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## **Yihang Yang**

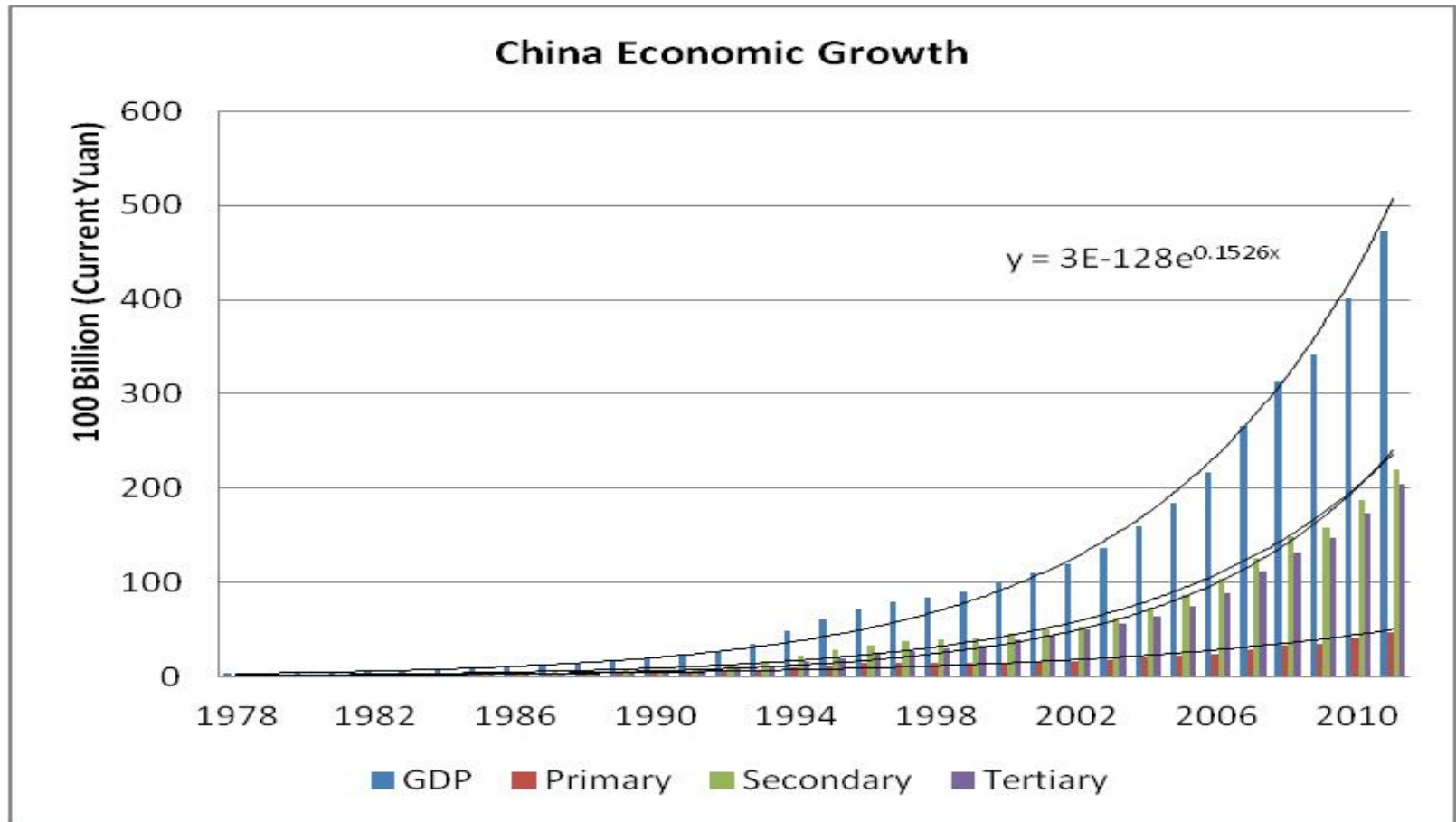
Economic and Commercial Counselor  
Consulate General of P.R.C. in San Francisco

April 11, 2017

# Main topics

- How is China's economic performance?
- Does China still welcome foreign investment?
- What can we do for MNCs?

