2021 Beijing Foreign Investment Development Report
2021
Beijing
Foreign Investment
Development Report
Adhering to the By making vigorous efforts, Beijing has built a in creating a “new high ground, new pattern, new industry, and achieved remarkable development results in depth the new mode of opening-up led by the service function as an international exchange center, explored positioning as the capital city, given full play to the economic globalization, Beijing has upheld its strategic direction of open, inclusive, balanced and win-win and the first year of the 14th Five-Year Plan. Following special importance in China’s modernization process, founding of the Communist Party of China, a year of The year 2021 marks the 100th anniversary of the founding of the Communist Party of China, a year of special importance in China’s modernization process, and the first year of the 14th Five-Year Plan. Following the direction of open, inclusive, balanced and win-win economic globalization, Beijing has upheld its strategic positioning as the capital city, given full play to the function as an international exchange center, explored in depth the new mode of opening-up led by the service industry, and achieved remarkable development results in creating a “new high ground, new pattern, new engine and new mechanism” for opening-up. By making vigorous efforts, Beijing has built a new high ground in open economy. Adhering to the innovation-driven development strategy, Beijing has built an economic structure featuring high-grade, precision and advanced industries, with a compound annual GDP growth rate of 6.0% during the “13th Five-Year Plan” period, reaching a GDP of 3.6 trillion yuan in 2020 and a per capita GDP of 188,000 yuan (about 24,000 USD), reaching the medium level of developed countries. As an important window for China’s opening-up to the outside world, Beijing has witnessed the active development of its international economic and trade cooperation. During the “13th Five-Year Plan” period, the actual utilization of foreign investment in Beijing reached 82.98 billion USD, accounting for 68.5% of the total actual utilization of foreign investment in the city. 736 foreign-invested enterprises in high-tech industries were newly established in Beijing, accounting for 58.4% of the number of the new city’s foreign-invested enterprises. With great vitality and momentum of growth, the high-tech industries in Beijing has been able to attract increasing amount of foreign investment. By forging ahead with determination, Beijing has shaped a new pattern for the construction of “two zones” . Beijing has advanced the construction of the National Comprehensive Demonstration Zone for Expanding the Opening-up of the Service Industry and the China (Beijing) Pilot Free Trade Zone (the “Two Zones”) up to a higher standard, implemented reform initiatives in land supply, financing, talent, technology, data, etc., and continuously empowered foreign-invested enterprises/projects, with the first batch of other projects being settled in Beijing one after another. In 2021, Beijing accommodated the country’s first wholly foreign-invested currency brokerage company, the first wholly foreign-invested insurance assets management company and the first insurance alternative investment and assets management company, approved the first wholly foreign-invested licensed payment institution, improved the full industry chain of international film and television production service system, and promoted foreign investment in adult education and training institutions and in setting up operational vocational skills training institutions. In the first quarter of 2021, 379 foreign-invested enterprises were newly established in Beijing, a year-on-year increase of 36.3%; contractual foreign investment reached 9.63 billion USD, a year-on-year increase of 1.3 times. Due to the construction of the “two zones”, multiple favorable policies and incentives have been introduced, enabling foreign investors to enjoy more benefits from the opening-up of Beijing’s industrial sectors. As a result, Beijing has become a “strong magnet” in attracting foreign investment. By improving quality and efficiency, Beijing has fostered a new engine for deepening its opening-up. Guided by the strategy of humanistic Beijing, technological Beijing and green Beijing, the city has led the development of high-grade, precision and advanced industries with digitalization. In 2020, the added value of high-tech industries and strategic emerging grew by 56.9% and 58.5% respectively, the proportion of added value of modern service industries such as finance, technology and information further increased. By 2020, Beijing has accommodated 29000 national high-tech enterprises and 93 Unicorn enterprises, ranking first in the global cities. Digital economy accounted for 38% of Beijing’s total economy, ranking among the top in the country, which becomes a new driving force for both quantity and quality of economic development. Strategic emerging industries and future industries has continued to grow, and the advantages of the service industry has been further consolidated, forming a higher level of dynamic balance in which demand drives supply and supply creates demand. By optimizing standards and regulations, Beijing has developed and upgraded a new mechanism for opening-up and cooperation. Beijing has made every effort to build a world-class business environment, and continued to promote the reform of business environment from version 1.0 to 4.0. Now 98% of government services can be done online. People only need to visit government department once in order to get things done. Beijing took the lead in advancing the “single window, single form” acceptance model for foreign-funded enterprise registration and recording, the rule of law has been greatly enhanced, and enterprises and the public enjoy more convenience in dealing with government departments. Beijing has the implementation of national tax and fee reduction policies to the maximum, reducing the burden of enterprises and society by more than 470 billion yuan during “13th Five-Year Plan” period. Beijing has continued to enhance coordination and interaction with Tianjin and Hebei. The five reform measures for facilitating cross-border trade in Beijing, Tianjin and Hebei, measures for cross-city handling of matters in Beijing and Tianjin, and the policy on handling FTZ-related matters in Beijing, Tianjin and Hebei “following the same standard for the same matter” have introduced. Tianjin Binhai - Zhongguancun Science Park has seen the registration of more than 2,000 new companies, and Zhongguancun companies have set up more than 8,800 branches in Tianjin and Hebei. Significant progress has been made in the opening-up and cooperation in key areas such as industrial collaboration and joint development and sharing of public services in Beijing – Tianjin – Hebei Region. Economic globalization is still an irreversible trend of the times, so Beijing will comprehensively scale up its opening-up to the outside world, build a new economic system with higher openness, and foster new advantages in international cooperation and competition. This “Beijing Foreign Investment Development Report 2021”, with the theme of Building a “Beijing Benchmark” for a new pattern of opening-up on all fronts, shows investors the effectiveness of work for attracting foreign investment in Beijing and new opportunities for development. It hoped that investors from home and abroad will join hands to expand new possibilities for mutually beneficial cooperation in Beijing and work together to achieve a win-win future!
In 2020, it’s GDP was **3.6 trillion Yuan**.

Its R&D investment intensity reached 6%, **the highest in China**.

Its R&D expenditure in 2020 increased by **19.4%** from the previous year.

Accounting for about **10%** of the foreign investment actually utilized in China in 2020.

New economy accounted for **37.8%** of its GDP.

In 2020, it’s per capital GDP was **24,000 USD**, reaching the moderate level developed economies.

In 2020, it’s service trade accounted for about **1/5** of China’s total in 2020.

One of top 10 world financial centers


Capital of “Unicorns”

It has the largest number of unicorn companies in China, with over 40% of them are located in Beijing.

One of top 10 world scientific innovation centers


One of the top 10 world cities for 8 consecutive years in terms of number of HQs of “Fortune” 500 enterprises.
## A Selection of the Implemented Policies of Foreign Investment for the Building of "Two Zones"

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Took the lead in breaking through the national past qualification recognition mechanism for overseas futures professional qualifications.</td>
</tr>
<tr>
<td>02</td>
<td>Launched the first batch of pilot projects of domestic and foreign currency integrated accounts in China.</td>
</tr>
<tr>
<td>03</td>
<td>Conducted the first batch of pilot projects for the integrated domestic and foreign currency fund pools of multinational companies.</td>
</tr>
<tr>
<td>04</td>
<td>Rolled out the first batch of pilot projects for foreign patent agencies to set up permanent representative offices in China.</td>
</tr>
<tr>
<td>05</td>
<td>Allowed multinational companies to set up wholly foreign-owned financial companies.</td>
</tr>
<tr>
<td>06</td>
<td>Encouraged multinational companies to set up R&amp;D centers and carry out &quot;reverse innovation&quot;.</td>
</tr>
<tr>
<td>07</td>
<td>Allowed qualified foreign-funded companies to carry out global cultural art goods (non-cultural relics) display, auction and trading business.</td>
</tr>
</tbody>
</table>

## A Selection of the Implemented Projects of Foreign Investment for the Building of "Two Zones"

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Ueda Yagi Money Broking (China) Co., Ltd., the first wholly foreign-invested currency brokerage company in China was established in Beijing.</td>
</tr>
<tr>
<td>02</td>
<td>PayPal Information Technology Co., Ltd., the first wholly foreign-invested licensed payment company in China was established in Beijing.</td>
</tr>
<tr>
<td>03</td>
<td>Allianz Insurance Asset Management Co., Ltd., the first wholly foreign-owned insurance management company in China was established in Beijing.</td>
</tr>
<tr>
<td>04</td>
<td>Deutsche Bank (China) Co., Ltd., Beijing’s first wholly foreign-owned bank with securities investment fund custody qualification was approved.</td>
</tr>
<tr>
<td>05</td>
<td>Daiwa Securities (China) Co., Ltd., Beijing’s first newly-incorporated foreign-holding brokerage firm was established.</td>
</tr>
<tr>
<td>06</td>
<td>Coller (Beijing) Private Equity Fund Management Co., Ltd., Beijing’s first foreign-invested S fund manager and a subsidiary of Coller Investment Management Limited, was newly established.</td>
</tr>
<tr>
<td>07</td>
<td>Seragon (China) Co., Ltd., the regional headquarters of a world leading company in innovative drug research and development, was established in Beijing.</td>
</tr>
<tr>
<td>08</td>
<td>SMC Investment Management Co., Ltd., the first regional headquarters of a world-renowned pneumatic component company outside its native country was established in Beijing.</td>
</tr>
<tr>
<td>09</td>
<td>The domestic listing service platform for foreign-invested enterprises was launched.</td>
</tr>
</tbody>
</table>
Preface

Chapter I New strength of opening-up: stable progress and leapfrog development

Chapter II New opportunities of opening-up: deepening of reform and win-win cooperation

Chapter III New engine of opening-up: multiple incentives and better opportunities

Chapter IV New height of opening-up: constant optimization of business environment

Chapter V New landscape of opening-up: diversified openness and strong vitality

Looking forward

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The “13th Five-Year Plan” period is an important milestone in the history of Beijing’s development. During these five years, Beijing has resolutely implemented the new development philosophy, firmly grasped the strategic positioning of the capital city as the “four centers”, comprehensively performed the requirements of high-quality development, insisted on nurturing new opportunities and breaking new grounds. As a result, Beijing has gained historic outcomes in economic and social development, realized historic changes in the quality of urban and rural environment, made historic breakthroughs in the layout of the capital’s functions, and achieved historic improvements in international development.

Total economic volume has set new record, and comprehensive strength has leaped to a new level.

- During the “13th Five-Year Plan” period, Beijing’s GDP increased by nearly 1 trillion yuan, with a compound annual growth rate of 6%, thanks to the equal attention attached to both quality and quantity of economic development.
- In 2020, Beijing’s GDP exceeded 3.6 trillion yuan, ranking second in the country.

Beijing’s GDP growth during the “13th Five-Year Plan” period (2016-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (100 million yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>27041</td>
</tr>
<tr>
<td>2017</td>
<td>29883</td>
</tr>
<tr>
<td>2018</td>
<td>33106</td>
</tr>
<tr>
<td>2019</td>
<td>35445</td>
</tr>
<tr>
<td>2020</td>
<td>36102</td>
</tr>
</tbody>
</table>

- CAGR 6%

The capital city has witnessed stable increase in productivity and started a new chapter of development.

- During the “13th Five-Year Plan” period, Beijing realized steady growth in overall labor productivity while achieving decrement in population, land for construction and construction scale.
- In 2020, the overall labor productivity increased from 212,000 yuan per capita in 2015 to more than 280,000 yuan, ranking first in the provincial regions, which was about 162,000 yuan higher than the national average.

Overall labor productivity in Beijing during the “13th Five-Year Plan” period (2016-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>22.5</td>
<td>24.2</td>
<td>26.6</td>
<td>28</td>
<td>&gt;28</td>
</tr>
</tbody>
</table>

Beijing has led the country in terms of per capita GDP and taken further steps towards high quality development.

- During the “13th Five-Year Plan” period, Beijing’s GDP per person increased steadily with a compound annual growth rate of 6.1%.
- In 2020, Beijing’s per capita GDP reached 168,000 yuan (about $24,000), the highest in the country’s provincial administrative regions, reaching the moderate level of developed economies.

Per capita GDP growth in Beijing during the “13th Five-Year Plan” (2016-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>16.2</td>
<td>16.4</td>
<td>15.3</td>
<td>13.8</td>
<td>&gt;12.5</td>
</tr>
</tbody>
</table>

Beijing’s GDP per capita remains the NO.1 in China

Reaching the moderate level of developed countries

Top five provincial-level administrative regions in China in terms of GDP per capita

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>16.8</td>
<td>16.4</td>
<td>15.3</td>
<td>13.8</td>
<td>&gt;12.5</td>
</tr>
<tr>
<td>Shanghai</td>
<td>15.9</td>
<td>15.3</td>
<td>13.8</td>
<td>12.7</td>
<td>11.1</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>11.0</td>
<td>10.3</td>
<td>10.3</td>
<td>10.3</td>
<td>10.3</td>
</tr>
<tr>
<td>Fujian</td>
<td>11.0</td>
<td>10.3</td>
<td>10.3</td>
<td>10.3</td>
<td>10.3</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>11.0</td>
<td>10.3</td>
<td>10.3</td>
<td>10.3</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Data sources:
1. The “Beijing Statistical Yearbook”
2. The “Statistical Bulletin of National Economic and Social Development of Beijing Municipality in 2020”

Note 1: Estimates made based on the “Statistical Bulletin of National Economic and Social Development in 2020” released by the National Bureau of Statistics
Economic Structure
Optimizing industrial structure systematically of industrial structure

The structure of primary, secondary and tertiary industries has been continuously optimized, with the service industry contributing strongly to the overall economy.

- During the “13th Five-Year Plan” period, Beijing’s industrial structure continued to be optimized, and the proportion of the tertiary industry steadily increased.
- In 2020, Beijing’s tertiary industry realized an added value of 3.027.86 billion yuan, an increase of 49.7% compared with 2015, accounting for 83.8% of the city’s GDP.
- In 2020, the per capita income of legal entities in the tertiary industry above designated size stood at 2.259 million yuan, an increase of 24.9% year-on-year.

Proportion of three industries in Beijing during the “13th Five-Year Plan” period (2016-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tertiary Industry</th>
<th>Secondary Industry</th>
<th>Primary industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>82.3%</td>
<td>17.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2017</td>
<td>82.7%</td>
<td>16.9%</td>
<td>0.4%</td>
</tr>
<tr>
<td>2018</td>
<td>83.1%</td>
<td>16.5%</td>
<td>0.4%</td>
</tr>
<tr>
<td>2019</td>
<td>83.5%</td>
<td>16.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2020</td>
<td>83.8%</td>
<td>15.6%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

The number of employees working in the service industry has grown steadily, and strong measures have been taken to strongly support stable employment and protect people’s livelihood.

- During the 13th Five-Year Plan period, the scale of employees in the tertiary industry in Beijing was on the rise overall. The tertiary industry has become a strong driving force for job creation.
- In 2020, the tertiary industry in Beijing employed 10.472 million people, accounting for 83.1% of total employment, an increase of 1.122 million people from 2015.

Number and proportion of people employed in the tertiary industry in Beijing during the “14th Five-Year Plan” period (2016-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of people employed in the tertiary industry (10,000 people)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>977.5</td>
</tr>
<tr>
<td>2017</td>
<td>1002.2</td>
</tr>
<tr>
<td>2018</td>
<td>1010.2</td>
</tr>
<tr>
<td>2019</td>
<td>1056.1</td>
</tr>
<tr>
<td>2020</td>
<td>1047.2</td>
</tr>
</tbody>
</table>

Deeply integrating advanced manufacturing and modern service industries

The manufacturing industry has driven the growth of the service industry efficiently, and the service industry has nurtured the development of manufacturing industry effectively.

- The dual-engine role of the new generation of information technology and medical and health industry have continued to play an important role, and intelligent manufacturing has injected new impetus into Beijing’s industrial transformation and upgrading.
- The building of “high-grade, precision and advanced” industries has been accelerated. The output value of automobile, electronics and pharmaceutical industries accounted for nearly 40% of the above-scale industries, the output of integrated circuits, smart TVs and liquid crystal display modules has grown exponentially compared with that in 2015, and industrial robots and civil drones have grown from scratch.
- In 2020, the added value of industries above designated size increased by 2.3%.
- Beijing’s information transmission, software and information technology, financial industry, and scientific research and technological service industry have maintained a trend of continuous growth. Among them, the financial industry has maintained an average annual growth rate of 11% in the past five years, and its share in GDP has increased to 19.9%.
- The advantages of modern finance have been further consolidated, and the development of TechFin and green finance has been accelerated.

