



国务院发展研究中心

DEVELOPMENT RESEARCH CENTER OF THE STATE COUNCIL

Chinese Enterprises' Outward Investment: Situations and Policies

Professor Zhao Jinping
Department of foreign Economic Relations



Contents

1 China's outward investment keeps rapidly growing

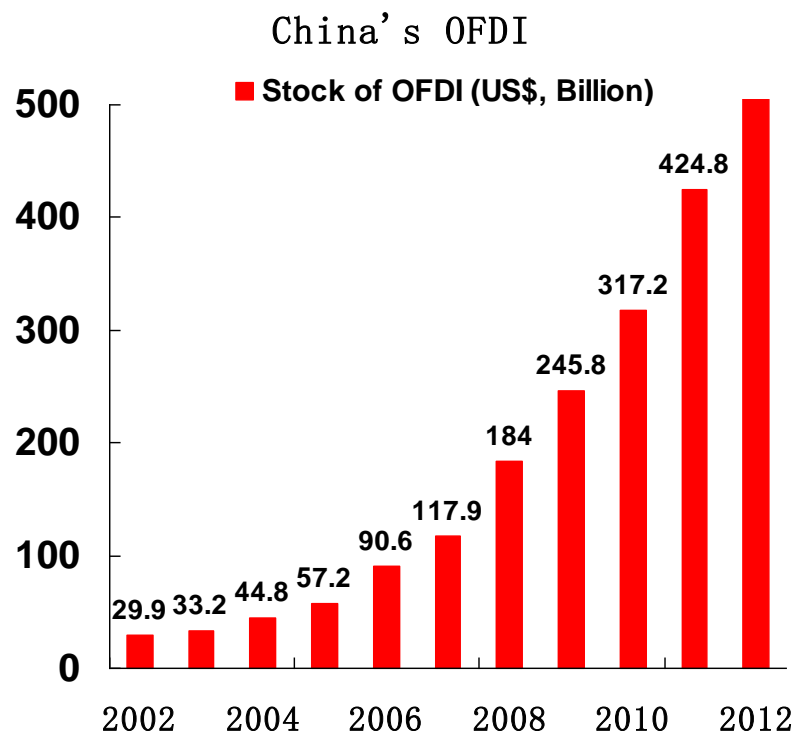
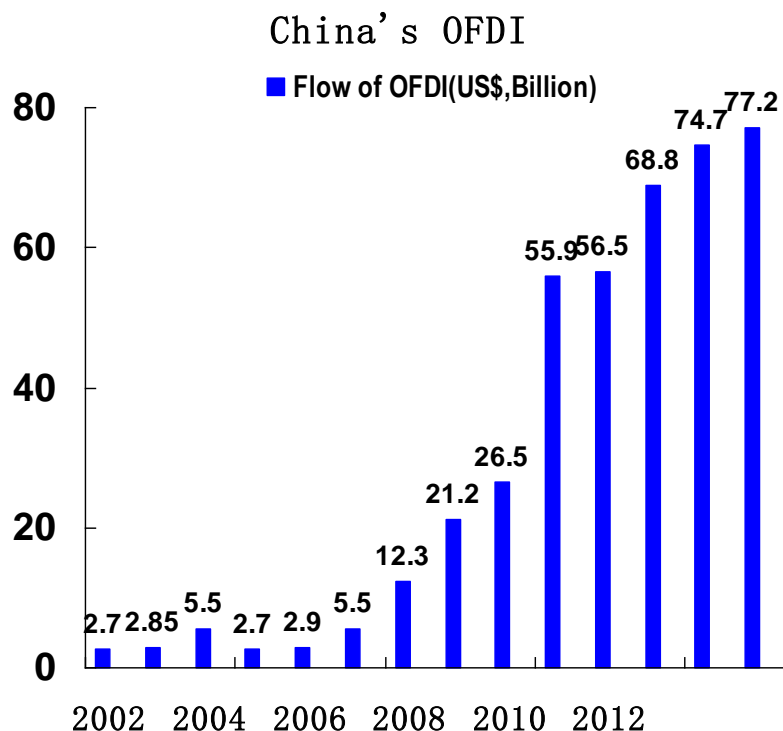
2 The potential and possibility of growing prospect

3 In View of Investment Home Country: Reform Targets and Policies

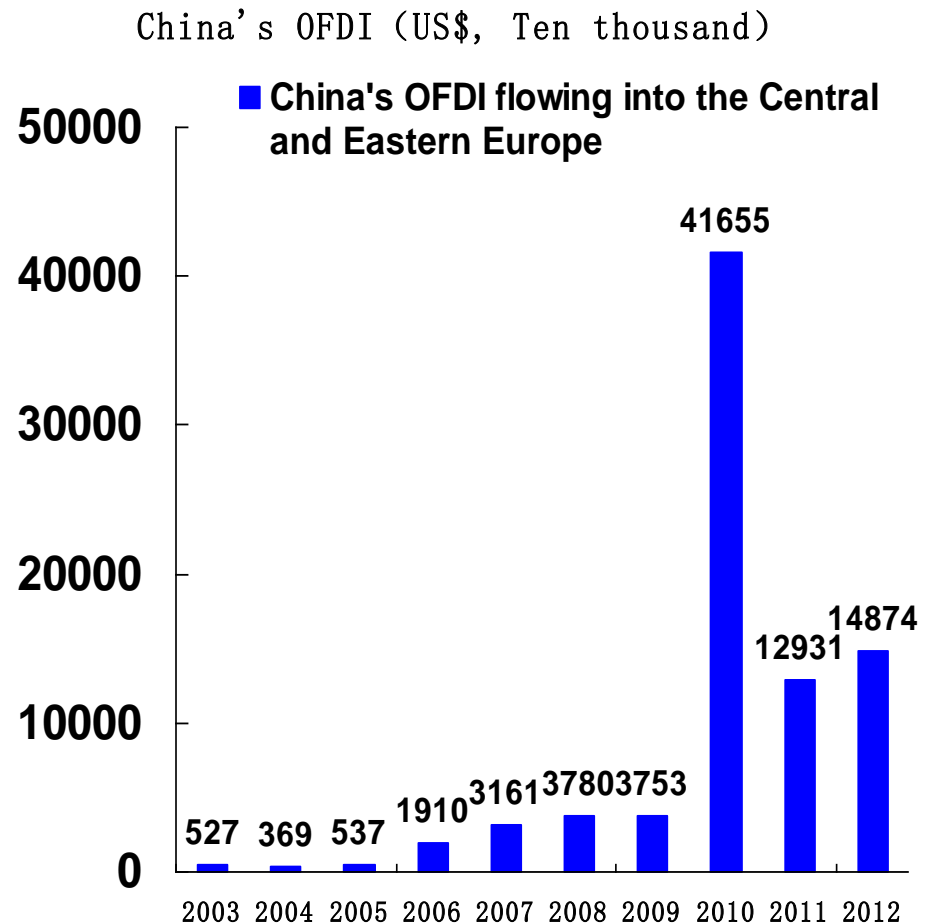
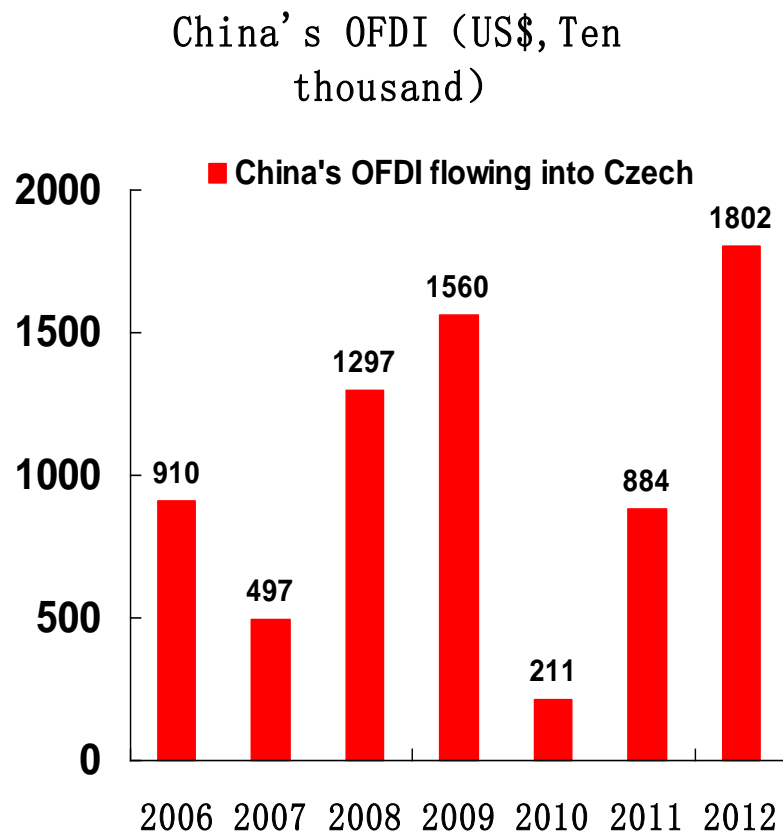
4 Experiences of Investment host Country: Innovation on Open Model