# How is China's Economic Performance?



# How is China's Economic Performance?

The high speed of the GDP growth also causes many problems:

- Shortage of natural resources
- Air pollution
- A lack of human resources

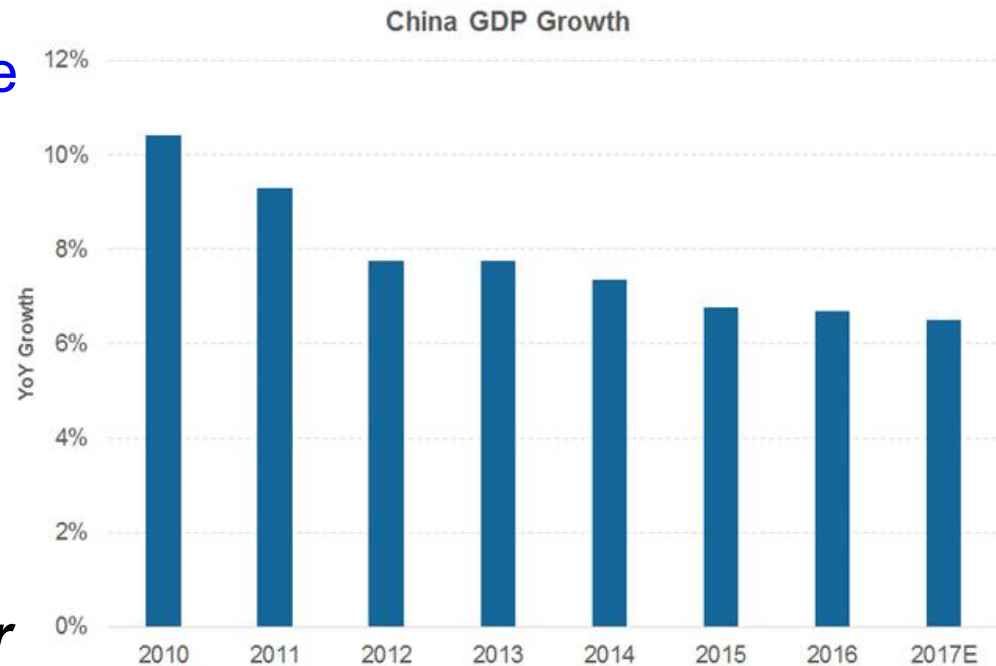
# How is China's Economic Performance?