In 2020, the real economy industry has obviously moved towards the higher end

- The added value of computer, communication and other electronic equipment manufacturing industries increased year on year.
- The added value of pharmaceutical manufacturing industry increased year on year.

In 2020, the advantageous segments of the service industry continued to play a leading role

- Information transmission, software and information technology service industry
- Financial industry
- Scientific research and technical service industry

The number of employees working in the service industry has grown steadily, and strong measures have been taken to strongly support stable employment and protect people’s livelihood.

The new economic activities have developed vibrantly, and the new driving forces of economy have grown stronger.

- The new economic activities have continued to benefit the economy as a whole. In 2020, the new economic activities achieved an added value of 1365.4 billion yuan, accounting for 37.8% of GDP.
- The digital technology has deeply integrated with the service industry. In 2020, the growth rate of the total revenue of the online education, online entertainment, online games and online sports industries in Beijing exceeded 30%.
High-tech industries have demonstrated momentum of vibrant growth, and strategic emerging industries have kept growing.

- During the “13th Five-Year Plan” period, high-tech industries and strategic emerging industries increased accumulatively by 56.9% and 58.5%, respectively.
- In 2020, the added value of high-tech industries accounted for 25.6% of GDP, and the added value of strategic emerging industries accounted for 24.8% of GDP.
- In 2020, the investment in high-tech manufacturing industry rose by 87.7%, and the investment in high-tech service industry increased by 16.5%. Among them, the investment in science and technology service industry grew rapidly, by 57%.

Market entities have been agglomerated with great development momentum.

- In 2020, there were 2.08 million market entities in Beijing, among which 60% were new market entities in high-tech industries such as science and technology, information, commerce and culture.
- There were 29,000 national-level high-tech enterprises, 2.4 times that of 2015.
- There were 93 unicorn enterprises, topping the global list.

<table>
<thead>
<tr>
<th>Year</th>
<th>High-tech Manufacturing Industry</th>
<th>Strategic Emerging Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>The added value of high-tech manufacturing industry rose by 9.5% year-on-year</td>
<td>The added value of strategic emerging industry rose by 9.2% year-on-year</td>
</tr>
</tbody>
</table>

| Industries above designated scale | In the first three quarters, The added value of high-tech manufacturing increased by 6.9% | The added value of strategic emerging industries increased by 7.2% |

| Service industries above designated scale | From January to November, The revenue of high-tech service industry grew by 11% | The revenue of strategic emerging service industry grew by 9.6% |

| In 2020, | The investment in high-tech manufacturing industry increased by year-on-year 87.7% year-on-year | The investment in high-tech service industry increased by 16.5% year-on-year |

| | The investment in science and technology service industry increased by 57.0% |

**Note 2:** The added value of high-tech industries and the added value of strategic emerging industries intersect.
Beijing continuously improves top design.
- During the “13th Five-Year Plan” period, Beijing successively introduced 28 provisions on scientific research projects and fund management, 30 provisions on science and technology innovation and regulations to promote the transformation of scientific and technological achievements, and further improved the top-level design for the development of high-end elements of scientific and technological innovation.

Beijing performs as a leader in the country in terms of investment into scientific and technological research.
- During the “13th Five-Year Plan” period, Beijing’s intensity of investment into research and experimental development was around 6% on average.
- In 2020, the expenditure on R&D was 187.08 billion yuan, representing an increase of 19.4% year-on-year and accounting for 6.3% of China’s GDP.

Beijing has yielded fruitful results in technological innovation.
- A number of world-class major original achievements in science and technology have been accomplished, such as Majorana anyons, new gene editing technology, Tianjic, and quantum direct communication prototypes.
- In 2020, the total number of national science and technology awards won by Beijing enterprises accounted for 31% of the country’s total; the number of invention patents per 10,000 people was 155.8, ranking first in China and decuple the national average; and 163,000 patents were granted, including 63,000 inventions.

<table>
<thead>
<tr>
<th>2020 Number/amount</th>
<th>year-on-year growth (%)</th>
<th>Number/amount increased from that in 2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of patent applications</td>
<td>257,000 applications</td>
<td>+13.7%</td>
</tr>
<tr>
<td>Number of invention patent applications</td>
<td>140,000 applications</td>
<td>+12.6%</td>
</tr>
<tr>
<td>Effective invention patents at the end of the year</td>
<td>336,000 patents</td>
<td>+18.2%</td>
</tr>
<tr>
<td>Total turnover of technology contracts</td>
<td>631.82 yuan</td>
<td>+10.9%</td>
</tr>
<tr>
<td>Number of patent applications</td>
<td>156,000 applications</td>
<td>+64.7%</td>
</tr>
<tr>
<td>Number of invention patent applications</td>
<td>89,000 applications</td>
<td>+64.0%</td>
</tr>
<tr>
<td>Effective invention patents at the end of the year</td>
<td>133,000 applications</td>
<td>+152.6%</td>
</tr>
<tr>
<td>Total turnover of technology contracts</td>
<td>345.26 billion yuan</td>
<td>+82.9%</td>
</tr>
</tbody>
</table>

Beijing is the “capital of unicorn enterprises”
- In 2020, there were 586 unicorn enterprises in the world and 227 in China. Beijing accommodated 93 of them, an increase of 11 enterprises from the previous year, ranking first among global cities in terms of number of unicorn enterprises.

<table>
<thead>
<tr>
<th>Top 5 Chinese cities in 2020 in terms of number of unicorn enterprises accommodated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
</tr>
<tr>
<td>Shanghai</td>
</tr>
<tr>
<td>Shenzhen</td>
</tr>
<tr>
<td>Hangzhou</td>
</tr>
<tr>
<td>Nanjing</td>
</tr>
</tbody>
</table>

PwC Insights
- Chinese unicorn enterprises are gradually changing their roles to embrace digital transformation opportunities and provide original solutions in line with Chinese market needs. It is expected that during the “14th Five-Year Plan” period, more hard-tech star unicorn enterprises will emerge as policies and capital investments in support of technological research and development are further enhanced. Unicorn companies should be more active in leading digital transformation and upgrading and development of intelligent manufacturing, and should be committed to improving employees’ digital skills, enhancing cyber security, data privacy protection and digital trust, and promoting the construction of Digital China.
- Innovation has become the “key variable” in building a new development pattern, and the aggregated growth of unicorn enterprises reflects Beijing’s strength in science and innovation. In 2020, the number of unicorn enterprises in Beijing reached 93, ranking first in the world, with a total valuation of 2.649 billion yuan, and with leading unicorn enterprises represented by ByteDance and Didi. Beijing well deserves the reputation of “global capital of unicorn enterprises”.

Source:
1. Beijing Municipal Commission of Economy and Information Technology
2. Beijing Bureau of Statistics
3. Beijing Municipal Science and Technology Commission
4. Reviewing the “13th Five-Year Plan” and Looking Forward to the “14th Five-Year Plan” press conference series held by Beijing in 2020
Zhongguancun has developed into a gathering place for high-tech enterprises, science and technology innovation resources, talent resources and crowd innovation spaces, and is an important platform carrier and driving engine for Beijing to build an international science and technology innovation center.

The distribution of Zhongguancun Sixteen Parks

Two leading industrial engines
- Information technology
- Biology and health

Four key industries
- Advanced manufacturing
- Modem transportation
- New energy and environmental protection
- New materials

The position and industry characteristics of Zhongguancun Sixteen Parks

<table>
<thead>
<tr>
<th>Park</th>
<th>Positioning and Industrial Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dongcheng Park</td>
<td>The park is the birthplace of Zhongguancun Science Park, the core area of Zhongguancun National Independent Innovation Demonstration Zone, and the core area of the national science and technology innovation center. The park is strategically positioned as the capital's core functional area, the park has profound cultural heritages and strong advantages in finance, information, technology, and cultural industries.</td>
</tr>
<tr>
<td>Beijing Economic and Technological Development Zone</td>
<td>The park is the core area of Zhongguancun National Independent Innovation Demonstration Zone, and the core area of the national science and technology innovation center. The park has preliminarily formed a cluster for headquarters of enterprises of the high-tech industry and R&amp;D headquarters of enterprises dominated by the IT industry.</td>
</tr>
<tr>
<td>Tongzhou Park</td>
<td>The park is the only national-level economic and technological development zone in Beijing focused on the development of new petrochemical materials, high-end manufacturing, cultural innovation and other industries.</td>
</tr>
<tr>
<td>Fangshan Park</td>
<td>The park focuses on the development of new petrochemical materials, high-end manufacturing, cultural innovation and other industries.</td>
</tr>
<tr>
<td>Chaoyang Park</td>
<td>The park is a &quot;National Copyright Trade Base&quot; recognized by China, a cluster of cultural and creative industry recognition by Beijing, and a &quot;National Online Game and Animation Industry (Beijing) Development Base.&quot;</td>
</tr>
<tr>
<td>Mentougou Park</td>
<td>The park focuses on developing emerging high-end industries such as modern finance, high-tech, cultural and creation, and scientific and technological services. It features with the digital entertainment industry which has an integrated development of technology and culture. It also has formed a development pattern supported by online games, films and television animation, digital media and design industries.</td>
</tr>
<tr>
<td>Shunyi Park</td>
<td>The park is located at the intersection of Beijing, Tianjin and Hebei, with obvious geographical advantages. The four leading industries are aerospace, high-end equipment manufacturing, R&amp;D services, information services, and other high-end industries.</td>
</tr>
<tr>
<td>Haidian Park</td>
<td>The park has developed into a gathering place for high-tech enterprises, science and technology innovation resources, talent resources and crowd innovation spaces, and is an important platform carrier and driving engine for Beijing to build an international science and technology innovation center.</td>
</tr>
</tbody>
</table>

Note: January to November, 2020

Data source: 1. Beijing Municipal Bureau of Economy and Information Technology  
2. Beijing Municipal Bureau of Statistics  
3. "Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’" press conference series held by Beijing in 2020
The development of digital economy has achieved effective results.

- The digital economy represented by information transmission, software and information technology service industry has become the main buttress of Beijing's economic growth. In 2020, the added value of Beijing’s information service industry was 2.1 times that of 2015, and its proportion in GDP increased from 10.5% to 15.3%. The software and information service industry above designated scale achieved a business revenue of RMB 1.567.74 billion yuan, ranking first in the country and increasing 17.3% over the previous year, and the proportion in GDP increased from 10.5% to 43.4%.

- Digital technology enterprises are agglomerating in Beijing. Xiaomi, Baidu, Meituan, ByteDance, Didi and other digital economy enterprises have joined the “100 billion yuan club”. More than 20 enterprises, including Xiaomi, Meituan and Baidu are on list of China’s top 50 big data enterprises, and Beijing has the largest number of companies that made to this list.

The development of digital economy has contributed to the enhancement of urban governance.

- A data governance system with blockchain as the core, which means a data application system featuring a big data platform, and a decision support system with “leadership cockpit” as the traction have taken shape.

- Innovative measures have been taken to improve the business environment, and big data has been applied to fully support the “reforms to streamline the government, delegate power, and improve government services” (all businesses can be handled in one system).

- Big data technology has been used for targeted pandemic response, providing 3.207 billion health status inquiries for 52.647 million people.

- The Specialized Zone for Financial Public Data has brought together more than 2 million market entities with about 1.8 billion records of high-value data, effectively reducing the cost of acquiring public data for financial institutions and solving the problem of difficult and expensive financing for SMEs.

The development of digital economy has boosted industrial transformation and upgrading.

- New digital infrastructure has been constantly improved, and the trial operation of the National Industrial Internet Data Center has been launched;

- The Haidian Park, Tongzhou Park and Information Technology Application and Innovation Park in the Economic Development Zone of the National Cyber Security Industrial Park have been opened, and the infrastructure construction of the National Comprehensive Demonstration Zone for Innovation and Application of Beidou and the National Industrial Demonstration Base for New Industrialization have made solid progress.

- Technology applications represented by the commercialization of 5G, 4K/8K ultra-high-definition video, and next-generation intelligent network-connected vehicles, have accelerated the integration of traditional industries with digital technology, giving birth to new enterprises and new market players.

The added value of digital economy accounted for about 38% of Beijing’s GDP in 2020

Data source:
1. Beijing Municipal Commission of Economy and Information Technology
2. Beijing Municipal Bureau of Statistics
3. “Reviewing the ’13th Five-Year Plan’ and Looking Forward to the ’14th Five-Year Plan’” press conference series held by Beijing in 2020
The new growth momentum of consumption has given rise to emerging consumption forms and models. Beijing has become a popular city for brand debuts, with a total of 183 debut stores in 2020. Among them, debut stores from retail and food and beverage sectors account for the largest percentage, taking up 42.1% and 39.9% of the total, respectively. In 2020, Beijing maintained a double-digit growth in online consumption, with online retail sales growing by more than 30%, 18.8% higher than the national average.

The fundamental role of consumption in driving economic development has grown further. During the “13th Five-Year Plan” period, the total market consumption in Beijing continued to increase, the final consumption rate remained at about 60%, and the contribution rate of consumption to the economy was close to 70%. In 2020, the total retail sales of consumer goods in Beijing reached 1.37 trillion yuan, and the service consumption was 1.16 trillion yuan, accounting for about 40% of total consumption. Service consumption has kept growing, becoming the main driving force of consumption growth.

Consumption structure in Beijing during the “13th Five-Year Plan” period (2016-2020) (Trillion yuan)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Consumption</th>
<th>Service Consumption</th>
<th>Consumption of Retail Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.10</td>
<td>0.89</td>
<td>1.99</td>
</tr>
<tr>
<td>2017</td>
<td>1.16</td>
<td>1.22</td>
<td>2.38</td>
</tr>
<tr>
<td>2018</td>
<td>1.17</td>
<td>1.37</td>
<td>2.54</td>
</tr>
<tr>
<td>2019</td>
<td>1.22</td>
<td>1.50</td>
<td>2.72</td>
</tr>
<tr>
<td>2020</td>
<td>1.16</td>
<td>1.37</td>
<td>2.53</td>
</tr>
</tbody>
</table>

Consumption strength has kept growing. During the “13th Five-Year Plan” period, the per capita disposable income in Beijing recorded a new high of 50,000 yuan and 60,000 yuan successively, with a compound growth rate of 5.7%. In 2020, the per capita disposable income in Beijing was 69,434 yuan, an increase of 2.5% year-on-year and 37,245 yuan higher than the national average.

Beijing is ranked first in China (excluding Hong Kong, Macao and Taiwan) in terms of the number of well-off families, and it is the region with the largest number of “well-off families”, “high-net-worth families”, “ultra-high-net-worth families” and “internationally ultra-high-net-worth families” in China.

Data source:
1. “Beijing Statistical Yearbook”
2. Beijing Municipal Bureau of Statistics
3. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020
The structure of foreign trade has kept optimizing.

- During the “13th Five-Year Plan” period, Beijing’s foreign trade as a whole showed a good momentum of development, and the trade structure continued to be optimized.
- In 2020, the total import and export volume was 2321.59 billion yuan, an increase of 17.1% over 2015. Among them, export volume was 465.49 billion yuan, an increase of 37.1% over 2015; import volume was 1,856.1 billion yuan, an increase of 13% over 2015.

Changes in the total import and export volume of Beijing’s foreign trade during the “13th Five-Year Plan” period (2016-2020) (100 million yuan)

Optimization 1: The proportion of export of enterprises with independent brands and intellectual property rights has continued to increase

- There were more than 800 enterprises with independent brands and intellectual property rights. The proportion of export of enterprises with independent brands and intellectual property rights was about 25%, about 8.9% higher than that in 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1865.22</td>
<td>434.35</td>
<td>1430.87</td>
</tr>
<tr>
<td>2017</td>
<td>2192.39</td>
<td>578.25</td>
<td>1614.14</td>
</tr>
<tr>
<td>2018</td>
<td>2271.65</td>
<td>558.75</td>
<td>1712.90</td>
</tr>
<tr>
<td>2019</td>
<td>2272.4</td>
<td>572.4</td>
<td>1700.0</td>
</tr>
<tr>
<td>2020</td>
<td>2321.9</td>
<td>592.49</td>
<td>1729.41</td>
</tr>
</tbody>
</table>

Optimization 2: High-tech products exports have continued to increase

- During the “13th Five-Year Plan” period, the overall export of intensely processed and high value-added products maintained stable growth.
- In 2020, Beijing’s exports of high-tech products and electromechanical products rose 33.9% and 9.7% respectively from the previous year, and 50.3% and 9.0% respectively from 2015.

