

China's Strategies & Policies on ODI

Lecturer:

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- 1. Outline of China's ODI(Outward Direct Investment)
- 2. Structural Analysis of China's ODI
- 3. Specific Features of China's ODI
- 4. Strategies & Policies for Supporting Enterprise's ODI

1. Outline of China's ODI

- Pluralism market structure
- Four sectors sprung up in industry mix
- Transnational merger is fast unfolding
- State-owned enterprise & civil-owned enterprise formed "Two-wheel Drive "
- Model of mass-development are roughly formed

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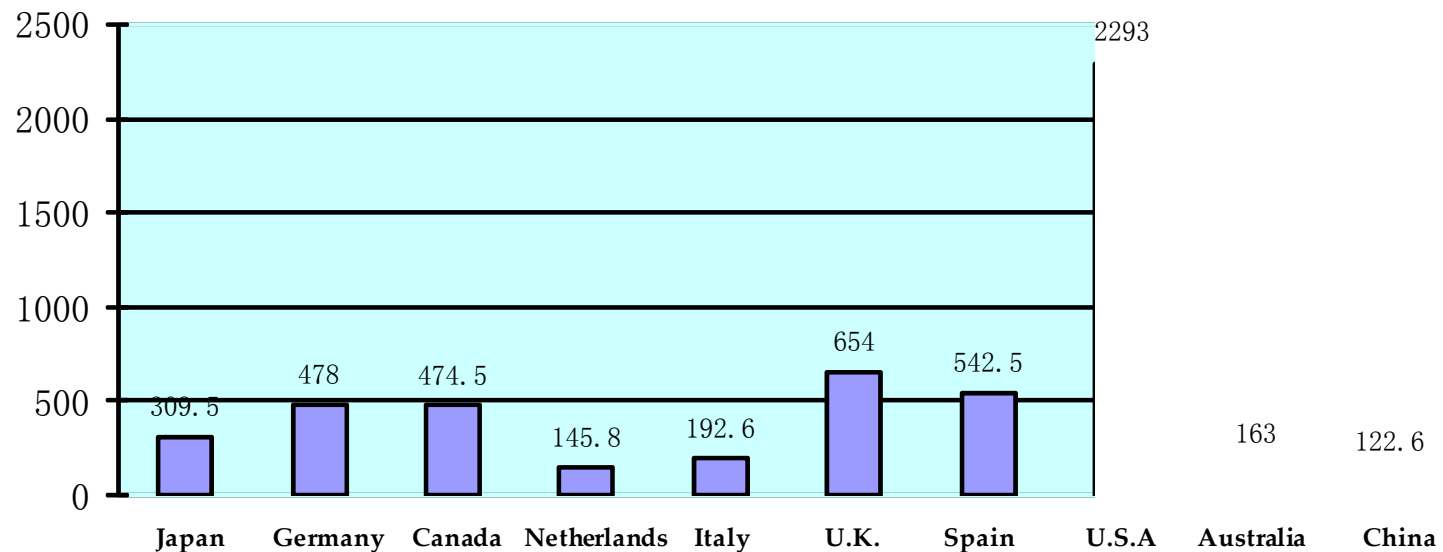
2. Structural Analysis of China's ODI

Table 1: China's ODI into World's Main Economic Bodies, 2005
(Unit of amount: US\$ in 100 million)

Name of Country or Body	Flows			Stock	
	Amount	Percentage (%)		Amount	Percentage (%)
Hong Kong	34.20	27.9		365.00	63.8
EU	1.85	1.5		7.30	1.3
U. S. A.	2.32	1.9		8.22	1.4
Australia	1.93	1.6		5.87	1.1
Russia	2.00	1.6		4.66	0.8
ASEAN	1.58	1.3		12.56	2.2
Others	78.72	64.2		168.39	29.4
Total	122.6	100		572	100

2. Structural Analysis of China's ODI

Figure 1: Comparison of China's ODI Flows with Major Developed Countries' ODI Flows, 2005
(Unit: US\$ in 100 million)