5 The upgrading path for Outward Investing Enterprises

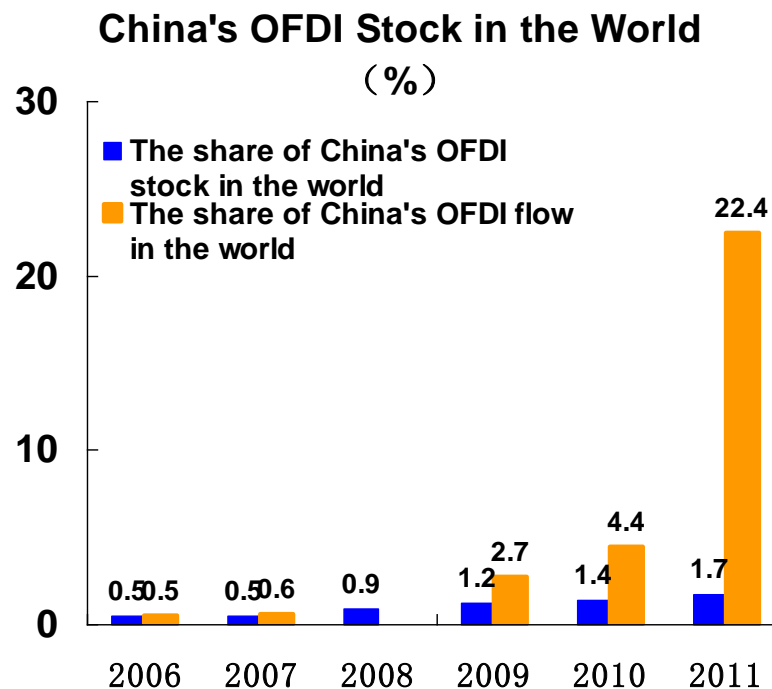
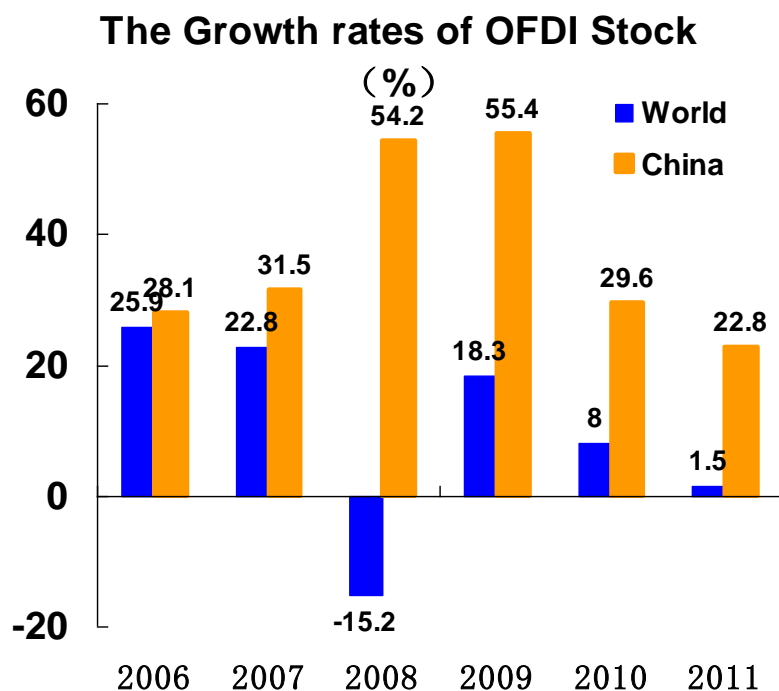
China's outward investment keeps growing and the number of China's MNEs increases rapidly due to the deepening of globalization and fast growth of China economy.



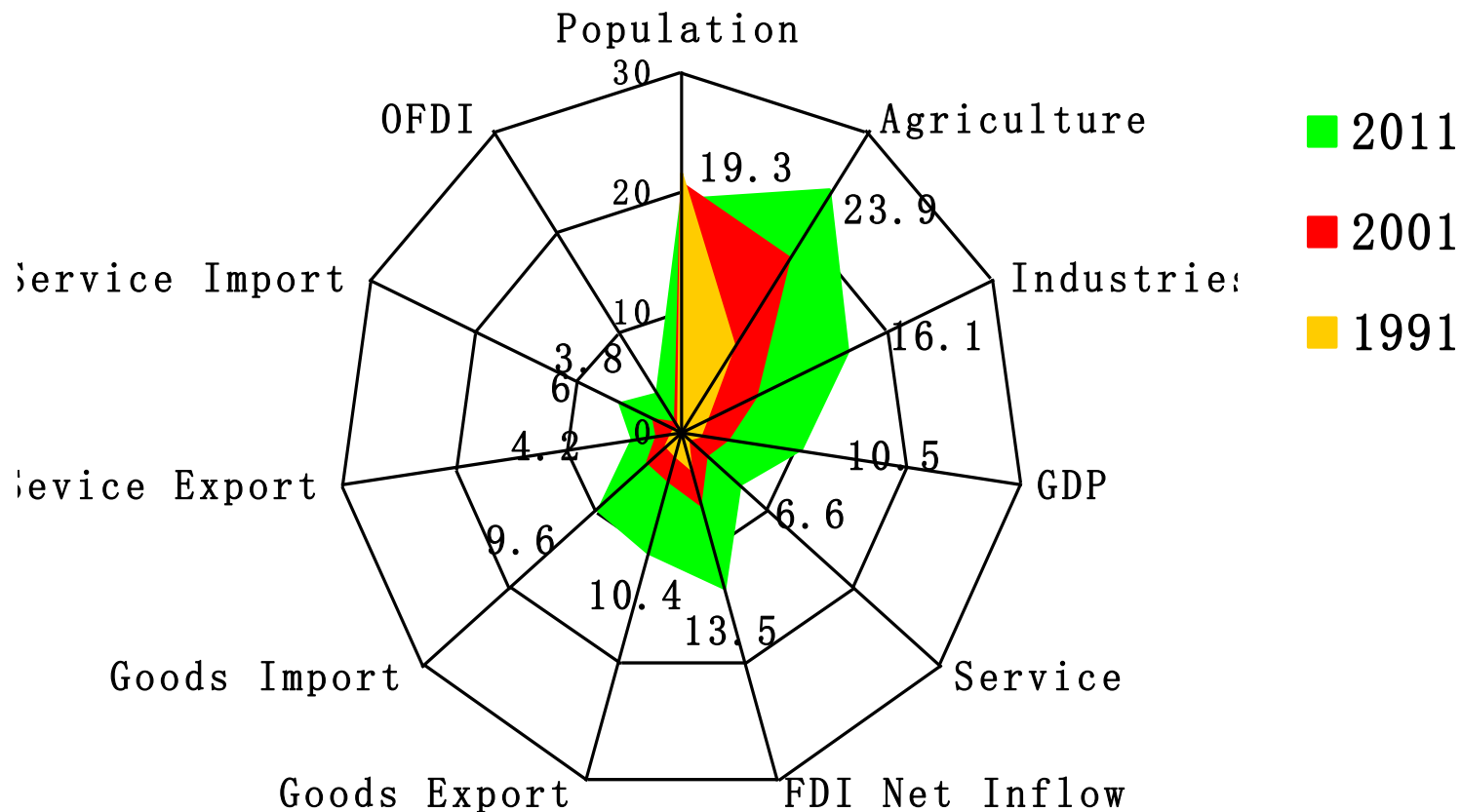
China's OFDI flowing into Czech reached the new peak in 2012



