the review results by letter, with a copy to the provincial-level finance and taxation departments, and a report to the Ministry of Commerce.

5.5.5 Transfer Pricing

With the release of the final report of the Action Plan on Base Erosion and Profit Shifting (BEPS) by the Organisation for Economic Co-operation and Development (OECD), the State Taxation Administration has issued its own announcements and management measures. Based on the tax authorities' taxation practices and technological conditions in the field of transfer pricing in recent years, the State Taxation Administration has improved the requirements for reporting concurrent data on associated transactions (including main documents, local documents and documents on special matters applicable to certain types of transactions) as well as requirements for the Country-by-Country Reporting Form. When an enterprise meets the conditions for preparing the three above-mentioned documents (including the amount of related transactions), it shall prepare the relevant documents and observe regulations on the object of exemption, the preparation deadline, and the submission deadline.

Enterprises that see transactions with related parties shall submit an annual report on related transactions before the date of the final settlement of enterprise income following the end of an accounting year. The taxpayer that meets certain requirements shall fill in the Country-by-Country Reporting Form. The reporting form adopts a form numbering system similar to that of the annual enterprise income tax return. Enterprises are required to fill in the relevant information.

Chinese tax authorities' special tax adjustment administration is becoming more comprehensive, real-time and dynamic, with a greater focus on proactive risk management, and a shifted focus from ex post investigation to ex ante analysis such as associated annual reporting, data from the same period, and risk analysis and assessment, so as to encourage taxpayers to abide by the requirements.

5.5.6 Tax Treaties

China is actively establishing an international tax governance system aligned with China's high-standard opening up. Domestically, China upgrades its international tax system and tax collection system; internationally, China engages in-depth in global tax cooperation. As of May 2025, China signed agreements on the prevention of double taxation with 114 countries and regions (including the tax arrangements between the Chinese mainland and Hong Kong and Macao, and the tax agreement between the Chinese mainland and Taiwan). China has also signed three multilateral tax conventions and 10 tax information exchange agreements. The vast majority of economies in the world have become tax collection and management partners of China.

The agreements on prevention of double taxation plays a positive role in the prevention of double taxation for cross-border taxpayers from both contracting parties, while enhancing tax certainty, strengthening economic cooperation, promoting bilateral capital, technology, and personnel exchanges, ramping up tax cooperation, and stimulating economic and trade development. On October 14, 2019, the State Taxation Administration of China released the *Measures for the*

Administration of Treaty Benefits to Non-Resident Taxpayers, which simplifies procedures required for non-resident taxpayers to enjoy treaty benefits by the change from "submission at the time of declaration" to "retention for later inspection" (i.e. "self-assessment of eligibility, application for treaty benefits, and retention of documents for inspection"). This modification significantly eases the burden on non-resident taxpayers and withholding agents throughout the declaration process.

5.5.7 The Cross-border Tax Service Brand of "TaxExpress"

To improve services for cross-border taxpayers, the State Taxation Administration launched the innovative service brand of "TaxExpress" in October 2023. To address the specific needs of cross-border taxpayers, it also launched a series of knowledge products of cross-border taxation and introduced a variety of service measures, aiming to provide one-stop solutions for tax and fee services. "TaxExpress" integrates the latest overseas tax policies and information, creating a knowledge product system for "going global", which currently features six knowledge products: tax treaty, country (region) investment taxation guide, global tax preferential policies, overseas tax case library, "Going Global" taxation guide, and FAQ for cross-border taxpayers. Cross-border investors can access relevant information on the State Taxation Administration's official website through "Specials" – "TaxExpress" Tax Service – "Belt and Road" column. By the end of May 2025, "TaxExpress" has published investment taxation guides of 110 countries (regions), 473 global tax

preferential policies of 104 countries (regions) and eight international organizations, 41 overseas tax cases of 22 countries (regions), 82 FAQs for cross-border taxpayers, Tax and Fee Guide for Individual "Going Global", and a "Going Global" taxation guide with 120 items. These products provide cross-border investors with easier access to information about the international tax law environment and help improve their compliance.

5.6 Cross-Border Renminbi and Foreign Exchange Administration

In China, renminbi (renminbi) is freely convertible under the current account and is subject to regulation under the capital account. The current accounts cover items that occur frequently in economic transactions between countries, including foreign trade income and expenses, non-trade transactions, and unrequited transfers. The capital accounts refer to the increase or decrease of assets and liabilities arising from the export and import of capital in the balance of payments, reflecting changes in the claims and debts between countries expressed in terms of currency, including the transfer of physical or financial assets between residents and non-residents. They mainly consist of direct investment, securities investment, and cross-border lending.

China is gradually opening up its capital accounts. The number of convertible items is increasing, as is the degree of convertibility. Specifically, direct investment has been opened up at a high level, and cross-border securities

investment channels have expanded significantly. There are only a few items under cross-border securities investment and personal capital accounts that have not been fully opened.

The People's Bank of China, the State Administration of Foreign Exchange (SAFE) and their local branches are responsible for cross-border RMB and foreign exchange administration. In accordance with the relevant regulations, SAFE implements registration-based management for foreign investors' domestic direct investment (DDI). Organizations and individuals involved in DDI activities must apply for registration before engaging in DDI-related cross-border capital business. Foreign-invested enterprises now can complete foreign exchange registration with banks under the jurisdiction of their corresponding SAFE branches.

The use of capital (renminbi or foreign exchange) of foreign-invested enterprises shall follow the principles of authenticity and self-use within the scope of their business. It shall also comply with relevant regulations of the People's Bank of China and SAFE. Foreign investors are entitled to freely conduct inward and outward remittance of their investment in renminbi or foreign exchange when it comes to their contribution of capital, profits, and capital gains within the territory of China.

5.7 Labor Employment

The employment of labor by foreign-invested enterprises within the territory of China shall comply with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the*

People's Republic of China, and other laws and regulations.

5.7.1 Labor Contracts

Foreign-invested enterprises are entitled to determine their institutional settings and needs for personnel and to recruit employees in China on their own or entrust recruitment to professional staffing agencies. Foreign-invested enterprises shall sign a written Labor Contract with any employed personnel. The labor contract must include the following items: the name, domicile, legal representative or the person in charge of the employer; the name, address and resident ID or other valid ID numbers of the employee; the term of the labor contract, the content and place of work, working hours, rest and holidays, labor remuneration, social insurance, labor protection, working conditions, protection against occupational hazards, etc. In addition to the essential content listed above, the employer and the employee are also entitled to include the probation period, training for the employee, the employee's obligation of confidentiality, supplementary insurance and welfare treatment, and other matters on the labor contract.

Labor contracts are divided into fixed-term contracts, open-ended contracts, and contracts based on the completion of certain tasks. For labor contracts whose terms exceed three months but are less than one year, the probation period may not exceed one month; for labor contracts whose terms are more than one year but less than three years, the probation period may not exceed two months; for labor contracts with a fixed term of no less than three years or labor contracts with no fixed term, the probation period may not exceed six months.

In addition, foreign-invested enterprises are entitled to dispatch labor for temporary, auxiliary, or substitutable posts of duty. Dispatched labor shall account for no more than 10% of the total labor.

5.7.2 Working Hours

On the whole, China adopts a standard system of eight-hour workdays and 40-hour work weeks. If the standard system cannot be implemented due to limitations resulting from the nature of the work or the characteristics of production, systems of irregular working hours and comprehensive working hour calculation are permissible upon approval.

Employers shall ensure that their employed laborers have at least one day off every week. To meet the needs of production and operation, employers are allowed to extend their employees' working hours following consultation with the trade union and with the employee. The extended working time is generally not to exceed one hour per day; if employers need to further extend working hours under special circumstances, the extended working time shall not exceed three hours per day or 36 hours per month in total; furthermore, extended working hours are only allowable on the condition that they do not harm the health of employees. Laborers are entitled to overtime pay. A laborer who is required to extend working hours beyond the legal standard in accordance with the law shall be paid no less than 150% of the hourly wage stipulated in the labor contract; a laborer who is required to work on a rest day (usually Saturday and Sunday) in accordance with the law and compensatory leave cannot be arranged shall be paid no less than 200% of the

hourly or daily wage stipulated in the labor contract; a laborer who is required to work in legal holidays in accordance with the law shall receive additional pay at a rate of no less than 300% of the hourly or daily wage stipulated in the labor contract.

5.7.3 Holidays and Vacations

There are 13 statutory paid holidays every year in China: New Year's Day (one day), Spring Festival (four days), Tomb-Sweeping Day (one day), Labor Day (two days), Dragon Boat Festival (one day), Mid-Autumn Festival (one day), and National Day (three days).

Laborers who have worked continuously for at least 12 months are entitled to paid annual leave. A laborer who has worked for more than one year and less than 10 years in total is entitled to five days' annual leave; a laborer who has worked for between 10 and 20 years is entitled to 10 days' annual leave; a laborer who has worked for 20 years or longer is entitled to 15 days' annual leave. National statutory holidays, rest days, and the period during which workers are suspended from work with pay due to work-related injuries shall not be deducted from the days of annual leaves. Moreover, workers also enjoy marriage leave, bereavement leave, maternity leave, etc. in accordance with the law.

5.7.4 Social Insurance and Housing Provident Fund

China's social insurance consists of basic old-age insurance, basic medical insurance, employment injury insurance, unemployment insurance, and maternity insurance. Foreign-invested enterprises and their employees shall pay social insurance premiums in accordance with the law to ensure that the employees

receive material assistance from the government and society in cases of old age, illness, work injury, unemployment, and childbirth. Qualified foreign-invested enterprises may set up enterprise annuities according to regulations as further efforts to better safeguard the interests of employees.

Non-Chinese expatriates employed in China shall be covered by China's social insurance in accordance with the law.

If a person employed in China has the nationality of a country that has signed bilateral or multilateral agreements on social insurance with China, the person's social insurance shall be handled in accordance with the provisions of the agreements.

Foreign-invested enterprises and their on-the-job employees shall contribute to the housing provident fund in accordance with *the Regulations on the Management of Housing Provident Fund*.

5.7.5 Rescission and Termination of Labor Contracts, and Economic Compensation

If the employer and the employee reach an agreement through consultation, their labor contract may be terminated. In absence of such an agreement, the laborer is entitled to unilaterally terminate the labor contract under the following conditions/circumstances: when notifying the employer in writing 30 days in advance; when notifying the employer three days in advance during the probation period; due to some fault of the employer (e.g. failing to pay the employee remuneration on time and/or in full, failing to pay social insurance premiums for the employee in accordance with laws, etc.). The unilateral termination of the

labor contract by the employer is subject to stricter conditions and must meet certain legal prerequisites, for example, if the laborer is proved to fail to meet the conditions of employment during the probation period, due to some major fault of the laborer, if the laborer is laid off due to economic reasons of the employer, etc.

The labor contract is terminated when the labor contract expires, the laborer begins to enjoy basic endowment insurance in accordance with laws, or the employer decides to disband.

If the employer proposes to terminate the labor contract through negotiations with the employee, or cancels or terminates the labor contract due to legal circumstances such as the employee's disqualification or layoffs for economic reasons, economic compensation shall be paid. Economic compensation shall be paid to the laborer based on the number of years the laborer has worked for the employer in the amount of one month's salary per year employed. If the laborer has been employed for less than a year but more than six months, the employer shall still pay the laborer one month of salary; if the laborer has been employed for less than six months, the employer shall pay the laborer the equivalent of a half of month's salary.

5.8 Intellectual Property Protection

China has a sound legal system for the protection of intellectual property rights, providing a wide range of relief and channels of enforcement. China is also a contracting party to most international intellectual property conventions.

Chinese laws protect the following categories of intellectual property rights: patents (including inventions, utility models, and designs), trademarks, geographical indications, copyrights (including computer software) and neighboring rights, layout designs of integrated circuits, new varieties of plants, trade secrets, etc.

In 2021, the CPC Central Committee and the State Council issued the *Outline of Building an Intellectual Property Rights Powerhouse (2021-2035)* (hereinafter referred to as the "Outline"), proposing that remarkable results be achieved in building China into an intellectual property rights powerhouse with more stringent protection, higher social satisfaction, greater market value, and significantly improved brand competitiveness by 2025. By 2035, China will have ranked among the top in the world in terms of comprehensive intellectual property competitiveness and become a world-class intellectual property rights powerhouse with Chinese characteristics. In accordance with the Outline, the State Council issued the *14th Five-Year National Plan for Intellectual Property Protection and Application*, which sets out five key tasks: (1) comprehensively strengthening intellectual property protection to stimulate the innovation vitality of the whole society; (2) improving the effectiveness of intellectual property transfer and transformation to support the innovation and development of the real economy; (3) building the intellectual property public service system to better benefit people with innovation outcomes; (4) promoting international cooperation in intellectual property to help build an open economy; (5) encouraging talent cultivation and cultural construction in

intellectual property to reinforce the foundation for business development. To strengthen intellectual property protection, six special projects have been proposed, including trade secret protection, data intellectual property protection, construction of intellectual property protection institutions, development of a system to protect new plant varieties, geographical indication protection, and building of first-class patent and trademark examination institutions.

With the Outline as the core and the support from the *Opinions of the Supreme People's Court of the People's Republic of China on Strengthening the Trial of Cases Involving Intellectual Property Rights in the New Era to Provide Effective Judicial Services and Support for Building China into an Intellectual Property Rights Powerhouse* (released on October 29, 2021) currently in place, China's judicial protection system for intellectual property has seen continuous improvement. In 2014, special courts for intellectual property rights cases in Beijing, Shanghai, and Guangzhou all held special trials on intellectual property rights. In 2019, the Intellectual Property Court of the Supreme People's Court of the People's Republic of China began to hear intellectual property appeals from professional and technical intellectual property right cases across the nation. Since then, these courts have gradually unified standards of adjudication for intellectual property right cases. Up to now, the people's courts have established a specialized trial system for intellectual property rights consisting of the Intellectual Property Court of the Supreme People's Court, Beijing Intellectual Property Court, Shanghai Intellectual Property Court, Guangzhou

Intellectual Property Court, Hainan Free Trade Port Intellectual Property Court, and 26 intellectual property courts in Nanjing, Suzhou, Wuhan and other places. In April 2021, the Supreme People's Court issued the *Plan of the People's Courts for Judicial Protection of Intellectual Property Rights (2021-2025)*, which defines the goals, tasks, measures and implementation blueprints for judicial protection of intellectual property rights during the 14th Five-Year Plan period in China. The intellectual property examination and approval mechanism and the level of judicial protection are seeing continuous improvement in China, promoting the overall efficiency of the intellectual property right protection system. According to the *Law of the People's Republic of China Against Unfair Competition*, the State Administration of Market Regulation and local market regulators at or above the county level are responsible for the administrative enforcement for trade secret protection.

In 2018, China reestablished the China National Intellectual Property Administration (CNIPA), achieving the centralized and unified management of patents, trademarks, geographical indications, and layout designs of integrated circuits. CNIPA is responsible for the protection of intellectual property rights, trademark registration, patent review, registration for the layout designs of integrated circuits, issuance of administrative rulings such as review and invalidation of trademarks, patents, and layout designs of integrated circuits, and the development and implementation of a unified verification system for geographical indications. In terms of intellectual property protection, the administrative enforcement of trademark and patent

laws is under the jurisdiction of the Comprehensive Law Enforcement Team of Market Regulation. CNIPA is responsible for the business guidance of trademark and patent law enforcement, while the State Administration for Market Regulation is responsible for the organization and guidance of trademark and patent law enforcement, further optimizing the mechanism of administrative law enforcement on intellectual property rights. According to the *Copyright Law of the People's Republic of China* and other laws, regulations, and policies, the National Copyright Administration of the People's Republic of China, provincial copyright bureaus, and local cultural market comprehensive law enforcement agencies are responsible for administrative law enforcement of copyrights; thus together they constitute the national system of copyright administrative law enforcement.

In November 2019, the General Office of the CPC Central Committee and the General Office of the State Council issued the *Opinions on Strengthening Intellectual Property Protection* (hereinafter referred to as the "Opinions"), proposing that by 2025, social satisfaction with intellectual property protection will reach and remain at a high level, the protection capacity will be effectively improved, the protection system will be more complete, the business environment respecting intellectual values will be better optimized, and the basic supporting role of the intellectual property rights system in stimulating innovation will be more effectively played. In April 2020 and October 2022, the relevant promotion plans for implementing the Opinions were successively issued to further clarify the specific measures.

In November 2019, CNIPA revised and promulgated the *Measures for the Protection of Foreign Geographical Indication Products*. This document aims to safeguard the rights and interests of applicants and users of foreign geographical indication products, while highlighting the unique features of China's intellectual property protection system and fostering a favorable business environment.

In October 2020, the fourth amendment to the Patent Law of the People's Republic of China was completed. It introduced a punitive compensation system for patent infringement, and clarified the statutory role of CNIPA in handling patent infringement disputes that have a significant impact nationwide and establishing an early resolution mechanism for drug patent disputes. CNIPA successively issued institutional documents such as the *Measures for Administrative Adjudication of Major Patent Infringement Disputes*, the *Measures for Implementation of Early Resolution Mechanisms for Drug Patent Disputes (Trial)*, the *Measures of Administrative Adjudication in Early Resolution Mechanism for Drug Patent Disputes*, and the *Measures for the Administrative Adjudication and Mediation of Patent Disputes*. Sound mechanisms were thus established for the administrative adjudication of patent infringement disputes and the early resolution of drug patent disputes.

Since May 2021, CNIPA has issued the *Opinions on Strengthening Collaboration to Intensify Intellectual Property Rights Protection* together with the Ministry of Public Security, issued policy documents on strengthening collaborative protection of intellectual property rights together

with the Supreme People's Procuratorate and the Supreme People's Court, and issued the *Opinions on Deepening Coordinated Protection and Strengthening Legal Guarantee for Intellectual Property Rights* together with the Ministry of Justice. Through closer collaboration with various departments, CNIPA has further strengthened the legal framework of intellectual property rights.

Since June 2022, CNIPA, in collaboration with the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Industry and Information Technology, the General Administration of Customs, the State Administration for Market Regulation, the China Council for the Promotion of International Trade and other departments (units), has guided 25 cities (regions) to build highlands for intellectual property protection, and worked to create an efficient, comprehensive intellectual property rights management system. Their efforts have connected the entire intellectual property chain, including creation, application, protection, management, and services, thus leading to a significant enhancement in national intellectual property protection levels and providing robust support for high-quality economic and social development.

In March 2022, the State Administration for Market Regulation issued the *Plan of National Pilots for Innovation in Trade Secret Protection*, to establish a national pilot working mechanism on innovation in trade secret protection, strengthen institutional innovation and regulatory law enforcement, improve service systems, build a market environment featuring fair competition for various business entities, including foreign-invested enterprises,

create a sound, open environment in line with high-standard international economic and trade rules, and promote the overall improvement of trade secret protection nationwide.

In March 2023, the CPC Central Committee and the State Council issued the *Plan on Reforming Party and State Institutions* to deepen the reform of State Council institutions and improve the intellectual property management system. The plan also aims to accelerate the construction of an intellectual property rights powerhouse, comprehensively improve the level of intellectual property creation, application, protection, management and services, and transform the role of CNIPA from a national organization under the State Administration for Market Regulation to a directly affiliated institution of the State Council. The enforcement of patent and trademark laws is still under the jurisdiction of the Comprehensive Law Enforcement Team of Market Regulation, and shall receive professional guidance from CNIPA.

The public security organs are responsible for the criminal enforcement of intellectual property rights. In June 2024, the Ministry of Public Security established the Intellectual Property Crime Investigation Bureau, and local public security organs set up relevant departments to further enhance their capabilities in investigating and combating intellectual property infringement. For six consecutive years, the Ministry of Public Security has organized public security organs nationwide to carry out the Kunlun Actions. A total of 160,000 criminal cases involving infringements of intellectual property rights and production and sales of fake and shoddy products have been

filed and investigated, striking hard and maintaining high pressure on these crimes. In their work, the public security organs adhere to a property rights protection system with fairness as the basic principle, give equal protection to the legitimate rights and interests of various business entities such as state-owned and private enterprises, domestic and foreign-invested enterprises, as well as micro, small, medium and large enterprises, and actively create a world-class business environment that is market-oriented, law-based, and internationalized.

In April 2024, nine ministries including CNIPA jointly issued the *Implementation Plan for the Construction of an Intellectual Property Protection System*. It detailed 143 tasks from seven aspects, namely policy standards, law enforcement and justice, rights authorization and confirmation, protection management, social co-governance, national security governance in intellectual property, and capacity support, so as to further strengthen the top-level design of the construction of an intellectual property protection system. CNIPA has built 77 national-level intellectual property protection centers and 48 rapid rights protection centers. With more than 180,000 registered entities across the country, one-stop intellectual property protection services such as rapid pre-examination, rapid rights confirmation, and rapid rights protection for innovative entities are provided. The rapid collaborative protection mechanism for intellectual property rights is constantly improving. As of 2024, there were 2,230 mediation organizations under the national intellectual property system. The central online litigation and mediation connection mechanism in the field of intellectual property rights covered

31 provinces (including autonomous regions and municipalities) across the country and the Xinjiang Production and Construction Corps. In 2024, relevant mediation organizations accepted 139,700 intellectual property mediation cases and nearly 2,600 applications for judicial confirmation of people's mediation agreements on intellectual property disputes. The diversified mechanism for resolving intellectual property disputes is constantly improving.

