Build a "Beijing Sample" Featured of Open Cooperation, Open Innovation and Open Sharing

2020 Beijing Foreign Investment Development Report
Build a "Beijing Sample" Featured of Open Cooperation, Open Innovation and Open Sharing

Beijing Foreign Investment Development Report 2020
Moving to a new era after 70 years’ hardworking

The year of 2019 is the 70th anniversary of the founding of new China. As the capital of the whole country, Beijing has made great achievements in economic and social development after 70 years’ hardworking and practice; as a result, its comprehensive urban capacity has been greatly improved.

Over the past 12 months, the world has experienced a slowdown in trade and manufacturing growth. Geopolitical uncertainty has led to a drop in foreign direct investment. Under the new situation, Beijing has turned the crisis into an opportunity and broke waves for moving on, showing great economic resilience. Through “bring in” and “going out” and opening measures one after another, its development environment is continuously improving and synergistic effect is showing significantly, and foreign-funded enterprises’ investment confidence and expectation in Beijing have steadily increased.

Beijing also experienced an innovative development from “Made in Beijing” to “Created in Beijing”, and its development impetus continuously becomes strong and powerful. Beijing’s tertiary industry contribution to GDP is maintained over 80%, and its industrial structure has been continuously optimized. In 2019, Beijing’s hi-tech industry was developed rapidly, with added value increase by 7.9% year on year. As of 2019, the number of state-level hi-tech enterprises in Beijing exceeded 25,000, accounting for about 14% of the country’s total, ranking first in the country. Beijing is one of Top 10 world science and technology innovation centers, with unicorn enterprises accounting for nearly half of the country. Beijing is indeed deserved the name of “City of Unicorn” in terms of the number, scale, and quality of the other. Beijing has formed an economic development pattern dominated by service industry, with added value of service industry weighing 83.5% of GDP in 2019, the added value of the tertiary industry increased by 6.4% over the previous year. Its consumption in the service sector accounted for 55% of the total market consumption, an increase by 10.2% compared with that in the previous year. In 2019, Beijing’s service industry achieved remarkable results in expanding and opening-up. It developed 13 explorations and practices first ever in China, such as “Supervision Sandbox” mechanism pilot, cross-provincial medical device Registrant system pilot, and extension of temporary import period for R&D and test vehicles, etc. In addition, Beijing attracted a number of influential projects settled down in Beijing, including the first global entity of the World Bank Financial Telecommunication Association, PayPal Payment, German Angu Group's China Headquarters, Canon Medical Independent Medical Imaging Center Project, Siemens Industrial Internet of Things Enabling Center Project and Toyota hydrogen fuel cell research and development center, etc. Among these projects, foreign invested projects account for nearly 40%.

Focusing on building an international first-class harmonious and livable city, Beijing continues to increase its strength. Beijing has successively formulated and implemented reform policies ver.1.0, 2.0 and 3.0 to optimize its business environment and achieved remarkable results after taking a series of administrative measures. According to the World Bank’s 2020 Business Environment Report, Beijing ranks the 28th place worldwide, ahead of some EU countries and OECD member countries, and maintaining its leading position in China in terms of business environment. On April 28, 2020, the Regulations of Beijing Municipality on Business Environment Optimization was effective and officially implemented, which realized a “butterfly change” from “trying every means” to “local legislation”, thus the capital city opened a new chapter in business environment optimization. The year of 2020 is the last year for building a well-off society and the 13th Five-Year Plan, also a new starting point for starting China’s new journey. By gathering together the development impetus in this new era, Beijing will execute in-depth the new version of its urban development planning, accelerate to implement key missions in the coordinated development of Beijing, Tianjin and Hebei Province, speed up the construction of nationwide technology innovation center, fully enhance its competitiveness, build Beijing a leading region as an integrated and open modern service center, and play the role of comprehensive demonstration zone for China’s service industry to open wider. Under this changing environment, Beijing will seize strategic chances, deepen reform and opening-up, maintain the long-term trend and prospect of a better and more stable economy situation for receiving wider space for development.

Themed at to Build a "Beijing Sample" featured of open cooperation, open innovation and open sharing, Beijing Foreign Investment Development Report 2020 will present Beijing’s achievements in foreign capital development and its active measures in optimizing foreign investment environment and upgrading its opening-up level in the past year. Under this situation home and abroad, it is our hope that investors in and out of China will join hands with Beijing for achieving win-win cooperation.
## A quick glance at foreign investment in Beijing

<table>
<thead>
<tr>
<th>Beijing ranks</th>
<th>the 28th place worldwide in World Bank’s 2020 business environment assessment</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Beijing ranks</th>
<th>the 3rd place worldwide in Global Power City Index (GPCI) economic dimension</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Beijing ranks</th>
<th>the 9th place in AT Kearney Global Cities Index</th>
</tr>
</thead>
</table>

| One of dense regions worldwide accommodating "Unicorns", accounting for over 40% of total "Unicorns" enterprises in the country |
| One of top 10 world scientific innovation centers |

<table>
<thead>
<tr>
<th>Beijing ranks</th>
<th>the first place nationwide year after year in terms of the number of artificial intelligence enterprises and patents</th>
</tr>
</thead>
</table>

| In 2019, its GDP per capita reached USD23.5K, reaching the level of developed countries. |
| Beijing ranks | the first place worldwide for 7 consecutive years in terms of accommodated HQs of Top 500 enterprises |