**Chinese economic growth needs a new model.** This is the so-called **“New-Normal”**

**--- mid- to high-speed growth**

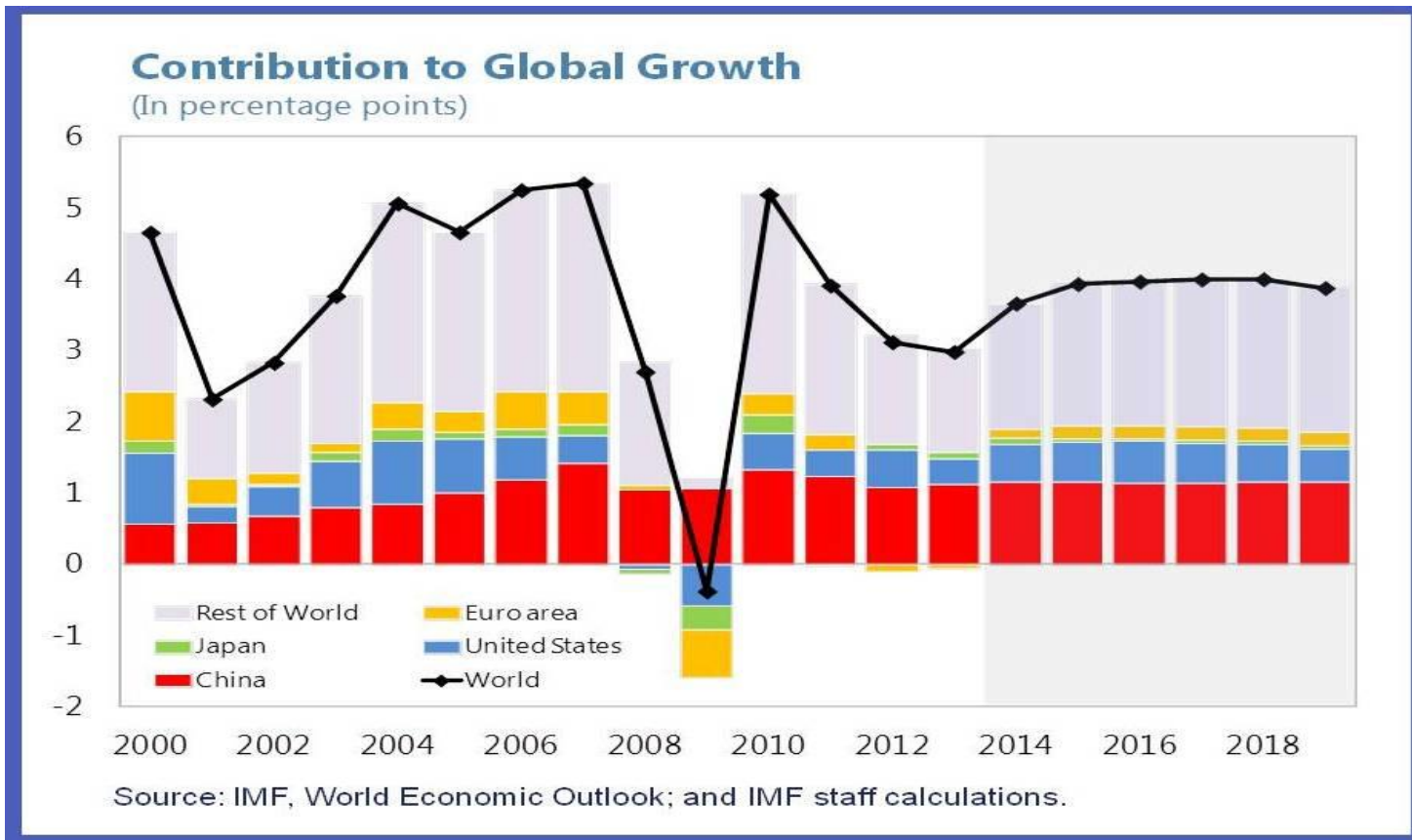
**---more sustainable**

**--- higher efficiency and lower costs.**



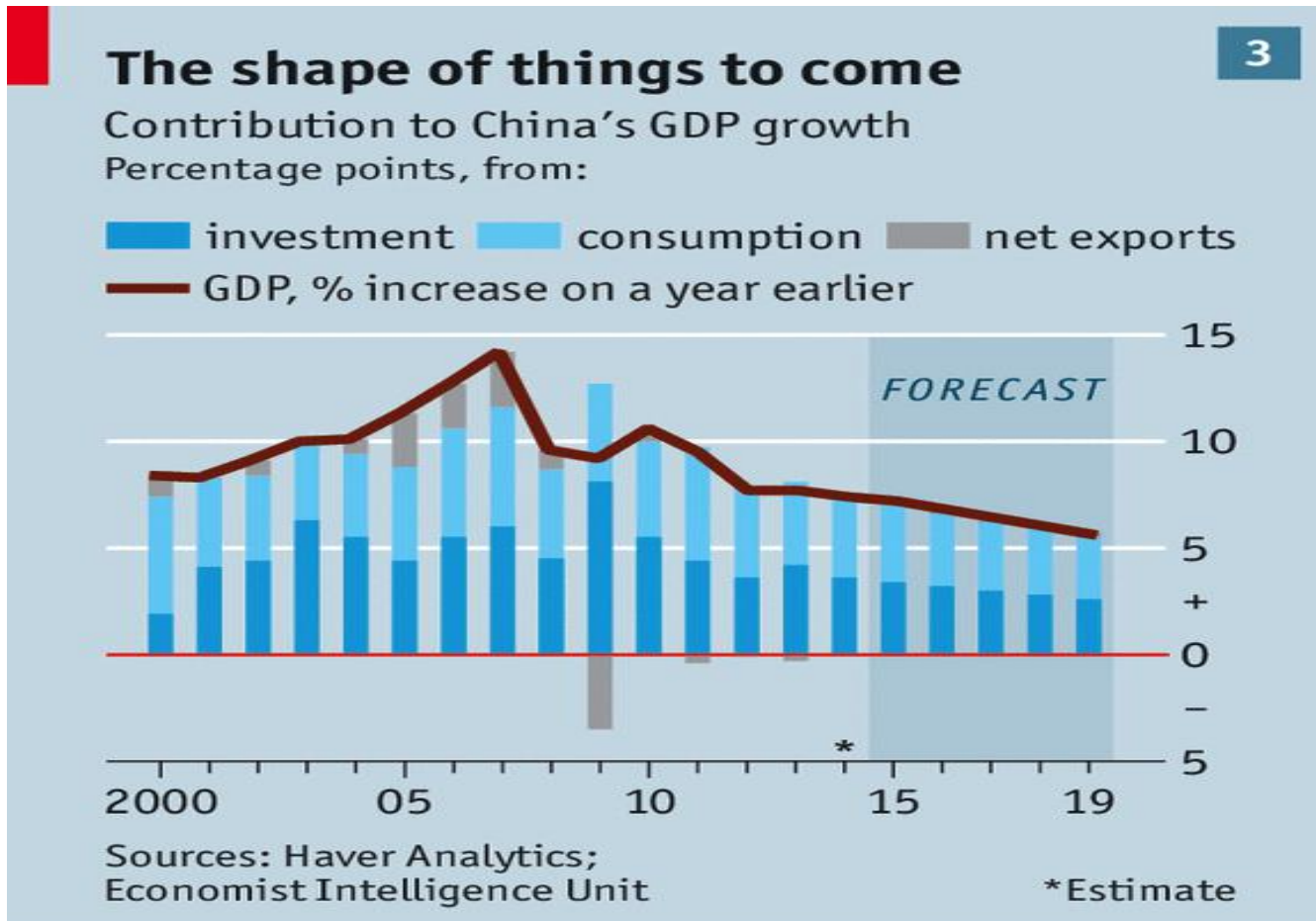
# Chinese Economy 2016

---6.7 percent GDP growth contributed more than 30 percent of global growth.



# Chinese Economy 2016

Contribution to economic growth: Consumption outweighed investment.  
Consumption: a major driver of economic growth, contributing 64.6%.



# Chinese Economy 2016

- With an 8.5-percent increase in profits, industrial enterprises reversed the previous year's negative growth of 2.3 percent.
- Energy consumption per unit of GDP fell by 5 percent.**





# How is China's economic performance?

## Conclusion:

- Chinese economy has registered a slower but stable performance with good momentum for growth.
- Economic performance improved significantly in quality and returns.