The customs is responsible for the enforcement of intellectual property protection in import and export. According to the *Customs Law of the People's Republic of China* and the *Regulations of the People's Republic of China on Customs Protection of Intellectual Property Rights*, the customs protects trademark rights, copyright and neighboring rights, and patent rights related to imports and exports. It has conducted special law enforcement actions such as "Longteng" for many consecutive years to crack down hard on infringement and illegal acts in the import and export fields. Focusing on the innovative development needs of business entities, the customs prioritizes both regulation and services, effectively protecting the legitimate rights and interests of enterprises and ensuring fair and orderly trade.

To improve the digitalization, intelligence, and convenience of intellectual property public services, the National Intellectual Property Public Service Platform was officially launched on March 10, 2025. This platform integrates and optimizes existing intellectual property public service systems, offering services such as law enforcement support, comprehensive regulation, and protection monitoring. Innovative entities can access

information on the pledge, licensing and other ways to use intellectual property rights, monitor key industries, and share patent evaluation reports and infringement clues. The public can utilize the service portal to access various intellectual property services and conduct basic data inquiries.

On March 13, 2025, seven ministries, including CNIPA, jointly formulated and issued the *Opinions on Further Improving the Business Environment in the Field of Intellectual Property* (hereinafter referred to as the "Opinions"). The Opinions outlines that by 2027, the business environment in the field of intellectual property will undergo significant improvements in market-oriented, law-based, internationalized, and convenient service operation. Enhancements will be made in the quality of intellectual property creation, benefits of utilization, protection effectiveness, management level, and service capabilities. Government services related to intellectual property will be further optimized, resulting in increased satisfaction and a greater sense of gain for enterprises and the public. The role of the intellectual property business environment in supporting high-quality development will become increasingly prominent. Additionally, CNIPA, in collaboration with five other ministries, has launched pilot projects to improve the intellectual property business environment in six cities, including Beijing and Shanghai. These cities are allowed to implement pilot policies to explore various measures that benefit both enterprises and the public and optimize the business environment.

On March 19, 2025, the *Regulations of the State Council on the Settlement of Foreign-Related Intellectual Property*

Disputes (hereinafter referred to as the "Regulations") was promulgated, set to take effect on May 1, 2025. The Regulations consists of 18 items, including improving services, strengthening corporate capacity building, regulating overseas investigations and evidence collection, and countering unfair treatment.

5.9 Dispute Resolution

The primary ways to resolve disputes include litigation, arbitration, mediation and reconciliation. Administrative disputes with administrative organs can be settled through administrative reconsideration and administrative litigation, among others. Mediation is recommended in the process of litigation, administrative reconsideration and arbitration.

China's court system consists of the Supreme People's Court of the People's Republic of China, local people's courts at various levels (including superior people's courts, intermediate people's courts, and basic people's courts), and specialized people's courts (military courts, maritime courts, intellectual property courts, financial courts, etc.).

Administrative reconsideration organs consist of governments at and above the county level and other administrative organs (including relevant departments under the State Council, customs departments, financial departments, foreign exchange administrations and other administrative organs, taxation departments, and national security organs) that perform administrative reconsideration duties in accordance with the *Law of the People's Republic of*

China on Administrative Reconsideration (hereinafter referred to as the "Law"). The administrative reconsideration department of an administrative reconsideration organ is in charge of administrative reconsideration work. The Law shall be applicable to cases where citizens, legal persons or other organizations apply to administrative organs for administrative reconsideration when they consider that certain specific administrative acts infringe upon their lawful rights or interests, and where administrative organs accept the applications and make decisions after administrative reconsideration.

China has an international arbitration system, including established rules and institutions. It has set up 284 arbitration institutions with a team of over 60,000 arbitrators, including more than 4,000 Hong Kong, Macao, Taiwan and international arbitration experts. Beijing, Shanghai, Guangdong, and Hainan are committed to building international commercial arbitration centers. The China International Economic and Trade Arbitration Commission (CIETAC), China Maritime Arbitration Commission (CMAC), Beijing Arbitration Commission (BAC), Shanghai Arbitration Commission (SHAC) and Shenzhen Court of International Arbitration (SCIA) are world-renowned standing commercial arbitration bodies, well-known both nationally and internationally for their independence, impartiality, and efficiency.

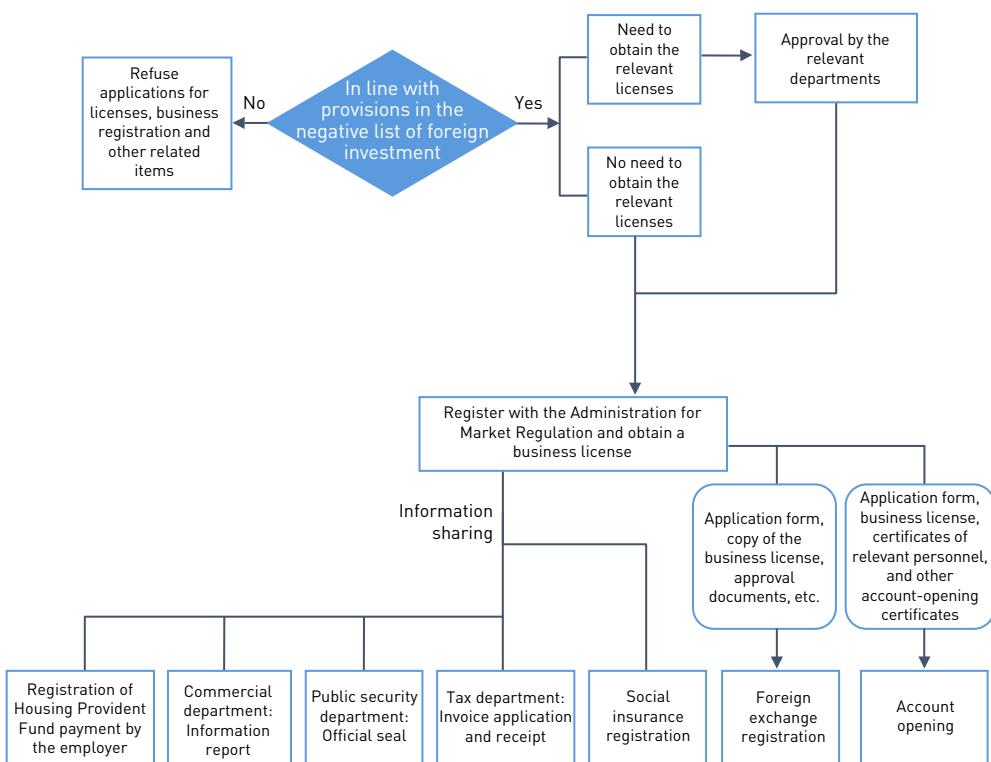
Mediation mechanisms in China include people-to-people mediation, administrative mediation, judicial mediation, and professional industry mediation (including commercial mediation). Mediation organizations are seen in communities, key industries, and

professional fields across urban and rural areas in China. Flexible, accessible, low-cost, efficient, and confidential, they play an important role in resolving various civil and commercial disputes.

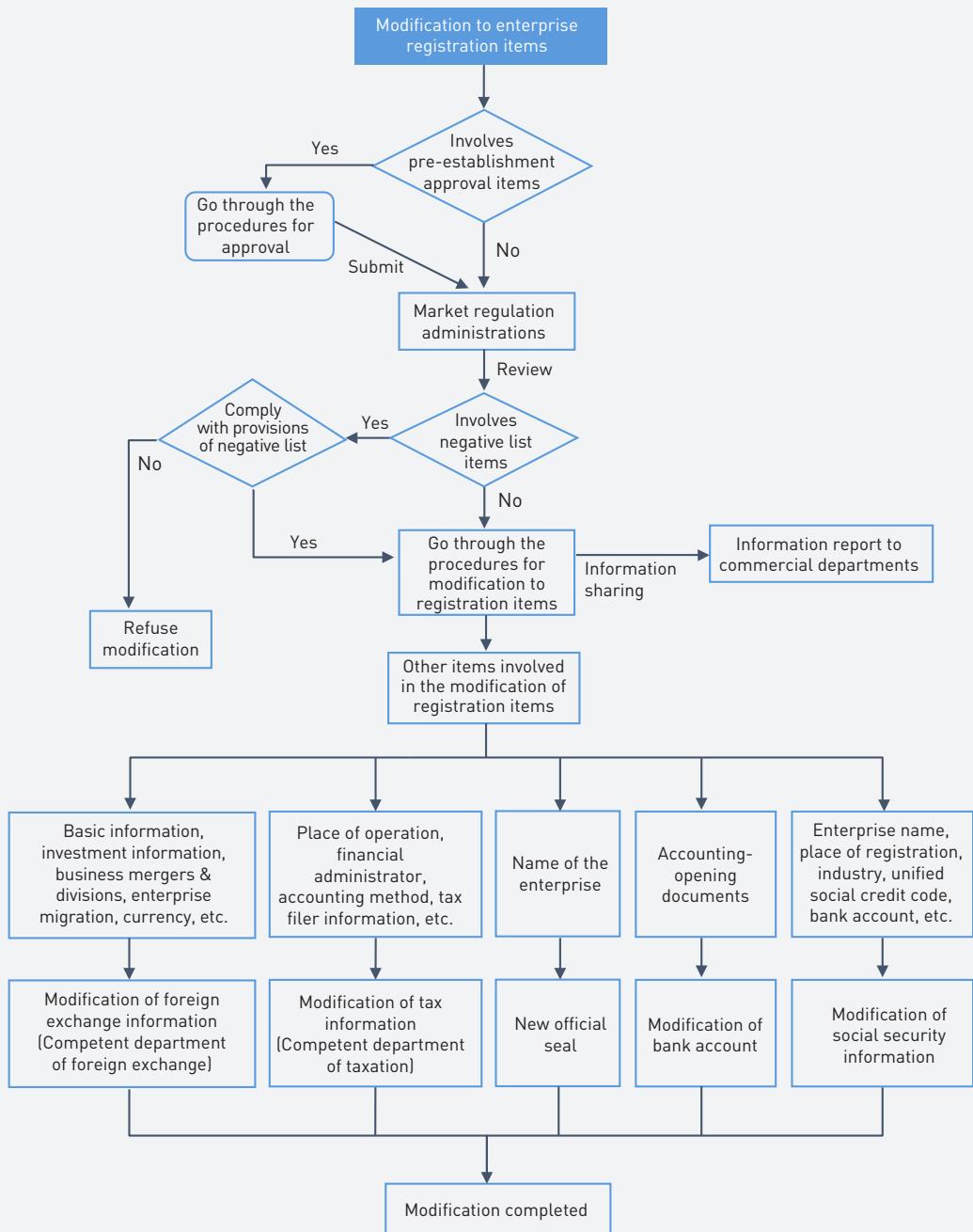
6. Procedures for Foreign Investment

6.1 Enterprise Incorporation/Modification

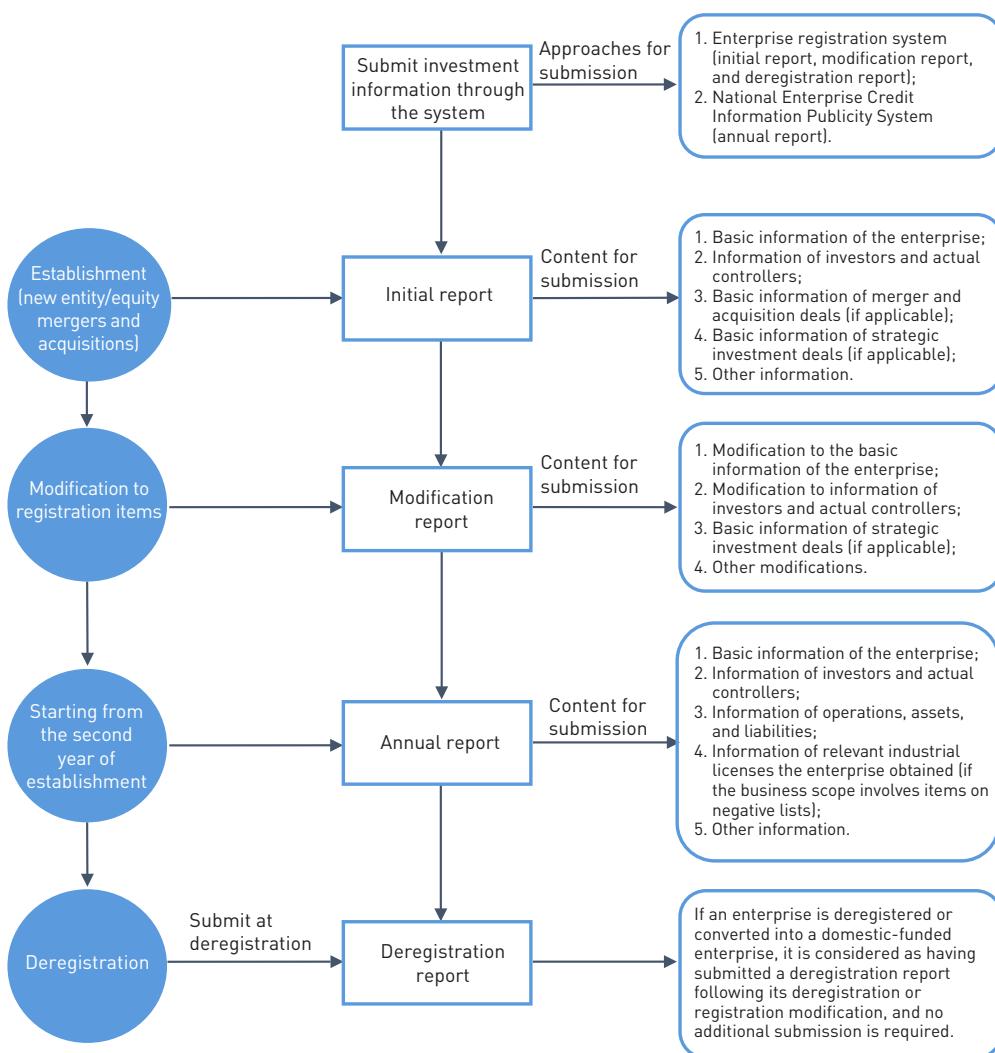
6.1.1 Enterprise Incorporation



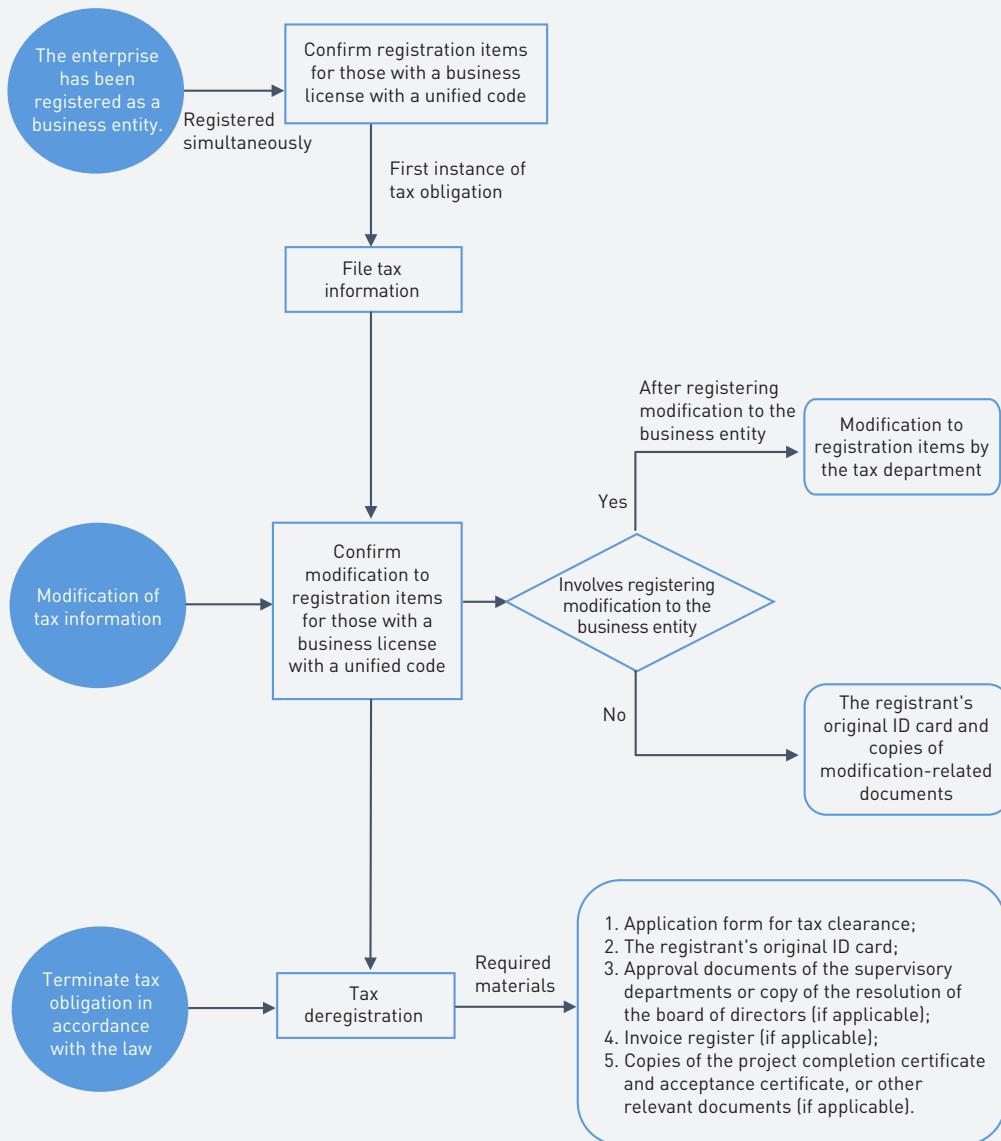
6.1.2 Enterprise Modification



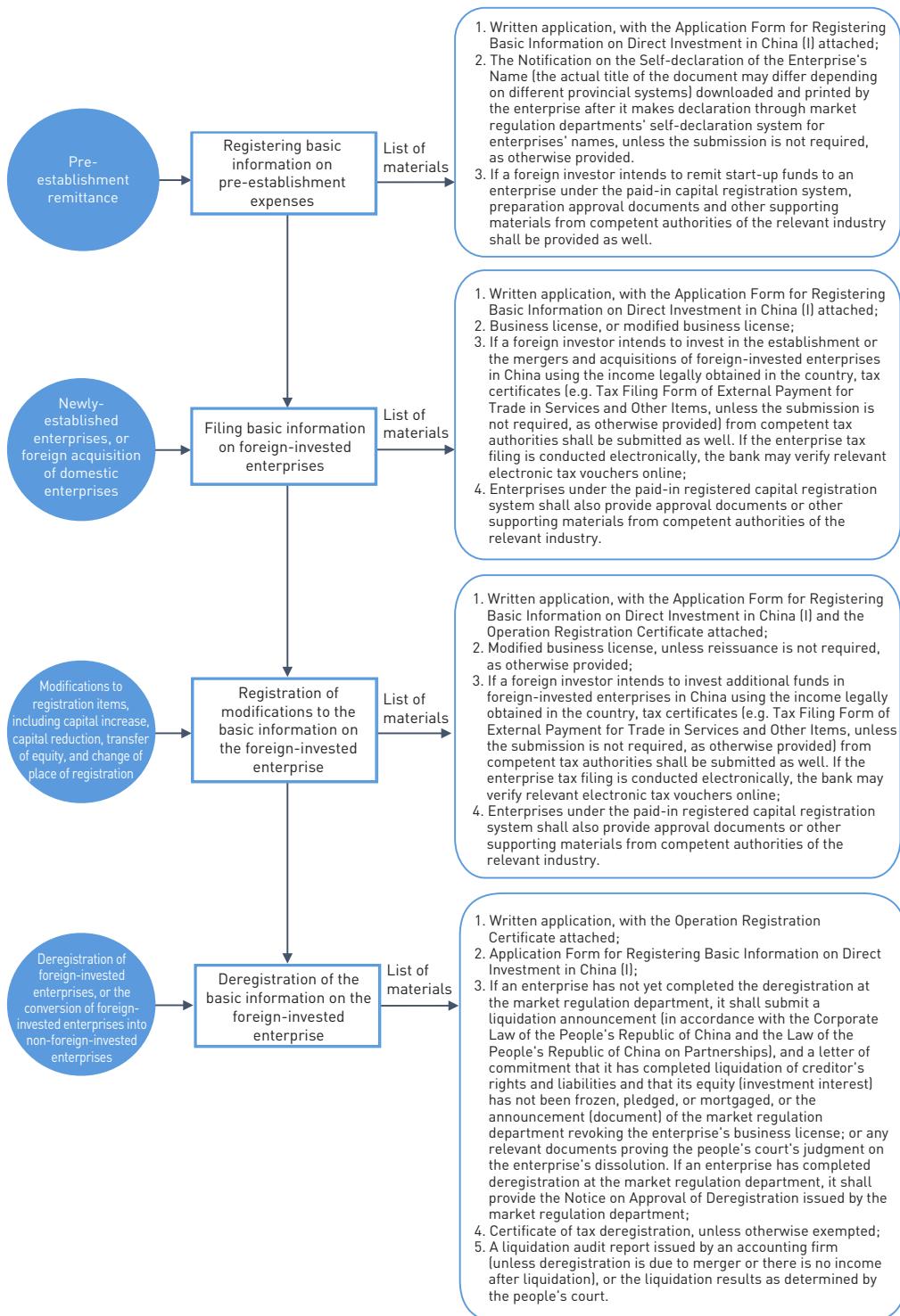
6.1.3 Foreign Investment Information Report