Changes in exports of high-tech products during the “13th Five-Year Plan” period (2016-2020) (100 million USD)

Changes in exports of electromechanical products during the “13th Five-Year Plan” period (2016-2020) (100 million USD)

The openness of trade in services has been scaled up.

- During the “13th Five Year Plan” period, Beijing’s total trade in services continued accounted for 1/5 of national trade in services, becoming a new growth point of Beijing’s foreign trade.
- In 2020, Beijing’s total trade in services reached US $121.82 billion, accounting for about 18.4% of China’s total, among which, the import and export of knowledge-intensive services accounted for nearly half.

Changes in Beijing’s total trade in services during the “13th Five-Year Plan” period (2016-2020) (100 million USD)

The share of Beijing’s trade in services in China’s total trade in services has been maintained at about 18.4%.
Utilization of Foreign Investment
Maintaining Beijing's strong momentum in the use of foreign investment, and growing Beijing into an attractive destination for foreign investment.

Beijing has continued to scale up its actual utilization of foreign investment.

- Beijing's actual utilization of foreign investment during the "13th Five-Year" period was about 82.98 billion USD, which is around 1.9 times that in previous "Five-Year" period and accounts for more than 12% of that in China.
- In 2020, Beijing's actual utilization of foreign investment reached 14.1 billion USD, accounting for 9.8% of the national total, an increase of 8.5% from 2015.

Beijing has accelerated the attraction of global high-end resources.

- Over 45,000 foreign-invested enterprises
- 55 headquarters of the world’s Fortune 500 enterprises (No.1 in the world)
- 186 regional headquarters of multinational corporations
- More than 200 foreign news agencies in Beijing
- More than 30 headquarters and branches of international organizations
- More than 3,000 foreign-invested representative institutions
- More than 100 foreign non-governmental organizations
- World’s top 10 law firms, 40 top 100 brand HR service providers, 6 world’s top 10 consulting firms
- World’s top 3 rating agencies
- World Bank, International Monetary Fund, Asian Development Bank, Asian Infrastructure Investment Bank and other internationally renowned financial organizations

Beijing has opened up more to the world.

A selection of foreign investment projects in Beijing in 2020

01. Ueda Yagi Money Broking (China) Co., Ltd., the first wholly foreign invested currency brokerage company in China was established in Beijing.
02. PayPay Information Technology Co., Ltd., the first wholly foreign invested licensed payment company in China was established in Beijing.
03. Allianz Insurance Asset Management Co., Ltd., the first wholly foreign owned insurance management company in China was established in Beijing.
04. Deutsche Bank (China) Co., Ltd., Beijing’s first wholly foreign owned bank with securities investment fund custody qualification was approved.
05. Daiwa Securities (China) Co., Ltd., Beijing’s first newly incorporated foreign-holding brokerage firm was established.
06. Coller (Beijing) Private Equity Fund Management Co., Ltd., Beijing’s first foreign invested secondary fund manager and a subsidiary of Coller Investment Management Limited, was newly established.
07. Seragon (China) Co., Ltd., the regional headquarters of a world leading company in innovative drug research and development, was established in Beijing.
08. SMC Investment Management Co., Ltd., the first regional headquarters of a world-renowned pneumatic component company outside its native country was established in Beijing.
09. The domestic listing service platform for foreign-invested enterprises was launched.

Data source: 1. Beijing Municipal Bureau of Statistics
2. Beijing Municipal Commerce Bureau
3. Compiled based on information from PwC
Further opening-up of the service industry has produced significant results.

- During the “13th Five-Year Plan” period, the total actual utilization of foreign investment in the service industry was about 77.48 billion USD, accounting for 93.4% of the total actual utilization of foreign investment in the city. The proportion of foreign-invested enterprises above designated scale in the service industry has remained above 78%.

**Structure of foreign direct investment in China and Beijing during the “13th Five-Year Plan” period (2016-2020)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Beijing</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>95%</td>
<td>44%</td>
</tr>
<tr>
<td>2017</td>
<td>95%</td>
<td>44%</td>
</tr>
<tr>
<td>2018</td>
<td>96%</td>
<td>54%</td>
</tr>
<tr>
<td>2019</td>
<td>96%</td>
<td>44%</td>
</tr>
<tr>
<td>2020</td>
<td>96%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Note: Calculated by the actual amount of foreign capital utilized

**The high-tech service industry has become a strong magnetic in attracting investment.**

- In 2020, the total actual utilization of foreign investment in Beijing’s high-tech service industry reached 9.29 billion USD, accounting for 96.2% of the actual utilization of foreign investment in the city’s high-tech industries, about 20 percentage points higher than the national level.
- In 2020, the number of new foreign-invested enterprises in Beijing’s high-tech service industry reached 725, accounting for nearly 99% of the total number of new foreign-invested enterprises in the city’s high-tech industries.

**Overview of the actual utilization of foreign investment and the number of foreign-invested enterprises in key areas of high-tech service industry in 2020**

- **Scientific research and technological service industry**: 4.8 billion USD, 96.20% of the actual utilization of foreign investment in high-tech service industry in Beijing.
- **Information transmission, software and information technology service industry**: 4.46 billion USD, 75.60% of the foreign-invested enterprises in the city.
- **Others**: 61, 8.60% of the foreign-invested enterprises in the city.

Data source: 1. Beijing Municipal Commerce Bureau 2. PwC based on public information
Overview of the utilization of foreign investment in various districts of Beijing in 2020 (ten-thousand dollars) and key industries for attracting foreign investment

1. Haidian District
- New-generation information technology, energy conservation and environmental protection, new energy vehicles, intelligent manufacturing, new materials
- Foreign Investment Utilization: 566015

2. Chaoyang District
- Business services, finance, culture and creativity, high technology, scientific and technological services, sports and leisure, health care for the elderly
- Foreign Investment Utilization: 462027

3. Dongcheng District
- Finance, business services, information services
- Foreign Investment Utilization: 60101

4. Shijingshan District
- Modern finance, high technology, culture and creativity, business services, tourism and leisure
- Foreign Investment Utilization: 39075

5. Xicheng District
- High-end service
- Foreign Investment Utilization: 22386

6. Fengtai District
- High technology, new finance, culture and creativity
- Foreign Investment Utilization: 12017

7. Shunyi District
- High-end services, automobiles, aeronautics and astronautics, new generation information technology, new materials, new energy, modern agriculture
- Foreign Investment Utilization: 70270

8. Economic Development Zone
- Biomedicine, intelligent manufacturing, labor intelligence, information security, new energy steam car, finance
- Foreign Investment Utilization: 65465

9. Tongzhou District
- Culture and creativity, high-end business, health services, high-tech agriculture
- Foreign Investment Utilization: 56527

10. Changping District
- Energy and environmental protection, biomedicine, intelligent manufacturing
- Foreign Investment Utilization: 16195

11. Daxing District
- Electronic information, biomedicine, high-end automobile, high-end equipment, culture and creativity, airline services, energy conservation and environmental protection, urban services, modern agriculture
- Foreign Investment Utilization: 12715

12. Fangshan District
- New energy vehicles, intelligent equipment, new materials, tourism and leisure
- Foreign Investment Utilization: 9343

13. Huairou District
- New materials, environmental protection, biomedicine
- Foreign Investment Utilization: 7119

14. Pinggu District
- Modern agriculture, tourism and leisure, health services, culture and creativity
- Foreign Investment Utilization: 5002

15. Mentougou District
- Intelligent manufacturing, medicine and health, tourism and leisure, culture and creativity, energy conservation and environmental protection
- Foreign Investment Utilization: 4240

16. Miyun District
- High-end intelligent equipment manufacturing, new generation information technology, tourism and leisure, modern agriculture
- Foreign Investment Utilization: 1660

17. Yanqing District
- Tourism and leisure, modern agriculture, new energy and environmental protection
- Foreign Investment Utilization: 304

Data source:
1. The Beijing Municipal Commerce Bureau
2. Data organized by PwC based on public information
As a longstanding supporter of economic globalization, China is committed to following through on its fundamental policy of opening-up. China will continue to promote trade and investment liberalization and facilitation, help keep the global industrial and supply chains smooth and stable, and advance high-quality Belt and Road cooperation. China will promote institutional opening-up that covers rules, regulations, management and standards. We will foster a business environment that is based on market principles, governed by law and up to international standards, and unleash the potential of the huge China market and enormous domestic demand. We hope these efforts will bring more cooperation opportunities to other countries and give further impetus to global economic recovery and growth.

—— From the special address by President Xi Jinping at the World Economic Forum Virtual Event of the Davos Agenda

Review of the “13th Five-Year Plan” period

- The building of an innovative country has delivered fruitful results, with a number of major scientific and technological achievements having been made in the field of super computing, quantum information and other frontier technologies
- Poverty eradication has achieved remarkable results, regional overall poverty has been resolved, and absolute poverty has been eradicated
- Important milestones have been achieved in financial risk management
- Supply-side structural reform has made solid progress
- The business environment has been further improved
- The opening-up of China to the rest of the world has been expanded, and “Belt and Road” cooperation has yielded fruitful results
- Significant achievements have been attained in education, health, culture and other fields

Outlook for the “14th Five-Year Plan” period

- China has ample potential for high-quality development
- The potential of its huge market and the dividend of its high-quality human capital will be gradually unleashed
- The Chinese government will continue to implement stable macroeconomic policies, adhere to expanding domestic demand, stimulate the vitality of market players, and scale up its openness to the outside world, driving high-quality development to a new level with a new philosophy and paradigm.

In 2020, China made steady progress in its economic development, with its GDP exceeding 100 trillion yuan for the first time.

- China was the only major economy in the world to witness positive growth in 2020
- Industrial production continued to develop, the service industry gradually recovered, the consumption upgraded at an accelerated rate, fixed asset investment steadily rebounded, foreign trade achieved positive growth, trade structure continued to be optimized, and foreign investment utilization reached a record high.

Data source: 1. Special address by President Xi Jinping at the World Economic Forum Virtual Event of the Davos Agenda
2. The “World Economic Outlook” released by the International Monetary Fund (IMF) on April 2021
3. The “2020 Government Work Report”
China’s economic recovery has boosted the global economy and the great vigor of its economy has stabilized global investment.

- In December 2020, the Organization for Economic Cooperation and Development (OECD) released a report showing that the global economy is expected to grow by 4.2% in 2021.
- China will be the locomotive of the world economy, contributing more than one-third of the global economic growth in 2021.

In April 2021, the International Monetary Fund (IMF) released a report forecasting that the global economy will grow by 6% in 2021. Progress in the recovery will be mixed and divergent across countries, with China leading the world with an economic growth rate of 8.4%.

In March 2021, Bloomberg Economics (BE) raised China’s economic growth to 9.3% in 2021 from the 8.3% forecast in November 2020, demonstrating strong confidence in the Chinese economy.

According to the “American Business in China White paper” released by the American Chamber of Commerce in China in May 2021:

- 2/3 of U.S. companies said they plan to increase their investment in China in 2021;
- More than 50% companies said the investment environment in China is improving;
- Member companies of the American Chamber of Commerce are generally positive about China’s growth and profitability potentials and the business environment in China.

On March 9, 2021, the American Chamber of Commerce in China (AmCham China) released ‘2021 China Business Climate Survey Report’ showing that:

- 81% of respondents expected positive growth in China’s domestic market in 2021;
- 75% of companies surveyed expressed optimism about China’s economic recovery;
- 85% of companies surveyed said they are not considering moving production and sourcing outside of China;
- 61% companies surveyed continued to view China as a preferred investment destination;
- 61% companies believed the Chinese government will further open its market to foreign investment, up five percentage points from the previous year.

China is one of the world’s largest and fastest growing markets and a major import market of for U.S. products and services. Many leading U.S. companies derive most of their revenue from China, and China is an important source of a large number of high-quality, inexpensive products and components that bring tangible benefits to U.S. manufacturers and consumers.

Data source: 1. The “Economic Outlook 2021” released by the Organization for Economic Cooperation and Development (OECD) in December 2020
2. The “World Economic Outlook” released by the International Monetary Fund (IMF) in April 2021
3. Published by Bloomberg Economics (BE)
4. The “2021 China Business Climate Survey Report” released by the American Chamber of Commerce in China (AmCham China)
The foreign investment in China bucked the trend as huge China market recovered strongly.

In June 2021, the United Nations Conference on Trade and Development (UNCTAD) released a report showing that the global foreign direct investment (FDI) in 2020 decreased by 35% compared with that in 2019.

China’s FDI growth is strong

China’s FDI grew 6% year-on-year to 149.3 billion USD in 2020

The second largest FDI inflow country in the world, China’s FDI inflows accounted for 15% of the global total

The world’s largest FDI outflow country, China’s FDI outflows accounted for 18% of the world’s total

<table>
<thead>
<tr>
<th>Country</th>
<th>Change in inflows to selected major global investment recipient countries in 2020 compared to the previous year (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Impressive results achieved by China in attracting foreign investment</td>
</tr>
<tr>
<td>Mexico</td>
<td>Singapore</td>
</tr>
<tr>
<td>Indonesia</td>
<td>-21%</td>
</tr>
<tr>
<td>Germany</td>
<td>-34%</td>
</tr>
<tr>
<td>U.S.</td>
<td>-40%</td>
</tr>
<tr>
<td>France</td>
<td>-47%</td>
</tr>
<tr>
<td>Australia</td>
<td>-49%</td>
</tr>
<tr>
<td>Canada</td>
<td>-50%</td>
</tr>
<tr>
<td>U.K.</td>
<td>-57%</td>
</tr>
<tr>
<td>Ireland</td>
<td>-59%</td>
</tr>
<tr>
<td>Brazil</td>
<td>-62%</td>
</tr>
<tr>
<td>Russia</td>
<td>-70%</td>
</tr>
</tbody>
</table>

Continuous optimization of the structure of investment attraction

High-tech industries utilized 296.3 billion yuan of foreign investment in 2020, an increase of 11.4%. The utilization of foreign investment in R&D design, e-commerce, information services grew 78.8%, 15.1% and 11.6%, respectively, and the utilization of foreign investment in pharmaceuticals, aerospace equipment, computing and office equipment manufacturing grew 14.1%, 44.5% and 60.6%, respectively.

Accelerated implementation of projects

938 new or expanded large projects with contracted foreign investment of 100 million USD or more were established, with a 12.5% increase in number. A number of leading enterprises such as BMW, Daimler, Siemens, Toyota, LG, ExxonMobil, BASF, etc. increased their investment or expanded their production in China.

Significant increase of foreign investment in certain regions

The actual utilization of foreign investment in eastern region increased by 8.9%, accounting for 88.4% of the total amount of utilization. The actual amount of foreign investment utilized by the top six provinces of investment attraction increased by 8.9%, accounting for 78.2% of the total amount of foreign investment.

Outcomes of being a highland for opening-up

The actual utilization of foreign investment in the FTZ for the whole year was 179 billion yuan, accounting for 16.8% of the country’s total, and 6472 new foreign enterprises were established, accounting for 17.9% of the national total.

China’s FDI (100 million USD) and year-on-year growth rate during the “13th Five-Year Plan” period (2016-2020)

With foreign trade stabilization measures taking effect, China’s foreign trade has made a “V” shape rebound.

China’s imports and exports value of goods hit record high

- During the “13th Five-Year Plan” period, the high-quality development of China’s trade was steadily advanced, the policies and measures to stabilize foreign trade were effective, and the high-quality development of foreign trade reached a new level.

The value of China’s imports and exports of goods (100 million yuan) and year-on-year growth during the “13th Five Year Plan” period (2016-2020)

- The total value of China’s imports and exports of goods was 32.16 trillion yuan, up 1.9% year-on-year. The exports of goods were 17.93 trillion yuan, up 4% year-on-year, while the imports of goods were 14.23 trillion yuan, down 0.7% year-on-year; and the trade surplus was 3.7 trillion yuan, up 27.4% year-on-year.
- China became the largest trading partner of more than 120 countries and regions, including the United States, the European Union, Japan and India.