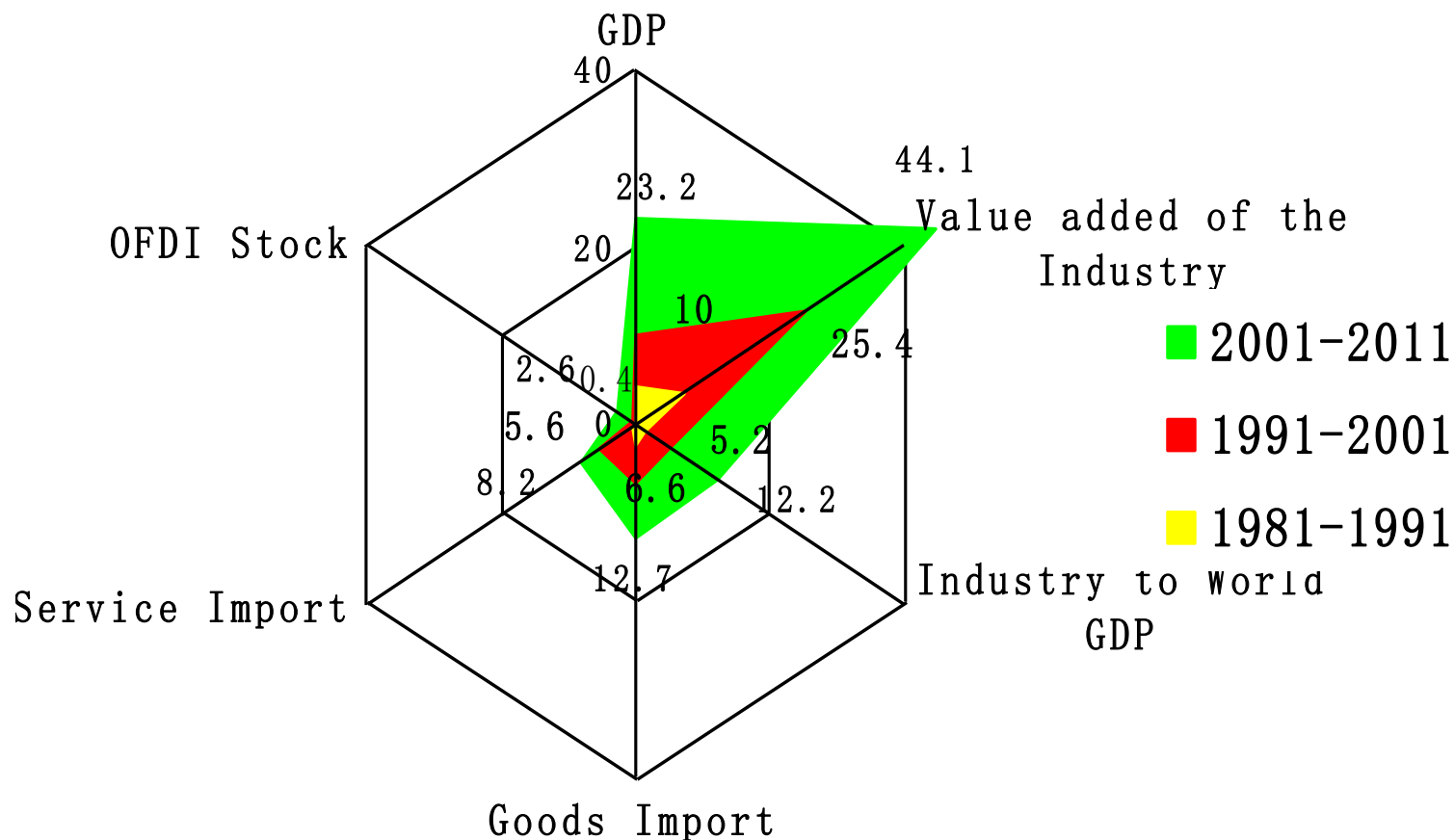
The growth rates of China's OFDI are significantly higher than the world average and the contributions to the global growth obviously increase