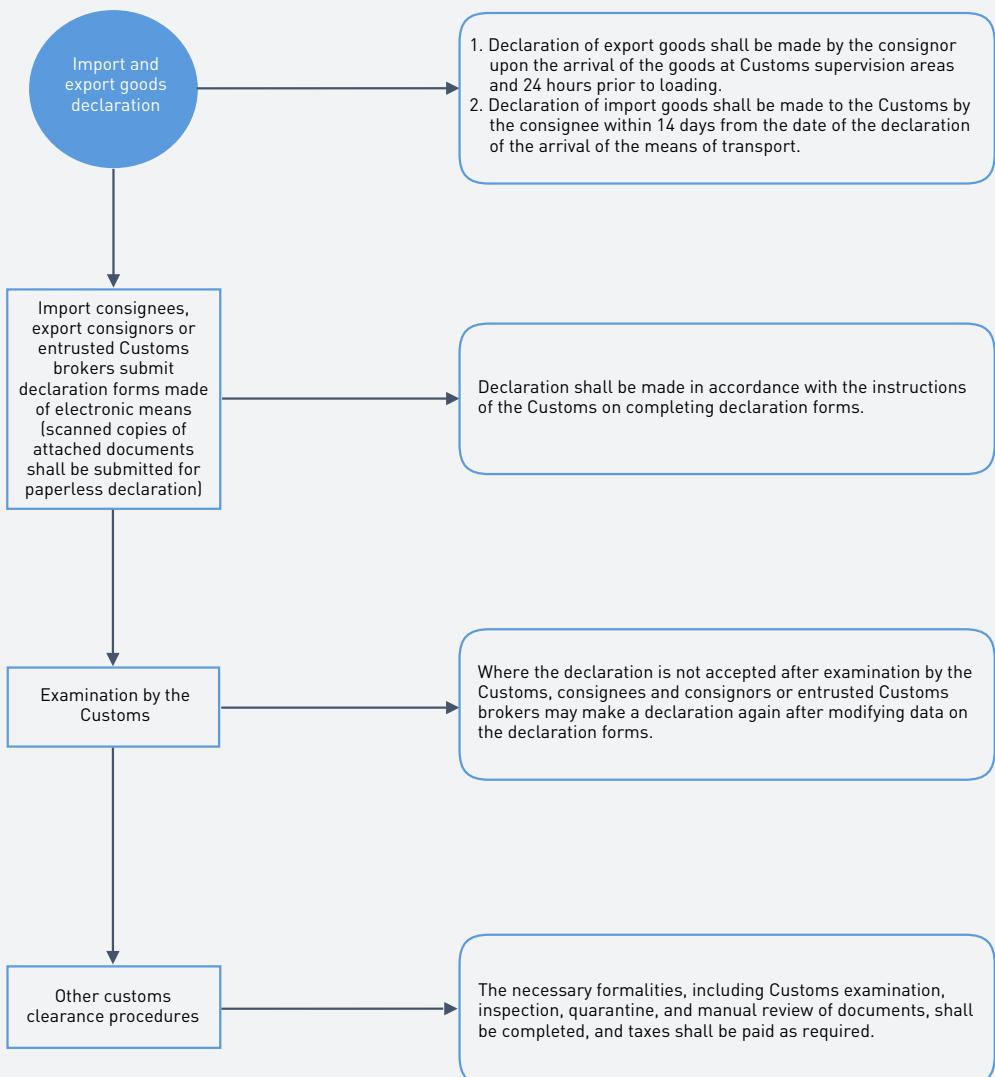
6.2 Taxation



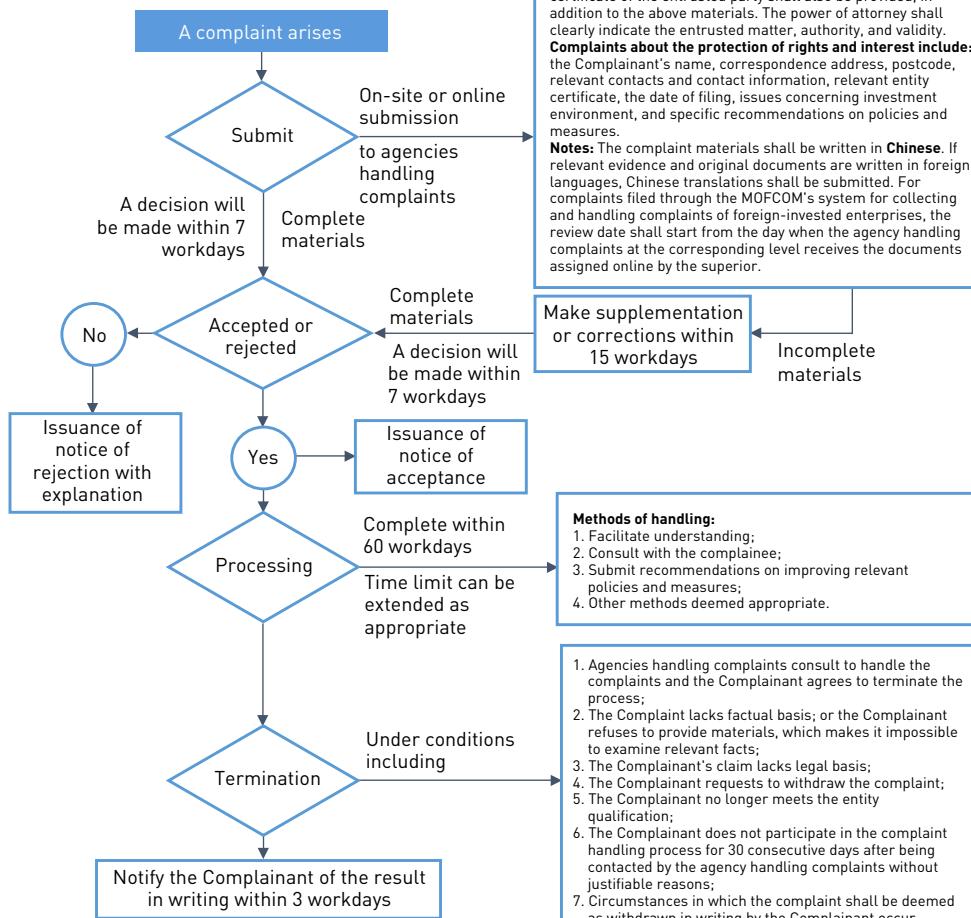
6.3 Foreign Exchange



6.4 Customs



6.5 Complaint Management for Foreign-invested Enterprises



Notes:

This procedure is based on the Rules on Handling Complaints of Foreign-invested Enterprises.

1. The "Complainant" refers to foreign-invested enterprises and foreign investors.

2. "Complaints" include:

- (a) The Complainant alleges that their legitimate rights and interests have been infringed upon by the administrative actions of administrative bodies and their staff members;
- (b) The Complainant reports issues concerning the investment environment and suggests improvements of relevant policies and measures to agencies handling complaints.

The complaints do not include applications of the Complainant for coordination to settle civil and commercial disputes with other natural persons, legal persons, or other organizations.

3. "Agencies handling complaints" include:

- (a) The National Center for Complaints of Foreign-invested Enterprises;
- (b) Departments or institutions designated by local people's governments at and above the county level that are responsible for accepting complaints of foreign-invested enterprises.

4. To submit a complaint application through the **MOFCOM's system for collecting and handling complaints of foreign-invested enterprises**, please select "Complaint" for the type of service.

7. Working and Living in China as Business Expatriates

7.1 Notes

7.1.1 Residence Registration Needs to be Completed after Entry into China as Soon as Possible

(I) For foreigners staying in a hotel, residence registration can be handled by the hotel.

Foreigners can register residence by presenting a valid passport, the Foreign Permanent Resident ID Card, or other valid identity documents at the hotel reception.

(II) Foreigners who stay elsewhere need to register residence at the local police station within 24 hours after arrival.

Foreigners or the persons who accommodate them can register for residence at the local police station by presenting a valid passport, the Foreign Permanent Resident ID Card, or other valid identity documents, along with proof of address. Alternatively, they can register for residence via mobile apps where available.

7.1.2 Matters Requiring Special Attention

(I) Validity period of visa

Foreigners who enter the Chinese mainland with a visa and plan to work and live in the Chinese mainland need to apply for a residence permit within 30 days from the date of entry according to relevant requirements. If an extension of the duration of stay specified in the visa is required, the application should be submitted to the exit and entry

administration authority of public security organs of local people's governments at or above the county level in the place of residence, at least 7 days before the expiration of the duration of stay specified in the visa, with the relevant materials relating to the purpose of the application.

(II) Validity period of residence permit

Foreigners who need to stay in the Chinese mainland after the expiration of residence permits shall apply for an extension 30 days before the expiration. Foreigners who hold a valid residence permit and have changed passports or had other items on the residence permit changed shall apply to the exit and entry administration authority of public security organs for renewal of residence permit within 10 days from the date the changes occur.

(III) Validity period of work permit

1. Foreigners working within the Chinese mainland should obtain a work permit. Foreigners with a working period not exceeding 30 days must adhere to the timeframe specified in their foreigner's work permit, and apply for a work-type residence permit, valid for 90 days. This application should be made with the local public security organ by presenting their Foreigner's Work Permit, Z visa, and other supporting documents. Foreign art performance groups and individuals can complete residence procedures with the exit and entry administration authority of public security organs at the location where the performance organizer is registered or where the first performance

takes place, by presenting their work permit issued by the cultural authorities, the Z visa, and other supporting documents. Foreign performers who have obtained residence permits will not need to repeat these residence procedures when performing at other locations in the Chinese mainland.

2. The employer shall submit an application for an extension to the local administration department of foreigners working in the Chinese mainland 30 days before the expiration of the work permit.

3. In case of any change in personal information (name, passport number, and position), an application for changes shall be submitted to the administration department of foreigners working in the Chinese mainland in the place where the employer is located within 10 working days from the date the changes occur.

(IV) Others

1. Foreigners must abide by the laws and regulations of China when writing comments on social media in China.

2. Foreigners must comply with relevant regulations when keeping dogs, cats, and other pets.

3. Foreigners must not photograph military installations, including buildings, sites, and facilities directly used by China for military purposes.

7.1.3 How to Get Help in Case of Emergencies

In case of personal assault or property crimes, please call 110.

In case of fire, please call 119.

In case of first aid, please call 120.

In case of passport loss, please report it to the local police station immediately.

For inquiries about immigration or entry-exit matters, please call the 12367 service hotline.

7.2 Daily Life Services

7.2.1 SIM Card

(I) Foreigners can bring their passports or Foreign Permanent Resident ID Cards to the service branches of telecom operators such as China Telecom, China Mobile, and China Unicom, to purchase a SIM card and activate mobile communication services in China.

(II) The mobile communication service plans usually include call time and data. Different operators will provide different service plans according to customers' needs, and users can choose the appropriate one.

Note: The plans often offer a limited amount of data. Internet access can be disabled when not using internet services if the data offered is little. Or, it is suggested to consult the telecom operator for an appropriate data plan if a large amount of data is needed.

7.2.2 Bank Card

(I) Foreigners can present valid documents, such as passports or Foreign Permanent Resident ID Cards, at the outlets of China's commercial banks to apply for a bank card.

(II) Foreigners shall keep the bank cards secure, to avoid loss or unauthorized use by others or criminals. In case of card loss, please report it to the corresponding bank in time.

7.2.3 Mobile Payment

(I) Foreigners can download and install WeChat, Alipay or UnionPay APPs on their mobile phones, input foreign or Chinese mobile phone numbers and other information for account registration according to the instructions, and follow

the prompts on the page to complete bank card binding.

(II) Foreigners can bind a bank card with the logos of Visa, Mastercard, UnionPay, American Express, JCB, Diners Club and Discover. They can also apply for a Tour Card on the UnionPay APP and top it up to make payments in daily consumption scenarios.

(III) Foreigners can scan the collection QR code or show the payment QR code when making payments.

Notes for binding bank cards issued overseas:

1. To bind a bank card to a payment product, it must be verified by the issuer. If verification fails, please contact the customer service team of the payment product or the issuing bank for assistance.

2. The scope of bank card brands, payment limits and charging standards may vary between different payment products. For details, please refer to the prompts on the payment product page and the service agreement.

(IV) Users of AlipayHK, WeChat Pay HK (HKSAR of China), MPay (Macao SAR of China), Kakao Pay, Naver Pay and Toss Pay (Republic of Korea), Touch'n Go eWallet (Malaysia), HiPay (Mongolia), Changi Pay (Singapore), OCBC (Singapore), TrueMoney (Thailand), GCash (the Philippines), Kaspi (Kazakhstan) and NayaPay (Pakistan) can use these e-wallets to pay directly by scanning a QR code in China.

7.2.4 RMB Exchange

Outlets of China's commercial banks provide exchange services for small RMB notes. Foreigners can request an exchange at the counter or self-service equipment as necessary, or they can obtain a change purse product containing equivalent RMB cash of different denominations at the counter.

7.2.5 Exchange of Foreign Currencies

(I) Overseas visitors to China can exchange foreign currencies for RMB cash in advance in relevant countries or regions before bringing it into China (each visitor is allowed to take up to RMB 20,000 in cash in or out of the country).

(II) Overseas visitors to China can also exchange foreign currencies for RMB cash at commercial bank outlets, money changers, and self-service currency exchange machines at international airports, land ports, seaports, and other entry points marked with a currency exchange sign. Additionally, visitors can withdraw RMB cash using international bank cards on ATMs.

7.2.6 Transportation

(I) Train

1. Ticket purchase

(1) Using identification documents. Foreign travelers can use the following valid identification documents when purchasing tickets or paying for the extended trip at the railway station's ticket office and ticket agents, or on trains: Foreign Permanent Resident ID Card; passport; foreigner's exit-entry permit; seafarer's certificate; receipt of acceptance of a visa application issued by the exit and entry administration authority of the public security organs of China; passport loss report certificate; temporary international travel document issued by embassies and consulates in China (with valid visas or stay certificates issued by the exit and entry administration authority of the public security organs of China attached). Foreign travelers can use Foreign Permanent Resident ID Cards or passports to purchase tickets through

China Railway's 12306 English website, 12306 APP, or by calling the booking hotline. Foreign travelers can also use Foreign Permanent Resident ID Cards to purchase tickets on self-service machines.

(2) Identity verification. To ensure safe and orderly passenger transport, China's railway operator implements real-name ticketing according to relevant regulations. Foreign travelers must complete identity verification before purchasing tickets. Travelers can log in to China Railway's 12306 English website or app to fill in their name, nationality, ID number, and other information following the instructions. Or, they can upload a photo of the passport information page for manual verification. They can also take valid passports to the ticket office at the railway station for identity verification.

(3) Ticket purchase. After the identity verification, foreign travelers can purchase tickets. Tickets can be purchased online through China Railway's 12306 English website or app, with payment options including Chinese or foreign bank cards or mobile payment apps. Alternatively, tickets can be bought at ticket windows at the railway station, where payment can be made using Chinese or foreign bank cards, RMB cash, or mobile payment apps. Foreigners holding Foreign Permanent Resident ID Cards can also use self-service machines for ticket purchase.

For more specific information on applicable payment methods, please refer to the signage or cashier for guidance.

2. Ticket change

Foreign travelers can change tickets using China Railway's 12306 English website or app, or at ticket windows of the railway station. Service fees may be incurred depending on the time of ticket change or the new date of travel.

3. Ticket refund

Foreign travelers can cancel tickets using China Railway's 12306 English website or app, or at ticket windows of the railway station. Service fees may be incurred depending on the time of cancellation.

4. Railway station entry/exit and train boarding

Foreign travelers can enter and exit the railway station through automatic or manual ticket check gates with the original valid identification documents used when buying tickets, and cooperate to complete ticket verification on the way.

For details of relevant rules, please visit China Railway's 12306 English website or app, or call China Railway's customer service hotline (12306) for consultation.

China Railway's 12306 English website:

<https://www.12306.cn/en/index.html>

(II) Airplane

To take domestic flights in China, foreign travelers may book air tickets online on the airline's official website, app and WeChat mini program, or a ticketing platform.

1. Ticket purchase

(1) When buying tickets on an airline's official website, app and WeChat mini program, or a ticketing platform, you can make payments via Alipay, WeChat Pay or UnionPay bank cards. Chinese and foreign bank cards are accepted at the online and offline ticketing channels of ticketing platforms and airlines operating international flights.

(2) You can also buy tickets at an airport and pay in RMB cash or via WeChat Pay, Alipay, or bank cards following the policies of the airline.

2. Ticket change and refund

Foreign travelers can change or refund their tickets through the ticketing platform

or at the airport. Fees may be incurred, which is subject to the regulations of the airline.

(III) Metro

Foreign travelers can buy single-journey tickets at the subway station, or use metro passes, apps, or bank cards for entry.

1. Single-journey tickets can be purchased at the ticket office or the self-service ticketing machine of the metro station. Payments can be made by Chinese or foreign bank cards, in RMB cash, or by mobile payment apps. Frequent travelers can buy metro passes at the ticket office of the metro station with their passports.

2. Some mobile payment apps and metro operators' apps also support passing the ticket check gates by scanning QR codes. The following are the specific operation steps using Alipay as an example. Foreign travelers need to open Alipay, click on "Transport", and select "City". After completing identity verification, you will obtain a QR code for metro. You can enter and exit the metro station by having the QR code scanned.

3. Beijing has become the first city on the Chinese mainland to allow metro fare payments by swiping foreign bank cards. Without buying tickets or downloading relevant apps, foreign travelers can take 29 urban rail lines and the suburban line S2 in Beijing by swiping Mastercard or Visa cards issued overseas at ticket check gates.

For more specific information on applicable payment methods, please refer to the signage or cashier for guidance.

(IV) Bus

Foreign travelers can pay with RMB cash, transit cards, or Alipay to take the bus.

1. Foreign travelers can pay in RMB cash to take buses and are advised to prepare the exact change in advance.

2. Foreign travelers can take their passports to the service outlets of bus companies to buy transit cards. Payment for the cards can be made in RMB cash or via WeChat Pay or Alipay.

3. Some mobile payment apps and bus operators' apps also support passing the ticket check gates by scanning QR codes. The following are the specific operation steps using Alipay as an example. Foreign travelers need to open Alipay, click on "Transport", and select "City". After completing identity verification, you will obtain a QR code for buses. You need to have the QR code scanned when getting on and off a bus.

For more specific information on applicable payment methods, please refer to the signage or cashier for guidance.

(V) Online ride-hailing services

Foreign travelers can use Alipay, WeChat or Didi-Greater China APP to book online ride-hailing services. Additionally, Trip.com can be used to book airport shuttle services.

1. Foreign travelers can open Alipay, click on "Transport", select "Taxi", and enter both the pickup location and the destination to book a ride-hailing service.

2. Foreign travelers can open WeChat, click on "Me", select "Services", scroll down and click on "Mobility" or "Ride Hailing", and enter both the pickup location and the destination to book a ride-hailing service.

3. Download Didi-Greater China APP, which supports foreigners to use foreign mobile phone numbers and international credit cards to register, and book online ride-hailing services once registered. Open Didi-Greater China APP, confirm the pickup location and the destination, select the preferred services (Express, Taxi, Premier, Luxe), and book a ride-hailing service.

4. Open Trip.com, select "Airport Shuttle Service", enter the flight information to make an appointment, and pay directly with an international bank card.

(VI) Car leasing services

Foreign travelers can rent cars at international airports and downtown service outlets. You can also use car leasing apps or search for "mini programs for car leasing" on Alipay or WeChat. Once registered, you can make a reservation for car leasing.

1. Foreign travelers who are going to rent cars need to bring their passports or Foreign Permanent Resident ID Cards, valid Chinese driver's licenses, and international or domestic credit cards.

Note: Foreigners renting a car for the first time need to have their identity document verified at least one working day in advance.

2. Foreign travelers applying for Chinese Provisional Driving Permits for compact cars must take their passports, overseas driver's licenses with a Chinese translation, recent one-inch half-length, bareheaded, full-faced color photos against a white background, and other necessary documents to public security traffic management service halls. Foreigners who enter China for a short-term stay can apply for Provisional Driving Permits with a validity period of 3 months. For those who intend to stay longer than 3 months, the validity period can be extended to a maximum of one year. The permits can be used whenever the holders reenter China during the validity period without the need for reapplication.

Note: China has signed agreements for mutual recognition and exchange of driver's licenses with France, Serbia, Belgium, and the United Arab Emirates.

This allows individuals holding driver's licenses from the aforementioned countries to obtain Chinese driver's licenses for compact cars without taking a test.

7.2.7 Hotel Reservation

Foreign travelers can book online through Trip.com (official website, app or Alipay mini program TripHotels) and pay directly with an international bank card, or make hotel reservations by telephone or other means.

(I) Foreign travelers intending to stay in hotels are required to present their passports, Foreign Permanent Resident ID Cards, or other valid identification documents for registration at the hotel reception.

(II) The available payment methods at hotels include RMB cash, bank card, Alipay, and WeChat Pay. If foreign travelers wish to pay with bank cards, they need to inquire in advance if Mastercard, Visa, or other international bank cards are accepted. Some hotels accept such payment methods as Apple Pay and PayPal; foreign travelers need to inquire in advance before making a payment.