The quantity and quality of China’s trade in services has improved

- During the “13th Five-Year Plan” period, China’s modern service industry has made substantial progress and contributed to the higher-quality development of trade in services.
- Financial services, computer and information services and other areas of trade in services have developed at a higher speed; and as the digital transformation of the manufacturing industry has been increasingly accelerated, the productive services industry has become a new engine driving the growth of trade in services.

The value of China’s imports and exports of services (100 million yuan) and year-on-year growth during the “13th Five Year Plan” period (2016-2020)

- Affected by the international situation, China’s total imports and exports of services was 4,564.27 billion yuan in 2020, down 15.7% year-on-year.
- Excluding travel services, China’s imports and exports of services grew by 2.9% in 2020, of which exports grew by 6% and imports remained basically unchanged.
- The growth rate of exports of services in December was the highest in 2020, up 6.9% year-on-year, a clear sign of recovery.
- The share of knowledge-intensive service trade increased by 8.3% year-on-year to 44.5%. The exports of knowledge-intensive service increased by 7.9% year-on-year, accounting for 55.3% of total exports of services.

World’s Only major economy that achieved a positive growth in trade

- NO. 1 Largest exporter in the world
- NO. 2 Second largest importer in the world
- 120+ Largest trading partner of over 120 countries and regions

New Landscape of Opening-up

Having been accelerating the building of a new landscape of comprehensive opening-up to provide fertile ground for the development of global enterprises

The development of the pilot Free Trade Zone (FTZ) has been sped up to support the new landscape of opening-up.

- In 2020, three new pilot free trade zones, including the Beijing Pilot Free Trade Zone were established. The number of China’s pilot FTZs increased to 21. The “1+3+7+1+6+3” pilot FTZ pattern, resembling a wild goose queue, has been gradually formed, and a high-standard and high-level network of pilot FTZs has been taken shape.

The “Closer Economic Partnership Arrangement” (CEPA) between Mainland and Hong Kong and between Mainland and Macau has moved forward steadily.

- Steady progress has been made in the implementation of the “Mainland and Hong Kong Closer Economic Partnership Arrangement” and the “Mainland and Macao Closer Economic Partnership Arrangement” (CEPA) since it took effect 17 years ago on January 1, 2004.

RCEP was officially signed.

- The signing of Regional Comprehensive Economic Partnership (RCEP) agreement marks the formation of the free trade area that features the largest population coverage, the most diversified membership composition, the largest scale and the most dynamic potential of development to date.
- In 2020, China’s exports to RCEP member countries amounted to 700.7 billion USD, accounting for 27% of its total exports; imports from RCEP partner countries amounted to 777.9 billion USD, accounting for 37.8% of its total imports; 10% of China’s foreign investment came from RCEP members.


- The restriction on foreign shareholding ratio of futures companies has been officially cancelled nationwide.
- The 2020 edition of the “National Negative List for Foreign Investment Market Access” and the “Negative List for Foreign Investment Market Access in Pilot Free Trade Zones” came into effect, and the number of provisions of these two regulations reduced from 40 to 33 and from 37 to 31, respectively.

The State Council issued the “Plan for Deepening the Pilot Program of Innovative Development of Trade in Services”, and the scope of the pilot program has been expanded to cover 28 areas.

- The State Council approved the establishment of Beijing, Nanhai Hainan Pilot FTZs, and the expansion of Zhejiang Pilot FTZ.

The restrictions on foreign shareholding ratio of fund management companies have been officially cancelled nationwide.

- The restrictions on foreign shareholding ratio of fund management companies have been officially cancelled nationwide.
- The restrictions on foreign shareholding ratio of fund management companies have been officially cancelled nationwide.

Data source:
1. The Ministry of Commerce
2. The Information Office of the State Council
The “Foreign Investment Law” has opened up new prospects.

- China’s “Foreign Investment Law” came into force on January 1, 2020, replacing the former “three laws on foreign investment”. This law is a comprehensive and fundamental legal regulation of foreign investment activities in China under the new circumstances.

- In January 2021, a new edition of the “Catalogue of Industries for Encouraging Foreign Investment” entered into force, further expanding the scope of encouraging foreign investment by adding 127 fields of encouraged industries.

- In the context of globalization, the new “Foreign Investment Law” will not only enable multinational enterprises to establish more branches in the Chinese market, to find more development opportunities and serve local consumers, but also can help them export products to the world, so as to better serve the whole world.

--- Robert E. Moritz, Chairman, PricewaterhouseCoopers International Limited

- The “Measures for Security Review of Foreign Investment” (the “Security Review Measures”) was issued by the National Development and Reform Commission and the Ministry of Commerce on December 19, 2020, and came into effect on January 18, 2021.

- From 2017-2020, China revised the “Negative List for Foreign Investment Market Access” for four consecutive years, reducing the restrictions by nearly 2/3 in total.
- The national version of the negative list introduced in 2020 was shortened from 40 provisions in 2019 to 33 provisions.
- The Negative List for Foreign Investment Market Access in Pilot Free Trade Zones introduced in 2020 was shortened 37 provisions in 2019 to 30 provisions.
- The negative list introduced in 2020 for Hainan Free Trade Port only has 27 provisions.

--- Ministry of Commerce of the P.R.C.

- Since 2018, the National Development and Reform Commission has taken the lead in setting up a task force on major foreign investment projects to coordinate and solve the practical problems in implementing the projects.
- At present, four batches of major foreign investment projects have been launched, with a total investment of more than 110 billion USD.
- The fifth batch of major foreign investment projects in advanced manufacturing, high-tech and other fields will be launched in 2021, with policy support for industrial planning, land use, environmental assessment, energy use, etc.

--- Ministry of Commerce of the P.R.C.

- Efforts shall be made to promote equal treatment of domestic and foreign enterprises in government procurement, land supply, tax exemptions, qualification permits, standard setting, project application, human resource policies, etc. in accordance with the law.

--- Ministry of Commerce of the P.R.C.

Data source: 1. Regular Press Conference of the Ministry of Commerce
2. Organized by pwc based on public information

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As the capital of China and an important gateway to the outside world, Beijing has a special and pivotal position in the national plan of building a new landscape of development.

Thanks to the support of multiple national strategies, Beijing has gained remarkable advantages and unique opportunities for opening-up.

The national “14th Five-Year Plan” charts a course for China’s further development.

The “Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035” was released in March 2021, providing important guidance and strong support for the planning of Beijing’s work in the next five years.

Looking into the “14th Five-Year Plan” period, Beijing will focus on building a new pattern of opening-up, taking initiative to open-up more and to promote further development and advancing high-quality development with a high level of openness.

Following the “4×4” framework, the initiatives adopted for the new round of opening-up will focus on “new high ground, new engine, new platform and new mechanisms”, and highlight 16 key tasks. Furthermore, more initiatives in financial services, digital economy and trade, cultural tourism, professional services and other areas will be introduced to promote the further opening-up of Beijing.

Beijing made an Action Plan for “4×4” new initiatives for opening-up.

Support Beijing to build itself into an international science and technology innovation center

- Build a comprehensive national science center in Huairou, Beijing
- Strengthen the innovation functions of national innovation demonstration zones, high-tech industrial development zones, economic and technological development zones, etc.
- Moderately plan ahead in deploying major national science and technology infrastructure facilities

Accelerate the synergistic development of Beijing, Tianjin and Hebei

- Strive to relieve Beijing of functions non-essential to its role as China’s capital and promote the high-quality construction of Beijing’s sub-center
- Improve Beijing’s research and innovation capacity, and give play to the pilot role of Zhongguancun National Independent Innovation Demonstration Zone
- Promote the deep integration of the industrial and innovation chains in Beijing, Tianjin and Hebei, connect Beijing, Tianjin and Hebei with railways, and improve synergy among their airports and ports.

Hold successful Beijing Winter Olympics and Winter Paralympics

- Build a comprehensive national science center in Huairou, Beijing
- Strengthen the innovation functions of national innovation demonstration zones, high-tech industrial development zones, economic and technological development zones, etc.
- Moderately plan ahead in deploying major national science and technology infrastructure facilities

Data source: 1. The “Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 of the People’s Republic of China”
2. The “2020 Government Work Report”

New Opportunities in the "14th Five-Year Plan" Period

With the strong support of national strategies, opening up to embrace new opportunities

New Initiatives Adopted in the "14th Five-Year Plan" Period

Focusing on the four open frameworks and highlighting the four open areas

43 44

The “one core, two axes and multiple sectors” layout draws a new blueprint of international exchange center.

- On September 27, 2020, the Beijing Municipal Government released the “Special Plan for Advancing the Construction of Beijing’s Function as an International Interaction Center”, which defines the spatial layout of “one core, two axes and multiple modules”.

| One core | An important carrying area for state affairs and diplomacy |
| Two axes | Concentrated carrying area for international financial management, international conference and exhibition and other comprehensive services concentrated bearing area |
| Multiple sectors | Their respective development plans have been defined Carrying capacity area for public public diplomacy |

- Yanqing – Badaling: World Horticulture Expo module, International culture and tourism
- Huairou – Yanqi Lake: science city module, international communication, international exchanges of culture and science
- Shunyi: Capital airport module, Promote the construction of the second and third phases of the New China International Exhibition Center
- Haizhu: Zhongguancun: “three hills and five gardens” module, Gathering of international high-end talents and starting up of high-tech enterprises
- Chaoyang: embassy module, Push forward the construction of the fourth embassy cluster
- Tongzhou: city sub-center module, Remove non-capital functions, agglomeration of international high-end factors
- Daxing: international airport module, International business and finance, international organization functions

Leveraging new strategic advantages to create a new high ground for reform and opening-up
Building “Two Zones” with high standards and promoting the expansion of opening-up in all aspects
- Beijing shall seize the major opportunity of the construction of “two zones”, take the initiative in serving the new development pattern, take the lead and make greater contribution to advancing the expansion of opening-up in all aspects
- Promote high-level system-based opening, strengthen international convergence and international cooperation
- Vigorously support the opening-up and development of the financial industry: play the role of national financial management center and establish the financial court
- Continuously deepen the 4.0 version of business environment reform

Positioning the digital economy as a forerunner and building a global benchmark city of digital economy
- Beijing insists on positioning the digital economy as a forerunner and implements the “five new” policies in depth
- Build digital infrastructure
- Lead the development of high-grade, precision and advanced industries with digitalization
- Develop new industries and enhance the construction of logistics base
- Build a smart city

Building an international science and technology innovation center and reinforcing the core position of innovation
- Beijing’s construction of an international science and technology innovation center is a strategic task personally proposed, planned and promoted by General Secretary Xi Jinping. It assumes an important mission in achieving self-sufficiency and self-improvement in science and technology
- Step up efforts to build national science and technology strength
- Make greater efforts to promote the integrated development of “three cities and one area”
- Build an international first-class cluster of talents
- Continuously optimize the ecology of innovation and entrepreneurship

Building an international consumer center and leading the new demand for consumption
- It is one of the main tasks of Beijing’s business development in the “14th Five-Year Plan” period to promote the development of new consumption by building an international consumer center
- Promote the development of new consumption driven by building an international consumer center
- Enhance the attractiveness of consumption in striving for consumption
- Improve international consumption: explore new ways to develop duty-free stores and new models for cross-border e-commerce

Building a national cultural center and creating a world famous tourist city
The “Medium and Long-term Plan for Beijing to Promote the Construction of National Cultural Center (2019-2035)” was officially released on April 9, 2021. The plan vigorously develops modern cultural industries and promotes high-quality cultural consumption, promoting the implementation of the same standard for online and offline artistic and literary creation. It accelerates the construction of “cultural circle” and build a world famous tourist city

Interacting development of “one core and two wings” and promoting the Coordinated Development of Beijing-Tianjin-Hebei
- Beijing insists on the interacted development of “one core and two wings”, strengthens regional coordination and cooperation, and promotes the coordinated development of Beijing-Tianjin-Hebei to a higher level
- Promote breakthroughs in the layout of regional innovation chain, industrial chain and supply chain
- Promote the formation of a world-class city cluster with the capital as the core

Leveraging the 2022 Winter Olympic and Paralympic Games to improve the application of high technology scenarios
- Implement the action plan for introduction of science and technology in Winter Olympics, and promote a number of new technologies to be applied in the Winter Olympics and Winter Paralympics
- Select the Winter Olympics to try out artificial intelligence applications and build an ecosystem for artificial intelligence
- Accelerate the application of 5G technology, and promote the development and improvement of the industrial chain and supporting facilities for winter sports

Data source: 1. The “14th Five-Year Plan and Long-Range Objectives Through the Year 2035”
2. Beijing Municipal Commerce Bureau
3. Beijing Municipal Commission of Science and Technology
4. The “Medium and Long-term Plan for Beijing to Promote the Construction of National Cultural Center (2019-2035)”

3. Beijing Municipal Commerce Bureau
Introduction of Numerous Incentives for the Construction of “Two Zones”

Raising the curtain of a new pattern of opening-up to the outside world with “districts + industries + elements”

Beijing, with high standards, promotes the construction of “Two Zones” which refers to the construction of the Integrated National Demonstration Zone for Opening up the Services Sector and the China (Beijing) Pilot Free Trade Zone.

Each zone has its own characteristics while complementing each other

- **Integrated National Demonstration Zone for Opening up the Services Sector**
- **China (Beijing) Pilot Free Trade Zone**

Numerous policy incentives are introduced which is unprecedented nationwide

- Open up more access to industries
- Greater talent support
- More secure and orderly data flow
- Greater tax incentives
- More convenient capital inflow and outflow
- Better business environment
- Aviation Service

The opening-up of the “Two Zones” takes the “17 districts + 9 sectors + 4 elements” program framework as the focus, and builds a practical all-round opening-up system which features “districts + industries + elements.”

Beijing is the first integrated pilot city in China to expand the opening up of its services sector, and the only city upgraded to be the integrated national demonstration zone for opening up the services sector.

Multiple Incentives and Better Opportunities

03

Building a framework and task system for the promotion of industrial openness

- Science & technology
- High-end Industries
- Finance

Building a framework and task system for the promotion of industrial openness

- Commerce & Trade
- Education
- Culture & tourism
- Healthcare
- Professional Service

Defining the main direction, tasks and measures for improving the openness of various regions

Give full play to the advantages of the 16 districts and economic and technological development area in geographical location and industrial capacity

Composing a system to support the elements for high-level opening-up

Focusing on talents, intellectual property, financial and tax support, and customs clearance of goods

New Engine of Opening-up
9 Sectors: Deepen industrial opening-up and continuously enhance attraction for foreign investment

- Establish digital trade rules to promote international mutual recognition of digital certificates and electronic signatures
- Strengthen the construction of digital economy infrastructure, and build an international big data exchange and a digital copyright trading platform
- Promote the flow of cross-border data, and make pilot trials in software real-name verification, data origin label identification, data product import and export, etc.
- Create application scenarios for the digital financial system, and build a pilot zone for legal digital currency

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- Create application scenarios for the digital financial system, and build a pilot zone for legal digital currency
4 Elements: Support a high level of opening-up to further optimize the development environment for foreign investment

01 Greater support for talent development
- Practice qualification
  - Further relax the practice restrictions for professionals with overseas professional qualifications
  - Major breakthrough in certification of securities practice qualification certification
  - Full coverage of certification of fund practice qualification certification
  - First city in implementing the certification of futures practice qualification
  - The certification of bancassurance practice qualification certification has been fully completed
- Innovation and entrepreneurship
  - Support foreign scientists to take the lead in undertaking government-supported science and technology projects
  - Allow foreigners to use foreign permanent resident ID cards to establish or hold shares in domestic companies
- Supportive measures for life
  - Provide entry and exit convenience for high-end overseas talents, and provide more convenience for the use of foreign exchange in daily life

02 More convenience in cargo clearance
- Simplify the approval process for the international cooperative R&D that are launched by domestic biomedical R&D entities.
- Accelerate the customs clearance of urgently needed medical devices and R&D materials, reagents and equipments
- Carry out fast customs clearance and related warehousing services for artworks

03 Better protection and application of intellectual property
- Explore and study tax policies that encourage technology transfer.
- Explore the establishment of a fair intellectual property evaluation mechanism, improve the intellectual property pledge registration system, the intellectual property pledge financing risk sharing mechanism, and the pledge disposal mechanism.
- Set up an intellectual property trading center to prudently explore and develop intellectual property securitization according to standards.
- Carry out the pilot work for the establishment of resident representative offices of foreign patent agencies.
- Explore the construction of international digital product patents, copyrights, trade secrets and other intellectual property protection systems.