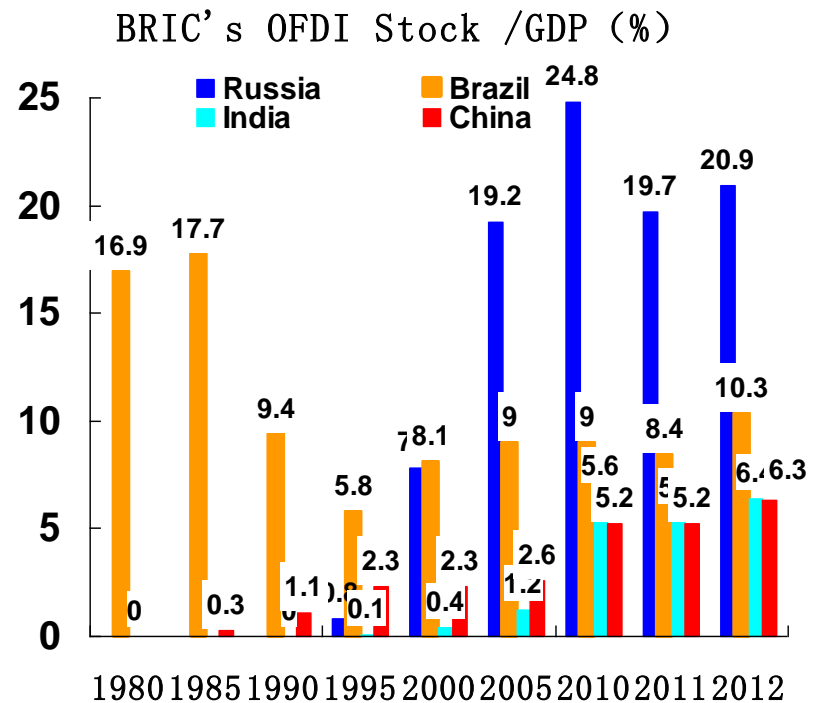
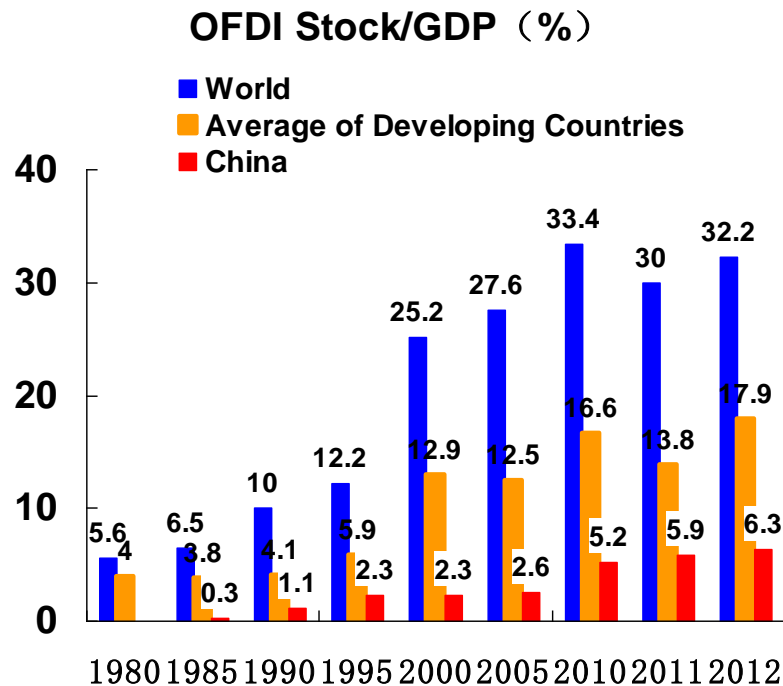
In term of shares in the world, Outward Investment is still the weakness of Chinese Economy.



In term of contributions to the world growth, the pulling role of China's OFDI is very limited.



In term of contributions to Domestic economic growth, China's OFDI falls behind other emerging economies.



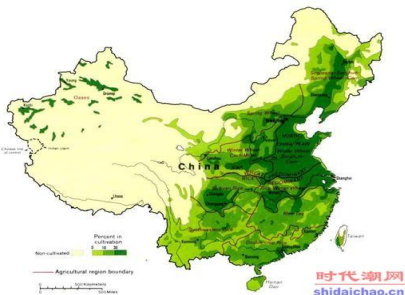
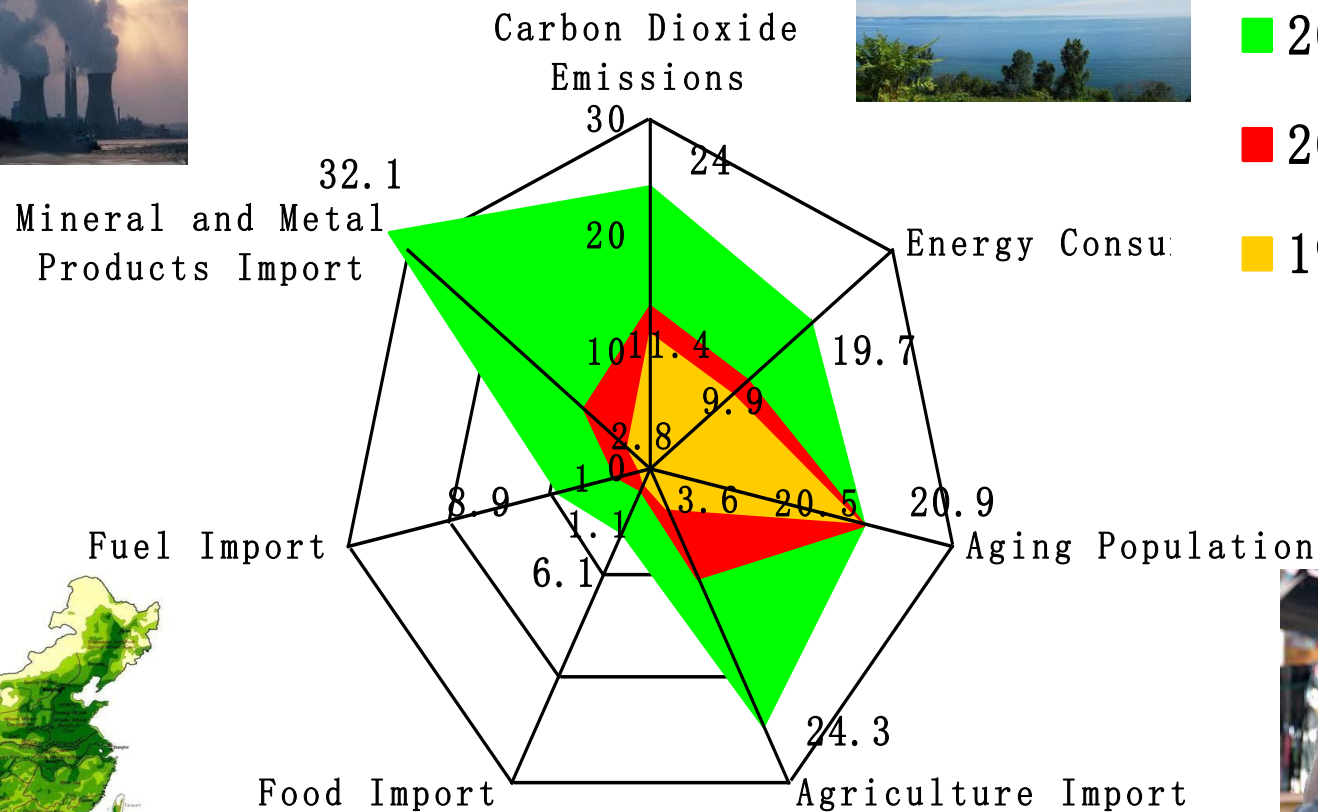
In term of the pressure of industrial transfer and upgrade, it's very urgent for China to quicken outward investment



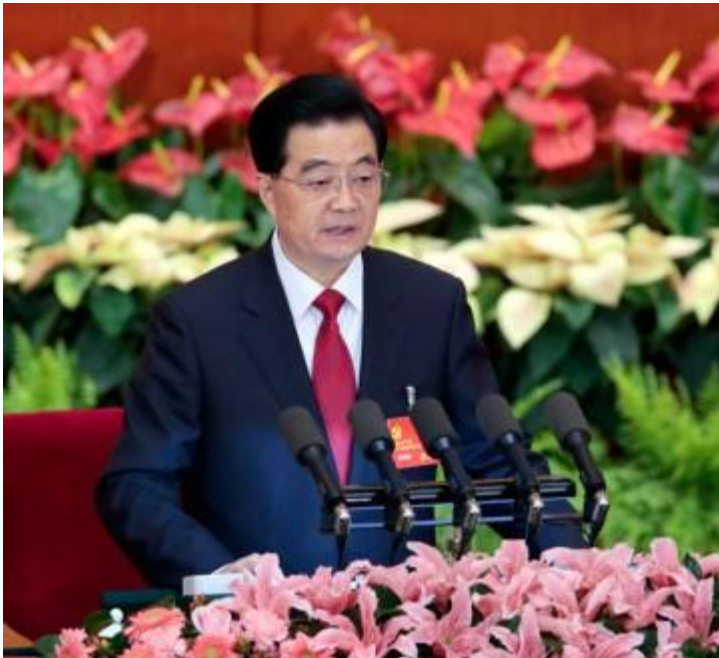
■ 2011

■ 2001

■ 1991



To Comprehensively improve the level of the open economy ——Target raised in the Eighteenth National Congress of the CPC



- Must stick to the peaceful development. Peaceful development is the inevitable choice of Chinese Special Socialism. Must adhere to the open development, cooperative development, win-win development, promote the building of a harmonious world of lasting peace and common prosperity.
- Follow a more proactive opening-up strategy, Improve open economy system with features of mutual benefit and win-win, multiple equilibrium, safe and efficiency
- To speed up the pace to go out, to enhance the internationalization capacity of enterprises, and develop a number of world-class Multi-National Corporation.