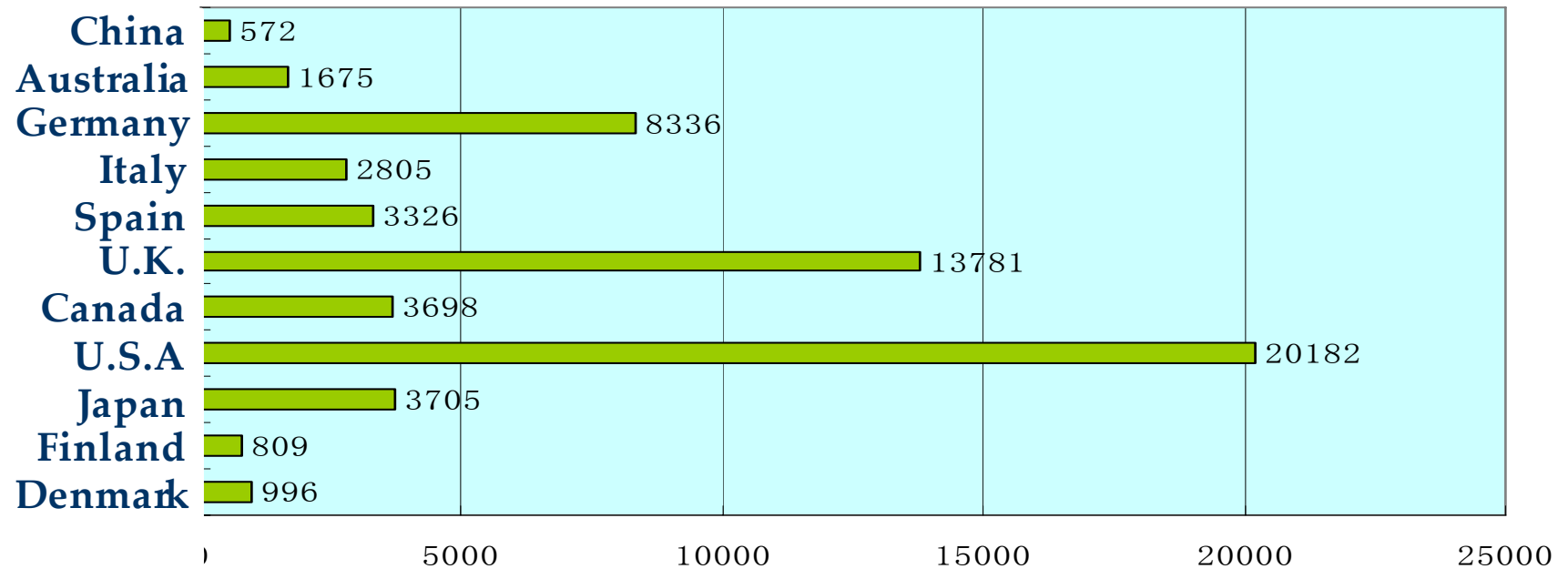
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Figure 2: Comparison of China's ODI Flows with Major Developed Countries' ODI Flows, 2005
(Unit: US\$ in 100 million)