04 Increased fiscal and taxation preferential support
- Overseas talent
  - Certain subsidies on individual income tax will be provided to overseas high-end talents in specific areas
- Accreditation of high-tech enterprise
  - In the fields of integrated circuits, artificial intelligence, biomedicine, key materials, etc., enterprises that meet the requirements are subject to “approval upon filing”, and they can enjoy income tax preferences according to regulations.
- Technology transfer
  - Focus on specific areas, and appropriately relax the scope and conditions of technology transfer for income tax preferences
- High-quality cultural consumption
  - Actively study and adjust the current import tax policy to encourage the return of overseas cultural relics
Emerging effects of Opening-up

Projects implemented:
- Amundi, Europe’s largest asset management company and the world’s top ten asset management company was introduced into Beijing
- PayPal Information Technology Co., Ltd., the first wholly foreign-invested licensed payment company in China was set up in Beijing
- Allianz Insurance Asset Management Co., Ltd., China’s first wholly foreign-invested insurance asset management company was introduced into Beijing
- Beijing is one of the first in China in establishing integrated domestic and foreign currency bank accounts that meet the needs of RMB internationalization and foreign exchange management
- Optimization of business environment for financial industry:
  - A service platform for domestic listing of foreign-invested enterprises was established in Beijing

Innovative development of digital economy

Setting up of a data transaction service system:
- Beijing International Big Data Exchange and a new data transaction system were established
- Beijing International Data Exchange Alliance, a data element industry ecological alliance with multi-party resources was established

Continuous optimization of ecology for innovation

Construction of innovation platform:
- Zhongguancun introduced 10 Belgian science and technology innovation projects through cloud roadshow

Construction of an international scientific and technological talent community:
- “Qiaomengyuan” Overseas Academician and Expert Workstation was set up
- Promote the implementation of the International Technology Transfer Center of the City University of Hong Kong in the Future Science Park

Accelerated incubation of pharmaceutical R&D achievements

Setting up of international research-based hospitals and research-based wards:
- Completed the upgrading construction of the first batch of 10 research-based wards and started the demonstrative construction of the second batch of 5-10 wards
- Drug/medical device approval and customs clearance:
  - The approval process for domestic biomedical R&D entities has been simplified to facilitate international cooperative R&D led by domestic entities

Continuous relaxation of access conditions

Allocation of license resources:
- Permit has been given to Beijing International Resort Co., Ltd. to independently file and host foreign-related performances in the resort
- Further opening-up approval and permit:
  - Pilot in Tongzhou cultural and tourism zone for foreign investors to invest in performing groups

Joint development of “dual airports”

Introduction of industrial policies:
- Shunyi District has made new breakthroughs in four areas: supervision of aviation materials, import of special aviation parts, maintenance and subcontracted repair business of aviation equipment, and construction of international air cargo system

Strengthen the introduction of talents

Certification of qualification:
- Implement the recognition of international practice qualifications in financial and other service sectors
- For qualified professionals with overseas professional qualifications, after filing, they may apply for work residence permits in accordance with regulations
- Open an application channel for the qualification examination for foreign talents

Talent introduction:
- Trial implementation of the “Interim Measures for the Administration of Financial Subsidies for Overseas High-end Talents of Beijing Municipality”
- Talent service:
  - Implementation of the policy of “acceptance of application materials for work permit and residence permit at the same service window and collection of these two permits at the same time”
  - Beijing Free Trade Zone (FTZ)’s first “Talent E+” Workstation dedicated to serving the construction of the FTZ was established in Haidian District
  - The housing allocation plan for InnoEcos International Talent Apartment was proposed

Continuous improvement of business environment

Policy reform:
- The time limit for the completion of planning permits for construction projects in Daxing District has been shortened from 7 working days to half of a working day

Government service:
- The “Government + Enterprise” dual-butler service model has been implemented in the Financial Street of Xicheng District to provide support for corporate policies
- Regulation innovation:
  - The “credit” model has been used by CBD Administrative Committee to assist credit regulation
- Expand the opening up of education:
  - The Beijing Municipal Education Commission delegates the school approval authority for children of foreign personnel to each district

Data source:
1. Beijing Municipal Commerce Bureau
2. Open Beijing
3. Information compiled by PwC
Development of Key Platforms

Leveraging multiple advantages of the “Three Platforms” of China International Fair for Trade in Services, Zhongguancun Forum and Financial Street Forum to further promote win-win cooperation with foreign investors.

China Beijing International Fair for Trade in Services (CIFTIS) is an important bridge for expanding the opening-up of the service industry to “bring in and go out”.

- In 2020, CIFTIS held exhibitions covering all 12 areas of trade in services and 190 forums and negotiations, with 22,000 enterprises and institutions from 148 countries and regions participating in the exhibitions online and offline. At the 190 forums and negotiations held, 97 authoritative publications were made, 19 alliances or platforms were established, 99 innovations were debuted, and 240 agreements were signed.
- CIFTIS has gradually become a stage for the display of global high-quality innovative services, a window for the release of international service trade policies and information, a platform for service trade enterprises from various countries to find partners and trade, and an important bridge for the “bringing in” of international advanced services and the “going out” of services from China.

CIFTIS created a digital platform to promote the combination of online and offline events.

- China International Fair for Trade in Services
  - Organize global service trade summit and promote the establishment of a global service trade alliance
  - Together with China International Import Expo and China Import and Export Fair, it constitutes a new platform for China to expand opening-up and scale up international exchanges.

- Financial Street Forum
  - Conduct summit dialogues around important issues in key areas of global finance
  - Issue important financial reform and opening-up policies
  - Enhance connectivity between China’s financial industry and the international financial market.

- Zhongguancun Forum
  - Center on innovation and development, focus on the frontiers and hot topics of international scientific and technological innovation
  - Develop comprehensive online services for global technology transactions.

New Height of Opening-up

Constant Optimization of Business Environment
Further Upgrading of Business Environment
Continuously creating a transparent, stable and international business environment

“Optimization of China’s successful experience in the business environment: Driving forces of reform and the future opportunities for reform”

- Beijing reached or exceeded the world-class level in 6 sub-indicators under getting electricity and dealing with construction permits.
- It became national or even global reform pioneer in 24 sub-indicators under getting electricity and registering property.

“Dong Business in China 2020”

Government-oriented toward enterprise driven

- Beijing has been rated as a “benchmark city” in 18 key areas for optimizing the business environment.
- Beijing has continuously launched reports on optimizing the business environment from the 1st version to the 4th version and launched innovative and influential breakthrough reform measures.

“China’s Urban Business Environment Index Report in the Post COVID-19 Era”

Beijing has ranked first in many sub-indicators for two years in a row

- Beijing has the best innovation environment in China. It ranked first in sub-indicators such as basic research, enterprise innovation, and information empowerment.
- In the market environment, Beijing strengthened the introduction of international talents, and ranked first in the index of talent supply.
- It also ranked first in financial service and market scale.
- The “Measures on Further Promoting the Development of Convenience Stores” has become Top 10 popular policies in the post COVID-19 era.

“Business Environment of China’s 296 Cities in 2020”

Beijing ranks 1st in the number of patent granted per 10,000

- Beijing performed the best in the social service indicator where it performed the strongest in the dimension of intellectual property patent creativity, and ranked 1st in the number of patent granted per 10,000.
- Town resources, universities, medical care, science and technology are concentrated in Beijing and Shanghai.

“2020 Memorandum on Reform to Optimize the Business Environment for Taxation In Beijing”

Embrace the new era of improved business environment for taxation

- The process of 313 taxation items have been moved online.
- 12 authorities co-launched the “Measures to Facilitate Reform on Taxation Payment Convenience and Optimize Taxation Business Environment for Foreign Investors”.
- Integrated filing has been launched to reduce the frequency of tax payment.
- The application procedures for refund for input VAT have been streamlined.

“The business environment has been further upgraded to promote high-quality economic development

History of reforms to improve business environment

<table>
<thead>
<tr>
<th>Version</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Focusing on the 10 indicators evaluated by the World Bank; 51 reform policies were launched in seven areas involved in the whole life cycle of enterprises, starting a business, dealing with construction permits, getting electricity, etc.</td>
</tr>
<tr>
<td>2.0</td>
<td>Benchmarking on World Bank indicators, 114 reform policies were introduced to “simplify processes, improve services, cut costs, and strengthen supervision”.</td>
</tr>
<tr>
<td>3.0</td>
<td>204 reform policies were launched to promote the reform of business environment in all-round way and fully meet the needs of the enterprises and the public.</td>
</tr>
<tr>
<td>4.0</td>
<td>Focusing on the complete process of “one stop”, 277 reform measures were launched to promote comprehensive reform in 7 major areas including investment and construction, foreign investment and trade, and supervision and law enforcement.</td>
</tr>
</tbody>
</table>

Data source: The “Measures to Further Optimize Business Environment and Better Serve Market Players”

From 35 items in version 1.0, to 156 in 2.0, to 204 in 3.0, and to 277 in 4.0 - Beijing’s business environment has made a leap forward. Reforms in 7 major areas, including investment & construction, foreign investment & trade, and supervision & law enforcement, were launched to respond to the concerns of market players.

Simplify administration and delegate power impartial regulation
Optimize service, strengthen accountability

- Deeper reform in more areas with more content.
- Seek new improvement of the overall business environment, and enhance the sense of gain of enterprises.
- More emphasis on cross-functional and cross-regional coordination.

4.0 Version of Business Environment Reform brings more benefits.

- More convenient market environment.
- More stable employment environment.
- More open foreign investment environment.
- Better government services environment.
- Better regulated supervision and law enforcement environment.
- Fairer legal environment.
- More efficient investment and construction.

“Measures to Further Optimize Business Environment and Better Serve Market Players (4.0 Version of Business Environment Reform)”

- Shorten the time needed for applying for access to municipal services by half.
- “Whole-process online administration” of the online car-hailing permit.
- Customs clearance for export is shortened to within 1.1 hours.
- Title reviews in Beijing-Tianjin-Hebei are mutually recognized.
- Citizens purchasing house in Beijing are able to handle full-process online.
- Citizens purchasing house in Beijing are able to handle full-process online.
- Promote the launch of the “Social Credit Regulations of Beijing Municipality”.
- Establish a blacklist of untrustworthy intelectual property subjects.
Adding more government services to gradually improve “one-stop” service system for foreign investment

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**Beijing’s “enterprise package”**
- **Customize solutions for the difficulties encountered in the establishment and development of enterprises**
- **Chief steward**
  - Beijing Municipal Commission of Development & Reform
- **Service steward**
  - Related authorities
- **Demands from enterprises**
- **Package**
  - Send expats to enterprises and provides human resources management and expat services
  - Provides corporates with all-round human resource services such as talent expat, personnel agency, talent recruitment, corporate training and consulting
  - Has provided a wide range of customized services for over 1,000 foreign enterprises (including most of Global 500 located in Beijing)

**The People's Government of Beijing Municipality (International Portal)**
- The People's Government of Beijing Municipality (International Portal) was launched online, with 8 languages available (including English, Korean, French and Russian). It mainly provides services in six scenarios for foreigners who are new to Beijing or are interested in the development of Beijing, namely in investment, work, study, life, tourism and consumption. It provides list-style handing guidelines, bringing together 394 items involving foreigners and foreign investors in the city, including 167 items for government services and 227 items for community services.

**Beijing Foreign Investment Enterprise Service Center**
- Send expats to enterprises and provides human resources management and expat services
- Provides corporates with all-round human resource services such as talent expat, personnel agency, talent recruitment, corporate training and consulting
- Has provided a wide range of customized services for over 1,000 foreign enterprises (including most of Global 500 located in Beijing)

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Shortening procedures to further improve the efficiency of the business environment for foreign enterprises

**Chief steward**
- Beijing Municipal Commission of Development & Reform
- **Package**
- **Demands from enterprises**

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**Data source**: News media reports on Beijing’s domestic listing service platform for foreign-invested enterprises and the People’s Government of Foreign-invested Enterprises Beijing Domestic Listing Service Platform for foreign investment.

-- “Measures to Further Optimize Business Environment and Better Serve Market Players”

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2. “Key Tasks of Beijing’s New Reform on Government Services to Optimize the Business Environment”

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**Table**: Summary of Reform Initiatives

<table>
<thead>
<tr>
<th>Area</th>
<th>Reform 4.0 initiatives</th>
<th>Content of reform</th>
<th>Development level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment and construction</td>
<td>Sort out the entire chain of investment and construction projects, and promote the</td>
<td>The “List of Approval Matters in the Field of Investment in Beijing (2020)” was</td>
<td>Approval for social investment and low-risk projects has been shortened into 5 steps which could be completed within 20 days</td>
</tr>
<tr>
<td>environment</td>
<td>reform and optimize the market access environment in the field of digital economy</td>
<td>developed and introduced for the first time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expand municipal access and further reduce approval time</td>
<td>Reduce the processing time by half</td>
<td></td>
</tr>
<tr>
<td>Market environment</td>
<td>Promote “approval list covers the whole process” for business license; Promote the</td>
<td>Approve for social investment and low-risk projects has been shortened into 5 steps which could be completed within 20 days</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“reduction of certificates” and simplify the approval; Introduce Economic-Technological Development Area’s “one industry, one certificate” to the free trade zone to achieve “one certificate for business operation”; “Whole-process online administration” of the online car-hailing permit is achieved</td>
<td>Was able to cover the one of the three regions with free global power access</td>
<td></td>
</tr>
<tr>
<td>Foreign investment and trade</td>
<td>Deepen commercial system reform and optimize the market access environment in the field of digital economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>environment</td>
<td>Clearance time is “further reduced”</td>
<td>The comprehensive cost of customs clearance is reduced by 20%, and the average export tax rebate time is reduced to within 6 working days</td>
<td>Further facilitate the convenience of investment and trade, and increase the turnover rate</td>
</tr>
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<td>Foreign investment and trade</td>
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</tr>
<tr>
<td>environment</td>
<td></td>
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<tr>
<td>Employment environment</td>
<td>Reduce and simplify the employment requirements in certain industries</td>
<td>Cancel the qualification examinations for road freight transport drivers and the qualifications of evaluated skills, and comprehensively promote the certification of vocational skill</td>
<td>The tax time has been reduced to within 120 hours, reaching OECD’s high-income economy standard</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower the employment threshold, remove unreasonable restrictions, and provide more opportunities for people in Beijing</td>
<td></td>
</tr>
<tr>
<td>Administrative environment</td>
<td>Continue to promote online systems for paying taxes and registering properties to enable full-process online</td>
<td>The first city to optimize the process for refund for VAT input into “one report, one declaration, one tax payment, and one voucher”</td>
<td>Properties registration can be finished within 1 step on the same day, leading the world in the application of electronic registration</td>
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</table>

2. “Key Tasks of Beijing’s New Reform on Government Services to Optimize the Business Environment”

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**Notes**: The first city to have optimized the process for invoice refund was the first city in the world to have optimized the process for refund for VAT input into “one report, one declaration, one tax payment, and one voucher”. The “List of Approval Matters in the Field of Investment in Beijing (2020)” was developed and introduced for the first time. It has been one of the three regions with free global power access. The comprehensive cost of customs clearance is reduced by 20%, and the average export tax rebate time is reduced to within 6 working days. Further facilitate the convenience of investment and trade, and increase the turnover rate.
Comprehensively serving the foreign-invested enterprises in Beijing with more targeted business policies

“Guidelines for the Development of Foreign Asset Management Institutions in Beijing”
- The reason for choosing Beijing
- Laws, regulations and policies
- Establishment of asset management institutions and product filing
- Taxation policies in the asset management industry
- Q&A for overseas asset management institutions settled in Beijing
- Regulatory agencies and service agencies

“List of Approval Matters in the Field of Investment Institutions in Beijing”
- 175 items in investment approval, covering 13 functional departments for investment projects approval in Beijing
- Strictly implement "approval list covers the whole process"
- Eliminate hidden barriers and provide targeted services