<table>
<thead>
<tr>
<th>Beijing ranks</th>
<th>the first place worldwide in terms of the number of artificial intelligence enterprises and patents</th>
</tr>
</thead>
</table>

| Its service trade accounts for 1/5 of China’s total |
| Beijing ranks | the 28th place worldwide in World Bank’s 2020 business environment assessment |

| In 2019, its regional GDP exceeded RMB3.5 trillion, leading the whole country |
| Beijing ranks | the 9th place in ATKearney Global Cities Index |

| The city gathering 80% of China’s angel investors and 1/3 equity investment institutions |
| "Double Creation" demonstration bases account for one-sixth of the country’s total. |
Table of Contents

Preface

09  I:  Opening-up strength: leap-forward development and stable growth

28  II:  Opening-up cooperation: embracing the change and taking appropriate actions

40  III:  Opening-up innovation: all-round opening-up for attracting investors with a sound business environment

52  IV:  Opening-up sharing: achieving cooperative development based in Beijing

58  V:  Environment friendly for business and living: service industry and human first

77  VI:  International metropolis: diversified market for striving forward

92  Expectation

94  Appendix
Year 2019 is the 70th anniversary of the founding of new China. As the capital city of the whole country, Beijing has made great achievements in economic and social development after 70 years of hard working and practice. Its comprehensive strength has been greatly improved. It has developed into a modern metropolis with international influence and is striding towards high-quality development.

Beijing's economy realized leap-forward development while showing greatly stability

For 70 years since the funding of new China, Beijing's total economic volume has being kept rising to a new level one after another, achieving an average annual double-digit growth.

Under this new situation, Beijing's economy stays reliable

- In 2019, Beijing's GDP reached RMB 3.5 trillion, an increase by 6.1% compared with that of previous year. Over the past five years, Beijing's GDP has grown at a compound annual rate of 9.9%, and its economic growth has gradually shifted from high to medium speed with strong and stable economic growth.

Beijing's GDP performance 2015-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP in trillion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.4</td>
</tr>
<tr>
<td>2016</td>
<td>2.6</td>
</tr>
<tr>
<td>2017</td>
<td>2.8</td>
</tr>
<tr>
<td>2018</td>
<td>3.0</td>
</tr>
<tr>
<td>2019</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Source from: Beijing Statistical Bureau, prepared by pwc

Beijing's GDP per capita is being kept rising

- For 70 years since the funding of new China, Beijing's GDP per capita has been rising steadily and its quality and efficiency have been significantly improved. In 2019, the per capita GDP reached RMB164K (equivalent to USD23.5K), reaching the level of developed countries.

Beijing's economic aggregate stepped to new stages one after another

- It took 29 years from RMB280M in the early days of the founding of new China to RMB10B, then it took respectively 16 years (in 1978), 14 years (in 1994) and 11 years (in 2008) to exceed RMB100B, RMB1T to RMB3.5T in 2019.

Beijing's GDP per capita in 2019 reached USD23.5K

- Developed economies standard is USD20K

Source from: Beijing Statistical Bureau, prepared by pwc
The economic structure continues to upgrade, and the tertiary industry has become a "ballast stone."

<table>
<thead>
<tr>
<th>Changes in Beijing’s Industrial Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Beijing’s Industrial Structure</td>
</tr>
<tr>
<td>Manufacturing industry dominated</td>
</tr>
<tr>
<td>Primary industry</td>
</tr>
<tr>
<td>1949</td>
</tr>
<tr>
<td>36.6%</td>
</tr>
<tr>
<td>40.1%</td>
</tr>
<tr>
<td>0.3%</td>
</tr>
</tbody>
</table>

Beijing’s industrial structure has been continuously optimized and upgraded, shifting from traditional industries to “hi-tech” industries such as new generation information technology, artificial intelligence, software and information services. The “hi-tech” industrial system has been accelerated to further support the high-quality economic development of the capital city.

High-tech industry experienced rapid growth

Strategic emerging industries are leading Beijing’s development

- Among the industries above Designated Size in Beijing in 2019 the added value of high-tech manufacturing and strategic emerging industries will increase by 9.3% and 5.5% respectively, and the contribution rate to the growth of industries above Designated Size will be 74.7% and 58.9% respectively.
- The output value of the three major industries of automobile, electronics and medicine all reached a scale of RMB100B. The total added value accounts for 37% of the added value of industries above scale.
- Beijing is the first city to be approved as a demonstration area for the innovative development of a new generation of artificial intelligence, ranking the first place in terms of the quantity of artificial intelligence enterprises and patents.

Ranking the first place in terms of the number hi-tech enterprise

- The number of state-level hi-tech enterprises in Beijing exceeded 25,000, accounting for about 14% of the country’s total, ranking first in the country.
- In 2019, about 250 hi-tech enterprises were set up daily. Strong trend of hi-tech industry development.