7.3 Entry, Stay, and Residence Services

7.3.1 China's Visa-Free Policy for Foreign Travelers

(I) Comprehensive mutual visa-free entry

Currently, China has signed comprehensive mutual visa exemption agreements with 29 countries (subject to the updated List of Agreements on Mutual Visa Exemption Between the People's

Republic of China and Foreign Countries on CS.MFA.GOV.CN), allowing personnel from relevant countries to visit the Chinese mainland visa-free in accordance with the provisions of the agreements.

(II) Unilateral visa-free entry

At present, China has implemented a unilateral visa-free policy for 47 countries. People from 47 countries including France, Germany, Japan, and Australia holding ordinary passports can enter the Chinese mainland without a visa for business, tourism, visiting relatives and friends, exchange visits, or transiting in China for no more than 30 days.

(III) 240-hour visa-free transit

Citizens of 55 countries including the United States, Brazil, and Russia who hold valid international travel documents and interline passenger tickets with confirmed dates and seats can transit through the Chinese mainland to a third country (region) visa-free via any of the 60 open ports in 24 provinces (autonomous regions and municipalities) such as Beijing, and stay within the designated area in the Chinese mainland for no more than 10 days. Among them, the third countries (regions) include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan of China. During their stay, visa-free transit travelers can engage in tourism, business, exchange visits, or family visits. However, activities that require prior approval, such as work, study, or news reporting, still require applying for a visa in advance.

(IV) Regional visa-free entry

The regional visa-free entry policies for foreign nationals mainly include a 30-day visa-free entry policy for foreign nationals from 59 countries entering Hainan Province, among others. Eligible foreign nationals can enter and stay in

the Chinese mainland without a visa in accordance with relevant policies and regulations.

For details of the content in Items (II), (III) and (IV), please refer to the "Policy Interpretation" section on the official website of the National Immigration Administration, or call the 12367 service hotline.

7.3.2 Visa Extension

For foreigners entering China with a visa, if the original reason for entry has not yet been terminated or if for other legitimate reasons that require them to stay beyond the expiration date specified in the visa without the need to change the type of visa, they may apply for extending the visa. Documents required for visa extension are as follows:

(I) Valid passports or other international travel documents;

(II) A completed Foreigner Visa Application Form, and a 33×48 mm bareheaded color ID photo taken recently against a white background (free on-site photography is available);

(III) Supporting documents concerning the reason for the visa extension application;

(IV) Supporting documents concerning other relevant procedures.

For the application materials and requirements, the basic process and method of handling, fee basis and standards, etc., you can visit the official website of China's National Immigration Administration and click "Services" – "Guidelines for Foreigners" – "Entry-Exit and Stay (Residence) of Foreigners" – "Guide on Visa Extension, Change and Reissuance for Foreigners". The requirements for the photos for travel documents can be found in the Guidelines for Travel

Documents Photographs in the "Services" section. Additionally, you can find the office address and contact information of local exit-entry reception halls in "Office Enquiries" under "Services". You can also reach out to the 12367 service platform for further information via the hotline or online portal.

7.3.3 Residence Permit

Where visas held by foreigners specify that foreigners need to apply for residence permits after entry, such foreigners shall, within 30 days from the date of their entry, apply to the exit-entry administration authority of the public security organ under the local people's government at or above the county level in the proposed places of residence for foreigners' residence permits. Foreigners shall apply for a residence permit and its extension, change or reissuance in person at the exit and entry administration authority of the Chinese mainland's public security organs to complete relevant formalities. For a foreigner who is a high-level talent or urgently-needed professional, or is under 16 years old or over 60 years old, or with disabilities due to illness or other reasons, the inviting entity/individual, families or relatives of the applicant or a specialized service agency may file the application on behalf of the applicant. Documents required for residence permit application are as follows:

- (I) Valid passports or other international travel documents;
- (II) A completed Foreigner Visa Application Form, and a 33×48 mm bareheaded color ID photo taken recently against a white background (free on-site photography is available);
- (III) Supporting documents concerning the reason for the visa extension application;

(IV) Supporting documents concerning other relevant procedures.

For the application materials and requirements, the basic process and method of handling, the time limit and other specific details about residence permit application, foreigners can visit the official website of China's National Immigration Administration and refer to the Service Guide on Issuance of Residence Permit for Foreigners under "Services". The requirements for the photos for travel documents can be found in the Guidelines for Travel Documents Photographs in the "Services" section. Additionally, you can find the office address and contact information of local exit-entry reception halls in "Office Enquiries" under "Services". You can also reach out to the 12367 service platform for further information via the hotline or online portal.

Website of the National Immigration Administration: <https://www.nia.gov.cn> (Chinese version)

<https://www.en.nia.gov.cn> (English version)

7.3.4 Application for Foreign Permanent Resident ID Card

According to the Exit and Entry Administration Law of the People's Republic of China, the Measures for the Administration of Examination and Approval of Foreigners' Permanent Residence in China, and other relevant laws and regulations, foreigners applying for permanent residence in China shall abide by Chinese laws and regulations, be in good health, have no criminal record, and meet one of the following classification criteria: foreign investors who meet certain investment standards in

China, high-level talent working in China, individuals who are especially needed in the country, and those who have made significant and outstanding contribution(s) to China. For detailed regulations, please visit the official website of the National Immigration Administration or contact the exit and entry administration authority of their local municipal public security organ.

The authorities responsible for accepting foreigners' applications for permanent residence in China are the entry and exit administration authority of the public security organ under the municipal people's government, the entry and exit administration authorities of municipal public security bureaus or branches, and the entry and exit administration authorities of county public security bureaus.

7.3.5 The Mainland Travel Permit for Hong Kong and Macao Residents (non-Chinese Citizens) (hereinafter referred to as the "Permit")

Permanent residents in the Hong Kong Special Administrative Region and the Macao Special Administrative Region who are non-Chinese citizens (hereinafter referred to as non-Chinese Hong Kong and Macao permanent residents) and who wish to travel to the Chinese mainland for short-term purposes such as investment, visiting relatives, tourism, business, seminars, and exchanges may apply for the Permit through China Travel Service (Holdings) Hong Kong Limited and China Travel Service (Macao) Ltd., authorized by the Exit and Entry Administration of P.R. China. The Permit approved and issued by the exit-entry administration of the public security department is valid for five years.

During its validity, the holder may travel to the Chinese mainland multiple times, with each stay not exceeding 90 days. To apply for the Permit for the first time, non-Chinese Hong Kong and Macao permanent residents shall submit their applications to China Travel Service (Holdings) Hong Kong Limited and China Travel Service (Macao) Ltd. To renew or replace the Permit, the holder may apply to China Travel Service (Holdings) Hong Kong Limited, China Travel Service (Macao) Ltd., or the exit-entry administration of the public security department at or above the municipal level in the Chinese mainland.

Website of the National Immigration Administration: <https://www.nia.gov.cn> (Chinese version)

<https://en.nia.gov.cn> (English version)

7.4 Relevant Services for Work in China

7.4.1 Work Permit

Documents required for foreigners to apply for work permits are as follows:

- (I) A completed Application Form for Foreigner's Work Permit;
- (II) Supporting documents concerning work qualifications;
- (III) Certificates of the highest academic degree (diploma) or relevant approved documents and professional qualification certificates authenticated by apostille (from member countries of the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents), or by Chinese embassies or consulates abroad;
- (IV) Certificates of no criminal record;
- (V) Physical health examination certificates;

- (VI) Job contracts or certificates of employment (including letters of dispatch from multinational companies);
- (VII) The applicants' valid passports or other valid international travel documents;
- (VIII) The applicants' bareheaded, full-faced photos taken within 6 months;
- (IX) Relevant supporting documents of the accompanying family members;
- (X) Other relevant materials as may be required.

The method and place of handling: The employer shall log in to the Management and Service System for Foreigners Working in China through the National Human Resources and Social Security Government Affairs Service Platform (<http://www.12333.gov.cn>) for online processing.

7.4.2 Social Insurance

Foreigners who work in China shall access social security in accordance with the relevant provisions of the Social Insurance Law of the People's Republic of China and the Interim Measures for Social Insurance System Coverage of Foreigners Working within the Territory of China.

■ Eligible individuals

- (I) Individuals who are legally employed in China and have legally obtained the Foreigner's Work Permits, residence permits for foreigners, and Foreign Permanent Resident ID Cards.
- (II) Individuals who have signed labor contracts with the employers within the territory of China and are paid by the employers, or those who have signed labor contracts with foreign companies and are dispatched to work in China.
- (III) Individuals who have not yet reached the statutory retirement age.

■ Insurance payment

- (I) If individuals who work within the territory of China just access social security,

the employer shall process social insurance registration for him/her within 30 days from the date of applying for work permit;

- (II) The insurance base pay and the share borne by employers for foreign employees shall be the same as that of Chinese employees according to local standards.

■ Mutual exemption provisions

Individuals who are nationals of countries that have signed bilateral or multilateral social security agreements with China and work in China may be exempted from the obligation to pay for their corresponding types of insurance within the prescribed time limit according to the provisions of the agreement. Up to now, China has signed social security agreements with Germany, the Republic of Korea, Denmark, Canada, Finland, Switzerland, the Netherlands, Spain, Japan, Serbia, Luxembourg, France (not yet in force) and Kyrgyzstan (not yet in force).

Processing location: Government Affairs Service Hall or Human Resources and Social Security Bureau Service Hall of the place where they work; Online Service Hall for Social Insurance.

Website of the Ministry of Human Resources and Social Security: <http://www.mohrss.gov.cn>

7.4.3 Payment of Individual Income Tax

■ Residents and non-residents

An individual who is domiciled in China, or an individual who is not domiciled in China but has resided in China for an aggregate of 183 days or more within a tax year, shall be regarded as a resident individual. Income received by a resident individual from within China or overseas shall be subject to individual income tax pursuant to the

provisions of the Individual Income Tax Law of the People's Republic of China. An application for the annual reconciliation for comprehensive income, if applicable, must be submitted within the period from March 1 to June 30 of the following year.

An individual who is not domiciled in China and does not reside in China, or an individual who is not domiciled in China but has resided in China for less than an accumulated 183 days within a tax year, shall be regarded as a non-resident individual. Income received by a non-resident individual from within China shall be subject to individual income tax pursuant to the provisions of the *Individual Income Tax Law of the People's Republic of China*.

If foreign nationals are unsure whether the annual reconciliation needs to be done, they can seek guidance regarding relevant policies and assistance from the taxpayer service halls of local tax authorities.

Settlement channels: Local government service halls or tax authorities' taxpayer service halls, Individual Income Tax APP, and the Natural Person E-Tax Platform. Foreign nationals need to visit the local taxpayer service halls to apply for a registration code before the first-time use of the Individual Income Tax APP or the Natural Person E-Tax Platform. Taxpayers can seek assistance from taxpayer service halls.

Foreign nationals who are non-resident individuals are not required to deal with the annual reconciliation.

Website of the Natural Person E-Tax Platform: <https://etax.chinatax.gov.cn>

■ Enjoying preferential treatment under tax treaties

China has signed agreements on avoidance of double taxation with 114

countries (regions). Foreign nationals who are eligible for tax reductions or exemptions may judge by themselves the conditions for enjoying such treatment. They can choose to enjoy the treatment upon self-filing or through withholding agents, and relevant documentation shall be retained for future inquiries. For details of the agreements, please refer to the tax treaty section on the website of the State Taxation Administration.

Website of the tax treaty section:

https://www.chinatax.gov.cn/chinatax/n810341/n810770/common_list_ssty.html

8. Overview of Provinces (Autonomous Regions and Municipalities)

8.1 Beijing Municipality

■ Introduction

As the capital of China, Beijing is the national center of politics, culture, international exchanges and technological innovation. This vibrant, modern international metropolis brings together a wealth of factors, such as science and technology, finance, culture and talent. Beijing is home to 92 universities, 145 national key laboratories, 10,199 municipal "specialized, sophisticated, distinctive and innovative" enterprises, 1,035 national-level "little giant" firms, and 115 unicorns. It has financial assets of around RMB 220 trillion, accounting for about half of China's total. Beijing stands as a global leader in technological innovation, a hub for high-end economic growth, and the preferred destination for innovative talent.

■ Investment Promotion Policy

Opinions of the People's Government of Beijing Municipality on Expanding Opening-up and Improving the Utilization of Foreign Investment (JZF [2018] No. 12)

Several Measures of Beijing on Further Keeping Foreign Investment Stable (JSZFZ [2021] No. 14)

Regulations of Beijing on Supporting the Establishment and Development of Foreign-invested R&D Centers (JZBF [2022] No. 11)

Beijing Municipality's Measures on Further Advancing Development of Foreign-funded R&D Centers (JZBF [2023] No. 19)

■ Key Industries

Strategic emerging industries: new-generation information technology, high-end equipment manufacturing, new materials, biology, new energy vehicles, green environmental protection, aerospace, digital creativity.

Modern services: financial services, information services, technology services, business services, life services.

■ Contact Information

Beijing Municipal Commerce Bureau

Website: sw.beijing.gov.cn

Tel.: 010-55579777

Beijing Investment Promotion Service Center

Website: <http://invest.beijing.gov.cn>

Tel.: 010-89153619

8.2 Tianjin Municipality

■ Introduction

As one of the four municipalities directly under the central government in China, Tianjin has an area of nearly 12,000 square kilometers. Tianjin is accelerating the construction of a core area for international shipping in north China, a demonstration area for financial innovation operation, and a pilot area for reform and opening up. In recent years, Tianjin has been accelerating the application and industrialization of scientific and technological achievements under the strategic guidance of the coordinated development of the Beijing-Tianjin-

Hebei region, empowering industrial transformation and upgrading with IT application and intelligent technologies, and developing new quality productive forces according to local conditions. Tianjin is steadily developing into an international consumption center and a regional business center. It plans to build a financial street, Tianshui Higher Education Innovation Park, and the core area of the "design capital" Haihe Liulin in the central urban area. For more information, please refer to Foreign Investment Guidelines of Tianjin.

■ Investment Promotion Policy

Notice of Tianjin Commission of Commerce and Tianjin Municipal Science and Technology Bureau on Printing and Distributing Implementation Measures of Tianjin on Further Encouraging Foreign Investors to Establish R&D Centers (JSWG [2023] No. 2)

Notice of the General Office of Tianjin Municipal People's Government on Printing and Distributing Several Policies and Measures of Tianjin for the High-quality Development of the Manufacturing Industry (JZBG [2023] No. 4)

Notice of Tianjin Municipal People's Government on Printing and Distributing Policies and Measures for the High-quality Development of the Financial Innovation Operation Demonstration Zone (JZG [2024] No. 4)

Notice of the General Office of Tianjin Municipal People's Government on Printing and Distributing Several Policies and Measures for the High-quality Development of Technology Enterprises (JZBG [2025] No. 5)

Notice on Printing and Distributing the Work List for Implementing the Action Plan for Steadily Advancing High-standard Opening up and Enhancing Efforts to Attract and Utilize Foreign Investment (JKFB [2024] No. 3)

■ Key Industries

As the birthplace of modern Chinese industry, Tianjin is one of the cities with the most complete industrial system in China. Tianjin is enhancing the fundamental role of manufacturing. It is accelerating the development of a "1+3+4" industrial system led by smart technologies, focusing on biomedicine, new energy, and new materials, and supported by equipment manufacturing, automobiles, petrochemicals, and aerospace industries. It is also building 12 key industrial chains, including information technology application and innovation, integrated circuits, high-end equipment, biomedicine, and green petrochemicals.

■ Contact Information

Tianjin Commission of Commerce

Tel.: +86-22-63085592

E-mail: sswjwgc@tj.gov.cn

Website: <http://shangwuju.tj.gov.cn>

Tianjin Municipal Investment

Promotion Bureau

Tel.: +86-22-83453058

E-mail: cuiyi@tj.gov.cn

Tianjin Municipal Task Force for Foreign Investment

Hotline: +86-22-23300140

8.3 Hebei Province

■ Introduction

Hebei, or "Ji" for short, is located in north China, with Yanshan Mountains in the north, Yellow River in the south, Taihang Mountains in the west and flat fertile land in the east. As the only province in China to contain plateaus, mountains, hills, basins, plains, lakes, seashores and deserts, Hebei is known as a condensed "National Geography Book". Hebei now

has jurisdiction over Shijiazhuang (the provincial capital), Chengde, Zhangjiakou, Tangshan, Qinhuangdao, Langfang, Baoding, Cangzhou, Hengshui, Xingtai, Handan, Dingzhou, Xinji and Xiong'an New Area. The province has an area of 188,800 square kilometers and a population of 73.78 million. Beijing Daxing International Airport, the largest airport in Asia, is located on the border of Beijing and Hebei. Besides, Hebei possesses seven airports in Shijiazhuang, Tangshan, Zhangjiakou, Handan, Beidaihe, Chengde and Xingtai. Three major ports of Tangshan, Huanghua and Qinhuangdao all have a cargo throughput topping 100 million tons. In total, the ports in the province achieved a cargo throughput of 1.405 billion tons, with Tangshan Port ranking second among coastal ports globally. As of 2024, Hebei has 8,613 kilometers of expressways in operation, ranking eighth in the country. In 2024, its regional GDP reached RMB4.75269 trillion, the total import and export value was RMB615 billion, and the actual use of foreign capital totaled USD1.59 billion.

■ Investment Promotion Policy

Incentive Measures for Foreign Investment in Hebei Province (JSWZZ [2024] No. 2)

2025 Measures of Hebei Province for Stabilizing Foreign Investment (JSWZZ [2025] No. 1)

■ Key Industries

It focuses on the development of six major industrial chains, including advanced steel, robotics, green chemicals, biomedicine, electronic information, and new energy and intelligent connected vehicles.

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8.4 Shanxi Province

■ Introduction

Shanxi, a province in central China known as "Jin", is located in the middle of the Yellow River Basin, connecting the east and the west, the north and the south, with prominent location advantages. It covers an area of 156,700 square kilometers with abundant natural resources. By the end of 2024, it had a permanent population of 34.4596 million and regional GDP of RMB2.549469 trillion, up 2.3% year on year at constant prices. Shanxi merchants enjoy an international reputation in Europe and Asia. Shanxi is one of the important cradles of the Chinese nation. As China's only national province-wide resource-based economic transformation comprehensive supporting reform pilot zone, Shanxi is sparing no effort to advance resource-based economic transformation and development, vigorously promoting the comprehensive reform pilot project of energy revolution, and accelerating the building of the province as a new pacesetter for inland opening up. The Taixin Integrated Economic Zone, the comprehensive reform demonstration zone, and various development zones have attracted plenty of internationally renowned enterprises and major projects. For more information, please refer to Foreign Investment Guidelines of Shanxi 2024.

■ Investment Promotion Policy

Notice of the People's Government of Shanxi Province on Printing and Distributing Several Measures of Shanxi Province for Enhancing Efforts to Attract Foreign Investment (JZF [2023] No. 20)

Implementation Measures of Five Departments Including the Department of Commerce of Shanxi Province on Further Encouraging Foreign Investors to Establish R&D Centers (JSZ [2023] No. 204)

Several Measures of Shanxi Province on Undertaking the Transfer of Foreign-invested Manufacturing Industries in Eastern China (JSZ [2023] No. 123)

Implementation Opinions of the People's Government of Shanxi Province on Further Improving the Utilization of Foreign Investment in Key Areas (JZF [2021] No. 26)

■ Key Industries

Shanxi is accelerating the construction of modern industrial systems for such industries as manufacturing, energy, culture and tourism, healthcare, modern agriculture, modern services and digital economy. It strives to build 16 provincial key industrial chains, involving special steel materials, new energy vehicles, high-end equipment manufacturing, wind power equipment, hydrogen energy, aluminum and magnesium deep-processing, PV, modern medicine, third-generation semiconductors, synthetic biology, new energy storage, comprehensive utilization of waste resources, carbon-based new materials, information technology integration application, copper-based new materials, and prefabricated buildings.

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Shanxi Investment Promotion Bureau

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Shanxi Provincial Task Force for Foreign Investment

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8.5 Inner Mongolia Autonomous Region

■ Introduction

The Inner Mongolia Autonomous Region is located in the northern frontier of China with Hohhot as its capital, spanning the northwest, north and northeast of China, bordering eight domestic provinces, Russia and Mongolia. With 20 open ports, it serves as an important bridgehead for China's opening up to the north, a major gateway for the country's New International Land-Sea Trade Corridor, and a crucial node along the Belt and Road and the China-Mongolia-Russia Economic Corridor. In 2024, it had a permanent population of 23.88 million. In 2024, its regional GDP came to RMB2.63146 trillion, a year-on-year increase of 5.8%. Inner Mongolia is the country's important base of energy and strategic resources, and an important production base of agricultural and livestock products. It holds a distinct advantage in new energy development, particularly in wind and solar energy, supplemented by coal resources and supported by robust power grids. It is the only region that benefits from several national strategies in China, including the full revitalization of northeast China, large-

scale development of the western region, and ecological protection and high-quality development in the Yellow River Basin. The region is actively working to build a new strategic hub for the development and opening up of the country's inland border. For more information, please refer to the Foreign Investment section of the Commerce Department of Inner Mongolia Autonomous Region website.