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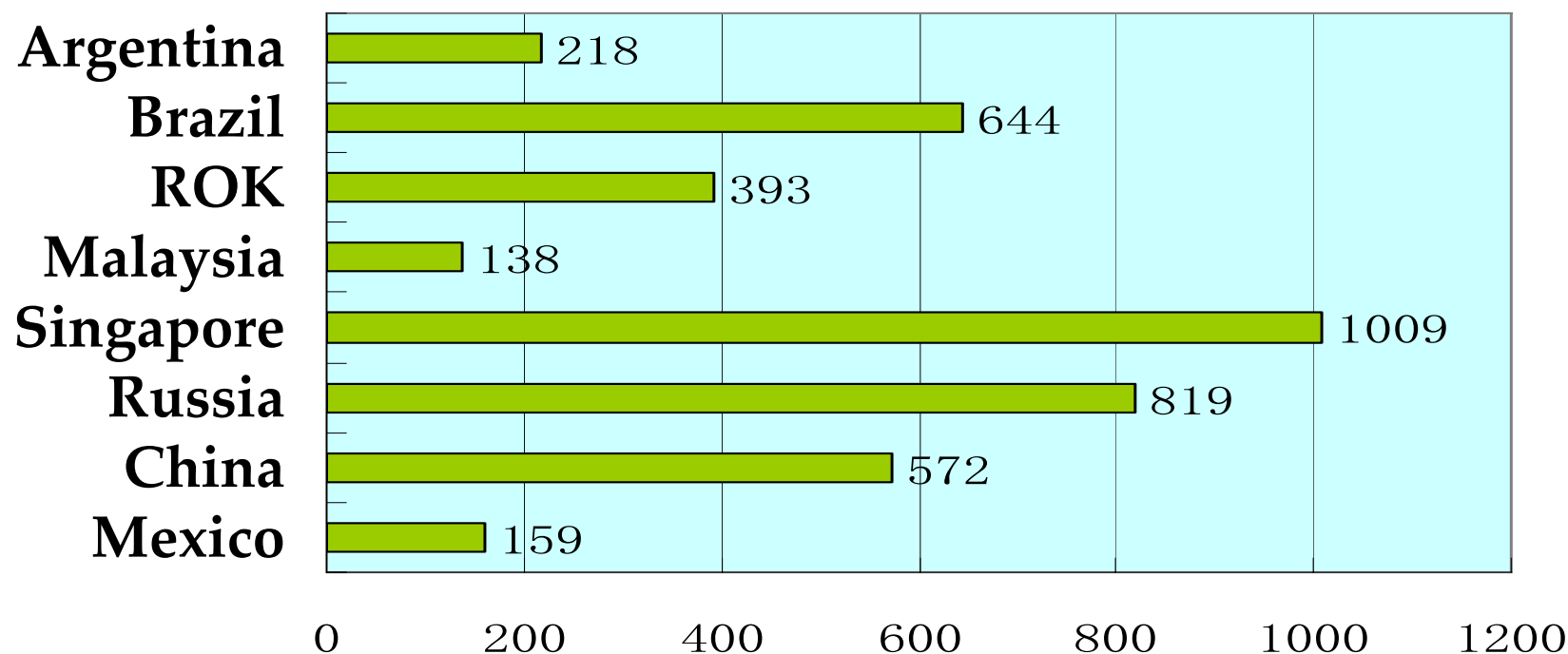
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Figure 3: Comparison of China's ODI Stock with Major Developed Countries' ODI Stock, by the End of 2005
(Unit: US\$ in 100 million)



2. Structural Analysis of China's ODI

Figure 3: Comparison of China's ODI Stock with Major Developed Countries' ODI Stock, by the End of 2005 (Unit: US\$ in 100 million)