Source from: Beijing Statistical Bureau, prepared by pwc
Ten "high-end, precision and sophisticated" industries, Focus on key directions and continuously give play to industrial advantages

<table>
<thead>
<tr>
<th>Industry</th>
<th>Key Directions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine and health industry</td>
<td>Industrial advantages: Good industrial foundation, large market demand, has the most medicine and health innovation resources and significant industrial agglomeration effect</td>
</tr>
<tr>
<td>Technological service industry</td>
<td>Key directions: Strengthen R&amp;D and innovation, Implement major development projects, Foster and develop emerging sectors, Actively optimize industrial distribution, Upgrade product quality</td>
</tr>
<tr>
<td>New-generation information technology</td>
<td>Industrial advantages: It has a number of core technologies, platforms and products in integrated circuit, artificial intelligence, cloud computing, big data and 5G, taking the leading position in China in terms of industrial scale and technical advancement.</td>
</tr>
<tr>
<td>Integrated circuit</td>
<td>Key directions: Promote integrated circuit independent development ability, Establish artificial intelligence R&amp;D advantage, Generate new industry of big data innovation, Improve cloud computing supply capacity, Enhance the voice of cyberspace security, Lead the development of 5G related technologies</td>
</tr>
<tr>
<td>New-energy intelligent automobile industry</td>
<td>Industrial advantages: Develop major strategic and core technology innovation and strong R&amp;D capability</td>
</tr>
<tr>
<td>Software and information service sector</td>
<td>Industrial advantages: Take leading position in China in various top list such as Top 10 Chinese software enterprises by business income</td>
</tr>
<tr>
<td>New materials industry</td>
<td>Key directions: Strengthen technical innovation, Promote integration and innovation, Insist on opening and innovation</td>
</tr>
<tr>
<td>Energy conservation and environmental protection industry</td>
<td>Industrial advantages: China's energy conservation and environmental protection industry is one of the major gathering places of resources, with abundant industrial innovation resources and outstanding scientific and technological innovation capabilities.</td>
</tr>
<tr>
<td>Intelligent equipment industry</td>
<td>Key directions: Develop intelligent manufacturing equipment, Develop intelligent energy equipment, Develop special intelligent equipment</td>
</tr>
<tr>
<td>Artificial intelligence industry</td>
<td>Key directions: Establish artificial intelligence innovation system, Build artificial intelligence industry cluster, Accelerate artificial intelligence integration and application, Consolidate artificial intelligence development foundation</td>
</tr>
</tbody>
</table>

Source from: Social Development of Beijing
Vigorous development of hi-tech service industry

- In 2019, the operating income of hi-tech service enterprises above scale in Beijing was increased by 10% compared with that in previous year, about 5% higher than the growth rate of service industry.
- The operating income of finance, information service and technical service enterprises had higher contribution to tertiary industry, and increased to 36.7%. The production efficiency of high-tech service industry has been steadily improved, and the industry concentration trend is obvious.

Investment in the fixed assets of key hi-tech service industry 2019

<table>
<thead>
<tr>
<th>Year-on-year growth</th>
<th>+1.6 times</th>
<th>+77%</th>
<th>+27%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year-on-year growth of lease and business service</td>
<td>Year-on-year growth of culture, sports and entertainment industry</td>
<td>Year-on-year growth of scientific research and technical service industry</td>
</tr>
</tbody>
</table>

Number of newly established hi-tech service enterprises in 2019

<table>
<thead>
<tr>
<th>Hi-tech service industry</th>
<th>Number of newly incorporated enterprises</th>
<th>+875</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Zhongguancun continues to play a leading role in innovation

- In 2019, the driving force for scientific and technological innovation in Zhongguancun National Independent Innovation Demonstration Zone continued to improve.

<table>
<thead>
<tr>
<th>Number of enterprises above scale in the region</th>
<th>Gross industrial output of industries above scale in the region:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting for about 50.0% of the total</td>
<td>Accounting for about 57.0% of the total</td>
</tr>
<tr>
<td>1.3 trillion</td>
<td>+16.9%</td>
</tr>
</tbody>
</table>

Source from: Beijing Statistical Bureau, prepared by pwc
Beijing: the City of Unicorn

In 2019, the number of unicorns in China will continue to increase. In terms of quantity, Beijing is the city with the most unicorns in China, with over 40% unicorns of China’s total.

Nationwide distribution of unicorn enterprises

- **Beijing**: 43%
- **Shanghai**: 27%
- **Shenzhen**: 9%
- **Hangzhou**: 8%
- **Guangzhou**: 4%
- **Nanjing**: 4%

Beijing is home to 80% of angel investors and 1/3 of equity investment institutions in the country. The accumulated amount of venture capital is second only to Silicon Valley in the world.

PricewaterhouseCoopers: with its good entrepreneurial atmosphere, gathered investment institutions, excellent institutions of higher learning and abundant human resources, Beijing’s status as a “unicorn city” is well deserved.”

PwC China

Representative unicorn enterprises in Beijing

- **82** unicorn enterprises in Beijing in 2019
- **Over 40%+** of China’s total
- **12.5%** of world’s total
- **Ranking the second place worldwide**

Source from: PricewaterhouseCoopers Unicorn CEO Survey 2019
Consumption becomes the first engine in the "Troika"

Since the founding of new China, Beijing has experienced a change from consumption and investment dominating to consumption dominating. The consumption rate of Beijing in 2019 is about 60%, about 20% higher than the investment rate.