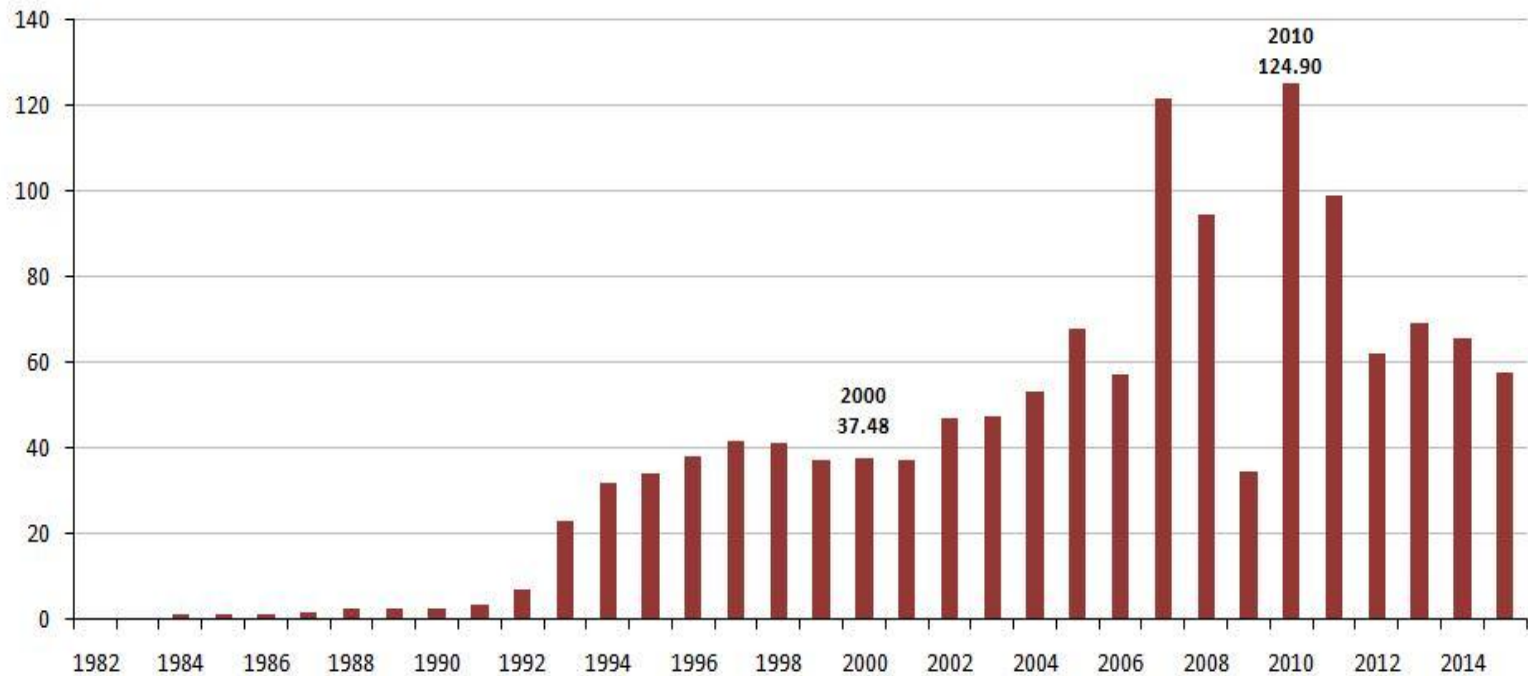
# Main topics

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# Does China still welcome foreign investment?

China's Net Foreign Direct Investment, 1982-2015

Billions of US\$



Source: IMF, International Financial Statistics. Derived from lines 78bed and 78bdd in the IFS.  
2011-2015 forecasts by the Economist Intelligence Unit

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# China is still welcoming foreign firms

In March of this year, Prime Minister Li Keqiang promised that China will open at a higher level and remain a popular destination for investment. We welcome other partners to share in China's development opportunities.



# China is still welcoming foreign firms

## Transparent & Stable Policies attract FDI.

### scrapping most cumbersome controls

- In 2016, 95% of foreign investment projects were no longer required to get approved by authorities, only required to be recorded
- In 2017, China will expand and improve access for FDI.
- Relax restrictions on access to certain industries
- Expand the opening of service sector and ordinary manufacturing
- Simplify the procedure of setting up foreign-funded enterprises
- Create a fairer, more transparent & predictable investment environment

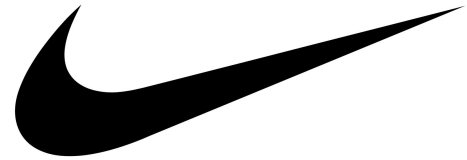
# China is still attractive to foreign investment

- Stable FDI inflow in 2016.  
Newly-founded foreign-invested companies: 27,900, ↑15%.  
**Inbound amounted to: \$126 billion, ↑4.1%.**
- FDI concentrated on high-end industries.  
FDI inflow to service sector: \$89 billion, ↑8.3%, 70% of the total.  
High-end service sector: \$14.8 billion, ↑86%.  
FDI inflow to pharmaceuticals manufacturing: ↑55.8%.  
medical equipment/instruments and meters: ↑95%.
- Investment from North American and European countries grew fast.  
**FDI from U.S. to China: ↑52%; FDI from 28 EU states: ↑41.3%.**  
Newly-founded foreign-invested corporations with over \$100 billion capital: 840  
Foreign-invested corporations with over \$100 billion capital increase: 450

# Investment from North American and European countries grew fast

- FDI from U.S. to China grew by 52%, from 28 EU states by 41.3%. 840 Newly-founded foreign-invested corporations with over \$100 billion capital.
- 450 Foreign-invested corporations with over \$100 billion capital increase.

# Nike



--Nike's China 2016 fiscal year operating income was 3.8 billion US dollars, an increase of 27%.

--In March, Nike announced an investment of \$200 million to expand in Taicang City in Jiangsu province

--For Nike, China is currently the world's largest market next to the United States, and also the fastest growing market.