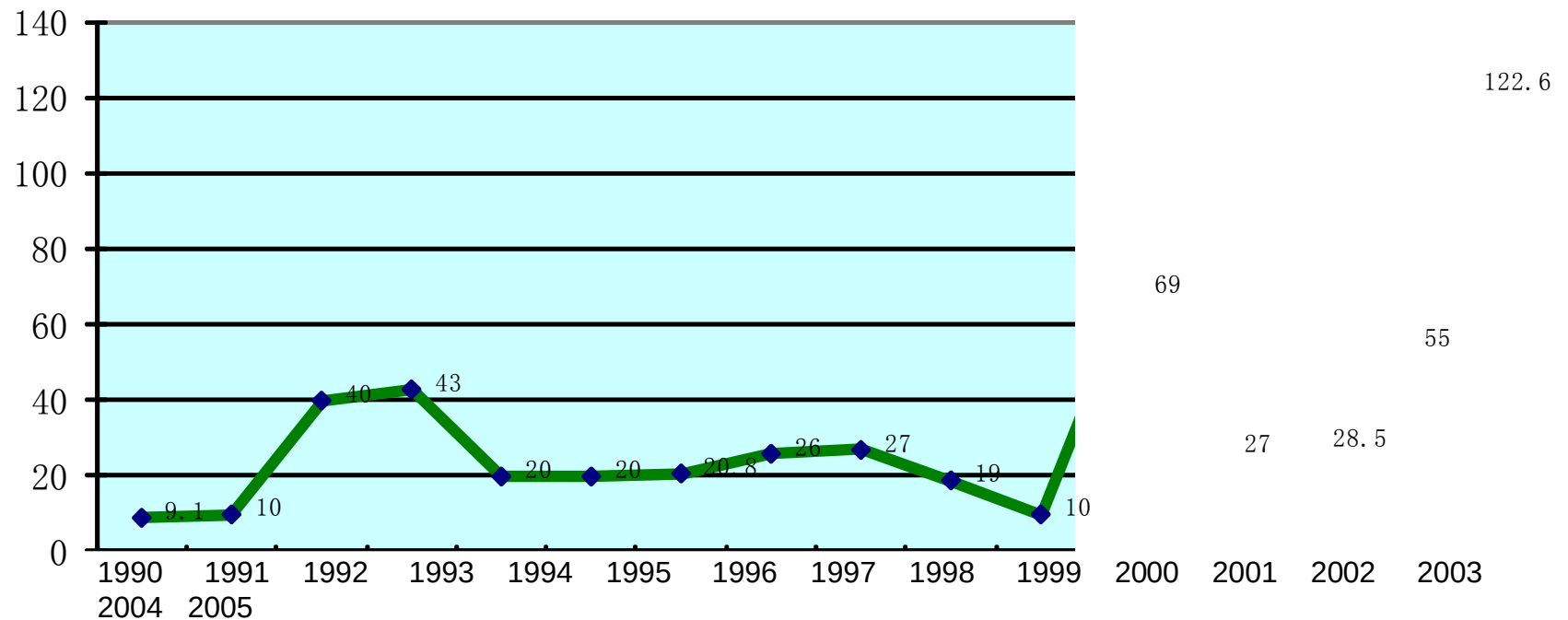
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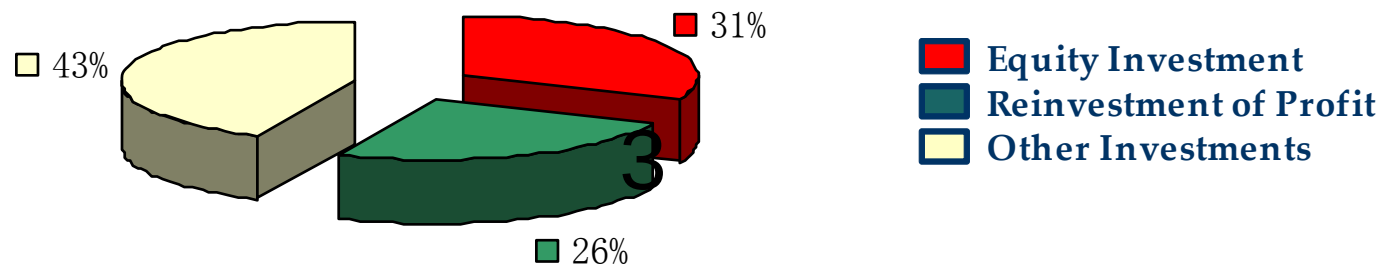
3. Specific Features of China's ODI

Figure 5: China's ODI Flows. 1990-2005 (Unit: US\$ in 100 million)