In 2019, Beijing’s per capita disposable income was RMB67,756, a year-on-year increase of 8.7%, Beijing’s per capita disposable income exceeded RMB10K in 1987, RMB10K in 2001 and RMB850K in 2016 respectively. The rising per capita disposable income has laid a solid foundation for the continuous improvement of consumption level.

Consumption Structure of Beijing Market 2015-2019

Unit: In yuan

Took 38 years for over RMB1K
Took 14 years for over RMB10K
Took 5 years for over RMB50k

First-store economy

With huge consumption potential and market radiation, Beijing becomes a city attracting the first store of famous brands. In 2019, 878 first stores total settled down in Beijing:

- 12 global first stores
- 9 Asian Pacific first stores
- 201 China first stores
- 115 North China first stores
- 541 Beijing first stores

Nighttime economy


Source from: Beijing Statistical Bureau, prepared by pwc

Consumption continues to upgrade with great market potential
Foreign trade has made remarkable achievements and the trade structure has been continuously optimized.

Trade in goods has changed from quantitative expansion to qualitative improvement.

- Since China’s official access to WHO in 2001, Beijing’s Foreign Trade Shows High-speed Development Characteristics
- In the last century, Beijing’s foreign trade was in the stage of exploration and gaining momentum. The scale of import and export of goods was relatively low and basically maintained at about USD30B.
- Total import and export exceeded USD100B in 2008
- Total import and export exceeded USD410.5B in 2019

Exports of finished products with fine processing and high added value have been increased rapidly.

- The proportion of mechanical and electrical exports in the city: 1992 - 28.0%, 2019 - 42.0%
- The proportion of high-tech products in the city's exports: 2000 - 19.0%, 2019 - 21.0%

Service trade maintained a leading position in China

- In 2019, the import and export volume of service trade reached USD160.5B, accounting for over 20% of China’s total. The proportion of Beijing’s total service trade imports and exports in total foreign trade has continued to rise, becoming a new growth point for Beijing’s foreign trade.
- Emerging services trade in insurance, finance, information and other fields were maintained their leading position in China.

All-round opening to the outside world, "strong magnetic field" effect attracting foreign investments

"Strong magnetic field" effect attracting foreign investments

- Beijing is an important window for China’s opening-up to the outside world along with the deepening of reform and opening-up, the actual level of foreign capital utilization in Beijing has continuously reached a new level, and a comprehensive, wide-ranging and multi-level development pattern has been formed.
- As of 2019, Beijing already accommodated a total of 45,000 foreign-funded enterprises, accounting for about 5% of the country’s total.
- In the past five years, Beijing has actually utilized USD81.87B of foreign capital, accounting for nearly 50% of the total since the reform and opening-up. "Bringing-in" of foreign investment is maintained stable growth.
- In 2019, 1,038 new foreign-invested enterprises were established in Beijing, and the actual utilization of foreign capital was USD14.21B, accounting for 10% of China’s total actual utilization of foreign capital.

Foreign investment utility continues to improve

- In 2019, Beijing’s foreign investment in service industries became the leader in key areas of expansion and opening-up. The actual foreign investment utilization was increase by 10%-50% over the previous year, and foreign investment quality continues to improve.

Diversified foreign investment business formats and increased total amount

- As of 2019, there are 200+ foreign news agencies, about 30 headquarters and branches of international organizations, 3000+ foreign representative offices and 100+ overseas non-governmental organization stationed in Beijing.
- As of 2019, 56 Top 500 enterprises have their HQs settled down in Beijing, ranking the first place in the world.

The international influence of Beijing city has been further highlighted.

Source from: Beijing Statistical Bureau, prepared by pwc

The service trade import/export volume in recent five years has been increased with fluctuation

- Unit: In 100 million USD
- The proportion of Beijing’s service trade in the total national service trade has been maintained at 1/5

1980-1991 Start-up and exploration period
1992-2001 Rapid development period
2002-2010 Selected foreign capital period
2011-2019 Quantity/quality balanced period

Proportion of mechanical and electrical exports in the city

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>28.0%</td>
</tr>
<tr>
<td>2019</td>
<td>42.0%</td>
</tr>
</tbody>
</table>

Proportion of high-tech products in the city's exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>19.0%</td>
</tr>
<tr>
<td>2019</td>
<td>21.0%</td>
</tr>
</tbody>
</table>

Foreign investment contribution to the development of foreign investment

<table>
<thead>
<tr>
<th>Category</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enterprises</td>
<td>22.0%</td>
</tr>
<tr>
<td>Operating income</td>
<td>40.0%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>51.0%</td>
</tr>
<tr>
<td>Tertiary industry practitioners</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

Source from: Beijing Statistical Bureau, prepared by pwc
Service industry remains strong attraction to foreign capitals, and foreign investment in service industry takes the leading position

Foreign investment in service industry takes the leading position

- In 2018, 1569 enterprises were newly established in the service industry, accounting for 96% of the new enterprises in Beijing.
- The actual utilization of foreign capital in service industry is USD13.5B, accounting for 95% of Beijing's total.

The service industry has achieved remarkable results in opening-up and attracting foreign investments.