■ Investment Promotion Policy

Notice on Printing and Distributing Several Measures of the Inner Mongolia Autonomous Region on Keeping Foreign Investment Stable (NSWZZ [2022] No. 425)

Notice of the People's Government of Inner Mongolia Autonomous Region on Printing and Distributing the List of Policies to Stabilize and Advance High-quality Industrial Development in 2024 (NZF [2024] No. 6)

Implementation Opinions of the General Office of the People's Government of Inner Mongolia Autonomous Region on Promoting High-quality Development of National Economic and Technological Development Zones (NZBF [2024] No. 5)

Notice on Printing and Distributing the Action Plan of Inner Mongolia Autonomous Region for Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract and Utilize Foreign Investment (NSWZZ [2024] No. 393)

■ Key Industries

Based on its resource endowment and strategic positioning, Inner Mongolia has built 10 major industrial clusters that comprise 34 forms of business: modern equipment manufacturing industrial cluster (industrial machine tools; new energy equipment; new energy vehicles), new energy industrial cluster (wind and solar power generation; hydrogen energy; energy storage), new material industrial

cluster (rare earth; new alloy materials; new-generation semiconductor materials; carbon-based new materials), new chemical industrial cluster (modern coal chemicals; coking; green ammonia alcohol; fluorine chemicals), green agricultural and livestock product processing industrial cluster (dairy industry; beef cattle; mutton sheep; potatoes; corn; cashmere; grass industry), biomanufacturing industrial cluster (biomedicine; biological fermentation), modern services industrial cluster (modern logistics; financial services; culture, tourism, sports, and business; new energy operation and maintenance), digital economy industrial cluster (computing power economy; data industry), artificial intelligence industrial cluster (artificial intelligence R&D and manufacturing; artificial intelligence application), and low-altitude economy industrial cluster (low-altitude aircraft; low-altitude services; low-altitude applications).

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8.6 Liaoning Province

■ Introduction

Located in the core area of Bohai Economic Rim and Northeast Asian Economic Circle, Liaoning is the only province in northeast China that has both coastal and land borders. Liaoning, with

a permanent population of 41.97 million, has jurisdiction over 14 prefecture-level cities (including Shenyang and Dalian, as sub-provincial cities), Shenfu Reform and Innovation Demonstration Zone, and 100 counties (county-level cities) and districts. With a solid industrial foundation, Liaoning is an important industrial base in China. It boasts complete industrial categories and systems, including 40 out of 41 major industrial categories in the national economy. Liaoning owns well-developed infrastructure, and its railway density and highway density rank among the top in China. It has six ports including Dalian Port and eight civil aviation airports in Shenyang and other cities, with 453 air routes. Liaoning has abundant scientific and educational resources with 114 colleges and universities, 6 research units of the Chinese Academy of Sciences, 61 academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering, 1,613 research institutions and 11 national key laboratories. In the province, 25 disciplines and professional research areas such as metal materials, aero engines and industrial automation hold significant importance both at home and abroad. Liaoning enjoys beautiful natural scenery with a forest coverage rate of 35.27%. It has 432 rivers with a drainage area of 100 square kilometers or above. There is a complete range of mineral resources, with 128 kinds of minerals discovered, including 25 of strategic importance. Magnesite is a globally dominant mineral, while iron ore, boron ore and talc ore are dominant minerals in China. Liaoning, the birthplace of Qing culture, boasts unique cultural elements, which are exemplified by its six world heritage sites. It is the origin of the Chinese People's War of Resistance Against

Japanese Aggression and saw the turning point of the War of Liberation. It is also the source of the national anthem of the People's Republic of China, a departure place of the War to Resist US Aggression and Aid Korea, an important industrial base of China, and the birthplace of Lei Feng's spirit. Liaoning has the highest number of Olympic champions and gold medals in the country, highlighting its exceptional strength in sports.

■ Investment Promotion Policy

1. Implementation Opinions of the General Office of the People's Government of Liaoning Province on Further Improving the Level of Opening-up in the "New Breakthrough" Three-Year Action of Liaoning's Comprehensive Revitalization (LZBF [2023] No. 7)

2. Notice of Department of Commerce of Liaoning Province, Department of Science & Technology of Liaoning Province, Department of Public Security of Liaoning Province, Department of Finance of Liaoning Province, Provincial Administration for Market Regulation, Dalian Customs, and Shenyang Customs on Printing and Distributing Several Policies to Further Promote the Development of Foreign Economic Relations and Trade in the "New Breakthrough" Three-Year Action of Liaoning's Comprehensive Revitalization (LSKF [2023] No. 62)

■ Key Industries

Liaoning is committed to restructuring its industrial landscape and accelerating the development of four industrial bases valued at RMB1 trillion, along with 22 key industrial clusters. It aims to create a modern industrial system that highlights the province's unique strengths. Liaoning's equipment manufacturing industries feature CNC machine tools, industrial robots, power transmission and transformation equipment, metallurgical

mines, general petrochemical equipment, general aviation, automobiles and shipbuilding, and the raw material industries feature petrochemicals and steel, all hold dominant positions and command high market shares in China. The province has a strong industrial foundation and technological advantages in the fields of new materials, fine chemicals, intelligent equipment manufacturing, semiconductor chips, etc. The scale of science, technology, and industries related to national defense, featuring aviation equipment and ships, ranks among the top in China. As one of the three key regions for China's integrated circuit equipment industry, Liaoning has developed a large number of key materials for major national projects and equipment in such fields as spaceflight, aviation, shipbuilding and nuclear power.

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8.7 Jilin Province

■ Introduction

Jilin, or "Ji" for short, is located in the central part of northeast China and in the geographical center of Northeast Asia. As one of the nine border provinces in China, it lies near the coast and serves as an important gateway for the country's northward opening up under the Belt and Road Initiative. It borders Russia to the east and faces North Korea across the river to the southeast. The total population has reached

23.1731 million. Its capital Changchun is the provincial center of politics, economy, science, education, culture, finance and transportation, known as the "Automobile City", "Film City", "Science, Education and Culture City", "Forest City" and "Sculpture City". Jilin is a pilot province for national ecological development with 51 nature reserves. The Changbai Mountain Nature Reserve has been designated as a "Man and the Biosphere Programme" nature reserve by the United Nations. Jilin ranks 6th in the country for the total value of ecological resources, and it is the only province in China that gets full marks in the evaluation of forest resources. Additionally, its air quality is among the best in the country. Jilin has gathered 67 colleges and universities, and it is home to 24 full-time academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering. It currently has two national field scientific observation and research stations, two national joint laboratories under the Belt and Road Initiative, and 15 regional sub-centers of national clinical medicine research centers. Additionally, there are three provincial laboratories, 173 provincial key laboratories, 230 provincial technological innovation centers (engineering technology research centers), 60 provincial clinical medicine research centers, 33 provincial scientist laboratories, 71 provincial new research and development institutions, and 14 academician workstations.

■ Investment Promotion Policy

Notice of the General Office of the People's Government of Jilin Province on Printing and Distributing the Several Measures to Further Promote High-level Open Development (JZBF [2025] No.1)

Notice of the General Office of the People's Government of Jilin Province

on Several Measures to Actively Expand Effective Investment and Accelerate Project Construction (JZBMD [2022] No. 13)

Qualification Examination Measures for Foreign-invested R&D Centers in Jilin to Enjoy the Import Taxation Policy Supporting Scientific and Technological Innovation (JSWZG [2021] No. 3)

Implementation Opinions of Jilin on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (JSWZ [2023] No. 13)

■ Key Industries

Jilin strives to promote the transformation and upgrading of leading industries such as automobiles, equipment manufacturing, modern agriculture, petrochemicals, culture and tourism, and optoelectronic information. Additionally, it seeks to cultivate and strengthen emerging industries like new energy, new equipment, new materials, new medicine, and new services, while strategically planning for future industries such as artificial intelligence, new displays, and low-altitude equipment.

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8.8 Heilongjiang Province

■ Introduction

Located in the core area of Northeast Asia and in the northeast of China,

Heilongjiang is an important gateway for China's opening up to the north. Heilongjiang is China's "Large Granary" with excellent ecological environment, such as border rivers, wetlands, forests, and unparalleled ice and snow landscapes. Heilongjiang provides enormous opportunities for investment and entrepreneurship, with huge development potential, strong scientific research strength, outstanding advantages in science and education, and prominent advantages in economic and trade cooperation with Japan, South Korea and Russia. Heilongjiang has continuously improved its business environment to attract investment and talent. For more information, please refer to the Investment Guidelines of Heilongjiang Province.

■ Investment Promotion Policy

Notice on Printing and Distributing Several Measures of Heilongjiang Province on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (Office of Heilongjiang Provincial Task Force for Foreign Investment, December 21, 2023)

Notice on Implementing Several Measures of the Ministry of Commerce and the Ministry of Science and Technology on Further Encouraging Foreign Investment to Establish R&D Centers (HSLH [2023] No. 13)

Notice of the General Office of the People's Government of Heilongjiang Province on Printing and Distributing Several Policies and Measures to Support, Encourage and Guide the Healthy Development of Private Economy in Heilongjiang Province (HZBG [2024] No. 2)

■ Key Industries

Heilongjiang continues to implement the industrial revitalization plan and accelerates the construction of the

"4567" modern industrial system, that is, developing four new economic development engines of the digital economy, biological economy, ice and snow economy, and creative design industry, cultivating and developing five strategic emerging industries of aviation and aerospace, electronic information, new materials, high-end equipment, and intelligent agricultural machinery, enabling the upgrading of six traditional advantageous industries of energy, chemicals, food, medicine, automobiles, and light industry, and accelerating the development of seven service sectors of information services, modern finance, modern logistics, service-oriented manufacturing, tourism and healthcare, elderly care and childcare, and culture and entertainment.

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8.9 Shanghai Municipality

■ Introduction

Shanghai sits in the east of China, at the estuary of the Yangtze River, facing the Pacific Ocean. It is one of the regions with the most dynamic economic development, the highest degree of openness, and the strongest innovation capability in China. Shanghai focuses on the important mission of building an international center of economy, finance, trade, shipping and

technological innovation. It strives to accelerate the development of a socialist modern metropolis with global influence, led by technological innovation, driven by reform and opening up, guided by major national strategies, and supported by the modernization of urban governance. It plays a leading and exemplary role in advancing Chinese modernization. In 2024, Shanghai's regional GDP reached RMB5.39 trillion, marking a new stage in the city's economic scale above RMB5 trillion. Shanghai Port has become the first one in the world to achieve an annual throughput of over 50 million twenty-foot equivalent units (TEUs), maintaining its position as the world's largest port for 15 consecutive years. As of the end of 2024, multinational companies had set up 1,016 regional headquarters and 591 foreign-invested R&D centers in Shanghai. As efforts have been made to strengthen its function of gathering and allocating global resources, Shanghai retains its position as the city with the highest concentration of multinational company regional headquarters in the Chinese mainland.

■ Investment Promotion Policy

Several Measures of Shanghai Municipality on Supporting Regional Headquarters of Multinational Companies to Improve Their Capabilities (HFBG [2025] No. 1)

Plan of Shanghai Municipality for Improving Foreign-invested R&D Centers (HFBG [2024] No. 3)

Implementation Plan to Further Optimize the Environment for Foreign Investment and Enhance Efforts to Attract Foreign Investment (HSWZ [2024] No. 157)

Several Measures of Shanghai Municipality on Enhancing Efforts to Attract and Utilize Foreign Investment (HFBG [2023] No. 11)

Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters (HFG [2022] No. 17)

Regulations of Shanghai Municipality on Encouraging the Establishment and Development of Foreign-funded Research and Development Centers (HFBG [2020] No. 15)

■ Key Industries

Shanghai promotes industrial innovation with scientific and technological innovation, focuses on intelligent, green and integrated development, and accelerates the construction of a modern industrial system featuring "(2+2) + (3+6) + (4+5)". "2+2" refers to two-industry integration and two transformations, i.e. promoting the integration of advanced manufacturing and modern services, and realizing digital transformation and green and low-carbon transformation; "3+6" refers to vigorously developing the three leading industries of integrated circuits, biomedicine and artificial intelligence and the six key industries of electronic information, life health, automobiles, high-end equipment, advanced materials and fashion consumer goods; "4+5" refers to proactively laying out four new industries including digital economy, green and low-carbon development, metaverse and intelligent terminals, as well as five future industries involving future health, future intelligence, future energy, future space and future materials, so as to vigorously develop new quality productive forces.

■ Contact Information

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8.10 Jiangsu Province

■ Introduction

Jiangsu is located on the eastern coast of China, in the lower reaches of the Yangtze River, and at the intersection of the Silk Road Economic Belt, the 21st Century Maritime Silk Road, and the Yangtze River Economic Belt. It is an important part for the integrated development of the Yangtze River Delta region. With 1% of China's area and 6% of the country's population, Jiangsu has contributed more than 10% of the country's total economic output.

In 2024, the province's regional GDP reached RMB13.7 trillion, an increase of 5.8%. Jiangsu has established 370 pairs of friendship cities with 68 countries and regions, as well as economic and trade ties with 230 plus countries and regions. More than 400 Fortune Global 500 companies have invested in the province. In 2024, Jiangsu's import and export value reached USD789.47 billion, a 5.8% increase from the previous year. This represented 12.8% of the national total, securing its position as the second-highest in China. The actual use of foreign capital totaled USD19.05 billion, the highest in the country.

■ Investment Promotion Policy

Regulations of Jiangsu Province on Promoting and Protecting Foreign Investment

Notice of Jiangsu Provincial Commission of Development and Reform and Other Departments on Printing and

Distributing Several Policies and Measures for Stabilizing and Improving Foreign Investment with Focus on Manufacturing (SFGWZF [2023] No. 567)

Notice of the General Office of Jiangsu Provincial People's Government on Forwarding Several Measures to Encourage and Support Foreign Investment in Establishing and Developing R&D Centers from the Department of Commerce of Jiangsu Province and the Jiangsu Provincial Department of Science and Technology (SZBF [2023] No. 24)

Notice of Jiangsu Provincial People's Government on Printing and Distributing Several Measures for Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (SZF [2024] No. 14)

Notice of the Department of Commerce of Jiangsu Province and the Department of Finance of Jiangsu Province on Printing and Distributing the Opinions on Encouraging Multinational Corporations to Establish Regional Headquarters and Functional Institutions in Jiangsu (2024) (SSG [2024] No. 1)

Notice of Ten Departments Including the Department of Commerce of Jiangsu Province on Several Measures to Encourage Foreign-funded Enterprises to Expand Reinvestment (SSZ [2024] No. 483)

■ Key Industries

New power and new energy equipment; engineering machinery and agricultural machinery; Internet of Things; high-end new materials; high-end textiles; biomedicine; new medical devices; integrated circuits and new displays; information communication; new energy (intelligent connected) vehicles; high-end equipment; high-tech ships and marine engineering equipment; energy saving and environmental protection; green

food; core software; emerging digital industries.

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Jiangsu Provincial Task Force for Foreign Investment

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8.11 Zhejiang Province

■ Introduction

Zhejiang Province is located on the south wing of the Yangtze River Delta in the southeast coast of China, and borders the East China Sea to the east, Fujian to the south, Jiangxi and Anhui to the west, and Shanghai and Jiangsu to the north. It lies at the important intersection of the Silk Road Economic Belt and the 21st Century Maritime Silk Road and the golden position in the Yangtze River Delta region. In 2024, Zhejiang's total economic output exceeded RMB9 trillion, up 5.5% year on year. In 2024, the province's total import and export value reached RMB5.3 trillion, with a year-on-year increase of 7.4%. The total export value reached RMB3.9 trillion, rising by 9.5% and ranking second in China. The actual use of foreign capital in the province totaled USD15.27 billion, ranking third in China. As of 2024, Zhejiang has attracted the investment of 208 Fortune Global 500 companies.

■ Investment Promotion Policy

Guiding Opinions of the People's Government of Zhejiang Province on Further Strengthening Investment Promotion (ZZF [2022] No. 3)

Several Measures for Greater Efforts to Attract and Utilize Foreign Investment (ZZBF [2023] No. 22)

Several Measures of Zhejiang Province to Further Improve the Utilization of Foreign Investment with a Focus on Manufacturing (ZFGKF [2023] No. 130)

Guiding Opinions on Encouraging the Establishment and Development of Foreign-invested R&D Centers (ZSWLF [2023] No. 81)

Several Measures on Deepening Service Concepts and Innovating Investment Promotion Services (ZSWF [2025] No. 17)

Several Measures of Zhejiang Province to Stabilize Foreign Investment in 2025 (ZSWLF [2025] No. 18)

■ Key Industries

Zhejiang accelerates the construction of a modern industrial system with advanced manufacturing as the backbone, digital economy as the core, modern transportation and logistics system as the artery, and modern infrastructure as the support. The system features deep integration of modern services sectors with advanced manufacturing and modern agriculture, and of digital and real economies. Based on the goal of building "415X" advanced manufacturing clusters, Zhejiang focuses on the development of green petrochemicals, new energy vehicles and parts, intelligent Internet of Things, modern textiles and clothing, integrated circuits, high-end new materials, intelligent PV, biomedicine and medical devices, and solidly promotes the high-end, intelligent and green development of the manufacturing industry.

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8.12 Anhui Province

■ Introduction

Anhui Province was set up in the 6th year during the reign of Emperor Kangxi of the Qing Dynasty (1667). It is also commonly known as "Wan" because it is home to a mountain which used to be called Mount Wan and it was home to an ancient state named Wan during the Spring and Autumn Period. Located in central and east China, Anhui is the most dynamic part of the Yangtze River Delta. The province is about 570 kilometers long from north to south and 450 kilometers wide from east to west. It covers a total area of 140,100 square kilometers, accounting for about 1.45% of China's territorial area. Anhui now has 16 prefecture-level cities, 9 county-level cities, 50 counties and 45 municipal districts. The province serves as a bridge between the north and the south and fosters a cultural integration of the east and the west. It is the hometown of numerous talented people including Guan Zhong, the ancestor of business, and it is also known for the century-

old legend of Huizhou merchants who continue to thrive. Anhui is endowed with unique advantages, benefiting from multiple national strategies for regional development such as the Integrated Development of the Yangtze River Delta, the Development of the Yangtze River Economic Belt, and the Rise of Central China. It is not only the birthplace of rural reform, but also a new highland for reform and opening up. Anhui embraces infinite business opportunities. It has gathered ten emerging industries such as new-generation information technology, intelligent connected new energy vehicles, and new materials, featuring complete industrial and supply chains. With tremendous potential, Anhui is one of the regions with the most dynamic economic development in China and even in the world. Within a radius of 500 kilometers, there lived nearly 30% of China's population, contributing to nearly 35% of the country's GDP, and accounting for nearly 40% of the domestic consumer market.

■ Investment Promotion Policy

Several Measures on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (Public Edition)

Implementation Plan of Anhui Province for Expanding, Keeping, and Improving Foreign Investment (Public Edition)

■ Key Industries

New-generation information technology, new energy and intelligent connected vehicles, digital creativity, high-end equipment manufacturing, new energy and energy conservation and environmental protection, green food, life health, smart home appliances (smart home), new materials, and artificial intelligence.

■ Contact Information
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8.13 Fujian Province

■ Introduction

Fujian, also commonly known as "Min", is located on the southeast coast of China, connecting the Yangtze River Economic Belt with the Guangdong-Hong Kong-Macao Greater Bay Area. It faces Taiwan, a treasure island of China, and is backed by the vast hinterland of central and west China. It has jurisdiction over nine cities with subordinate districts, and Pingtian Comprehensive Experimental Zone. The province has a land area of 124,000 square kilometers and a sea area of 136,000 square kilometers. At the end of 2024, the permanent population was 41.93 million.

In recent years, Fujian has accelerated the generation of innovation growth driver, further optimized the industrial structure, coordinated the development of urban and rural areas, continuously improved people's living standards, and maintained excellent eco-environmental quality. In 2024, Fujian's regional GDP increased by 5.5% to reach RMB5.7761 trillion, ranking 8th nationwide; its per capita regional GDP expanded by 5.5% to reach RMB137,920; the total import and export value was RMB1.98985 trillion, ranking 7th in the country; the actual use of foreign capital totaled USD3.12 billion,

ranking 8th in the country. As of the end of 2024, 75,000 foreign-invested enterprises have been established, the actual use of foreign capital has exceeded USD150 billion, and Fortune Global 500 companies have set up 230 foreign-invested projects in Fujian.

■ Investment Promotion Policy

Notice of the People's Government of Fujian Province on Printing and Distributing Several Measures of Fujian for Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment

Notice of the General Office of the People's Government of Fujian Province on Printing and Distributing Several Measures to Promote the High-quality Development of SMEs that Specialize in Niche Sectors Through Fund Support

Notice of the General Office of the People's Government of Fujian Province on Printing and Distributing Ten Measures to Promote the Development of Artificial Intelligence Industry in Fujian Province

Notice of the Department of Commerce of Fujian Province and Other Four Departments on the Measures for the Approval of Foreign-invested R&D Centers during the 14th Five-Year Plan Period

Notice of Fujian Provincial Health Commission, Department of Commerce of Fujian Province, Fujian Provincial Administration for Market Regulation, and Fujian Provincial Healthcare Security Bureau on Printing and Distributing the Pilot Work Plan of Fuzhou City for Expanding Openness in the Field of Wholly Foreign-Owned Hospitals

■ Key Industries

Fujian is accelerating the construction of a modern industrial system, vigorously cultivating county-level key industrial

chains, promoting the "four-chain integration", coordinating efforts to promote the "intelligent and digital transformation" of traditional industries, and consolidating and upgrading pillar industries such as electronic information, advanced equipment manufacturing, petrochemicals, and modern textiles and clothing; it is working to cultivate and expand strategic emerging industries such as new-generation information technology, new energy, new materials, biology and new medicine; it is strategically planning for future industries such as artificial intelligence, future displays, advanced semiconductors, hydrogen energy and energy storage, low-altitude economy, and deep-sea equipment; it is also improving the development of modern services sectors and advancing industrial transformation and upgrading toward intelligent, green and integrated development.