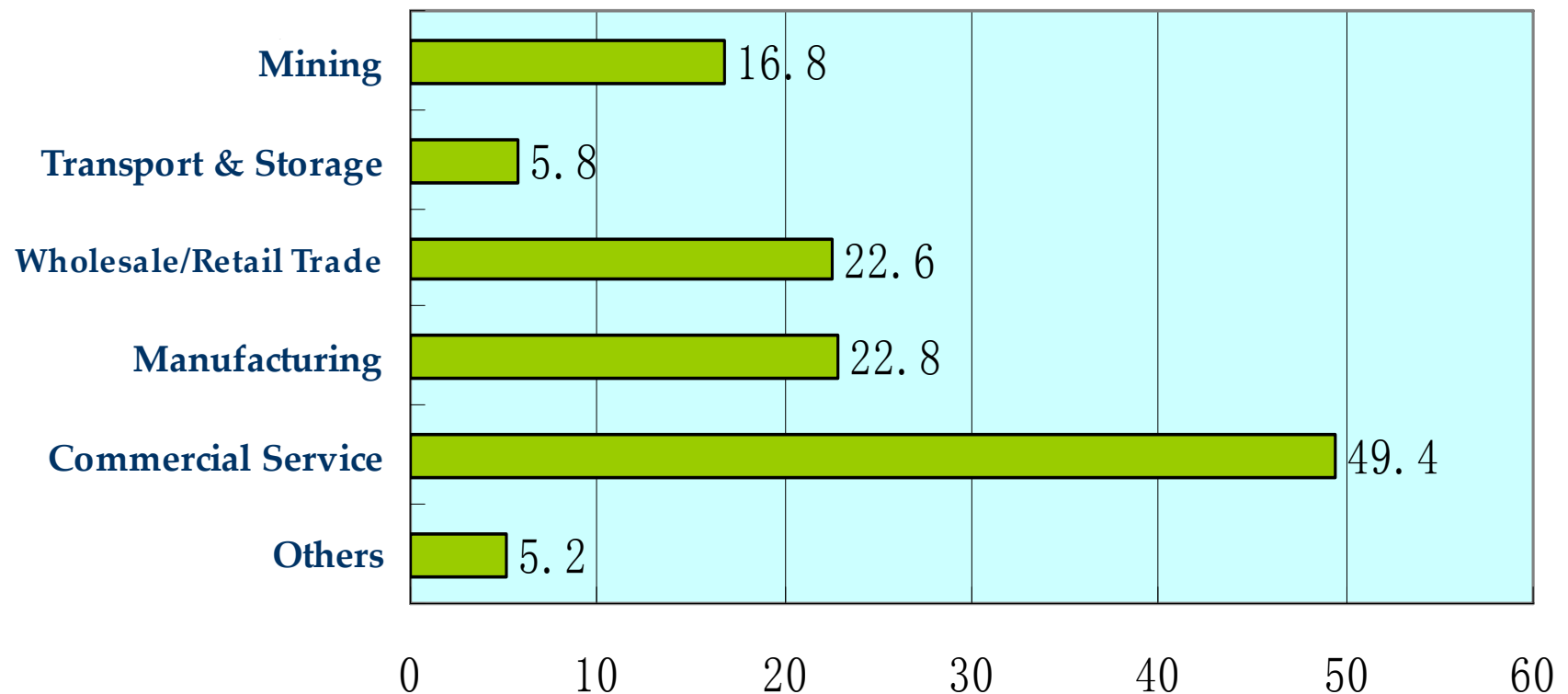
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Figure 6: Composition of China's ODI Flows by Source, 2005



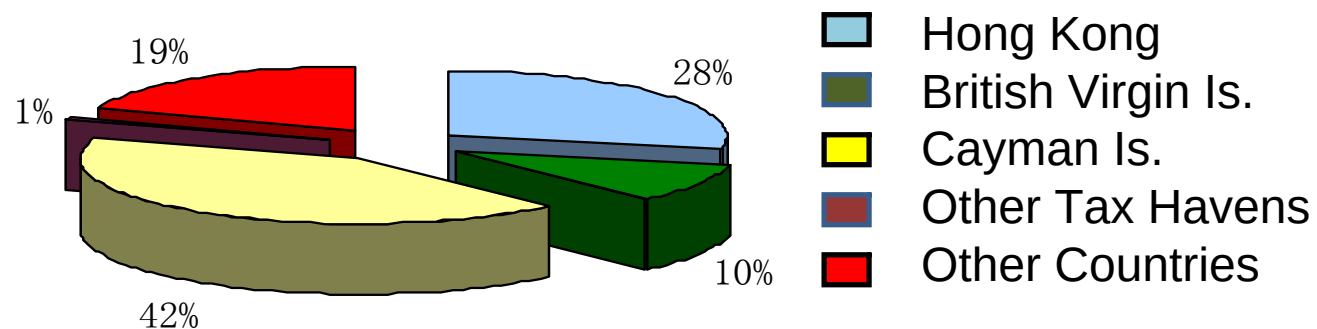
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Figure 7: Industry Distribution of China's ODI, 2005
(Unit: US\$ in 100 million)



3. Specific Features of China's ODI

Figure 8: Regional Distribution of China's ODI Flows in World's Major Tax Havens, 2005