- In 2019, 1239 new foreign invested enterprises were established in major fields of service industry expansion of opening-up, accounting for 76% of Beijing's total.
- The actual utilization of foreign capital in key fields was USD11.87B, an year-on-year increase of 12%, accounting for 84% of Beijing's total, an increase by 22% over the same period last year.
- From 2017 to 2019, foreign direct investment in Beijing is mainly in the tertiary industry, with a structure superior to the national level.

The utilization of foreign capital by high-tech industries continues to grow.

- In 2019, 888 new foreign-funded enterprises were established in Beijing's high-tech industry, with the actual utilization of foreign capital reaching USD9.07B, a year-on-year of 24.3%.
- In 2019, all China v.s. Beijing in actual utilization of foreign capital industrial structure in hi-tech industry

<table>
<thead>
<tr>
<th>Hi-tech manufacturing industry</th>
<th>Hi-tech service industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing structure</td>
<td>National structure</td>
</tr>
<tr>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>74%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source from: Report on Chinese Foreign Investment in 2019 and Beijing Statistical Bulletin prepared based on the publications of PricewaterhouseCoopers

Foreign investment attracted by high-tech service industry is outstanding

- In 2019, the actual use of foreign capital in high-tech service industry was 8.98 billion US dollars, a year-on-year increase of 30.2%.
- Among newly established foreign-funded enterprises, science and technology services and information services account for more than 50% of the total.
- The top three industries with the fastest growth are information services, transformation services of scientific and technological achievements and research and development and design services respectively.

Number of foreign-funded enterprises in hi-tech service industry in Beijing (As of 2019)

<table>
<thead>
<tr>
<th>Wholesale and retail</th>
<th>Information transmission, software and IT service</th>
<th>Financial sector</th>
<th>Real estate</th>
<th>Lease and commercial service</th>
<th>Scientific research and technical service</th>
<th>Culture, sports and entertainment industries</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>14%</td>
<td>17%</td>
<td>40%</td>
<td>13%</td>
<td>4%</td>
<td>64%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Contract amount of hi-tech service industry in Beijing 2019

<table>
<thead>
<tr>
<th>Information service</th>
<th>R&amp;D and design service</th>
<th>R&amp;D achievement conversion service</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>53.9</td>
<td>29.1</td>
<td>57.0</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source from: The official website of Beijing Municipal Bureau of Commerce, prepared by pwc
The effect of foreign capital gathering development is obvious

- Chaoyang District, Haidian District, Shunyi District and Dongcheng District are the main gathering places of foreign capital in Beijing. The total number of foreign-funded enterprises in the four districts and the actual utilization of foreign capital there account for more than 80% of the whole city, showing an outstanding and obvious gathering effect.

Hong Kong is still the main source of foreign investment in Beijing.
Investments from the Netherlands, Singapore and South Korea grew faster

- In 2019, the actual investment from Hong Kong was USD10.63B, accounting for 74.8% of Beijing’s total.
- The actual investment from the Netherlands, Singapore and South Korea grew rapidly, up 4.4 times, 86.6% and 22% respectively over last year.

### Map of Key Fields of Foreign Investment in Beijing

<table>
<thead>
<tr>
<th>Administrative Region</th>
<th>Key areas of foreign investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dongcheng District:</td>
<td>Financial, business services and information services</td>
</tr>
<tr>
<td>Xicheng District:</td>
<td>High-end service industry</td>
</tr>
<tr>
<td>Chaoyang District:</td>
<td>Business services, finance, cultural creativity, high technology, technology services, sports and leisure, healthcare for the elderly</td>
</tr>
<tr>
<td>Fengtai District:</td>
<td>Hi-tech, emerging finance, cultural creativity</td>
</tr>
<tr>
<td>Shijingshan District:</td>
<td>Modern finance, hi-tech, cultural creativity, business services, tourism and leisure</td>
</tr>
<tr>
<td>Haidian District:</td>
<td>Intelligent manufacturing, medical health, tourism and leisure, cultural creativity, energy conservation and environmental protection.</td>
</tr>
<tr>
<td>Mentougou District:</td>
<td>Intelligent manufacturing, medical health, tourism and leisure, cultural creativity, energy conservation and environmental protection.</td>
</tr>
<tr>
<td>Fangshan District:</td>
<td>New energy vehicles, smart equipment, new materials, tourism and leisure</td>
</tr>
<tr>
<td>Daxing District:</td>
<td>Electronic information, bio-medicine, high-end automobiles, climax equipment, cultural creativity, air services, energy conservation and environmental protection, urban services, modern agriculture.</td>
</tr>
<tr>
<td>Tongzhou District:</td>
<td>Cultural creativity, high-tide commerce, health service industry, scientific agriculture</td>
</tr>
<tr>
<td>Shunyi District:</td>
<td>High-end service industry, automobile, aerospace, new generation information technology, new materials, new energy, modern agriculture.</td>
</tr>
<tr>
<td>Changping District:</td>
<td>Energy and Environmental Protection, Biomedicine, and Intelligent Manufacturing</td>
</tr>
<tr>
<td>Huairou District:</td>
<td>New materials, environmental protection, biomedicine</td>
</tr>
<tr>
<td>Pinggu District:</td>
<td>Modern agriculture, tourism and leisure, health services, cultural creativity</td>
</tr>
<tr>
<td>Miyun District:</td>
<td>High-end intelligent equipment manufacturing, new-generation information technology, tourism and leisure, modern agriculture.</td>
</tr>
<tr>
<td>Yanqing District:</td>
<td>Tourism and leisure, modern agriculture, new energy and environmental protection</td>
</tr>
</tbody>
</table>