“Action Plan on Strengthening Intellectual Property Protection”
- Strictly protect intellectual property
- Build an intellectual property protection system
- Rapid initiation of intellectual property protection services
- Create a fair environment for intellectual property protection

“Notice on Application for Fin-tech Innovation Pilots in Capital Market (Beijing)”
- Pilot first in Beijing, explore and establish the regulatory system for Fin-tech in capital market
- Create an inclusive and prudent regulatory environment for Fin-tech
- Promote new-generation information technology applications such as big data, cloud computing, artificial intelligence, and blockchain

“Opinions on Implementing the ‘Regulations of Beijing Municipality on Optimizing Business Environment’”
- Create a relaxed and convenient environment for market access
- Strengthen supervision during and after the event
- Strengthen quality and technical basic services
- Provide convenient and efficient government services
- Strengthen and optimize the legal protections for business environment

Area | 4.0 Reform initiatives | Content of reform | Development level
--- | --- | --- | ---
Market environment | Further upgrade the financial and credit business environment | Expand financing channels for micro, small and medium-sized enterprises and improve the convenience for financing | Stimulate the vitality and creativity of foreign enterprises, further solve the problems of financing being difficult and expensive
Foreign asset & trade environment | Facilitate enterprises two-way investment and business development | Establish a “one-stop” service system for foreign-invested enterprises; approval of foreign talents’ work permits and residence permits is "conducted at one window and at the same time"; improve the service of the People’s Government of Beijing Municipality (international portal) | Further ensure effective implementation of policies, and create favorable conditions for foreign-funded enterprises in Beijing
Regulation and law enforcement environment | Fully implement the supervision system “double random, one public” that randomly selects samples and supervisors, releases results to the public timely; strengthen whole-process credit supervision, and standardize regulation and law enforcement | The coverage rate of “double random” inspections on enterprises is not less than 90% | Standardize the administrative inspections on enterprises
Legal environment | Strengthen the judiciary of civil and commercial cases, strengthen intellectual property protection, and enhance the professional and international commercial arbitration | Establish the first diversified dispute settlement center for foreign-related commercial affairs in China; promote "Internet + arbitration" and expand online hearings and online delivery | Protect the legal rights and interests of foreign-invested enterprises

International integrated three-dimensional transportation network
- International rail transport: being able to reach Russia, Mongolia, DPRK, Vietnam and other countries via Inner Mongolia
- International air transport: with the Capital Airport and Daxing International Airport, Beijing has entered the era of “double hubs” in its aviation sector; and its aim is to create a “five vertical and two horizontal” transportation network featuring “an area for carrying the functions of the international exchange center, a leading area for national aviation science and technology innovation and a demonstration zone for the collaborative development of Beijing, Tianjin and Hebei”
- Open the cross-border express railway lines for e-commerce transportation and optimize the cross-border freight mode of China-Europe railway

A new engine for regional development featuring “double airports” and “double hubs”
- Carry out integrated innovation regarding the policy superimposition advantages of the Airport Zone within the Airport Economic Zone, the Free Trade Zone and the Comprehensive Bonded Zone, and roll out the list of institutional innovations to create a policy highland
- Push forward the implementation of major supporting projects, promote the construction of Phases II and III of the new China International Exhibition Center with high standards, and accelerate the construction of the International Convention and Exhibition Center of the Airport Economic Zone of Daxing International Airport
- Coordinate the function layout and facility construction of the aviation logistics of “double hubs”, build a communication channel between the freight area and the Comprehensive Bonded Zone of Daxing International Airport, build a high-end logistics center, and enhance the transit capacity of the international aviation hubs

Data source: “Beijing Statistical Bulletin 2020”
Further improving intellectual property protection system to promote service innovation and development

Launch a “1+8” intellectual property promotion and protection system

Build a full-dimensional and the most stringent intellectual property rights protection system

01 Strengthen intellectual property protection for commercial trials
02 Promote the construction of credibility system in an all-round way
03 Implement the strictest intellectual property protection

Improve the public service system of intellectual property

- Establish an intellectual property alliance for key industries
- Guide and promote the integrated and innovative development of financial service institutions for intellectual property
- Build a regional intellectual property service platform
- Connect intellectual property operation service chain
- Promote intellectual property financial innovation
- Explore new intellectual property pledge insurance and promote intellectual property pledge loans
- Accelerate the construction of Zhongguancun intellectual property financial service platform

Build an intellectual property protection platform and provide “one-stop” comprehensive intellectual property services

<table>
<thead>
<tr>
<th>Focused Industries</th>
<th>Beijing Intellectual Property Protection Center</th>
<th>Zhongguancun Intellectual Property Protection Center</th>
<th>Beijing’s first FTZ intellectual property protection sub-center was established in the Economic-Technological Development Area of Daxing District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next-generation information technology</td>
<td>New material</td>
<td>One station, one room, one court, one window, one hall</td>
<td></td>
</tr>
<tr>
<td>High-end equipment manufacturing</td>
<td>Bio-medicine</td>
<td>Preliminary review of patents in key industries, rapid rights protection, and intellectual property protection cooperation</td>
<td></td>
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</tbody>
</table>

Exploring intellectual property insurance pilot to contribute to the construction of “Two Zones”

The “Administrative Measures of Beijing Municipality for the Pilot Project of Intellectual Property Insurance” took effect, signaling the start of a three-year pilot work, including foreign “hidden champion” companies that come to Beijing in the pilot.

In 2020, 142 companies participated in the intellectual property insurance pilot project, insuring 1,660 patents and receiving 19 million yuan in premium, and the total insured amount reached 1.659 billion yuan.

Xicheng District: Build a center for copyright asset management and financial service, with copyright assets as the core financial mechanism

Chaoyang District: Establish Beijing’s first exhibition intellectual property alliance

Haidian District: Carry out the first trial and exploration of intellectual property securitization. Support foreign scientists to lead government-supported science and technology projects.

Shijingshan District: Establish a full-chain service with a model of “one district + two databases + three windows + N”, with 40 service items

Economic-Technological Development Area: Open “Two Zones construction” service window, providing consulting services on patent applications in overseas countries and regions.

Shunyi District: Fully launch the pilot project of intellectual property insurance provided by German-owned enterprises

Tongzhou District: The “Procedures for the Promotion of Intellectual Property in Tongzhou District, Beijing” added 6 new funding awards and adjusted 2 funding standards

Daxing District: Daxing Branch of Beijing Intellectual Property Protection Center was inaugurated
Strengthening talent attraction and protection, and building a world-class highland for talents

Important policies for introducing and serving international talents in the construction of “Two Zones”

**Work Plan for the Talent Field in the Construction of “Two Zones”**

**Task**

- Improve talent evaluation
- Intensify introduction of talents
- Effective incentives for talents
- Strength-then service

**Measure**

- Broaden professional qualification certification
- Build application channels for foreign talents
- Pilot a quota management system for foreign talents, and explore the introduction of recommended talents
- Explore the policies for talent attraction on a hierarchical and classified basis
- Simplify the special talent introduction process
- Provide visa convenience
- Implement interim measures, detailed rules and policies for the implementation of financial subsidies for overseas high-end talents
- Allow foreign personnel to start and hold shares in domestic companies
- Facilitate foreign exchange settlement for overseas employees of Chinese-funded institutions
- Broaden the use of foreign exchange
- Work permits and residence permits are processed in one-window and issued at the same time
- Establish a full-chain one-stop service window and service site
- Establish a convenient international talent service system to enable "services providing upon landing, before landing, or on talents' behalf through the whole process"
- Promote the construction of an international talent community
- Optimize labor security services under non-standard forms of employment
- Improve the working mechanism of labor contract

Full-process one-stop online service platform

- Build a service network for foreign talents.
- Delegate approval of foreigners' work permits in China to specific areas, and realize the "one-window acceptance and simultaneous permits collection" for foreign talents' work permits and work-type residence permits.
- Promote the construction of international medical demonstration projects to improve the quality and level of medical services.
- Optimize the spatial layout of international schools and support primary and secondary schools to accept foreign students.
- Promote the whole-process online government services, information sharing, and interaction for foreign talents and foreign-invested enterprises.
- Build the international version of the People's Government of Beijing Municipality as a multilingual, broad-coverage, full-flow one-stop online service platform

Leading a more comprehensive service and optimizing the development ecosystem for special foreign talents

**Services and convenience for talents**

**“One-window processing and one-time document collection” for the handling of foreign talents’ work and residence permits has been realized**

1. Carried out the evaluation on the professional title of technical broker for the first time
2. Promulgated guidelines for building international talent communities in the capital
3. Established a chief public health expert system
4. Continue to strengthen the construction of talent teams in science and technology, culture, outstanding youth, capital public health and other fields

- Promote the implementation of the “Three-Year Action Plan for Training High-Level Talents in Political Science and Law in the Capital”; Accelerate the construction of a team of political and legal talents with reasonable structure, echelon configuration and complementary advantages
- Accurately carry out talent introduction plans in areas such as 5G, integrated circuits, blockchain, biomedicine, and artificial intelligence
- Implement talent training projects in finance, planning and natural resources system

Foreign talents holding permanent resident ID cards who set up scientific and technological enterprises in Beijing enjoy national treatment

1. “Foreign talents with permanent residence permit” enjoy national treatment in setting up scientific and technological enterprises
2. Provide convenience policies and measures such as fee reduction, land use quota guarantee and public services for foreign talents who establish scientific and technological enterprises in the pilot areas
3. It is defined that foreign talents enjoy the same treatment as Chinese citizens in establishing scientific and technological enterprises in the pilot areas
4. The regulations on the establishment registration, enterprise type, the term of operation & change and other circumstances of the scientific and technological enterprises established by foreign talents are defined
5. Promise not to engage in any business undertakings for which there are special national or municipal measures or stipulations regarding market access
6. Encourage foreign talents to set up scientific and technological enterprises with the converted monetary value of their own intellectual property rights, proprietary technologies and other non-monetary property as the investment
7. Foreign talents are entitled to go through the formalities of participating in social insurance
8. Relevant departments of administrative authorities in pilot areas should strengthen inter-departmental information sharing, and the foreign talents should not be required to provide or submit the information that can be obtained through inter-departmental information sharing
9. “Guidelines for the Construction of International Talents in the Capital (Trial Edition)”

**“Easy Beijing” APP was officially launched, and one-stop services are provided to foreign talents in Beijing**

1. Enable foreign talents to make appointments via mobile phones for the handling of work permit and residence permit
2. In cooperation with 21 organizations, dynamically updating more than 50 authoritative policy information regarding the work, medical treatment, children’s education and social security of foreign talents
3. Multilingual policy consultation online

Building up talent communities

1. Creating an “overseas-like” environment
2. “Guidelines for the Construction of International Talent Communities in the Capital (Trial Edition)”

**“New ten provisions” for the reform of entry and exit of foreign talents and new twenty policies for talents in Zhongguancun**

- In 2019, the pilot scope of the new policies for the entry and exit of foreign talents expanded to the entire Beijing, and foreign talents holding permanent resident ID cards were entitled to enjoy national treatment in establishing science and technological enterprises.
- Reform highlights: Focus on the services sector and benefit a wider audience; Decentralize the authority of administrations to make the process more convenient; Encourage innovation and entrepreneur ship to improve the service level; Establish a point evaluation system and introduce market-oriented evaluation; In addition, foreign scientific and technological personnel with outstanding contributions will be rewarded; multinational enterprises will be supported to carry out scientific and technological R&D activities in Beijing.
- Key service target groups: Overseas high-level talents, foreign members of entrepreneurial teams, foreign management and technical personnel, foreign Chinese/young students.
- Long visa period and short processing cycle: Foreign talents recognized by the Foreign Talent Qualification Recognition Window of the Foreigners Entry and Exit Service Hall can apply for a long-term visa with a valid term of 2-5 years.

**Strength-then service**

- Delegate approval of foreigners' work permits in China to specific areas, and realize the "one-window acceptance and simultaneous permits collection" for foreign talents' work permits and work-type residence permits.
- Promote the construction of international medical demonstration projects to improve the quality and level of medical services.
Accelerating the convergence of the international education and medical institutions and improving the effective allocation of resources

Abundant international medical resources

Establish international research-based hospitals and research-based wards
- 8 hospitals were selected as the first batch of international medical pilot hospitals to promote real-time settlement with international insurance.

Explorations on employing non-medical personnel to provide pre-disease treatment services of Chinese medicine in medical institutions
- Study the promotion policy of the title of full-time doctors for the pre-disease treatment of Chinese medicine, and promote the pilot projects of charging for the pre-disease treatment services with Chinese medicine.
- Support Chinese medicine export bases and key trade institutions in their efforts of exploring international markets, and building international medical service platforms, international education & training platforms and scientific and technological innovation platforms, etc.

Innovative development of "Internet + Medical Care & Health"
- Carry out Internet diagnosis and treatment in 92 hospitals, and at the same time launch the "Internet + Medical Care & Health" with Beijing characteristics to benefit the people with information.

Support Chinese medicine export bases and key trade institutions in their efforts of exploring international markets, and building international medical service platforms, international education & training platforms and scientific and technological innovation platforms, etc.

Wangjing, Chaoyang District: build government administrative service centers for international talents, talent exchange stations for Winter Olympic Games and entrepreneurship & innovation platforms to better serve international talents from the perspective of education, medical care, culture and life services.

Zhongguancun Street: build a domestic first-class and internationally renowned cluster area of international talents and build a highland with global influence for talent innovation and entrepreneurship.

Future Science City: put into practice the international talent community featuring “innovation, openness, low carbon, humanism and life together.”

New Shougang: design an identity system characterized by the international talent community that reflects the connotation of the new Shougang.

Pilot areas of international medical services
- Wangjing, Chaoyang District: build government administrative service centers for international talents, talent exchange stations for Winter Olympic Games and entrepreneurship & innovation platforms to better serve international talents from the perspective of education, medical care, culture and life services.
- Zhongguancun Street: build a domestic first-class and internationally renowned cluster area of international talents and build a highland with global influence for talent innovation and entrepreneurship.
- Future Science City: put into practice the international talent community featuring “innovation, openness, low carbon, humanism and life together.”
- New Shougang: design an identity system characterized by the international talent community that reflects the connotation of the new Shougang.

Abundant international education resources
- There are 92 universities including Peking University and Tsinghua University, and the number of key universities accounts for a quarter of the total numbers in the country.
- The “Measures for the Administration of Schools for Children of Foreigners in Beijing” supports children of foreigners in attending schools for children of foreigners.
- There are more than 60% of the national academicians of the Academy of Science and the Academy of Engineering in Beijing.

Promote further opening-up of the education sector
- Primary and secondary schools are allowed to accept children of foreigners in accordance with relevant state regulations.
- Explore the introduction of examination institutions & international textbooks for science and engineering disciplines.
- Encourage foreign investment in adult education and training institutions, set up operational institutions for vocational skills training, and launch a batch of international cooperation demonstration projects in vocational education.

Implementing refined management to create harmonious and quality urban life

01 Urban renewal action: complete the land supply of not less than 300 hectares of commercial housing, and build & collect the funds for 50,000 sets of various affordable housings.

02 Comprehensive traffic management: seven urban rail transit lines were newly opened, the ground bus network was optimized, and the traffic congestion state was alleviated.

03 Tackle challenges of pollution prevention and control: the city’s sewage treatment rate reached 95.9% and the area of new added afforestation and greening was 150,000 mu.

04 Enhance the efficiency of grass-roots governance: the regulations on the handling of complaints immediately after receiving them were promulgated, the functions of 12345 citizen hotline, enterprise hotline and online platform were optimized, and the system in which the initial receiver is responsible for handling the appeals of the people till the end is implemented.

The total amount of water resources in the whole year was 2.67 billion cubic meters, marking a year-on-year increase of 8.8%.

Beijing is the only city having held two sessions of Olympics in the world.

The forest coverage rate reached 44.4%.

The average annual concentration of fine particles decreased by 53%.

Beijing is the only city having held two sessions of Olympics in the world.

“Peripheral ring and power supply by district” was formed in the electric power sector.
New Landscape of Opening-up
Diversified Openness and Strong Vitality
During the “13th Five-Year Plan” period, Beijing has thoroughly implemented the strategic positioning as capital city, vigorously strengthened the construction of the “four centers” function, improved the capacity of “four services”, and successfully completed the service support task for “Belt and Road” Forum for International Cooperation, Beijing Summit of the Forum on China-Africa Cooperation, World Horticultural Exposition and other major international events. This period has witnessed the further optimization of Beijing’s function as capital city and steady improvement of its internationalization level.