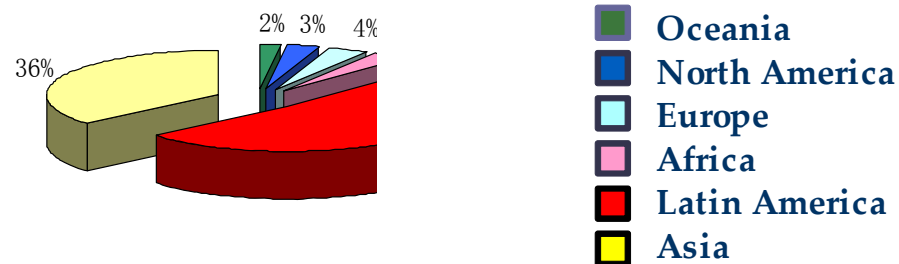
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Table 2: Ten Largest Recipients of China's ODI, 2005
(Unit: US\$ in 100 million)

No.	Country(Region)	Amount
1	Cayman Is.	51.62
2	Hong Kong	34.20
3	British Virgin Is.	12.26
4	South Korea(ROK)	5.89
5	U.S.A	2.32
6	Russia	2.03
7	Australia	1.93
8	Germany	1.29
9	Sudan	0.91
10	Kazakhstan	0.95

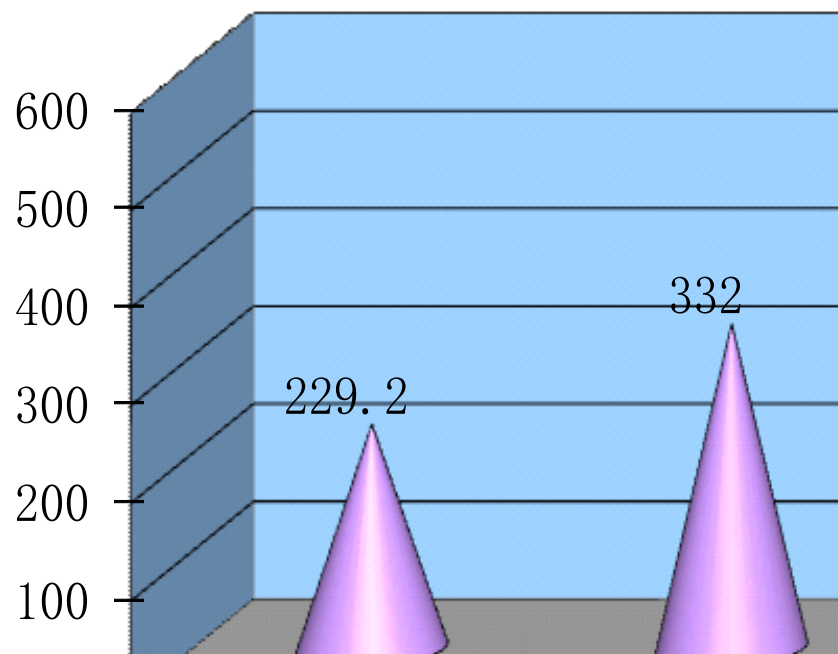
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Figure 9: Composition of Continents by Absorption of China's ODI Flows, 2005



3. Specific Features of China's ODI

Figure 10: China's ODI Stock, 2002-end of
(Unit: US\$ in 100 million)



3. Specific Features of China's ODI

Figure 11: Composition of China's ODI Stock by Source, by the End of 2005 (Unit: US\$ in 100 million)