Insist progress based on stability and improve the quality of development

—In 2012 the central Government working conference held in 2012 to make specific deployment to implement the spirit of 18th CPC National Congress



The six tasks raised in the economic work conference of the central Government: Focus on promoting the quality and benefit of economic growth

- Strength and Better Macro-control to promote the economy sustainable and healthy development;
- Reinforce the agriculture foundation to ensure the supply of agricultural products supply;
- Quicken adjust industrial structure to increase the whole quality of industries;
- Actively and steadily push urbanization, focusing on improving the quality of urbanization.
- Strengthen the people's livelihood security and improve the people's living standard;
- Comprehensively deepen the reform of economic system, and insist expanding opening-up.

Mid and Long-term Goal Raised in *the 12th Five Year Plan*

Volume 12, Chapter 52

Coordinate between “Bring in” and “Going Global”

.....Insist coordinating between “Bring in” and “Going Global”, attach importance to both inward investment and outward investment, and enhance the capacity of using domestic and external markets and resources effectively and safely.

Section 1

Improve the level of foreign capital utilization

.....Optimize the structure, richen the means, introduce oversea high-level talents and advanced technology, improve the soft environment for investment, and protect The legitimate rights and interests.....

The foreseeable three "Chinese dividend"

Development

Disposable Income Per Capita will double in 2020 compared with 2010, China's GDP will account for about one quarter of the world and rank the first in term of economic scale.

Reform

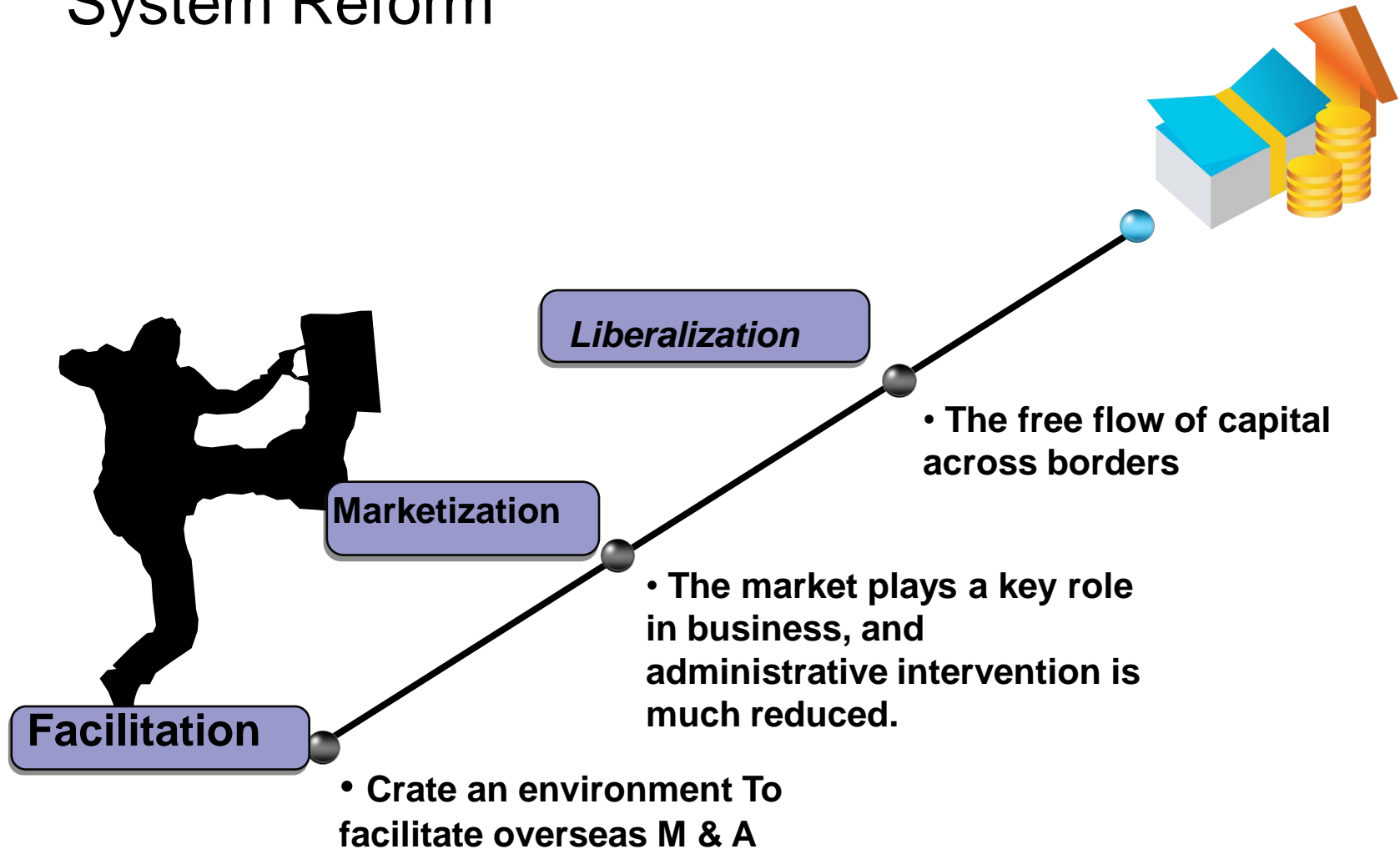
Finish the market economic system reform