### New establishment of foreign-funded enterprises

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Proportion over Beijing</th>
<th>Amount (USD100M)</th>
<th>Proportion over Beijing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chaoyang District</td>
<td>662</td>
<td>40.5%</td>
<td>42.9</td>
</tr>
<tr>
<td>Haidian District</td>
<td>363</td>
<td>22.2%</td>
<td>61.5</td>
</tr>
<tr>
<td>Dongcheng District</td>
<td>92</td>
<td>5.6%</td>
<td>6.3</td>
</tr>
<tr>
<td>Shunyi District</td>
<td>79</td>
<td>4.8%</td>
<td>9.1</td>
</tr>
</tbody>
</table>

### Year-on-year growth rate in 2019

- Hong Kong: 74.8%
- Netherlands: 4.4 times growth
- Singapore: 86.6%
- South Korea: 22%

Source from: The official website of Beijing Municipal Bureau of Commerce, prepared by pwc
Global economic slows down, but foreign investment in China still remain optimistic

China’s opening-up to the outside world will continue and be more open. China insists on promoting reform, development and innovation through opening-up and continues to push for a higher level of opening-up to the outside world.”

– Abstracted from President Xi Jinping’s keynote speech at the 2nd Expo in 2019

Global investment slows down, but China’s growth trend still remains unchanged

In 2019, the global macro-economy growth rate was slowed down due to various factors such as slowdown of trade and manufacturing industry, uncertainty of geopolitics and decreased foreign direct investment, etc.

■ According to the forecast in the monthly report March 2020 of the United Nations Conference on Trade and Development, affected by COVID-19 pandemics, global foreign direct investment (FDI) 2020-2021 will have a decrease by 30% to 40%.

■ The World Bank’s June 2020 report predicts that the global economy is expected to shrink by 5.2% in 2020 due to the impact of the new coronary pneumonia epidemic.

■ IMF predicates that the global economy will experience negative growth in 2020, which will surpass the financial crisis in 2008.

Global FDI declined by 1% in 2019 compared with that in 2018

Declined for consecutive four years USD643B FDI flew into developed economics The lowest level in history since 2004

FDI to Asian developing countries and EU have a decline 6-15% year-on-year decrease

In 2019 China FDI goes up against the unfavorable trend with an inflow of about USD140B 2.4% year-on-year increase, the second globally, the first in developing countries

CEO still remains optimistic attitude

84% of mainland Chinese executives expect that global economic growth will be better in coming 12 months, 62% higher than the global total.
China remains the world’s most attractive investment destination

According to the 23rd Global CEO Survey - China Report, China is still one of the most important countries/regions for Hong Kong and the growth prospects of global enterprises in the coming year.

According to a survey conducted by UNCTAD’s global multinational research report, China continues to be the best investment destination for global multinational enterprises, ranking second in the world and first in developing countries.

In 2019, China attracted nearly USD14B foreign capital and continued to maintain its position as the world’s second largest foreign capital inflow country.

Nearly 1400 USD hundred million

In 2019, China attracted nearly USD14B foreign capital and continued to maintain its position as the world’s second largest foreign capital inflow country.

Fig.: China v.s the World in Foreign Investment Flows between 2015-2019

Unit: USD100M

<table>
<thead>
<tr>
<th>Year</th>
<th>Global foreign investment</th>
<th>Foreign Investment in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>20,338</td>
<td>1,263</td>
</tr>
<tr>
<td>2016</td>
<td>19,187</td>
<td>1,260</td>
</tr>
<tr>
<td>2017</td>
<td>14,974</td>
<td>1,310</td>
</tr>
<tr>
<td>2018</td>
<td>14,130</td>
<td>1,350</td>
</tr>
<tr>
<td>2019</td>
<td>13,940</td>
<td>1,381</td>
</tr>
</tbody>
</table>

China’s fundamentals for attracting foreign investment remain unchanged

Full execute the Foreign Investment Law
Continue to upgrade and improve the business environment
Shorten the negative list for foreign investment access and further open financial industry

China’s proportion
Year-on-year increase of foreign investment in China
Year-on-year growth of global foreign investment

Source from: UNCTAD, prepared by PwC

The epidemic situation will not change China’s fundamentals for attracting foreign investments.

Although global economic uncertainty is increasing, China has accelerated its opening-up to the outside world and adopted a series of measures to stabilize foreign trade and foreign investment, and the fundamentals of China’s market attracting foreign investment still remain unchanged.

China’s economy continues to improve, the epidemic situation has been effectively controlled, and the resumption of work and production has been steadily pushed forward.

Full execute the Foreign Investment Law
Continue to upgrade and improve the business environment
Shorten the negative list for foreign investment access, and further open financial industry

China’s fundamentals for attracting foreign investment remain unchanged

Continue to upgrade and improve the business environment
Shorten the negative list for foreign investment access, and further open financial industry

China’s economy continues to improve, the epidemic situation has been effectively controlled, and the resumption of work and production has been steadily pushed forward.