3. Specific Features of China's ODI

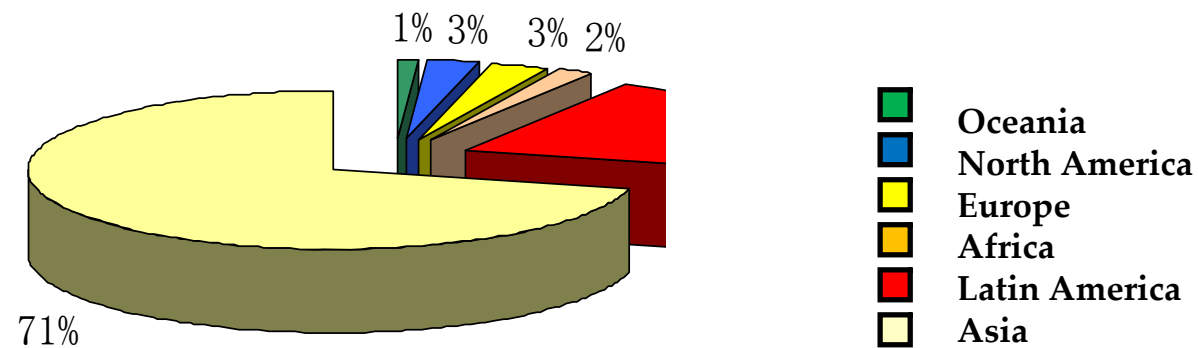
Composition of China's ODI Stock by Industries, by the end of 2005
(Unit: US\$ in 100 million)



Industry	Value (US\$ in 100 million)
Commercial Service	10.5
Wholesale/Retail Trade	8.5
Mining	6.5
Transport and Storage	5.5
Manufacturing	4.5
Real Estate	3.5
Communications, PC-service & Software	2.5
Civil Service & Other Service	2.0
Construction	1.5
Water Conservancy, Env. & Public Facilities Management	1.0
Sci. Research, Tec-Service & Geo. Prospecting	0.8
Agriculture, Forestry, Livestock Husbandry, Fishery	0.5
Other Industries	0.2

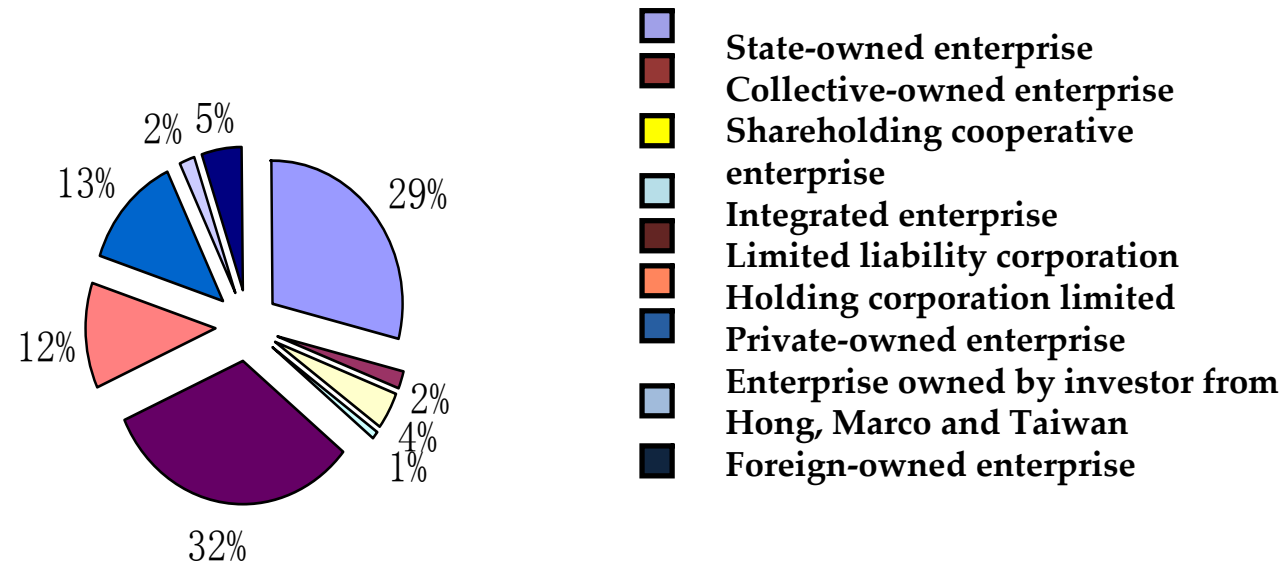
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Figure 13: Distribution of Continents by Absorption of China's ODI Stock, by the end of 2005



3. Specific Features of China's ODI

Figure 14: Distribution of Domestic Investment Body by Registration Category, 2005