Opening

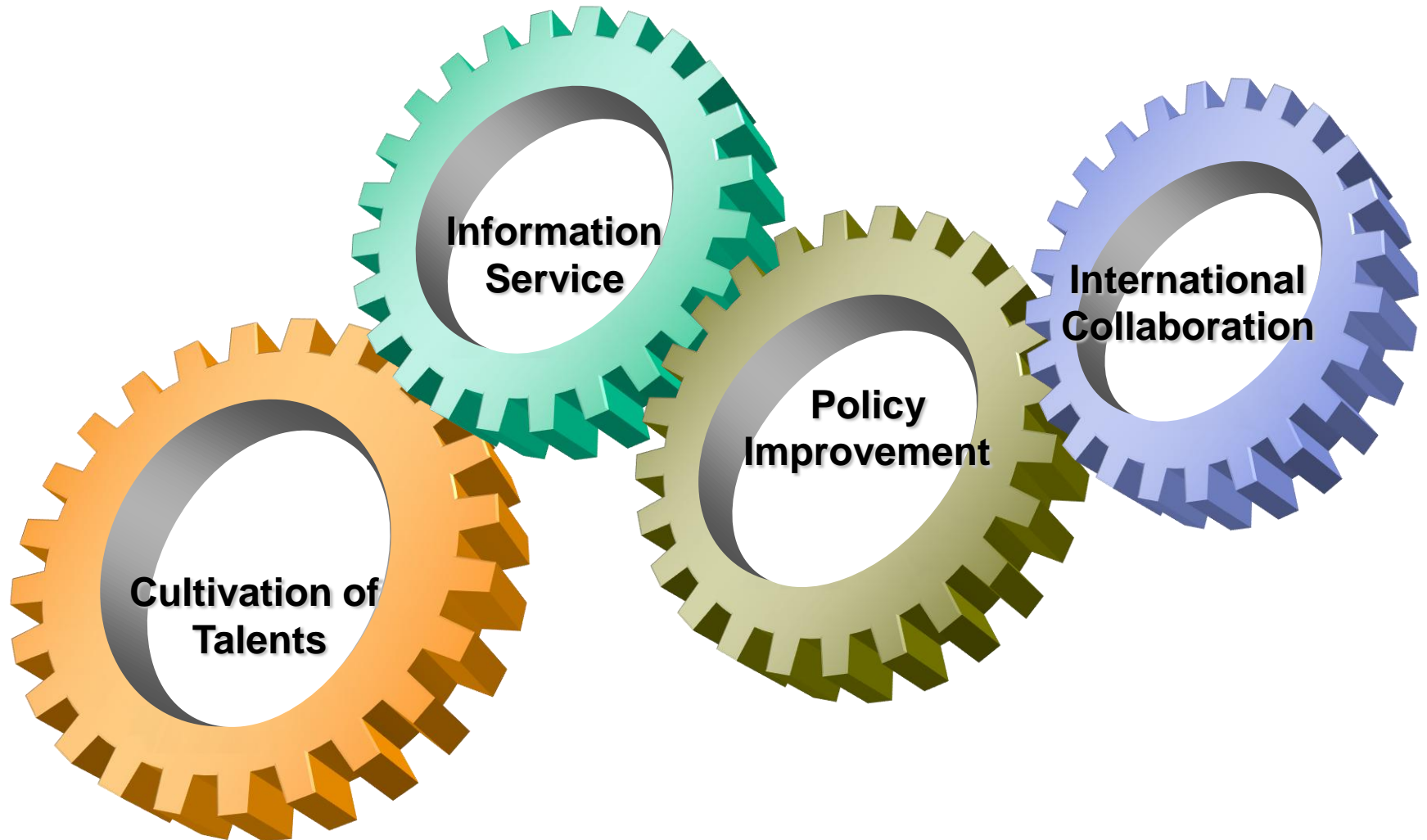
Build up the open economic system, in which economic factors can flow freely.

China in 20
years

The Orientation of Transnational Investment System Reform

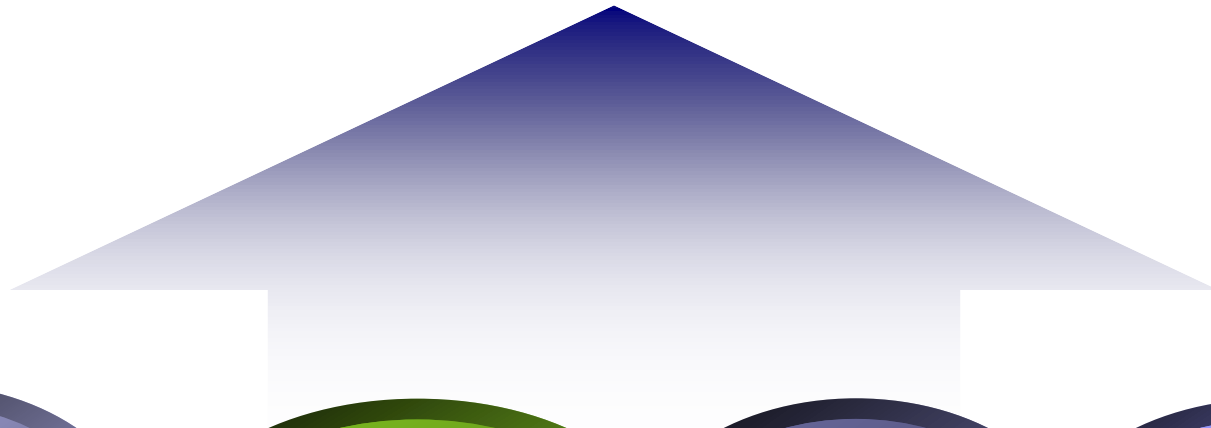


The Role of the Government: Facilitation Driven by “Four wheels”



The Role of the Government: the Long-term Target of Liberalization

Main contents of high level FTA



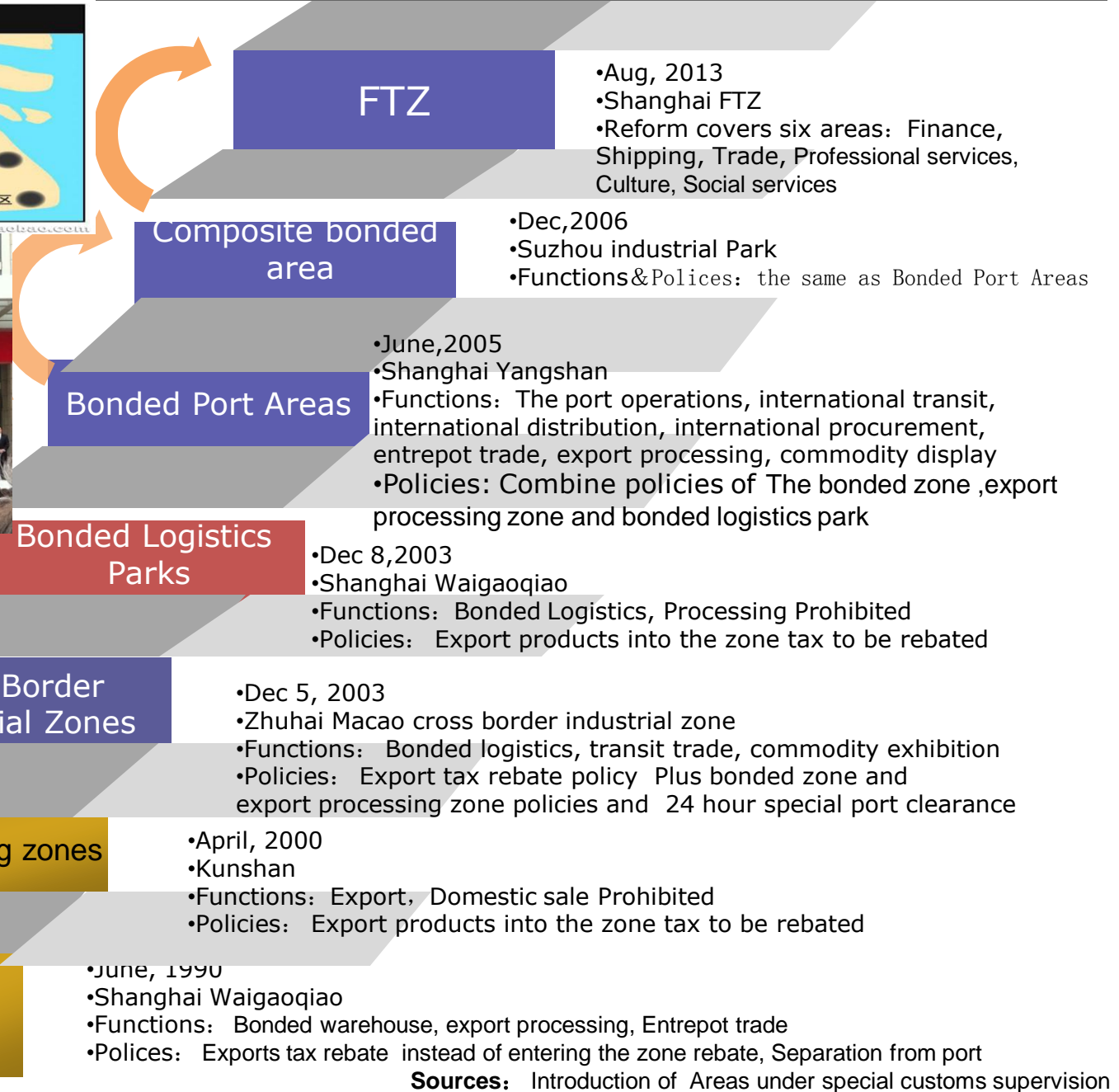
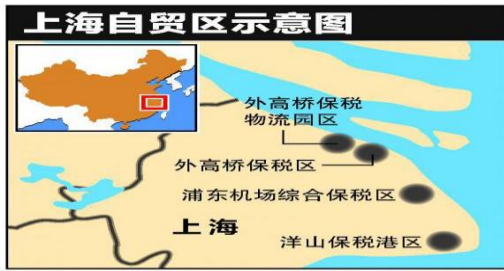
Trade of goods
Free Tariff