Full execute the Foreign Investment Law
Continue to upgrade and improve the business environment
Shorten the negative list for foreign investment access, and further open financial industry

China’s economy continues to improve, the epidemic situation has been effectively controlled, and the resumption of work and production has been steadily pushed forward.

Full execute the Foreign Investment Law
Continue to upgrade and improve the business environment
Shorten the negative list for foreign investment access, and further open financial industry

China’s economy continues to improve, the epidemic situation has been effectively controlled, and the resumption of work and production has been steadily pushed forward.
In 2019, China’s reform and opening-up took important steps. Strong reform measures were pushed forward and major opening-up measures were uncompromising.

June 23, 2020, the National Development and Reform Commission issued the Special Administrative Measures for Access to Foreign Investment (Negative List) (2020 edition), which removed the restrictions on foreign share ratio of securities companies, securities investment fund management companies, future companies and life insurance companies in the financial sector.

A new pattern of multi-level, wide-range and high-level opening-up has been taken shape.

- The accelerated construction of the free trade experimental zone has provided important support for the new pattern of all-round and high-level opening-up. In 2019, six new free trade test zones were set up, and China’s pilot free trade zones were increase to 18, covering all coastal provinces, forming a new “wild goose flying pattern” opening from north to south and from the eastern coast to the west.

- The expansion and opening-up of the service industry will push forward the pilot projects in an all-round way, stimulate the vitality of innovation, and push the capital to achieve new development through deeper reforms and a higher level of opening-up. In 2019, the State Council approved to carry on the all-round comprehensive pilot for service industry opening-up expansion for another 3 years in Beijing. The threshold for foreign investment to enter the service sector is lower, with fewer restrictions and wider scope.

- CEPA has been upgraded in an all-round way to promote the healthy development of economic and trade exchanges and cooperation and realize win-win cooperation and benefit. In 2019, China formally implemented the CEPA Agreement on Trade in Goods; since then the Mainland China, Hong Kong and Macao have fully realized zero tariff on import and export of goods and high-level facilitation of trade in goods.

Uncompromising opening-up steps and strong "Magnetic Force" attracting foreign investment

Uncompromising reform and opening-up measures

- In 2019, China’s reform and opening-up took important steps. Strong reform measures were pushed forward and major opening-up measures were uncompromising.
- June 23, 2020, the National Development and Reform Commission issued the Special Administrative Measures for Access to Foreign Investment (Negative List) (2020 edition), which removed the restrictions on foreign share ratio of securities companies, securities investment fund management companies, future companies and life insurance companies in the financial sector.

Cancel the limit that “the foreign share ratio of securities companies shall not exceed 51%”.

Cancel the limit that “the foreign share ratio of future companies shall not exceed 51%”.

Cancel the limit that “the foreign share ratio of life insurance companies shall not exceed 51%”.

- In 2019, China formally implemented the CEPA Agreement on Trade in Goods; since then the Mainland China, Hong Kong and Macao have fully realized zero tariff on import and export of goods and high-level facilitation of trade in goods.

2018.4
At the Boao Forum for Asia, President Xi Jinping proposed four strategic measures to further expand China’s opening-up.

2019.1
The State Council approved the Work Plan of Comprehensive Pilot Project for Comprehensively Promoting the Opening up of Beijing Service Industry.

2019.3
The release of the first comprehensive and systematic foreign investment legislation in Chinese history, the Foreign Investment Law of the People’s Republic of China, provided a legal system guarantee for foreign investment.

2019.6
The Special Administrative Measures for Admission of Foreign Investment (2019 Edition) was released, reducing the negative list to 40.

2019.8
Daxing airport zone in Hebei Free Trade Zone was official established; Shanghai Free Trade Zone (post-surrounding new zone) was approved; and six new free trade pilot zones of Shandong, Jiangsu, Guangxi, Hebei, Yunnan and Hainan were added.

2019.11-12
The promulgation of the Regulations of the People’s Republic of China on the Implementation of the Foreign Investment Law has made the legal system for foreign investment clearer.
Foreign Investment Policy Opens a New Era

The new Foreign Investment Law and the Implementation Regulations addressed investment promotion and investment protection.

Since January 1, 2020, the "Foreign Investment Law" has been officially implemented and has become the "Basic Law" in the field of foreign investment. The Foreign Investment Law provides unified regulations on the entry, promotion and protection of foreign investment, opening a new chapter in the opening-up to the outside world and the construction of the rule of law for foreign investment.

Investment promotion

- Improved transparency of foreign investment policy
- Ensured the equal participation of foreign-funded enterprises in market competition
- Facilitation measures offered to foreign-funded enterprises in making investment

Investment protection

- Foreign investors are free to remit their gains and profits made in China.
- Strengthened the protection of intellectual property rights for foreign investors and foreign-funded enterprises.
- The government should strictly fulfill its policy commitments and abide by the spirit of the contract.
- Established a complaint mechanism for foreign-funded enterprises

Investment management

- Prohibition or approval for restricted fields in negative list, while registration for non-negative list fields.
- Implemented supervision and management to foreign investments as domestic investment.
- Established overseas investment information reporting system and security review system.