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Fujian Provincial Task Force for Foreign Investment

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8.14 Jiangxi Province

■ Introduction

Located in central China, Jiangxi is the only province adjacent to the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Western Taiwan Straits Economic Zone. It has unique geographical advantages of linking

the south with the north, as well as the east with the west, and connecting to rivers and seas. Jiangxi, rich in natural resources, is hailed as "an Ancient Copper Capital of China" "the Tungsten Capital of the World" "the Lithium Capital of Asia" and "the Kingdom of Rare Earth". In recent years, Jiangxi has continued to vigorously promote the high-standard opening-up strategy, and the growth rates of its main economic indicators have all ranked among the top in China. In 2024, the regional GDP of Jiangxi totaled RMB3.42025 trillion, up 5.1% year on year. Jiangxi has accelerated the transformation and upgrading of traditional industries, expedited the development and growth of strategic emerging industries, vigorously implemented the "1269" action plan for the modernization of key industrial chains in the manufacturing industry, and made every effort to foster a business environment that is market-oriented, law-based, and internationalized.

■ Investment Promotion Policy

Notice of the People's Government of Jiangxi Province on Printing and Distributing the "1269" Action Plan for the Modernization of Key Manufacturing Industry Chains in Jiangxi Province (2023-2026) (GFZ [2023] No. 40)

Notice of the General Offices of the CPC Jiangxi Provincial Committee and the People's Government of Jiangxi Province on Printing and Distributing Several Measures to Ensure High-quality Development of Jiangxi Inland Open Economy Pilot Zone and Build a Highland for Inland Reform and Opening Up (GBF [2024] No. 26)

Notice of the Jiangxi Provincial Leading Group for Expanding Opening up on Printing and Distributing the Working Mechanism of Jiangxi Province

for Coordinating Efforts to Solve Problems Related to the Construction of High-quality and Competitive Investment Promotion Projects (GKFZ [2025] No. 2)

Notice of the Jiangxi Provincial Leading Group for Expanding Opening up on Printing and Distributing the Implementation Measures of Jiangxi Province for Incentives for Attracting Large and Competitive Projects (GKFZ [2025] No. 4)

Notice of the Jiangxi Provincial Leading Group for Expanding Opening up on Printing and Distributing the Implementation Measures of Jiangxi Province for Incentives for Key Foreign-invested Projects (GKFZ [2025] No. 5)

■ Key Industries

Electronic information, non-ferrous metals, equipment manufacturing, new energy, petrochemicals, building materials, steel, aviation, food, textiles and clothing, medicine, modern furniture, etc.

■ Contact Information

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8.15 Shandong Province

■ Introduction

Located on the eastern coast of China, Shandong is an important economic powerhouse with a large population and cultural appeal. It is one of the provinces in China with the household registered

population and the permanent population both over 100 million. In 2024, the province's regional GDP reached RMB9.8 trillion, ranking third in China; the value-added output of industries above the designated size, fixed-asset investment, general public budget revenue and total foreign trade increased by 8.3%, 3.3%, 3.3% and 3.5% respectively.

As Shandong is a key production area of grain and cash crops in China with a solid agricultural foundation, its total output of agriculture, forestry, animal husbandry, and fishery exceeds RMB1.28 trillion, ranking first in China. With outstanding industrial advantages demonstrated by 41 large categories and 197 medium sectors, Shandong is one of the provinces with the most complete industrial categories, the strongest foundation, the best structure and the most complete supporting facilities. Shandong boasts multiple high-end opening-up platforms. It is accelerating the construction of pilot zones for green, low-carbon and high-quality development, pilot free trade zones and China-SCO Local Economic and Trade Cooperation Demonstration Areas. Shandong has 141 economic development zones at the provincial level and above, including 16 national economic and technological development zones.

■ Investment Promotion Policy

Notice by the People's Government of Shandong Province of Issuing Several Measures of Shandong Province to Further Optimize the Environment for Foreign Investment and Make Greater Efforts to Attract and Use Foreign Investment (LZZ [2023] No. 179)

Notice of the People's Government of Shandong Province on Several Measures to Promote Stable Scale, Optimized

Structure and High-quality Development of Foreign Trade and Investment (LZBZ [2023] No. 81)

Implementation Opinions on Further Encouraging Foreign Investors to Establish R&D Centers (LSZ [2023] No. 87)

Notice on Printing and Distributing the Measures for Determining the List of Foreign-invested R&D Centers Enjoying Import Tax Policies Supporting Scientific and Technological Innovations during the 14th Five-Year Plan Period (LSZ [2021] No. 109, valid until December 31, 2025)

■ Key Industries

Shandong has vigorously cultivated the top 10 industries, namely new-generation information technology, high-end equipment, new energy and new materials, modern marine, medical care and healthcare, high-end chemicals, modern efficient agriculture, culture and tourism, modern financial services and modern light industrial textiles.

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8.16 Henan Province

■ Introduction

Henan, located in central and east China, along the middle and lower reaches of the Yellow River, has a total area of 167,000 square kilometers and a permanent population of 98.15

million. As an important birthplace of the Chinese nation and Chinese civilization, it has superior location and transportation conditions, a solid industrial foundation, broad market space and great development potential. Henan comprehensively deepens opening up, steadily expands institutional opening up, and deeply participates in the high-quality Belt and Road and RCEP cooperation. It has deepened trade cooperation with ASEAN (Association of Southeast Asian Nations) countries, promoted the construction of "silk roads" across sea, land, air and digital platforms in a systematic and creative manner, and created new advantages for a higher-level open economy. In 2024, the province's regional GDP reached RMB6.36 trillion, up 5.1%. The value-added output of industries above designated size, fixed asset investment and industrial investment grew by 8.1%, 7% and 21.6% respectively; the total retail sales of consumer goods reached RMB2.76 trillion, up 6.1%. The growth rates of its main economic indicators were higher than the national average.

■ Investment Promotion Policy

Notice of the General Office of the People's Government of Henan Province on Issuing Several Measures of Henan Province for Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (YZB [2024] No. 53)

Notice of the Department of Finance of Henan Province and the Department of Commerce of Henan Province on Issuing the Measures for the Administration of Provincial-level Special Funds for Investment Promotion in Henan Province (YCM [2022] No. 46)

Notice of the Development and Reform Commission of Henan Province,

Department of Commerce of Henan Province, Department of Natural Resources of Henan Province, Department of Ecology and Environment of Henan Province and Local Financial Supervision and Administration Bureau of Henan Province on Further Strengthening Element Guarantee for Key Foreign-funded Projects in Henan Province (YFGWZ [2023] No. 622)

Notice of the Department of Commerce of Henan Province and the Department of Finance of Henan Province on Issuing the Interim Provisions on Encouraging Multinational Corporations to Establish Regional Headquarters and Functional Institutions (YSZ [2022] No. 12)

■ Key Industries

Henan makes continuous efforts to develop advanced manufacturing industrial clusters for sectors such as new materials, new energy vehicles, electronic information, advanced equipment, modern medicine, modern food, and modern light textiles. It is accelerating the development of modern services such as culture and tourism, modern logistics, modern finance, e-commerce, and healthcare and elderly care and focuses on cultivating future industries such as humanoid robots, quantum technology, artificial intelligence, carbon-based new materials, hydrogen energy and future energy, low-altitude economy, and high-end medical devices. It is also expediting the application of new-generation intelligent terminal scenarios, including intelligent connected new energy vehicles and intelligent low-altitude aircraft, and it strives to foster some high-growth new industries.

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8.17 Hubei Province

■ Introduction

Located in central China and the middle reaches of the Yangtze River, Hubei has a total area of 185,900 square kilometers and a permanent population of 58.38 million. It lies in the geometric center of China's major economic zones and at the intersection of three "silk roads" across land, sea and air. It is the only province in China that simultaneously lays out a specialized air cargo hub, a Yangtze River shipping hub, and an international railway cargo hub. Ezhou Huahu International Airport, the largest international dedicated cargo airport in Asia, has opened 95 domestic and international routes to 28 countries and regions. The China Railway Express has covered 119 cities in 40 European and Asian countries, and the annual number of train trips has exceeded 1,000 for two consecutive years. An increasing number of direct near-sea routes from Wuhan to Japan, the Republic of Korea and ASEAN are opening, and five continents have been connected through river and sea transportation systems. The advantage of convenient location and transportation strongly supports Hubei's deep integration into the domestic and international circulations, and helps it become a new pacesetter for opening up at a faster pace.

In 2024, Hubei's regional GDP reached RMB6,001.297 billion, an increase of 5.8% over the previous year at constant prices; the total retail sales of consumer goods grew by 5.1%, 1.6 percentage points higher than the national average; the import and export value historically surpassed RMB700 billion, a year-on-year increase of 9.6%, 4.6 percentage points higher than the national average; the actual use of foreign capital totaled USD1.92 billion, ranking first in central China.

■ Investment Promotion Policy

Implementation Opinions of the General Office of Hubei Provincial People's Government on Accelerating the Cultivation of New Quality Productive Forces and Promoting High-quality Development (EZBF [2024] No. 19)

Notice of the General Office of Hubei Provincial People's Government on Printing and Distributing the Work Plan for Deepening the "Five Actions" to Build a New Hub of Business Environment with Cost Control as the Core (EZBF [2024] No. 4)

Notice of the General Office of Hubei Provincial People's Government on Printing and Distributing Several Measures to Expand, Keep, and Improve Foreign Investment (EZBF [2023] No. 21)

Rules of Hubei Province on Handling Complaints of Foreign-invested Enterprises (Order No. 422 of Hubei Provincial People's Government)

Notice of the General Office of Hubei Provincial People's Government on Printing and Distributing Several Measures to Further Stabilize Foreign Trade and Foreign Investment (EZBF [2021] No. 3)

■ Key Industries

Hubei keeps advancing the growth of "51020" modern industrial clusters that are composed of 5 pillar industries

worth RMB1 trillion, 10 advantageous industries worth RMB500 billion, and 20 characteristic industries worth RMB100 billion. It is vigorously developing five advantageous industries, namely optoelectronic information, new energy and intelligent connected vehicles, life and health, high-end equipment, and Beidou satellite, as well as nine emerging characteristic industries, including computing power and big data, artificial intelligence, software and information services, quantum technology, modern textiles and clothing, energy conservation and environmental protection, intelligent home appliances, new materials, and low-carbon metallurgy. The aim is to build world-class industrial clusters.

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Hubei Provincial Task Force for Foreign Investment

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8.18 Hunan Province

■ Introduction

Hunan Province is located in the central region of China and in the middle reaches of the Yangtze River. It is named "Hunan" because most of this province is located south of Dongting Lake, and it is also known as "Xiang" because the province's largest river, the Xiang River, runs through it. Hunan has a total territorial area of 211,800 square kilometers, making it the 10th largest province in China. In 2024, the permanent population of Hunan was 65.39 million, making it the 8th most populous province

in the country. The province's regional GDP reached RMB5.3231 trillion, ranking 10th in the country. The actual use of foreign capital totaled USD1.07 billion, and the number of Fortune Global 500 companies investing in the province reached 212. The province's total import and export value was RMB563.7 billion. With more than 2,000 Hunan-based enterprises going global, Hunan has ranked first in central China for outbound investment for many years, and its economic and trade "circle of friends" covers 235 countries and regions. Currently, Hunan has platforms such as Xiangjiang New Area, Dongting Lake Ecological Economic Zone, the industrial transfer demonstration zone of south and west Hunan, the demonstration zone for comprehensive low-altitude airspace management reform, and the China (Hunan) Pilot Free Trade Zone. It has 131 provincial-level and above industrial parks, 7 customs special supervision zones, 6 cross-border e-commerce comprehensive pilot zones, and 3 national first-class ports. Events such as the China-Africa Economic and Trade Expo and the World Computing Conference are permanently hosted in Hunan.

■ Investment Promotion Policy

Several Policies and Measures to Support Stable Foreign Trade and Investment (XSF [2022] No. 31)

Several Measures of Hunan Province on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract and Utilize Foreign Investment (XZF [2023] No. 12)

Policies and Measures to Further Strengthen Investment Promotion and Attraction in Hunan Province (XZBF [2024] No. 4)

Measures for the Identification of Key Investment Attraction Projects in Hunan Province (Trial) (XSTZ [2024] No. 2)

Measures for the Identification of International Cooperation Parks in Hunan Province (Trial) (XSTZ [2024] No. 4)

■ Key Industries

Hunan Province has established a complete and strong industrial system, forming four world-class industrial clusters in engineering machinery, rail transit, independent and manageable secure multi-party computation, and small and medium-sized aircraft engines. At present, it is focusing on promoting high-quality development of "4×4" modern industrial systems, involving traditional industries of modern petrochemicals, green mining, food processing, and light industrial textiles, competitive industries of engineering machinery, rail transit, modern agriculture, and culture and tourism, emerging industries of digitization, new energy, healthcare, and aerospace and oceanography, as well as future industries of artificial intelligence, life engineering, quantum technology and cutting-edge materials.

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8.19 Guangdong Province

■ Introduction

Guangdong is located in the southernmost part of the Chinese mainland, with a total land area of

179,700 square kilometers, accounting for approximately 1.87% of the country's total land area. With a large economic aggregate, strong resilience and an active open economy, Guangdong is one of the most developed provinces in China. In 2024, the province's regional GDP reached RMB14.16 trillion, ranking first in China for 36 consecutive years; its foreign trade value was RMB9.11 trillion, a year-on-year increase of 9.8%. The value has ranked first in the country for 39 consecutive years, contributing 38.7% of the country's trade growth. Since the reform and opening up, more than 350,000 foreign-invested enterprises have been established in the province, with the actual use of foreign capital totaling nearly USD600 billion. Guangdong boasts comprehensive industrial and supply chains, robust technological innovation capabilities, and a favorable business environment. It benefits from the initiatives of building the Guangdong-Hong Kong-Macao Greater Bay Area and the Shenzhen Pilot Demonstration Area of Socialism with Chinese Characteristics, as well as major national strategies for promoting the development of Hengqin, Qianhai, Nansha, and Hetao. The province has a huge market with over 19 million business entities, more than 80 million workers, and 128 million permanent residents.

■ Investment Promotion Policy

Regulations on the Protection of Foreign Investment Rights and Interests in Guangdong Province (Announcement No. 101 of the Standing Committee of the 13th Guangdong Provincial People's Congress)

Several Measures of Guangdong Province to Further Stabilize Foreign Investment (YFB [2020] No. 15)

Measures of Guangdong Province on Encouraging Multinational Corporations to Establish Regional Headquarters (Revised) (YSWGZ [2021] No. 3)

Several Policies and Measures of Guangdong Province to Promote High-quality Development of Investment Attraction (YBH [2023] No. 45)

Several Measures to Expand, Keep, and Improve Foreign Investment by Focusing on the Manufacturing Industry (YFGKF [2023] No. 224)

Special Implementation Plan for Further Attracting and Utilizing Foreign Investment in Guangdong Province (YSWGZ [2024] No. 2)

Measures of Guangdong Province on Promoting Investment by Overseas Sovereign Wealth Funds (YBH [2025] No. 27)

■ Key Industries

Guangdong Province focuses on developing "10+10+5" industries. They include 10 strategic pillar industries, namely new-generation electronic information, green petrochemicals, intelligent home appliances, automobiles, advanced materials, modern light industrial textiles, software and information services, ultra-high-definition video display, biopharmaceuticals and health, and modern agriculture and food. In addition, the province will also prioritize the development of 10 emerging industries with strategic significance, including semiconductors and integrated circuits, high-end equipment manufacturing, intelligent robots, blockchain and quantum information, cutting-edge new materials, new energy, lasers and additive manufacturing, digital creativity, emergency response and environmental protection, and precision instruments and equipment, as well as 5 future industries of electronic information, intelligent equipment, life

health, materials, and green and low-carbon development.

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8.20 Guangxi Zhuang Autonomous Region

■ Introduction

Guangxi Zhuang Autonomous Region is located in southwest China, and adjacent to Guangdong, Hunan, Guizhou, and Yunnan Provinces. It borders the northern part of the Beibu Gulf and faces Southeast Asia. Guangxi is the only provincial-level region in China that is connected to the ASEAN countries by both land and sea, serving as an important gateway and frontier for China's opening up to the ASEAN and the world. It is also one of the most convenient seaports in the southwestern region of China. Guangxi Zhuang Autonomous Region has a total land area of 237,600 square kilometers, with a total supply of state-owned land for construction of about 19,000 hectares. As of the end of 2024, the region had a permanent population of 50.13 million. It achieved a regional GDP of RMB2,864.94 billion, representing a 4.2% increase over the previous year. Guangxi has 64 kinds

of mineral resources that rank among the top 10 in the country in terms of reserves, including manganese, antimony, tin, aluminum, tungsten, uranium, lead-zinc ore, gold, indium, titanium, bentonite, etc. It is one of the 10 key non-ferrous metal production regions in China. Guangxi has transportation hubs such as Beibu Gulf Port, China-Vietnam International Railway, and New International Land-Sea Trade Corridor. In 2024, the container throughput of Beibu Gulf Port reached 9.015 million TEUs, and the trade value between Guangxi and ASEAN accounted for more than 20% of the total trade value between China and ASEAN. The China-ASEAN Expo is permanently hosted in Nanning, the capital of Guangxi.

■ Investment Promotion Policy

Notice of the People's Government of Guangxi Zhuang Autonomous Region on Issuing Support Policies for Promoting the High-Quality Development of China (Guangxi) Pilot Free Trade Zone (GZFD [2019] No. 53)

Notice of the General Office of the People's Government of Guangxi Zhuang Autonomous Region on Strengthening the Utilization of Foreign Investment in the Region (GZBD [2019] No. 110)

Notice of the General Office of the People's Government of Guangxi Zhuang Autonomous Region on Issuing the Implementation Plan for the Construction of the One-Stop Service Platform for Foreign-invested Enterprises in Guangxi (GZBD [2020] No. 179)

Notice of the General Office of the People's Government of Guangxi Zhuang Autonomous Region on Issuing the Action Plan for Accelerating the Reform and Upgrading of Guangxi Economic and Technological Development Zone (GZBF [2021] No. 101)

Notice of the General Office of the People's Government of Guangxi Zhuang Autonomous Region on Issuing Several Measures for Enhancing Efforts to Attract Foreign Investment (GZBF [2023] No. 29)

■ Key Industries

Guangxi's key industries currently include premium calcium carbonate, forestry, high-end green home furnishings, modern commerce and logistics, electronic information, textiles and clothing, automobiles, modern agriculture, healthcare, culture, sports and tourism, biopharmaceuticals, food processing, environmental protection, machinery and equipment manufacturing, green chemicals, and advanced metallic new materials. Relying on the China-ASEAN Information Harbor, Guangxi is strengthening digital infrastructure of big data, cloud computing, and the Internet of Things, with a focus on scenarios such as cross-border e-commerce, intelligent logistics, and smart government affairs services. It aims to fully promote the integrated development of the digital economy and artificial intelligence.

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8.21 Hainan Province

■ Introduction

Hainan Province is located at the southernmost tip of China, also known as "Qiong". Its provincial capital is Haikou. The province covers a total land area of 35,400 square kilometers, including Hainan Island, Xisha, Zhongsha, and Nansha Islands. Its sea area is approximately 2 million square kilometers, with 68 ports and harbors of different sizes. Hainan Province enjoys a special geographical advantage. It is bordered by Guangdong Province to the north across the Qiongzhou Strait and faces the sea on the other three sides. It is adjacent to the Philippines, Brunei, Indonesia, and Malaysia, serving as a maritime gateway between the Indian Ocean and the Pacific Ocean. Hainan is also a regional center connecting Northeast Asia and Southeast Asia. Currently, Hainan Province is China's largest special economic zone, the largest pilot free trade zone and the only free trade port with Chinese characteristics. In 2024, the province's regional GDP grew by more than 3.5%, the value-added output of industries above the designated size increased by more than 7%, fixed-asset investment rose by more than 7%, trade in goods expanded by 20%, and trade in services increased by 23.9%. The dependence on foreign trade exceeded the national average, and the actual use

of foreign capital reached RMB20.937 billion. The province ranked among the top in China in terms of growth rates for a number of indicators.

■ Investment Promotion Policy

Master Plan for the Construction of Hainan Free Trade Port

Hainan Free Trade Port Law of the People's Republic of China

Special Administrative Measures for Foreign Investment Access to Hainan Free Trade Port (Negative List) (2020 Edition)

Special Administrative Measures for Cross-border Trade in Services for Hainan Free Trade Port (Negative List) (2021 Edition)

Measures for Administration of Multifunctional Free Trade Account Business in Hainan Free Trade Port (QYF [2024] No. 32)

Measures for Administration of Importing "Zero Tariff" Drugs and Medical Devices into the Hainan Free Trade Port (QFB [2024] No. 49)

■ Key Industries

Hainan Province has led high-standard opening up with the construction of its free trade port, empowered the construction of a modern industrial system with new quality productive forces, and accelerated the establishment of "4+3+3" modern industrial system with Hainan characteristics. It vigorously develops "4" industries, namely tourism, modern services, high and new technology, and efficient agriculture with tropical characteristics. The first "3" refers to seed breeding, deep-sea technology, and commercial aerospace. Through forward-looking layout of the three future industries, Hainan aims to build an important practice base for new quality productive forces. The second "3" refers to high-end shopping, medical care

and education. Hainan strives to attract overseas consumption return through the three fields.