In order to objectively reflect the internationalization level of Beijing, PwC designed 9 indicators and 37 variables from the three dimensions of international influence, international growth and international support, based on the “Global Power City Index” (GPCI) by Japan’s Mori Memorial Foundation, the “Global Cities Index” by Kearney and “The World According to GaWC” by GaWC, to evaluate the level of internationalization of Beijing by benchmarking London, New York, Paris, Tokyo, Hong Kong and Shanghai.

According to the evaluation results for 2021, Beijing ranked 5th in overall internationalization level, up 1 place from 2020. Among the three indicators, Beijing ranked 4th and 6th in international influence and international growth, respectively, with the same ranking as in 2020; in terms of international support, Beijing ranked 5th, up 2 places from 2020, performing well in international cultural exchange and other sub-indicators.

PwC insights

In the PwC’s “Cities of Opportunity 2021” assessment, Beijing has been ranked first for four consecutive years. Of the 10 dimensions of the 2021 assessment indicator system, Beijing ranked in the top five in eight dimensions. Among them, it ranked No. 1 in the transportation and urban planning dimension, No. 2 in the culture and living dimension, No. 3 in two dimensions of technological maturity and economic impact, and No. 4 in four dimensions of intellectual capital and innovation, regionally important cities, urban resilience, and business-friendly environment.
Beijing ranked 4th with a score of 57 in the international influence indicator:
- Beijing led in two variables, the number of Fortune 500 companies and the number of multinational companies and headquartered companies.
- Beijing made outstanding performance in two variables, GDP growth rate and the scale of pro-business services.

Beijing’s rankings have continued to rise, with comprehensive city strength leaping to the top of the world.

The overall pattern of international metropolises has remained stable but with certain changes:
- Cities like London, New York, Paris, Tokyo, Hong Kong and Singapore have always ranked among the top ten global cities for years, but some cities such as Paris, Tokyo, and Singapore have declined in their rankings.
- Beijing, Shanghai and other Chinese cities have been risen strongly, with steady increase in the rankings.

According to the “Global Cities Index”, released by A.T. Kearney, Beijing surpassed Hong Kong for the first time, ranking 5th in the world, a record high for Beijing. This is also the first change in the top five cities in the 12 years since the release of the report. The rise of Beijing’s ranking is the result of both social stability and the substantial increase of human capital investment.
- In the indicator of “business activities”, Beijing ranked 2nd in the world, and is the city with the largest number of headquarters of Fortune 500 companies in the world.
- The increase in education investment and cultural center status has promoted a significant increase in Beijing’s score in the indicator of “human capital”.

According to the latest “The World According to GaWC” released by GaWC in 2020, Beijing, as a strong first-tier city, ranked 6th among the world’s cities.
- In the past decade, the ranking of the top three cities in the world have remained relatively stable. Chinese cities such as Beijing and Shanghai have shown an upward trend, and established cities such as Paris and Tokyo have seen significant decline in their rankings.

Data source: 1. The “Global Cities Index” and the “Global Cities Outlook” released by A.T. Kearney in November 2020.
3. The “Global Power City Index” (GPCI) released by Japan’s Mori Memorial Foundation in December 2020.
5. The “Global Cities 2020 Annual Report under the Belt and Road Initiative” released by the China Academy of Urban Planning and Design in 2020.
6. PwC’s “Cities of Opportunity 2021” List, topping the list for 4 consecutive years.

According to the “Global Power City Index” (GPCI) released by Japan’s Mori Memorial Foundation, Beijing ranked 3rd in the world in the economic dimension with a score of 255, ranking third in the world.

Beijing continued to top the list of the “Global Cities 2020 Annual Report under the Belt and Road Initiative” released by the China Academy of Urban Planning and Design in 2020.
Beijing achieved steady increase in GDP and continuous optimization of economic structure.

Beijing’s GDP increased to 3.6 trillion yuan from 2.5 trillion yuan in 2015.
- Per capita GDP was about 24,000 USD, reaching the medium level of developed economies.
- Economic structure was optimized continuously, with the digital economy accounting for 38% of the total economy, ranking among the top in China.
- Per capita disposable income reached 69,000 yuan, with a growth rate of 2.5% which outperformed GDP growth, and the efficiency of development was further enhanced.

Beijing’s regional GDP during the “13th Five-Year Plan” period (2016-2020) (100 million yuan)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
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<tbody>
<tr>
<td>2020</td>
<td>36102</td>
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<tr>
<td>2019</td>
<td>35445</td>
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<tr>
<td>2018</td>
<td>33106</td>
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<tr>
<td>2017</td>
<td>29833</td>
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<tr>
<td>2016</td>
<td>27041</td>
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</table>

Policies have contributed to the development of headquarters economy.

In 2021, the Beijing Municipal People’s Government issued the “Regulations on Promoting the High-quality Development of Headquarters Enterprises in Beijing”, coordinated policy service resources to help high-level headquarters companies develop in Beijing.

Beijing formulates a sound policy system to promote the development of headquarters economy, revises policies to support regional headquarters of multinational companies and headquarters enterprises, and implements a three-year action plan to optimize and improve the innovative headquarters economy.

By focusing on customs clearance facilitation, intellectual property protection and application, Beijing has redoubled its efforts to optimize the development environment for headquarters enterprises, cultivate and grow a headquarters economy that matches the capital’s strategic positioning, and support and guide high-quality development of headquarters enterprises in Beijing.

By 2020, 55 Fortune Global 500 companies have set up headquarters in Beijing, accounting for 11% of the Fortune Global 500 companies and over 40% of the Chinese mainland Fortune Global 500 companies.

As of 2020, the total number of regional headquarters of multinational companies in Beijing has reached 186, an increase of 20% over 2015.

Beijing has ranked first in the world for eight consecutive years in terms of the number of headquarters of Fortune 500 companies.

The industrial pattern of “Beijing being the headquarters for design, innovation and decision-making + manufacturing and sales across the world” has taken initial shape.

Leveraging its positioning as an international science and technology innovation center, Beijing has gained new impetus to drive powerful development.

- The Fifth Plenary Session of the 19th CPC Central Committee clearly proposed to support the building Beijing into an international science and technology innovation center, which has elevated the positioning and importance of the capital as a science and technology innovation center.
- 21 government authorities, including the Ministry of Science and Technology, Beijing Municipality, the National Development and Reform Commission and the Chinese Academy of have jointly put forward the “Strategic Action Plan for Building Beijing into an International Science and Technology Innovation Center During the 14th Five-Year Plan Period” to provide guidance for the implementation and construction of international science and technology innovation center.

Beijing’s competitiveness in science and technology innovation is leading the world.

According to A.T. Kearney’s “Global Cities Outlook” in 2020, Beijing led the innovation dimension.

According to the “Global Innovation Index 2020” released by the World Intellectual Property Organization, Beijing ranked 4th in the world’s top 100 science and technology clusters.

Beijing has ranked the first place in the dimension of global scientific research city since 2016.

According to the “2020 ‘Ideal City’ - Global Science and Technology Innovation City Survey Report for 2020”, Beijing ranked first in the world in terms of future expectations for breakthrough in technology innovation in global cities, surpassing San Francisco and other key cities.

Data source:
1. The “Global Cities Outlook” released by A.T. Kearney in November 2020
2. The “Global Innovation Index 2020” released by the World Intellectual Property Organization in September 2020
4. The “Global Science and Technology Innovation Center Index 2020” released by the Shanghai Institute of Science and Technology Development Strategy
5. The “Report on Science and Technology Innovation Development in China Cities 2020” released by the Capital Institute of Science and Technology Development
6. The “China Cities Outlook” released by the Shanghai Institute of Science and Technology Development Strategy
8. The Global Science and Technology Innovation City Survey Report for 2020, released by the Shanghai Institute of Science and Technology Development Strategy
Beijing is booming the science and technology innovation industry.

Beijing has planned and constructed 5 large scientific devices such as integrated extreme condition experiment and 13 cross research platforms such as material genome.

From January to November 2020, the software and information service industry above designated scale in Beijing achieved a business revenue of 1490.61 billion yuan.

“Unicorn enterprises”, ranking first among the world cities.

- 29,000 national high-tech enterprises
- 204,000 software works were registered
- 257,000 patent applications, an increase of 13.68%
- The number of patents granted was 163,000, achieving an increase of 23.6%
- 155.8 invention patents per 10000 people, ranking the first in China, nearly 10 times of the national average
- The total turnover of technology contracts was 631.62 billion yuan, an increase of 10.9%
- In the year of 2020, 186000 new enterprises were set up, including 76,000 technology-based enterprises, an increase of nearly 10,000 over the same period last year, accounting for more than 40% of the total number of newly established enterprises
- R&D centers of internationally renowned enterprises have settled in Beijing one after another: Seragon (China) Co., Ltd., the world’s top innovative drug R&D enterprise, has settled in Beijing. The company also set up a fully functional Asia Pacific regional headquarters including a R&D center in Beijing

Beijing is constructing a benchmark city for global digital economy.

- In 2020, Beijing's new economy achieved an added value of 1,365.4 billion yuan, accounting for 37.8% of the region's GDP, and the digital economy has become a new driving force for development.
- New industries, new business forms and new models characterized by digital economy and information economy will emerge and grow at a faster rate, becoming a positive force leading the transformation and development.
- In the "14th Five-Year Plan period, Beijing will strive to build itself into a benchmark city for global digital economy.

The development is guaranteed by top-level design.

The following diagrams illustrate the key areas of focus and initiatives:

- **Digital infrastructure**
  - **5G base stations**
    - By the end of 2020, Beijing has rolled out 53,000 5G base stations, including 30,000 new macro stations, which is among the highest in the country.
  - **Internet of vehicles**
    - Accelerate the construction of a highly reliable, low latency private network that can support the operation of high-level autonomous driving (L4 level or above)
    - Speed up the construction and transformation of vehicle-road collaborative information facilities in automatic driving demonstration zones
    - Lay 300 kilometers of networked roads and build more than 300 square kilometers of demonstration area within three years
    - Gradually form an industrial cluster with smart logistics and smart driving as the main application scenarios

- **Digital transaction**
  - **Beijing International Big Data Exchange**
    - Officially established Beijing International Big Data Exchange
    - Released the "Beijing Data Exchange Service Guide at the same time
    - Successfully launched Beijing's data trading system

- **Digital platform**
  - **5G + platform**
    - Support 5G RF chip and device testing and reliability platform, 5G+AIoT device open innovation platform, etc.

- **Digital scenario**
  - **5G + application**
    - Promote the construction of 5G+VR/AR virtual shopping, 5G+live streaming, 5G+gaming and other application scenarios
    - Advance the application of 5G in 2022 Winter Olympic Games venues

Scenario applications are listed as follows.

- Since 2019, Beijing has released 60 application scenario projects in three batches with a total project value of 19.6 billion yuan.
- In June 2020, the "Action Plan of Beijing Municipality for Accelerating the Construction of New Scenarios and Fostering New Ecology of Digital Economy" was released, specifying the "Ten, Hundred and Thousand" development targets for the construction of new scenes of digital economy.
- During the "14th Five-Year Plan" period, Beijing will accelerate the layout of application scenarios in the whole city to create a ubiquitous "digital city".
- Beijing will take the lead in building a number of digital economy demonstration application scenarios in the city’s sub-center, "three cities and one zone", Winter Olympics Park, Daxing International Airport and other areas, and encourage the development of new business forms such as online education, online medical care, remote office, and cloud-based exhibition.

Data source:
1. The "Beijing Software and Information Service Industry Development Report in 2020"
2. The "Capital Science and Technology Innovation Development Index and Report 2020"
3. The "Report on Science and Technology Innovation Development in China Cities 2020"
International growth

The added value of Beijing’s financial industry increased from 392.6 billion yuan in 2015 to 718.8 billion yuan in 2020, with an average annual growth rate of about 13%.

In 2020, Beijing’s financial industry grew by 5.4% year-on-year, and its share increased from 18.5% in the previous year to 19.8% in 2020, making it a major supporting force in the recovery of the service industry and an important pillar industry in Beijing.

By the end of 2020, the number of headquarters-level corporate financial institutions in Beijing exceeded 900, and a total of 49 foreign-invested and Chinese-invested financial institutions have settled and started their business in Beijing.

Financial industry has a steady growth.

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Beijing pursues wider opening-up with better quality.

- The construction of Beijing’s “two zones” involves 102 policies in the financial sector.
- As of the beginning of 2021, 43 policies in the financial sector have been implemented, and the implementation rate is nearly half.
- As of March 2021, the number of corporate financial institutions registered in Beijing has reached 832.
- On March 18, 2021, the second financial court in the country - Beijing Financial Court was formally established.
- “1+3” open platform: high-level Financial Street Forum, national financial policy authoritative release platform, publicity and display platform for the reform and opening-up of China’s financial industry, dialogue and exchange platform for global financial governance
- Lize Financial Business Area
- Upgraded version of Beijing financial technology and professional service innovation demonstration area

Financial entities are clustering at a faster rate.

- Allianz Insurance Assets Management Co., Ltd. (2020)
- Daiwa Securities (China) (2020)
- FitchBohua Credit Rating Co., Ltd. (2020)
- PayPal Information Technology Co., Ltd. (2020)
- Deutsche Bank (China) Co., Ltd. (2020)

China’s first wholly foreign-invested insurance asset management company
Beijing’s first newly established foreign-controlled securities firm
The second foreign credit rating agency approved to enter the Chinese market
China’s first wholly foreign-invested licensed payment company
Beijing’s first wholly foreign-owned bank that has obtained the securities investment fund custody qualification

There is a steady increase in the international influence of the financial industry.

Since 2013, Beijing has steadily improved its ranking in the Global Financial Center Index (GFCI) and ranked 6th in the world in 2021.
Beijing ranked 5th in the international support index with a score of 52, in which:
- It performed well in three variables - cost of living, international cultural exchange, and number of stadiums.
- The “Medium- and Long-term Plan of Beijing Municipality to Promote the Building of a National Cultural Center (2019-2035)”, the plan on “three belts and two zones” and other plans have been successively released.
- The “Regulations of Beijing Municipality on Intangible Cultural Heritage”, the “Regulations of Beijing Municipality on the Promotion of Civilized Behavior”, and the “Regulations of Beijing Municipality on the Protection of Famous Historical and Cultural Cities” have been issued.
- Policies on cultural construction such as promoting the development of non-state-owned museums, the construction of public service system of radio and television, the reform of corporate governance structure of public cultural institutions, strengthening the reform of institutional groups, and the high-quality development of cultural industries have been introduced.

On November 18, 2020

China Cultural Industry Investment Fund, a national cultural industry investment fund jointly sponsored and established by the Publicity Department of the Central Committee of the CPC and the Ministry of Finance, was officially established in Beijing.

The registered capital of Beijing cultural enterprises exceeds 15 trillion yuan, ranking first in the country.

In 2020

- The number of unicorn enterprises in the cultural sector accounted for about half of the country’s total.

From 2016 to 2020

- Beijing ranked first in China in terms of the number of companies included into the nomination list of “Top 30 National Culture Enterprises”, rated as key national cultural export enterprise, and selected into national demonstration bases for cultural and technological integration.
- The number of performance venues exceeded 161, and Beijing accommodated 7 out of the top 10 movie theaters in the country.
- There were 266 movie theaters, and Beijing accommodated 7 out of the top 10 movie theaters in the country.
- There were 1938 physical bookstores, and there were 0.9 bookstores for every 10,000 people.

By the end of 2020

According to the “China Cultural Industry Index 2020” released by Renmin University of China, Beijing has been ranked first in the country for five consecutive years during the 13th Five-Year Plan period in terms of cultural industry development. Its innovation capacity is constantly improving and its brand influence is second to none.
The International influence of cultural events has kept increasing.

- **Branded cultural events** such as the China Beijing International Fair for Trade in Services (CIFTIS), China Beijing International Hi-tech Industry Expo (CHITEC), China Beijing International Cultural Industry Expo (CCIE), Beijing Film Festival, Beijing International Public Service Advertisement Conference, Chinese Opera Culture Week, Beijing Music Festival, Beijing International Tourism Festival, Beijing Design Week, Photo Beijing, China Beijing International Art Biennale, Incentive, Business Travel & Marketing Expo, Beijing, and Beijing International Youth Tourism Festival have been held, which have strongly enhanced the international influence of Beijing as a national cultural center.