Trade of Services
Liberalization

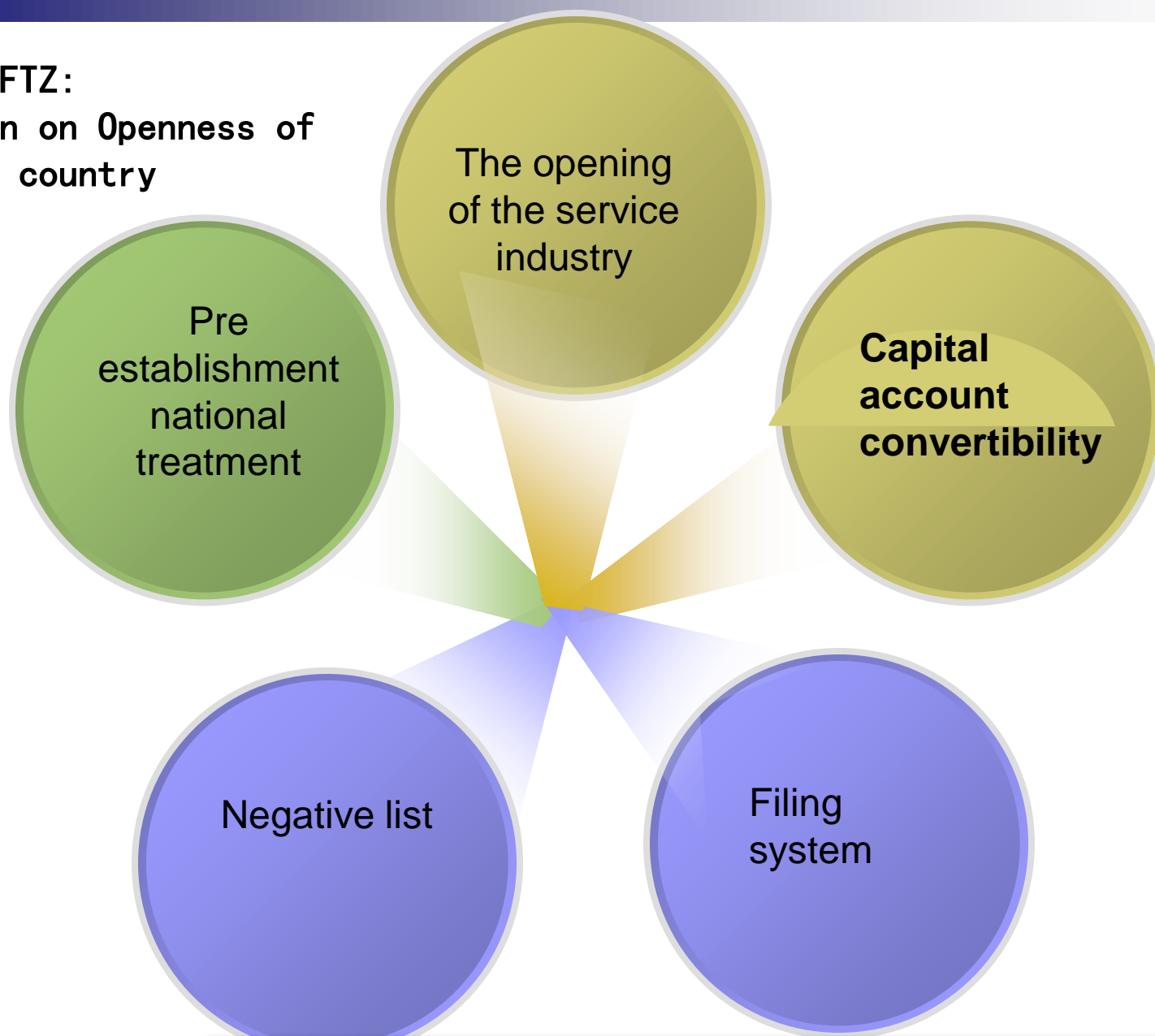
Investment
Liberalization

Economic
Collaboration

The Reform Process of China Customs Special Supervision Zones

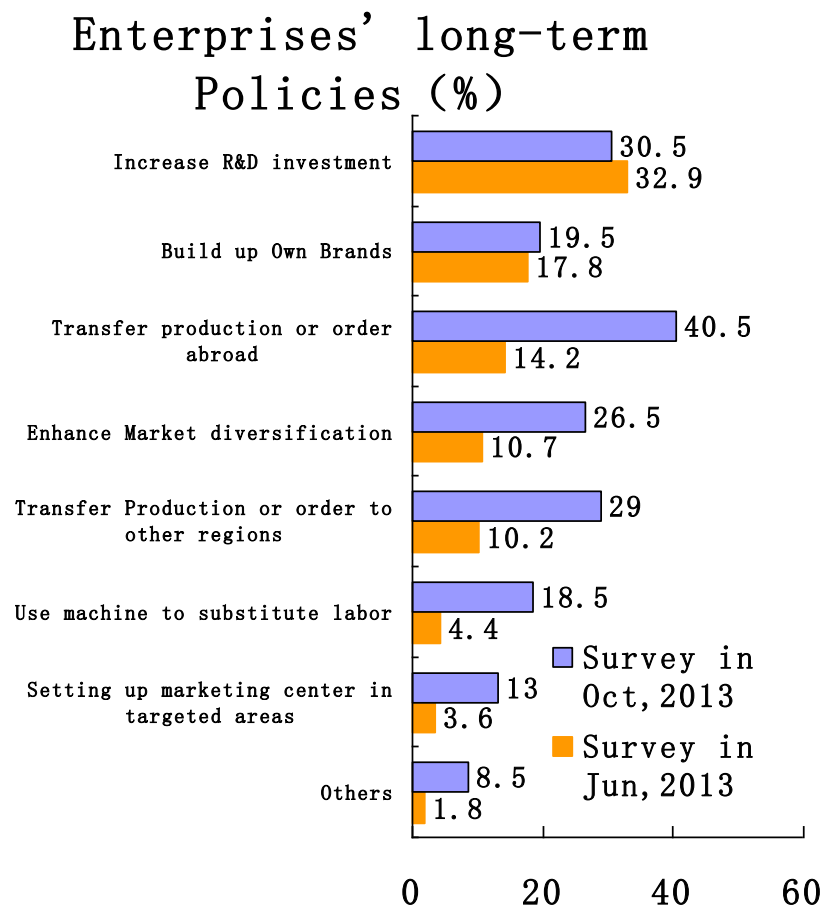
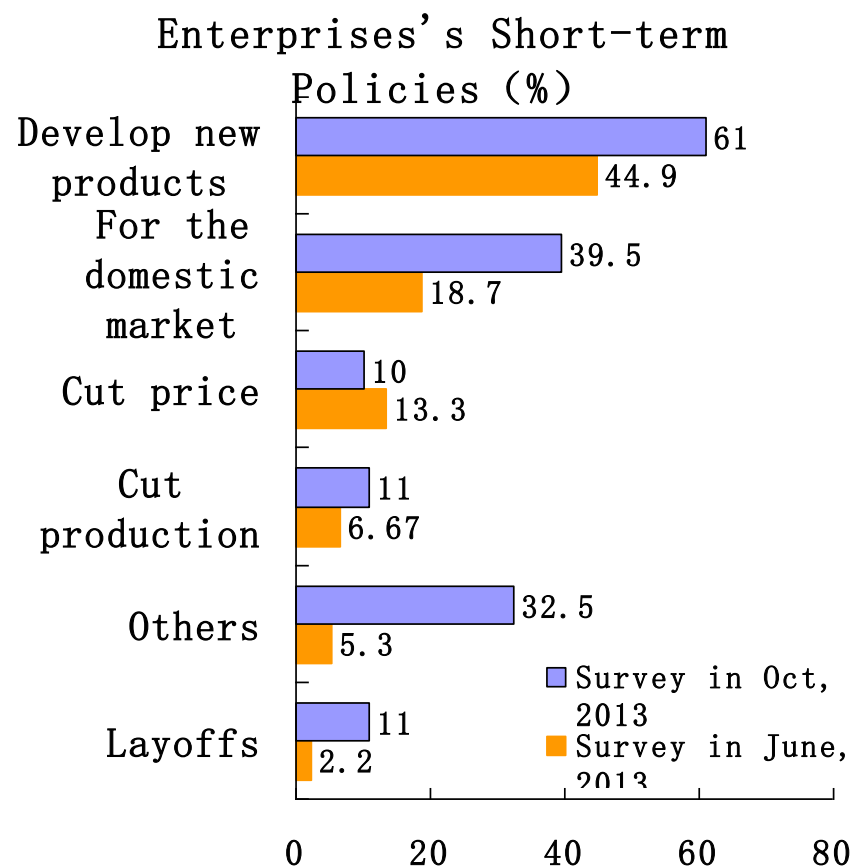


Shanghai FTZ:
Innovation on Openness of
the host country