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promoting the Western Development Strategy in the new era, advancing the construction of the Chengdu-Chongqing economic circle, and facilitating the construction of the New International Land-Sea Trade Corridor. Chongqing is striving to create a new situation for building an inland opening-up high ground. For more information, please refer to Foreign Investment Guidelines of Chongqing (2025 Edition).

■ Investment Promotion Policy

Three-Year Action Plan for Building a High-Quality Foreign Investment Agglomeration Area in Chongqing (2022-2024) (YFBF [2022] No. 107)

Implementation Plan for the Pilot Program of Business Environment Innovation in Chongqing (YFF [2022] No. 2)

Implementation Measures for the Hongyan Program to Attract Talent from Home and Abroad in Chongqing (YFF [2017] No. 14)

Several Measures of Chongqing for Stabilizing Foreign Investment

Several Measures of Chongqing on Further Encouraging Foreign Investors to Establish R&D Centers (YSWF [2024] No. 2)

Implementation Measures of Approving Foreign-invested R&D Centers to Enjoy Import Tax Policies for Supporting Scientific and Technological Innovation in Chongqing during the 14th Five-Year Plan Period (YSWF [2021] No. 20)

■ Key Industries

Chongqing prioritizes "33618" modern manufacturing clusters. Chongqing is focusing on the development of "3" leading industrial clusters, each valued at RMB1 trillion: intelligent connected new energy vehicles, next-generation electronic information manufacturing, and advanced materials. Additionally, the city aims to enhance and establish

8.22 Chongqing Municipality

■ Introduction

Chongqing is the only municipality directly under the central government in the central and western regions of China, and located in the southwest inland area of China and the upper reaches of the Yangtze River. Chongqing covers an area of 82,400 square kilometers and has jurisdiction over 38 districts and counties (autonomous counties). Chongqing has a permanent population of 31.905 million. With distinct characteristics, Chongqing is known as both a "mountain city" and a "river city." It is a crucial center in China, serving as a key strategic point for the country's Western Development Strategy. Located at the confluence of the Belt and Road and the Yangtze River Economic Belt, Chongqing plays a unique and essential role in China's regional development and opening up efforts. The central government has entrusted Chongqing with significant strategic missions, including

"3" pillar industrial clusters, each worth RMB500 billion: intelligent equipment and smart manufacturing, food and agricultural product processing, and software information services. The city also seeks to innovatively establish "6" characteristic and advantageous industrial clusters, each valued at 100 billion, which include new displays, high-end motorcycles, light alloy materials, light textiles, biomedicine, and new energy and new energy storage. Besides, Chongqing is nurturing and expanding "18" "new star" industrial clusters, including 12 high-growth industrial clusters: power semiconductors and integrated circuits, artificial intelligence and robotics, servers, smart home, sensors and instruments, smart manufacturing equipment, power equipment, agricultural machinery, fibers and composite materials, synthetic materials, modern traditional Chinese medicine, and medical devices; as well as 6 future industrial clusters: satellite internet, bio-manufacturing, life sciences, metaverse, cutting-edge new materials, and future energy.

Modern services: financial services, modern logistics, commerce circulation, e-commerce, conventions and exhibitions, tourism, and healthcare services.

Modern agriculture: processing of food and agricultural products.

■ Contact Information

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Chongqing Municipal Task Force for Foreign Investment

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8.23 Sichuan Province

■ Introduction

Sichuan, located in southwest China, is a province with a significant economy, a large population, abundant resources, and thriving scientific and educational sectors. It is hailed as the "Land of Abundance". In recent years, Sichuan's economy has shown steady improvement. In 2024, the province's regional GDP reached RMB6.47 trillion, ranking fifth in the country, with a growth rate of 5.7%. Sichuan is rapidly gathering momentum for development, with six competitive industries, namely electronic information, equipment manufacturing, food and light textiles, energy and chemicals, advanced materials, and medical care and healthcare, each exceeding RMB1 trillion in scale. The value-added output of competitive industries such as high-tech manufacturing and green low-carbon sector grew by 8.4% and 10.2%, respectively, while emerging sectors such as artificial intelligence, biotechnology, drones, and nuclear technology applications witnessed growth of over 20%. Sichuan has made remarkable achievements in opening up. It has attracted 385 Fortune Global 500 companies to invest in the province. Furthermore, 23 consular offices have been approved to set up in Sichuan, making Chengdu a city with the third largest number of consulates in China, after Shanghai and Guangzhou. Additionally, Sichuan has established international sister city and friendly cooperation relationships with 367 cities, ranking first in China. Rich in clean energy, Sichuan is the largest clean energy base in China, ranking first in terms of installed hydropower capacity, power generation, and output of natural gas and shale gas.

■ Investment Promotion Policy

Implementation Opinions of the People's Government of Sichuan Province on Further Improving the Utilization of Foreign Investment (CFF [2020] No. 28)

Ten Measures on Financial Support for Foreign-invested Enterprises (CJHF [2021] No. 47)

Notice on the Implementation Measures for Approving the List of Foreign-invested R&D Centers to Enjoy Import Tax Policies for Supporting Scientific and Technological Innovation during the 14th Five-Year Plan Period (CJHF [2021] No. 73)

Several Measures on Further Strengthening the Introduction of Foreign Talent in Short Supply (CKZF [2023] No. 2)

Measures of Sichuan Province for the Qualification Review and Recognition of Tax Refunds for Domestically Produced Equipment Purchases by Foreign-invested R&D Centers (CJHF [2024] No. 17)

Implementation Opinions of Sichuan Province on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract and Utilize Foreign Investment (CJHL [2024] No. 1)

Several Measures of Sichuan Province on Further Encouraging Foreign Investors to Establish R&D Centers (CKW [2024] No. 9)

■ Key Industries

Six advantageous industries: electronic information, equipment manufacturing, food and light textiles, energy and chemicals, advanced materials, medical care and healthcare (each worth RMB1 trillion).

"15+N" key industries: artificial intelligence, low-altitude economy, aerospace, new energy, silver economy, green building materials, medical care and healthcare, modern logistics, deep processing of agricultural products,

culture and tourism, platform economy, new displays, high-end energy equipment, software and information services, new energy vehicles and power batteries. "N" refers to the advantageous industrial chains encouraged and supported among cities (prefectures) in the province.

■ Contact Information

Sichuan Provincial Bureau of Economic Cooperation

Tel.: 028-66469948

Website: <http://jhj.sc.gov.cn/>

Sichuan Provincial Task Force for Foreign Investment

Hotline: +86-028-66778382/66778335

8.24 Guizhou Province

■ Introduction

Guizhou, also known as "Qian" or "Gui", is located in the hinterland of southwest China. It serves as an important hub connecting south and central China. Covering a total territorial area of 176,000 square kilometers, the province has 38.6 million permanent residents.

Guizhou has beautiful natural scenery and is home to five world natural heritage sites, including the Karst in Libo County, and the Hailongtun World Cultural Heritage. It is also home to the world's largest single-dish radio telescope, the Five-hundred-meter Aperture Spherical Telescope (FAST), and 18 national-level scenic spots, such as Huangguoshu Waterfall. Guizhou boasts a comfortable climate, with an annual average temperature of 16.9°C. The share of the days with excellent air quality accounts for over 98.3% annually, and the forest coverage rate reaches 63%. It is among the first batch of the national ecological conservation pilot zones.

Guizhou has a rich and diverse culture, with 17 ethnic minorities that have been living there for generations, including the Miao ethnic group, earning it the honor of "A Land of Countless Cultural Treasures". Known for its abundant resource reserves, Guizhou ranks among the top 10 in China for 49 different types of mineral reserves. It boasts the largest manganese and barite reserves in the country, with 839 million tons and 222 million tons, respectively. Phosphate rock reserves total 5.36 billion tons, ranking second nationally. With 7,453 kinds of medicinal plant resources, ranking 2nd in China, Guizhou is one of the four major production areas of Chinese herbal medicines in the country. The planting scale of high-quality agricultural products such as tea, peppers and rosa roxburghii tratt ranks first in China. Guizhou boasts significant transportation advantages. It was the first province in west China to achieve full coverage of expressways at the county level, with the total length exceeding 9,000 kilometers and the comprehensive density ranking among the top in China. Guizhou has 3 aviation ports, and has opened 7 international passenger and cargo air routes, with civil aviation airports covering all cities (prefectures) in the province.

■ Investment Promotion Policy

Measures for Administration of Special Funds for Big Data Development in Guizhou Province (Revised in 2024) (QCG [2023] No. 203)

Measures for Administration of Special Funds for the Development of Small and Medium Enterprises in Guizhou Province (QCG [2023] No. 206)

Several Policies and Measures on Provincial Financial Support for the Construction of Six Major Industrial Bases (QCG [2024] No. 28)

Several Policies and Measures of Guizhou Province for Serving the Construction of Six Major Industrial Bases and Accelerating the Development of Producer Services (QFBF [2024] No. 20)

■ Key Industries

Guizhou's economy is thriving, with a regional GDP of RMB2.27 trillion in 2024.

It is accelerating the establishment of a distinctive modern industrial system by consolidating and enhancing its advantageous industries, such as modern energy, deep processing of mineral resources, new energy vehicles and battery materials, and liquor, while also expanding its characteristic light industries, including textiles and clothing, food processing, and medical care and healthcare.

Guizhou is speeding up the establishment of a modern agricultural system that links the secondary and tertiary industries by vigorously developing characteristic and advantageous industries like tea and peppers, and rapidly cultivating diverse forms of business such as leisure agriculture and rural services.

The province is accelerating the development of a modern tourism system that integrates multiple forms of business by leveraging its natural and cultural treasures, focusing on three key elements of resources, visitors, and services, and continuously enhancing the supporting role of world-class tourist attractions and top-tier tourist cities.

Guizhou is establishing a high-quality, efficient modern service system at a faster pace. This includes improving the capacity of producer services, such as R&D and design, modern logistics, and modern finance, to support six major industrial bases, and actively improving and diversifying living services, like elderly care and childcare.

Guizhou is speeding up the establishment of an innovation-driven emerging and future industrial system by developing high-end equipment manufacturing with an emphasis on aviation and aerospace, promoting the development of new energy battery materials, power batteries, and new energy vehicles across the entire industrial chain, thoroughly implementing the east-to-west computing resource transfer project, and actively developing future industries such as humanoid robots, generative artificial intelligence, biomanufacturing, and Beidou navigation services.

Additionally, Guizhou is accelerating the establishment of a systematic and complete modern infrastructure system, with a focus on the construction of traditional infrastructure in transportation, water conservancy and energy, as well as new infrastructure such as data centers and 5G projects.

For more information, please refer to the Foreign Investment Guidelines of Guizhou Province and the Catalogue of Foreign Investment Projects of Guizhou Province, both available for download on the official website of the Guizhou Provincial Department of Commerce.

■ Contact Information

Guizhou Provincial Department of Commerce

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E-mail: 24790768@qq.com

Website: <https://swt.guizhou.gov.cn/>

Guizhou Investment Promotion Bureau

Tel.: +86-851-86892879

Website: <https://invest.guizhou.gov.cn/>

Guizhou Provincial Task Force for Foreign Investment

Hotline: +86-851-88592920

8.25 Yunnan Province

■ Introduction

"There is an opportunity called Yunnan". The province is like a shining gem of global biodiversity, a green catalyst for transforming lucid waters and lush mountains into invaluable assets, and a stage where opening up in border areas and upgrading of industries intertwine.

Yunnan's opportunities are rooted in the natural endowment of "four seasons on one mountain". Flowers and tea cultivated under the system of plateau characteristic agriculture are sold worldwide, 89 provincial parks feature the deep integration of green energy and advanced manufacturing, and the governance practices of Dianchi Lake and Erhai Lake exemplify the dialectical law of ecological protection and economic development. With the integration and common prosperity of ethnic cultures, festival brands, such as the March Street Festival of the Bai ethnic group and the Water-Splashing Festival of the Dai ethnic group, complement with the intangible cultural heritage Poya Songbook; the practice of creating a keen sense of identity of the Chinese nation has made respective and shared prosperity a defining feature of development. Yunnan thrives due to the significant strategy of opening up in border areas. As the southwest gateway of the Belt and Road Initiative, the province leverages border industrial parks to transform its geographic advantages into cross-border industrial chains, entering the international market by virtue of its advantages in green electricity.

Leveraging the strategic opportunity of peak carbon emissions and carbon

neutrality, Yunnan, with annual visits of one billion, is adjusting its development logic through the ecological product value realization mechanism. It invites entrepreneurs to jointly create the "There is a kind of life called Yunnan" and the "There is an opportunity called Yunnan" brands.

■ Investment Promotion Policy

List of Yunnan Province for "Positive, Negative and Advocated" Government-Business Exchanges (Trial)

Policies and Measures of the People's Government of Yunnan Province on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (YZF [2023] No. 25)

Several Measures of Yunnan Province on Encouraging the Establishment and Development of Foreign-invested R&D Centers (YSWZ [2023] No. 3)

■ Key Industries

11 key industries for 2025: green aluminum; PV; digital economy; biomedicine; new materials; green energy; modern agriculture with plateau characteristics; advanced manufacturing; modern logistics; export-oriented industries; culture, tourism and healthcare.

■ Contact Information

Department of Commerce of Yunnan Province

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E-mail: yunnanfdi@126.com

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(Department of Commerce of Yunnan Province)

Investment Promotion Bureau of Yunnan Province

Tel.: +86-871-67195589

E-mail: ynstzcjj@yn.gov.cn

Website: <https://invest.yn.gov.cn/>

Yunnan Provincial Task Force for Foreign Investment

Hotline: +86-871-63166890/63136997

8.26 Xizang Autonomous Region

■ Introduction

The Xizang Autonomous Region is situated on the southwestern border of China and in the southwestern part of the Qinghai-Xizang Plateau, known as the "Roof of the World," the world's largest and highest plateau. The Xizang Autonomous Region covers an area of 1.23 million square kilometers, accounting for about one-eighth of China's total area, with a maximum width of 1,000 kilometer from north to south and a length of up to 2,000 kilometers from east to west. It is bordered by Xinjiang to the north, Qinghai to the northeast, Sichuan to the east and the west, and Yunnan to the southeast, and shares borders with countries such as Myanmar, India, Bhutan, and Nepal to the south and the west. With a border that stretches nearly 4,000 kilometers, the Xizang Autonomous Region plays a crucial role as a gateway in China's southwestern region. The Xizang Autonomous Region, with Lhasa as the capital, has 6 prefecture-level cities, 1 prefecture, and 74 counties, districts and county-level cities. In 2024, the regional GDP grew by 6.3%, total fixed-asset investment increased by 19.6%, total retail sales of consumer goods rose by 7.2%, value-added output of industries above designated size expanded by 18.3%, and total import and export value of trade in goods increased by 15.4%. The growth rates of its main economic indicators continued to rank among the top in China.

The Xizang Autonomous Region has abundant resources in hydro, wind, solar, and geothermal energy, as well as land and grassland resources, cultural heritage, and tourism resources. It enjoys distinct

geographical advantages and a unique resource endowment. Xizang plans to build itself into a national strategic resource reserve base, a high-altitude characteristic agricultural product base, a world-renowned tourist destination, a clean energy base, and an important gateway open to South Asia. For more information, please refer to the Guidelines to Foreign Investment in the Xizang Autonomous Region.

■ Investment Promotion Policy

Catalogue of Industries for Encouraging Foreign Investment (2022 Edition)—Xizang Autonomous Region (Order No. 52 of the National Development and Reform Commission and the Ministry of Commerce in 2022)

■ Key Industries

Based on the overall layout of urban, ecological, and agricultural space and taking into account the advantages of resources, location, and industrial development foundations, the Xizang Autonomous Region, aligned with positioning goals for different regions' development, gives full play to their comparative advantages, and prompts the development of characteristic industries tailored to local conditions. Nine major industries, including clean energy, culture and tourism, agriculture and animal husbandry with plateau characteristics, green industry, modern services, high-tech digital economy, border trade and logistics, Xizang medicine, and general aviation, are promoted as important engines for economic growth and a driving force for transformation and development.

■ Contact Information

Department of Commerce of Xizang Autonomous Region (The Task Force for Foreign Investment of the Xizang Autonomous Region)

Tel.: +86-891-6832136

Website: <https://swt.xizang.gov.cn>

Promotion Bureau of Xizang Autonomous Region

Tel.: +86-891-6333034/6336775/6321528

Website: <https://drc.xizang.gov.cn>

8.27 Shaanxi Province

■ Introduction

Shaanxi is located in the inland region of China and is an important birthplace of the Chinese nation and Chinese culture. It has a land area of 205,600 square kilometers and a permanent population of 39.53 million. Shaanxi boasts notable geographical advantages, as it is situated at the center of China and serves as a hub connecting the east and the west, as well as the north and the south. The province has 22 national-level expressways that run through it, with a total length of 6,900 kilometers. Xi'an Xianyang International Airport ranks among the top 100 in the world. It offers 108 international routes to 86 cities in 43 countries and regions, and has become the first to cover the seven major cities of the five Central Asian countries. Additionally, two-hour flights cover 70% of Chinese cities. With rich natural resources, Shaanxi is an important energy and chemical base in China. It has abundant reserves of coal, petroleum and natural gas, and its mineral resources account for about one-third of the country's total. Shaanxi is an important industrial base for equipment manufacturing, energy and chemicals, high and new technology, and national defense science and technology in China. Industries such as new materials, new energy vehicles, integrated circuits and

semiconductors are developing rapidly in the province. Shaanxi makes full use of its advantages in scientific and educational talent to build Qinchuangyuan, an innovation-driven platform, create a scientific and technological innovation system and ecosystem from R&D and incubation to industrialization, and promote the deep integration of innovation, industrial, capital and talent chains. Shaanxi is home to the China (Shaanxi) Pilot Free Trade Zone and the Xi'an Chanba International Port. It has 75 development zones (including 7 national high-tech industrial development zones, 5 national economic and technological development zones, and 52 provincial development zones), 7 comprehensive bonded zones, and 3 national cross-border e-commerce comprehensive pilot zones, among other diverse open platforms.

■ Investment Promotion Policy

Notice of the General Office of the People's Government of Shaanxi Province on Printing and Distributing Several Measures for Expanding the Utilization of Foreign Investment and Cultivating and Introducing Export-oriented Industries by Focusing on Manufacturing Industry (SZBF [2023] No. 20)

Implementation Opinions of Shaanxi Provincial Department of Commerce and Shaanxi Provincial Science and Technology Department on Encouraging Foreign Investors to Establish R&D Centers (SSF [2023] No. 9)

■ Key Industries

Shaanxi is making every effort to build four industrial clusters worth RMB1 trillion, namely advanced manufacturing, modern energy, culture and tourism, and strategic emerging industries. It is accelerating the construction of a modern industrial system, with a particular emphasis on cultivating industries such as automobile

manufacturing, electronic information, CNC machine tools, aerospace, titanium and titanium alloys, energy and chemicals, biomedicine, power transmission and transformation equipment, solar PV, modern logistics, modern agriculture, and culture and tourism.

■ Contact Information

International Investment Promotion Office of Shaanxi Provincial Department of Commerce

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Website: <http://sxdoftcom.shaanxi.gov.cn>

Shaanxi Provincial Task Force for Foreign Investment

Hotline: +86-29-63913935

8.28 Gansu Province

■ Introduction

Gansu Province is situated in the northwest region of China, in the upper reaches of the Yellow River, and at the intersection of the Loess Plateau, Inner Mongolian Plateau, and the Qinghai-Xizang Plateau. The province covers a vast land area of 425,900 square kilometers, and has a permanent population of 24.9 million. It has beautiful natural landscapes integrating mountains, plateaus, plains, valleys, deserts, and the Gobi Desert.

The province is situated at a vital location along the ancient Silk Road, boasting abundant resources and distinctive features. Gansu Province has a distinct location advantage that makes it a vital gateway for China's western opening up and a strategic hub for building the

"dual circulation" new development pattern. In addition, an open pattern of coordinated development between land and sea, with a focus on expanding towards the west and multi-directional advancement, is taking shape. It owns numerous open platforms, including 1 national-level new area, 6 national-level development zones, 1 comprehensive bonded zone, 3 national-level land ports, and 2 cross-border e-commerce comprehensive pilot zones. Gansu Province has a wealth of concentrated resources, ranking first in 12 mineral reserves, including nickel and cobalt. The province ranks among the top in China for its reserves of coal, oil, natural gas and gold, and ranks fourth for wind power installed capacity and fifth for PV power installed capacity. The province boasts abundant human resources, with 49 higher education institutions and 14 graduate schools, serving 730,000 enrolled students. There is a workforce of over 8 million available for employment transfer, and the labor costs are 10%-15% lower than those in central and east China.