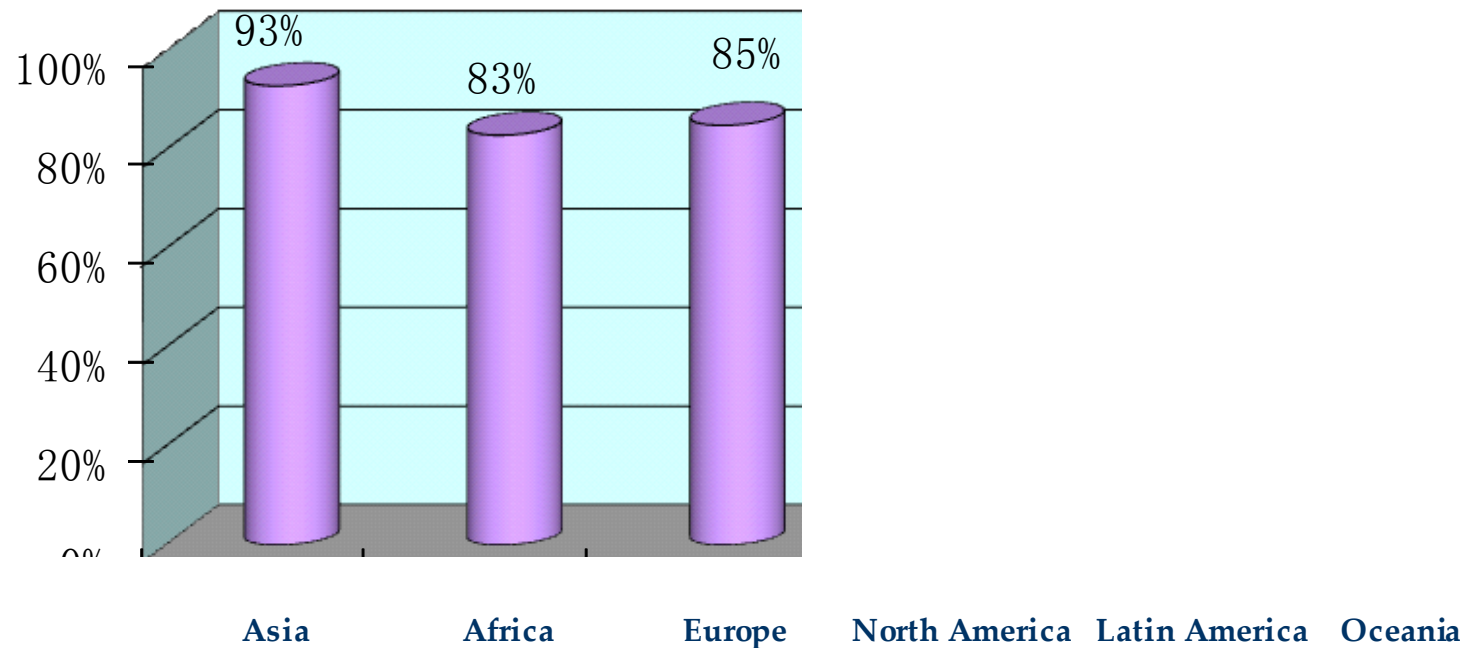
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Figure 15: Industry Distribution of Domestic Investment Body,
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3. Specific Features of China's ODI

Figure 16: Regional Coverage Rate of Overseas Chinese Enterprise, 2005



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4. Strategies & Policies for Supporting Enterprise's ODI

- *Five-year Development Planning for Implementation of “going global” Strategy*
- *Suggestion for Encouraging and Regulating Outward Investment & Cooperation by China's Enterprises*



4. Strategies & Policies for Supporting Enterprise's ODI

- Government departments actively furthered facilitation of outward investment, established and completed the systems both for accelerating and serving outward investment so as to provide policy support and legal safeguard for Chinese enterprises' ODI



4. Strategies & Policies for Supporting Enterprise's ODI

- State financial support for “going global” strategy is under strengthening, Chinese enterprises are taking increasingly active parts in ODI.



4.Strategies & Policies for Supporting Enterprise's ODI

- Set up Overseas Economy & Trade Cooperation Zone
- Haier-Ruba Economic Zone in Pakistan
- Zambia—China Economic and Trade Cooperation Zone