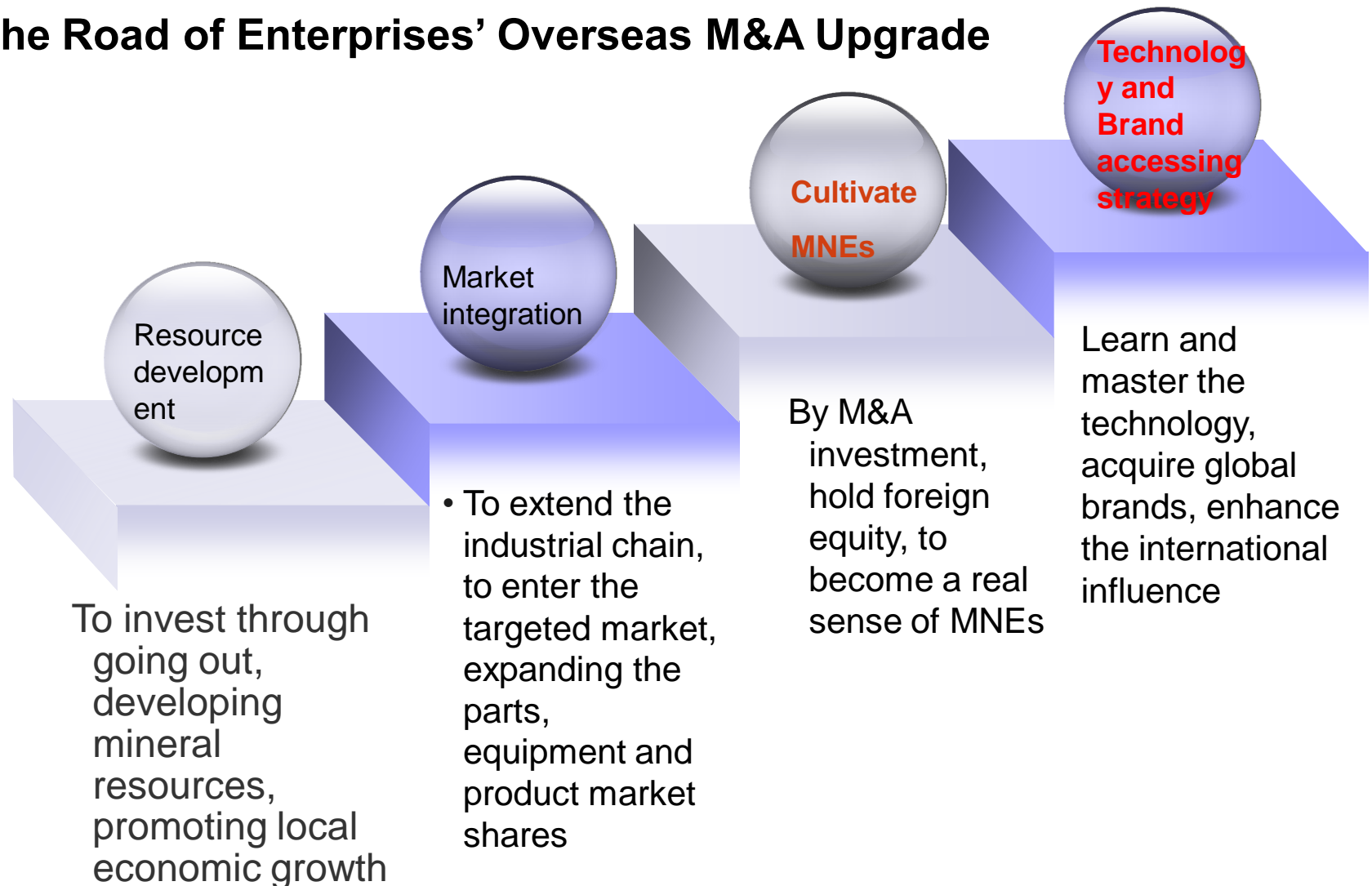
The transformation and upgrading motion of Chinese enterprises is enhanced

Enterprise survey results, 200 enterprises involved, carried out in Spring/Autumn, 2013



The Road of Chinese enterprise' s transnational investment Upgrade

The Road of Enterprises' Overseas M&A Upgrade







Thank You !
Thank You !