■ Investment Promotion Policy

Opinions of the General Office of the CPC Gansu Provincial Committee and the General Office of the People's Government of Gansu Province on Further Strengthening Investment Promotion under the New Situation (GBF [2024] No. 6)

Measures of Gansu Province for Steadily Advancing High-standard Opening up and Enhancing Efforts to Attract and Utilize Foreign Investment (GFGWZ [2024] No. 329)

Several Measures on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (GSWWZF [2023] No. 317)

Opinions on the Implementation of Measures to Spur Foreign Investment

Quality and Quantity (GSWWZF [2023] No. 158)

Notice on Implementing Several Measures to Further Encourage Foreign Investment in the Establishment of R&D Centers by the Ministry of Commerce and the Ministry of Science and Technology (GSWWZF [2023] No. 72)

Notice on Several Measures to Support China National Economic and Technological Development Zones in Innovation and Enhancing their Demonstrative Role (GSWWZF [2023] No. 53)

■ Key Industries

Gansu Province, the cradle of China's petrochemical industry, has a number of large industrial enterprises such as Lanzhou Petrochemical Company, Jinchuan Metallurgy, Baiyin Nonferrous Group, JISCO, Petrochina Changqing Oilfield Company, and HT-Tech in Tianshui. It has formed a relatively complete industrial system mainly focused on petrochemicals, non-ferrous metallurgy, coal, electricity, machinery manufacturing, and electronics and electrical appliances. Emerging industries such as new energy equipment manufacturing, new materials, advanced manufacturing, biomedicine, and digital economy are thriving rapidly.

■ Contact Information

Department of Commerce of Gansu Province

Tel.: +86-931-8619767

Website: <http://swt.gansu.gov.cn/>

E-mail: gsswwz@163.com

Economic Cooperation Center of Gansu Province

Tel.: +86-931-8846623

Website: <http://swt.gansu.gov.cn/swt/c116786/invest.shtml>

Gansu Provincial Task Force for Foreign Investment

Hotline: +86-931-8619767/8731167

8.29 Qinghai Province

■ Introduction

Qinghai Province, or "Qing" for short, covers an area of 720,000 square kilometers. The provincial capital is Xining City. The average elevation of the whole province is over 3,000 meters, and the climate is cold, dry and clean. Qinghai is home to the Sanjiangyuan area, known as China's "water tower," where the rivers of Yangtze, Yellow, and Lancang originate. Qinghai borders Xinjiang, Xizang, Gansu and Sichuan, and links the east with the west, and the south with the north. It is a strategic support and important fulcrum of the Belt and Road Initiative. There are 134 proven minerals, of which 60 rank among the top 10, 27 rank among the top 3 and 11 rank first in China. Qinghai's reserves of hydropower resources account for about 3% of China's total, ranking fifth in the country; solar energy resources account for about 11% of the country's total, ranking second domestically. The cost of PV power generation in Qinghai is the lowest in the country. Qinghai is located in a Category IV wind energy resource area in China, with its reserves of wind energy resources accounting for about 9.4% of the country's total. The abundant reserves of geothermal energy, natural gas and shale gas, as well as significant advantages in salt lake lithium resources and salt resources provide superior support for the development of electrochemical energy storage and solar thermal power generation. The vast desertification land with an area of more than 100,000 square kilometers has created good basic

conditions for building a national highland for clean energy industries.

■ Investment Promotion Policy

2025 Work Plan of Qinghai Province on Investment Promotion (SGZB [2025] No. 2)

2025 Work Plan of Qinghai Province on Investment Promotion for Green Computing Power (QZBH [2025] No. 13)

Work Plan of Qinghai Province on Implementing "Six Actions" for Investment Promotion (2022-2025) (QZB [2022] No. 86)

Work Plan of Qinghai Province on Implementing "Six Major Projects" for High-quality Development of Industrial Economy (2022-2025) (QZ [2022] No. 54)

Notice of the People's Government of Qinghai Province on Issuing 20 Measures to Further Improve the Utilization of Foreign Investment (QZ [2020] No. 37)

■ Key Industries

(I) Comprehensive utilization of salt lake resources. Qinghai is focusing on enhancing the quality and quantity of its potassium and lithium industries and developing the magnesium industry according to reality to attract investment. It strives to continually strengthen the industrial chains of potassium, lithium and magnesium, and enhance the comprehensive utilization of salt lake resources, with the goal of building a world-leading modern salt lake chemical industry system.

(II) New energy. Qinghai is implementing the "clean energy +" initiative, with a focus on attracting investment in industries such as PV, wind power, hydrogen energy, and energy-storage batteries, to support the development of a national highland for clean energy industries.

(III) Culture and tourism. Focusing on

the construction of healthcare towns and characteristic towns, Qinghai is building characteristic scenic areas, developing a low-altitude economy, and supporting tourism in its southern region. It strives to create an eco-tourism development pattern of "one core, one ring, and multiple belts", where the core attracts investment to foster the characteristic, brand, and differentiated development of eco-tourism.

(IV) Green and organic agriculture and animal husbandry. According to local conditions, Qinghai is attracting investment mainly for ten characteristic industries, including yaks, Xizang sheep, highland barley, bok choy, potatoes, cool-weather vegetables, wolfberries, cold-water fish, forage grass, and seeds. It aims to establish a modern agricultural and animal husbandry industry system, and create a base for exporting green and organic agricultural and livestock products.

(V) Green computing power. By virtue of its unique advantages in climate, energy and policies, Qinghai is focusing on investment promotion for the east-to-west computing resource transfer, the storage of eastern data in the west, and the large model training in the west for the east. It is also working to advance the transformation of green electricity into green computing power.

(VI) Advanced manufacturing. Based on the industrial foundation and comparative advantages, Qinghai specializes in the new materials industry, improves the development of the non-ferrous metallurgical industry, and promotes cluster-based development of the manufacturing industry. It is accelerating the introduction of producer services such as testing, certification, and

modern logistics, and facilitating their deep integration with manufacturing.

■ Contact Information

Department of Commerce of Qinghai Province

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Qinghai Provincial Task Force for Foreign Investment

Hotline: +86-971-6321731//6133507

8.30 Ningxia Hui Autonomous Region

■ Introduction

Ningxia, a treasure in west China, is located in the upper reaches of the Yellow River, with an area of 66,400 square kilometers and a population of 7.29 million as of the end of 2024. It consists of five prefecture-level cities and 22 counties (county-level cities and districts), and has one national energy and chemical base—Ningdong Energy Chemical Industry Base. Ningxia is the only provincial-level autonomous region of Hui ethnic group. It boasts unique and beautiful environment, rich and diverse resources, convenient and developed transportation infrastructure, abundant energy reserves, and large industrial clusters. It is working to build a pilot area for ecological protection and high-quality development in the Yellow River basin, which will offer a favorable environment for investment and entrepreneurship. (Please refer to Foreign Investment Guidelines of Ningxia (2025 Edition) for details).

■ Investment Promotion Policy

Opinions of the People's Government of Ningxia Hui Autonomous Region on

Promoting the Development of an Open Economy in the Region (NZF [2021] No. 26)

Several Measures Printed and Distributed by the People's Government of Ningxia Hui Autonomous Region on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (NZF [2023] No. 33)

Notice of the People's Government of Ningxia Hui Autonomous Region on Issuing Several Provisions of the Policies of Ningxia Hui Autonomous Region on Investment Promotion (Under revision)

2025 Measures of Ningxia Hui Autonomous Region for Stabilizing Foreign Investment (To be jointly issued with the Ningxia Hui Autonomous Region Development and Reform Commission upon completion)

For other policies, please refer to Foreign Investment Guidelines of Ningxia (2025 Edition)

■ Key Industries

Ningxia is promoting the coordinated development of the "six new, six characteristic, six excellent + N" industries (six new: new materials, clean energy, equipment manufacturing, digital information, modern chemicals and light textiles; six characteristic: wine, wolfberries, milk, beef cattle, Tan sheep and cool-weather vegetables; six excellent: culture and tourism, modern logistics, modern finance, healthcare and elderly care, e-commerce, and conferences and exhibitions; N: emerging and future sectors such as artificial intelligence, advanced computing power, and new energy storage). It prioritizes the development of industrial clusters for modern coal chemicals, new materials, clean energy, digital information, characteristic agriculture and animal husbandry, culture and tourism, etc.

■ Contact Information Department of Commerce of Ningxia Hui Autonomous Region

Tel.: +86-951-5960745/5960746

Website: <http://dofcom.nx.gov.cn>

8.31 Xinjiang Uygur Autonomous Region

■ Introduction

Xinjiang is vast, bordering eight countries and linking China's interior in the east to Central Asia and Europe in the west, while also connecting to India and Pakistan in the south, enjoying unique geographical advantages. There are currently 19 open ports, 56 national key open platforms and industrial development platforms in 14 categories, such as the China (Xinjiang) Pilot Free Trade Zone. Xinjiang has established economic and trade relations with 213 countries (regions). It has established 8 regular cooperation mechanisms with neighboring countries and regions. The China-Eurasia Expo has been successfully held for 8 sessions, providing an effective platform for enterprises to explore markets and engage in bilateral investment in surrounding countries. In the overall layout of China's western opening up, Xinjiang is the core area of the Silk Road Economic Belt. It is building the Asia-Europe Golden Passage and a gateway for western opening up, thus providing strong support for various enterprises to utilize both the domestic and international markets and resources for investment and trade activities.

■ Investment Promotion Policy

Several Measures of Xinjiang Uygur Autonomous Region on Further Improving

the Foreign Investment Environment and Enhancing Efforts to Attract Foreign Investment (XZBF [2024] No. 9)

Notice on Issuing the Measures for Promoting Foreign Investment in China (Xinjiang) Pilot Free Trade Zone (Trial) (XSG [2024] No. 2)

■ Key Industries

Rich in energy resources, Xinjiang is an important strategic guarantee base for energy resources in the country. It has extensive mineral resources with significant reserves, primarily including crude oil and natural gas (with substantial proven reserves), as well as coal (with large estimated reserves). Additionally, there is ample land available for agriculture, forestry, and animal husbandry. Xinjiang continuously ranks first in the country for oil and gas equivalent; it leads the world in industrial silicon and polysilicon production; with the total wind energy resource reserves of 890 million kilowatts, it ranks second in the nation; the average annual solar radiation totals 5,800 megajoules per square meter, placing solar energy resources second nationally; it ranks first in the country for both the area of newly planted grain and the average yield per mu (0.067 hectares); its cotton area, yield per unit area, total yield and commodity volume have ranked first in China; its tomato processing capacity and production rank third in the world, while the export volume ranks first globally; it also leads the nation in the area and production of red dates, apricots, grapes, and almonds; Xinjiang also boasts 18 national 5A-level scenic spots, the highest number in northwest China. Relying on its unique geographical location, resource endowments, and industrial foundation, Xinjiang fully leverages the synergy between domestic and international

markets and resources. It actively welcomes industries relocated from central and east China, forming complementary advantages with the characteristic industries of neighboring countries. Xinjiang is working to establish robust industrial and supply chains that link the east with the west. It is also developing ten industrial clusters: oil and gas production and processing; clean and efficient coal utilization; new power systems; green mining and processing; strategic emerging industries such as advanced manufacturing and new materials; grain, oil and food processing; cotton, textiles and clothing; green livestock products and quality fruits and vegetables; culture and tourism; modern logistics. These sectors feature vast development space and significant investment potential.

■ Contact Information

Department of Commerce of Xinjiang Uygur Autonomous Region

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The Task Force for Foreign Investment of Xinjiang Uygur Autonomous Region

Hotline: +86-991-2850407

8.32 Xinjiang Production and Construction Corps

■ Introduction

The Xinjiang Production and Construction Corps was established in October 1954 and is an important component of the Xinjiang Uygur Autonomous Region. It is a strategic force for national stability and border defense, and operates under a unique management system that combines the functions of

the Party, government, military, and enterprises. It has the authority to manage its own internal administrative and judicial affairs within its jurisdiction. It is a special social organization that is subject to separate planning by the State. The division cities of the Xinjiang Production and Construction Corps are like blocks or dots embedded in various prefectures in Xinjiang. The Corps is actively integrating into the construction of the core area of the Silk Road Economic Belt. It has established economic and trade relations and conducted exchanges with more than 100 countries and regions. It has 6 national-level development zones and 19 provincial-level development zones. In November 2023, the China (Xinjiang) Pilot Free Trade Zone was established, with the area under the jurisdiction of Xinjiang Production and Construction Corps reaching 36.56 square kilometers. At present, there are nearly 8,400 business entities in the Corps, focusing on the development of industries such as textiles and clothing, high-end equipment manufacturing, electronic product assembly, new energy and new materials, and imported product processing.

■ Investment Promotion Policy

Several Measures for Further Improving the Utilization of Foreign Investment (XBF [2020] No. 11)

Several Policies and Measures to Support Stable Foreign Trade and Investment (XBBF [2020] No. 40)

Several Measures for Promoting the Stable and High-quality Development of Foreign Trade and Investment in Xinjiang Production and Construction Corps (XBBF [2022] No. 49)

Measures of Xinjiang Production and Construction Corps to Further Support the Industrial Development of the Southern

Xinjiang Division City (XBBF [2022] No. 69)

Measures of Xinjiang Production and Construction Corps on Further Improving the Foreign Investment Environment and Enhancing Efforts to Attract and Utilize Foreign Investment (XBBF [2024] No. 1)

Measures for Promoting Foreign Investment in China (Xinjiang) Pilot Free Trade Zone (Trial) (XSG [2024] No. 2)

■ Key Industries

Green chemicals, cotton, textiles and clothing, new energy, new materials, equipment manufacturing, characteristic services, and agricultural product production and deep processing.

■ Contact Information

Commerce Bureau of Xinjiang Production and Construction Corps

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Website: <http://swj.xjbt.gov.cn/>

The Task Force for Foreign Investment of Xinjiang Production and Construction Corps

Hotline: +86-991-2896453

Appendix 1:

Directory of Institutions that Handle the Complaints of Foreign-invested Enterprises

National Center for Complaints of Foreign-invested Enterprises

Address: 3F, Building 1, 28 Andingmen Outer East Back Alley, Dongcheng District, Beijing
Postal Code: 100731
Tel.: +86-10-64404523
Fax: +86-10-64515304
E-mail: fiecomplaint@cipainvest.org.cn

Beijing Municipal Commerce Bureau

Address: Room 320, Building 5, Courtyard 57, Yunhe East Street, Tongzhou District, Beijing
Postal Code: 100743
Complaint Hotline: +86-10-55579291
Fax: +86-10-55579284
E-mail: wlf@sw.beijing.gov.cn

Beijing Investment Promotion Service Center

Address: 8F, Beijing Municipal Government Service Center, 1 West Third Ring Road South, Fengtai District, Beijing
Postal Code: 100161
Complaint Hotline: +86-10-89153748
Fax: +86-10-89153791
Website: <http://invest.beijing.gov.cn/>
E-mail: cbfie@invest.beijing.gov.cn

Tianjin Commission of Commerce

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E-mail: sswjwsts@tj.gov.cn

Office for Handling Complaints of Foreign Investors of Hebei Province

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Department of Commerce of Shanxi Province

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Expo Center of Inner Mongolia Autonomous Region

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Fax: +86-471-6618131
E-mail: nmgwstczx@163.com

Center for Government Service Hotline 12345 in Liaoning Province (Complaint Hotline: 024-12345)

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Dalian Big Data Center

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E-mail: 372630373@qq.com

Jilin Investment Promotion Center

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Fax: +86-431-82856103
E-mail: jlswzts@126.com

Bureau for Business Environment Construction and Supervision of Heilongjiang Province

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Tel.: +86-451-51522617
Fax: +86-451-51522111
E-mail: ysjtssl@163.com

Shanghai Municipal Commission of Commerce

Address: Building 7, 300 Shibocun Road, Pudong New Area, Shanghai
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Tel.: +86-21-23110727
Fax: +86-21-62756040
E-mail: congy@sww.gov.cn

Shanghai Foreign-invested Enterprises Complaints Coordination Center

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Tel.: +86-21-62751473
Fax: +86-21-62751423
E-mail: investmentprotection_sh@shfia.cn

Department of Commerce of Jiangsu Province

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Fax: +86-25-57710266
E-mail: fiecomplaint@doc.js.gov.cn

Department of Commerce of Zhejiang Province

Address: 468 Yan'an Road, Hangzhou, Zhejiang Province
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Fax: +86-571-87056009
E-mail: 393333729@qq.com

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Fax: +86-571-28065055
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Fax: +86-574-89387154
E-mail: wzqytsxtzx@ningbochina.com

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Fax: +86-591-87270197
E-mail: wzc@swt.fujian.gov.cn

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Department of Commerce of Jiangxi Province

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Appeal Center For Foreign and Taiwan Investors of People's Government of Henan Province

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Fax: +86-27-85776127

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Department of Commerce of Guangxi Zhuang Autonomous Region

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Fax: +86-851-88555703

E-mail: gzwztszx@163.com

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Fax: +86-891-6862170
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Commerce Bureau of Xinjiang Production and Construction Corps

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Appendix 2:

Compilation of Major Laws and Policies Related to Foreign Investment in China

The Implementation of the *Foreign Investment Law* and a series of supporting regulations have ushered China into a new era of foreign investment management. To better serve foreign investors and foreign-invested enterprises and further facilitate their investment, the Department of Foreign Investment Administration and the Investment Promotion Agency of the Ministry of Commerce have sorted key laws, regulations, and normative documents that provide significant guidance on foreign investment. They together form the Compilation of Major Laws and Policies Related to Foreign Investment in China, which is compiled and updated annually.

The *Compilation of Major Laws and Policies Related to Foreign Investment in China* and its annual supplements are released on the platform Invest in China for your reference. WEBSITE:

<https://fdi.mofcom.gov.cn/come-waishangtouzi-laws.html>

Appendix 3:

Relevant Guidelines for Business Operations Issued by Various Departments

■ National Development and Reform Commission

Guidelines for Application of Investment Approval Services (for Domestic Projects)

Website: <https://new.tzxm.gov.cn/bsdt/sbzy/>

■ Ministry of Science and Technology

Ministry of Science and Technology Government Affairs Service Platform

Website: <https://fuwu.most.gov.cn/html/bszx/xzxkl/>

■ Ministry of Justice

Government Service Guides

Website: <https://www.moj.gov.cn/pub/sfbgw/zwfw/zwfwbbszn/bsznlsfw/>

■ Ministry of Finance

Service Guides

Website: <http://www.mof.gov.cn/zaixianfuwu/banshizhinan/>

■ Ministry of Human Resources and Social Security

Comprehensive Service Platform for Foreign Talents

Website: <https://www.chinajob.com/>

National Human Resources and Social Security Government Affairs Service Platform

Website: <http://www.12333.gov.cn/>

■ Ministry of Natural Resources

Guidelines for Approval Services of Surveying and Mapping Activities by Foreign Organizations or Individuals in the Territory and Other Sea Areas under the Jurisdiction of the People's Republic of China

Website: https://www.mnr.gov.cn/bsznxxk/fwzn/202302/t20230214_2775858.html

■ Ministry of Commerce

Foreign Investment Information Report (Annual Report)

Website: <https://lhnb.mofcom.gov.cn/>

Foreign Investment Comprehensive Management

Website: <https://wzzxbs.mofcom.gov.cn/>

Invest in China

Website: <https://fdi.mofcom.gov.cn/>

■ **People's Bank of China**

Administrative Approval Guidelines

Website: <http://www.pbc.gov.cn/zhengwugongkai/4081330/4081344/4081407/4081699/index.html>

■ **National Financial Regulatory Administration**

Administrative Licensing Service Guidelines

Website: <https://www.nfra.gov.cn/cn/view/pages/zaixianfuwu/zaixianfuwu.html>

■ **China Securities Regulatory Commission**

Online Administrative Licensing Services

Website: <https://neris.csirc.gov.cn/alappl/home/guideH>

■ **China National Intellectual Property Administration**

National Intellectual Property Public Service Platform

Website: <https://ggfw.cnipa.gov.cn/home>

■ **National Immigration Administration**

Service Guidelines

Website: <https://s.nia.gov.cn/mps/bszy/>

■ **State Administration of Foreign Exchange**

Online Services

Website: <https://www.safe.gov.cn/safe/z cwd/index.html>

Acknowledgements

In the process of compiling the Foreign Investment Guide of the People's Republic of China (2025 Edition), we received relevant materials and valuable comments from the following national agencies: National Development and Reform Commission, Ministry of Education, Ministry of Science and Technology, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of Justice, Ministry of Finance, Ministry of Human Resources and Social Security, Ministry of Natural Resources, Ministry of Housing and Urban-Rural Development, Ministry of Transport, Ministry of Culture and Tourism, National Health Commission, the People's Bank of China, General Administration of Customs, State Taxation Administration, State Administration for Market Regulation, National Financial Regulatory Administration, China Securities Regulatory Commission, China National Intellectual Property Administration, Cyberspace Administration of China, National Immigration Administration, National Railway Administration, Civil Aviation Administration of China, State Administration of Foreign Exchange, etc.

Some contributors come from the Ministry of Commerce, including the Department of Treaty and Law, Department of Market Operation and Consumption Promotion, Department of Pilot Free Trade Zone and Free Trade Port, Department of International Trade and Economic Affairs, Department of WTO Affairs, etc.

Relevant materials were provided by commercial departments of all provinces (autonomous regions and municipalities).

We would like to express our gratitude to all of the above-mentioned contributors!

Department of Foreign Investment Administration and Investment Promotion Agency
Ministry of Commerce
October 2025

FOREIGN INVESTMENT GUIDE OF THE PEOPLE'S REPUBLIC OF CHINA

MINISTRY OF COMMERCE OF THE
PEOPLE'S REPUBLIC OF CHINA



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