- The “Our Festival” and the “Capital Citizens Series” cultural events are held *more than 20,000 times* a year, throughout the year and covering the city.

Great results have been achieved in further opening up the cultural tourism industry.

Foreign investors can set up *wholly-owned performance agencies* in specific parks:

- United States’ Dragon Legend Entertainment Ltd. became the first foreign performance agency to set up a branch in Beijing.

The pace of opening up the cultural trade to the rest of the world has accelerated, and Beijing has sped up the cultivation of a number of culture enterprises with strong international competitiveness, including:

- **Star Times Group**, the most influential digital TV operator in Africa
- **Huayunshangde**, a culture enterprise with many years of experience in mainstream media in Europe
- **Foreign investors** can set up wholly-owned performance agencies in specific parks:
  - **United States’ Dragon Legend Entertainment Ltd.** became the first foreign performance agency to set up a branch in Beijing.

- **The Universal Beijing Resort** will officially open this year.
- **Wangfujing Group Co., Ltd.** has been approved for the operation of duty-free goods, obtaining the permit for retail business of duty-free goods.
International support

International exchange and cooperation has been steadily strengthened.

Top-level design has contributed to the implementation of tasks.

In September 2020, the “Special Plan for Developing the Function of Beijing as an International Exchange Center” was officially released, and the “Action Plan for for Developing the Function of Beijing as an International Exchange Center (2019-2022)” was introduced.

- Build a spatial pattern of “one core, two axes and multiple sectors”
- Specify 48 hardware projects and 30 software tasks, and put forward specific and actionable task books, timetables and roadmaps
- Seize the focal point of major projects and make the projects of Yanqi Lake International Conference Resort, the second phase of China National Convention Center and the fourth embassy area the focus of work at the present stage
- The construction of Daxing International Airport Economic Zone, the second and third phase of the New China International Exhibition Center, Universal Beijing Resort, and Winter Olympic Games venues are progressing smoothly, and the facility system of Beijing as an international exchange center has been constantly improved

Rich activities in various fields

- The number of Sino-foreign cooperative schools and branded programs for foreign educational exchange education foreign exchange has been steadily increasing
- Efforts have been made to profoundly develop the “Happy Spring Festival” events, further enhancing the visibility of the “Beijing Night” brand for foreign cultural exchanges
- With the theme of “Charming Beijing” and the brand of “The Great Wall Heroes”, Beijing has made use of important overseas media and international hub airports to advertise Beijing’s image and cultural tourism resources
- Affected by the international circumstances, Beijing received a total of 184 million tourist arrivals and achieved a total tourism revenue of 291.4 billion yuan in 2020, both down year-on-year, but the rate of decline was lower than the national average

Three platforms have been adopted to smoothly connect communication channels.

- Educational sector
  - The China International Fair for Trade in Services (CIFTIS) held in Beijing focuses on trade in services, complementing the China International Import Expo (CIIE) held in Shanghai, the China Import and Export Fair (Canton Fair) held in Guangzhou and the China International Consumer Products Expo held in Hainan to form a national “exhibition matrix” for China’s opening-up to the outside world

- Cultural sector
  - Financial Street Forum
  - Zhongguancun Forum
  - Tremendous efforts to build three platforms for opening up

- Tourism sector
  - Trade with more than 230 countries and regions
  - More than 165 countries and regions have come to Beijing for investment
  - Established friendship city relations with 85 cities in 50 countries, forming a all-around, three-dimensional and friendly pattern of friendship cities
  - 35,000 representative offices of international intergovernmental organizations in Beijing
  - 45000 foreign-invested enterprises
  - 4000 regional headquarters and R&D centers
  - 55 headquarters of Fortune 500 companies, topping the list of world cities for 8 consecutive years
  - According to the “Global Conference Destination Competitiveness Index Report 2020”, Beijing ranked first among Chinese mainland cities

Data source: 1. The “Special Plan of Beijing Municipality for Promoting the Construction of the Function as International Exchange Center”
2. The Foreign Affairs Office of the People’s Government of Beijing Municipality
3. The “Government Work Report 2021 of Beijing Municipality”
4. Beijing Municipal Commerce Bureau
5. The “Global Conference Destination Competitiveness Index Report 2020”
Looking Forward

Deepen reform and further opening-up with even greater boldness of vision

During the “14th Five-Year Plan” period, China has been entering a new stage of development. Beijing will, with even firmer confidence, seize the opportunity of opening-up, continue with the direction of capital development, carry out the strategy of humanistic Beijing, scientific and technological Beijing and green Beijing in depth, vigorously strengthen the functional construction of the “four centers” and improve the level of “four services”, so as to push forward the reform and opening-up with even more powerful measures to promote high-quality development.

Make every effort to strengthen the innovation engines and create a new high ground for science and technology innovation. Beijing will strengthen the core position of innovation and accelerate the construction of the international science and technology innovation center and focus on the building of national strategic scientific and technological strength. Giving full play to the role of the central government’s innovation resources in Beijing, it will promote the optimal allocation and resource sharing of scientific and technological forces of all parties, speed up the construction of various innovation platforms and new R&D institutions, and strive to promote breakthroughs in the joint-research on cutting-edge key core technologies such as quantum, artificial intelligence and life science and technologies. Constant efforts will be made to optimize the ecosystem of innovation and entrepreneurship. Beijing will make overall plans to promote the coordinated development of “one zone and multiple industrial parks” in Zhongguancun, and vigorously develop digital economy and build new advantages of high-quality development. It will expand the scale of competitive industries such as information technology, health care, intelligent manufacturing, block chain and advanced computing, and make strategic emerging industries such as integrated circuits and new materials better and stronger.

Strengthen the integration of various systems in the reform and serve the building of the new development pattern. Beijing will promote the construction of “Two Zones” with high standards and make new progress in reform and opening-up. Efforts will be made to accelerate the construction of the clusters formed by various areas of the Free Trade Zone (FTZ), promote the development and upgrading of the Capital International Airport Economic Demonstration Zone and the construction completion and operation of Phase I of Daxing International Airport Comprehensive Bonded Zone, and attention will be focused on promoting the construction of international industrial parks for innovation cooperation such as China-Germany industrial parks and China-Japan industrial parks. Beijing will strive to do a good job in holding China International Fair for Trade in Services (CIFITIS), Zhongguancun Forum and Financial Street Forum at high levels. It will also accelerate the formation of the Global Trade in Services Alliance and encourage international organizations, multinational corporations and other institutions to settle down here.

Promote high-level institutional opening-up in depth and create new advantages in international cooperation and competition. Beijing will benchmark itself against advanced international rules and best practices, explore and implement breakthrough policies on the allocation of key elements such as land supply, financing, talents, technology and data, and step up the construction of the international commercial arbitration center. Pilot areas will be set up for cross-border data flow to build an international information industrial and digital trade port. We will vigorously support the opening-up and development of the financial industry. It will promote the issuance and implementation of the plans for the two reform and innovation pilot areas, i.e. the green finance area and the finance area for scientific innovations, speed up the construction of financial technology and professional service innovation demonstration areas, promote the pilot application of digital currency, improve the implementation mechanism of “regulatory sandbox”, and focus on the development of emerging financial services such as wealth management and infrastructure finance.

Enhance global resource allocation capacity and activate new driving force for high-quality development. Beijing will continuously deepen the 4.0 version of business environment reform, and further enhance government administrative affairs handling online for the whole process and in any branch offices of the city. Beijing will improve the system of “service package” and “service butler”, and implement the regulations to promote the development of small and medium-sized enterprises (SMEs). It will strive to build a world-class highland of talents. Revolving around innovation chain and industrial chain, we attempt to attract more international high-level talents to settle down. Special attention will be paid to the construction of international talent communities, international schools and international hospitals, and build an international academic environment and living environment. Beijing will strengthen international scientific and technological exchanges and cooperation. It will also vigorously build an international consumption center city, promote the development of new forms such as online education and teleworking, and expand the consumptions in service sectors such as health, care for the elderly, culture and tourism, and sports. Efforts will be made to enhance the coordinated development level of Beijing-Tianjin-Hebei, the construction of Beijing-Tianjin-Hebei National Technology Innovation Center will be taken as the starting point to strengthen the interconnected cooperation among innovation chain, industrial chain and supply chain, and promote the connection & integration of planning for Beijing airports, land port and Tianjin port.

Reform and opening-up has created a miracle of development. In the next step, Beijing will deepen reform and further opening-up to the outside world with greater boldness of vision, turn “pilots and trials” into “demonstrations and leading forces”, turn “exploring innovation” into “guiding innovation”, and continue to rewrite more “stories of the spring”.

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## Overall national plan

- Notification of the State Council for Issuing the Overall Plan of Beijing, Hunan and Anhui Pilot Free Trade Zones and the Plan for Expanding the Pilot Free Trade Zone in Zhejiang (S.F. [2020] No.10)
- Notice of the State Council for Issuing the Overall National Plan for Construction of “Two Zones” in Beijing (continued)

## Implementation plan of each district

- Notice of Dongcheng District Leading Group Office for the Construction of Integrated National Demonstration Zone for Opening up the Services Sector on Issuing the “Work Plan for the Construction of Two Zones in Dongcheng District”
- Work Plan of Chaoyang District for the Construction of the Integrated National Demonstration Zone for Opening up the Services Sector and the International Business Service Region of China (Beijing) Pilot Free Trade Zone
- Work Plan of Haidian District on Construction of “Two Zones” (2020-2021)
- Implementation Plan of Shijingshan District on the Construction of Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone
- Work Plan of Shunyi District on Promoting the Construction of Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone’s International Business Service Region
- Notice of Leading Group Office of Beijing’s Changping District on the Construction of “Two Zones” for Issuing the “Work Plan of Changping District on the Construction of Two Zones” (C.L.O.B.F. [2020] No.1)
- Work Plan of Miyun District of Beijing Municipality on the Construction of Integrated National Demonstration Zone for Opening up the Services Sector
- Notice of People’s Government of Pinggu District of Beijing for Issuing Work Plan of Pinggu District of Beijing for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone (the Daxing Region of the Integrated National Demonstration Zone for Opening up the Services Sector) for Issuing Work Plan of Daxing District on the Construction of “Two Zones” (J.X.L.Q.B.F. [2020] No.1)

## Implementation plans of relevant authorities

- Notice of Developing Leading Group Office for Daxing Cluster in the High-end Industry Region of China (Beijing) Pilot Free Trade Zone (the Daxing Region of the Integrated National Demonstration Zone for Opening up the Services Sector) for Issuing Work Plan of Daxing District on the Construction of “Two Zones” (J.X.L.Q.B.F. [2020] No.1)
- Work Plan of Fangshan District for the Implementation of the “Work Plan for Deepening the New Round of Integrated Pilots of Opening up the Services Sector in Beijing and Building the Integrated National Demonstration Zone for Opening up the Services Sector” and the “Overall Plan for China (Beijing) Pilot Free Trade Zone”
- Notice of the Leading Group for the Construction of “Two Zones” of Mentougou District of Beijing Municipality on Issuing “The Implementation Plan of Mentougou District on Carrying out the Construction of the Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone”
- Work Plan of the Yizhuang Cluster of High-end Industry Region of China (Beijing) Pilot Free Trade Zone (Economic-Technological Development Area of Integrated National Demonstration Zone for Opening up the Services Sector)
Appendix I:Compilation of key policies for the construction of “Two Zones” in Beijing (continued)

Implementation plans of each cluster of the pilot free trade zone

*Implementation Plan of Daxing Cluster of High-end Industry Region of China (Beijing) Pilot Free Trade Zone*

*Implementation Plan of Chaoyang Cluster of the International Business Service Region of China (Beijing) Pilot Free Trade Zone*

*Implementation Plan of Shunyi Cluster of the International Business Service Region of China (Beijing) Pilot Free Trade Zone*

*Implementation Plan of Haidian Cluster of the Science and Technology Innovation Region of China (Beijing) Pilot Free Trade Zone*

Notice of the Leading Group Office of Beijing’s Changping District on the Construction of “Two Zones” for Issuing the Implementation Plan of Changing Cluster of Innovative Science and Technology Region of China (Beijing) Pilot Free Trade Zone” (C.L.Q.B.F. [2020] No.2)

Appendix II:Compilation of other foreign investment-related policies

Foreign Investment

*Opinions of Beijing Municipal People’s Government on the Opening-up and Improving the Level of Utilizing Foreign Investment” (B.Z.F. [2018] No.12)

Headquarters Economy

*Notice for Issuing Opinions on the Implementation of Notification and Commitment System for the Accreditation of Multinational Corporations’ Regional Headquarters in Beijing (Trial)” (J.Z.F.B.Z. [2021] No.4)

Opening-up of the services sector


*Three-year Action Plan for Opening-up and Reforming the Science and Technology Field*

*Three-year Action Plan for Opening-up and Reforming the Financial Field*

*Three-year Action Plan for Opening-up and Reforming the Field of Medical Care and Care For the Elderly*

*Three-year Action Plan (2019-2021) for Opening-up and Reforming the Fields of Professional Service Fields of Beijing Integrated Pilot for Opening up the Services Sector*
Appendix II: Compilation of other foreign investment-related policies (continued)

Optimizing the business environment

- *Notice for Issuing Announcement on Several Measures to Further Optimize the Business Environment of Beijing-Tianjin Port and Promote Ease of Cross-border Trade*

- *Regulations of Beijing Municipality on Optimizing Business Environment* (Announcement No.25 of the Standing Committee of Beijing Municipal People's Congress [15th Session])


- *Opinions of Beijing Administration for Industry and Commerce on Optimizing Access Services to Support the Integrated Pilot Program of the Opening up of the Services Sector* (J.G.S.S.F. [2016] No.34)

Introducing talents

- *Notice of Beijing Municipal Human Resources and Social Security Bureau for Issuing Catalogue of Vocational Qualification Examinations Opening to Overseas Personnel in the Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone (Version 1.0)* (J.R.S.Y.F. [2021] No.10)

- *Notice on Carrying out the Work on the Application for Settling Down as a Permanent Resident Based on Accumulated Points in Beijing in 2021* (J.R.S.F. [2021] No.2)

- *Notice of Beijing Municipal Human Resources and Social Security Bureau, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service of State Administration of Taxation on Unifying Unemployment Insurance Policies for Urban and Rural Workers* (J.R.S.F. [2021] No.8)


Other fields

- *Notice for Issuing Multiple Measures to Encourage the Development of Debut Stores of Commercial Brands (version 2.0)* (J.S.X.C.Z. [2020] No.39)


Afterword

Attracting foreign investment is an important part of China’s basic national policy of opening-up to the outside world. As an important part of the open economic system, foreign-invested enterprises have made unique and important contributions to the sustained and rapid development of China’s economy. Attracting foreign investment in an active, reasonable and effective manner meets the needs of China’s national development strategy of the present stage, and will play an important role in building a new landscape of development with new development concepts in the new period.

Since 2019, the Beijing Municipal Commerce Bureau has been releasing the “Beijing Foreign Investment Development Report” (hereinafter referred to as the Report) jointly with PricewaterhouseCoopers. Based on detailed economic and industrial development data and materials, the Report provides a three-dimensional display of the advantages of Beijing’s foreign investment environment to foreign investors.

This year’s Report includes five parts, namely, new strength of opening-up, new opportunities of opening-up, new engine of opening-up, new height of opening-up and new landscape of opening up. In addition to comprehensively displaying Beijing’s impressive achievements in development of foreign investment and trade, modern industrial system construction and urban transformation, it also pays attention to analyzing and judging the new international and domestic circumstances to show Beijing’s historic opportunities for overseas investors in the new wave of opening-up. The Report, which is bilingual in English and Chinese, closely follows the needs of investors in its content design, and aims to provide practical policy information, industry information and location information guidance for potential investors.

We would like to express our sincere thanks to the leaders of Beijing Municipality, the Beijing Municipal Commerce Bureau and various relevant authorities for their careful guidance and strong support in the preparation of the Report. If you have any questions or valuable opinions and suggestions during your reading of the Report, please feel free to contact us.

An open and vigorous Beijing looks forward to creating a win-win future together with you!