# Why You Should Choose to Invest in China

## Conclusion:

- China is still wilcoming FDI.
- The Chinese market is still worthy of attention from MNCs

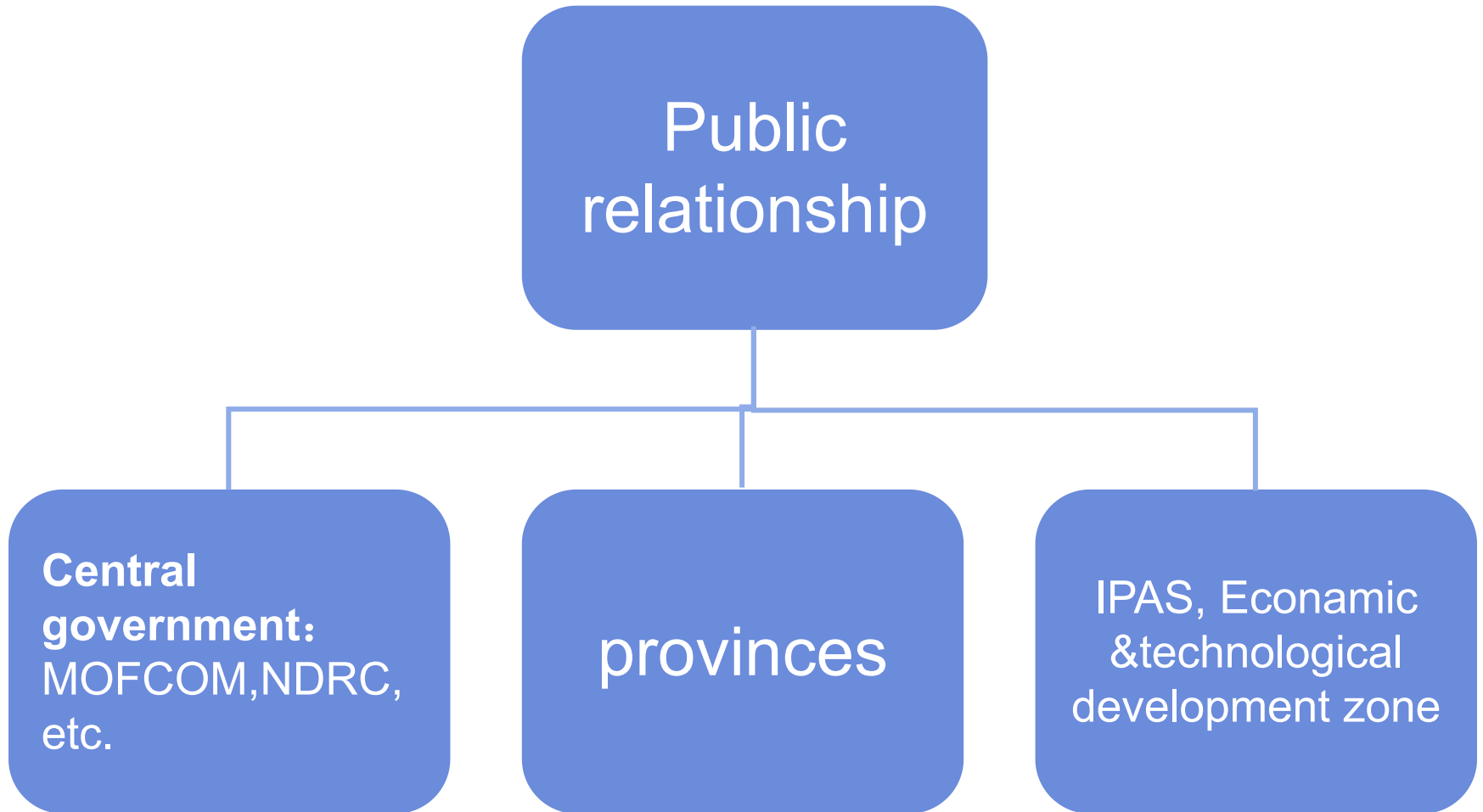
China's strong points include:

- China is the biggest market in the world with 1.3 billion potential customers, with 0.5 billion middle class. 0.8 low income class.
- It is a rapidly growing market (usually at least 7% growth per year).
- Labor costs remain comparatively low.
- With the development of the Western provinces, particularly the Sichuan province, China continues to offer new opportunities.

# Main topics

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# Get well-connected with Chinese government



# Business Matchmaking in China

--Recommend investment locations

--Identify potential partners



# Obtain official information about the Chinese economy and market

- Chinese economic situation

- Chinese foreign investment policies

- Chinese the 13th five-year plan

You can better understand China and make better decisions about Chinese market.

# What can we do for multi-national corporations

## 2017 Events Plan:

- China-U.S. Infrastructure Cooperation Forum: June, 2017
- Corporate Social Responsibility Forum:

If there is anything we can do for you. Please contact us, we are always at your service.

**Thank you!**