PwC China

"The promulgation of the Foreign Investment Law has greatly boosted the confidence of foreign-funded enterprises in investing in China. China has opened its arms to foreign-funded enterprises and granted them national treatment. This will not only help China's own development, but also provide a broader market opportunity for enterprises of various countries to cooperate in China."

The opening of the financial sector to the outside world has been expanded in an all-round way.

Measures and progress of "Boao Forum 11" and "Finance Committee Financial Opening 11"

<table>
<thead>
<tr>
<th>Field</th>
<th>Specific measures</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank (3)</td>
<td>Cancel the restriction on the proportion of foreign capital held by banks. Allow foreign banks to set up branches in China. The scope of foreign banks' business is expanded greatly.</td>
<td>Completed</td>
</tr>
<tr>
<td>Securities companies (3)</td>
<td>The time point for foreign capital stock ratio restriction of securities companies, fund management companies and futures companies original scheduled in 2021 has been moved forward to 2020. It is no longer required that at least one of the domestic shareholders of the joint-venture securities company is a securities company. There is no longer a separate restriction on the business scope of the joint-venture securities company, no difference with domestic investment.</td>
<td>Completed</td>
</tr>
<tr>
<td>Insurance (7)</td>
<td>The transition period from 51% to 100% for personal insurance foreign capital shares is advanced from 2021 to 2020. Cancel the requirement for domestic insurance companies held not less than 75% of the total shares of insurance asset management companies. Relax the entry conditions for foreign insurance companies and cancel the requirement of 30 years of operation. Thoroughly cancel the requirement that foreign-funded insurance companies must set up representative offices for 2 years before their incorporation. Allow foreign financial institutions to invest to set up or take shares in pension management company. Allowing qualified foreign investors to operate insurance agency business and insurance assessment business in China. Open up the business scope of foreign insurance brokerage companies, same with that of Chinese-funded institutions.</td>
<td>Completed</td>
</tr>
<tr>
<td>Financial Subsidiary (2)</td>
<td>Support foreign capital to set up or take shares in currency brokerage companies. Allowing overseas asset management institutions to set up joint ventures with subsidiaries of Chinese banks or insurance companies to set up financial management companies controlled by foreign parties.</td>
<td>Completed</td>
</tr>
<tr>
<td>Other institutions (3)</td>
<td>Support foreign capital to set up or take shares in currency brokerage companies. Encourage the introduction of foreign capital in banking finance fields such as trust, financial leasing, auto finance, currency brokerage, consumer finance, etc. There is no upper limit on the proportion of foreign capital held by financial asset investment companies newly established by commercial banks.</td>
<td>In progress</td>
</tr>
<tr>
<td>Stock market (1)</td>
<td>From May 1 onwards, the daily quota for interconnection will be quadrupled. Foreign-funded institutions are allowed to take all kinds of bonds in the inter-bank bond market and the exchange bond market. Foreign-funded institutions are allowed to obtain Class A principal underwriting license in the inter-bank bond market. Further facilitate overseas institutional investors to invest in the inter-bank bond market.</td>
<td>Completed</td>
</tr>
</tbody>
</table>

After the epidemic, China has adopted of fiscal, monetary and industrial integrated policies to stimulate investment and market vitality.

Fiscal policy

- A series of fiscal and taxation policies, including financial support, financial discount, tax reduction and fee reduction, deferred tax payment, etc.
- Speeded up the issuance and use of local government bonds
- Increased financial transfer payments

Monetary policy

- The central bank set up RMB300B special refinancing loans and increased RMB500B rediscount amount of refinancing loans.
- Guide financial institutions to increase the supply of foreign trade credit and implement policies such as postponing repayment of principal and interest.
- Guide the overall market interest rate and loan interest rate downward

Industrial policy

- Launched "new infrastructure" policy to stimulate investment
- Supported commercial insurance companies to carry out short-term export credit insurance business and reduce the rate.
- Many local governments have successively launched policies to stimulate automobile consumption.
- Further reduced the negative list of foreign investment access and expanded the list of industries that encourage foreign investment.
Strategic superimposition releases power, and opened highlands receive important opportunities

Looking to the future, Beijing stands at the historical juncture of the “two centennial” goals. Beijing’s new version of general urban planning has been implemented in depth, the construction of a modern economic system has been accelerated, the cooperative development of Beijing-Tianjin-Hebei region has been steadily pushed forward, the construction of an urban sub-center has been accelerated, the Daxing airport area in the free trade experimental zone has been opened to the outside world, the “double hubs” have been put into operation, Beijing, Tianjin and Hebei are developing in concert, and the main platform of “three cities and one district” has been opened and innovated, which make Beijing steadily move towards a high-quality development stage and create a new highland for opening up.

In-depth implementation of new version of general urban planning

Now Beijing has entered a new stage of development from gathering resources for growth to relaxing functions for development. Based on its strategic urban positioning of “four centers”, Beijing implemented in-depth its new version of general urban planning for accelerating its urban functional space reorganization. Based on the capital’s rich scientific and technological resources, Beijing will continue to improve its ability of independent innovation, seize the commanding heights of global science and technology in the field of basic research and strategic high-tech, and form a spatial pattern focusing on “three cities and one area” to promote the optimized development of “one area and many parks”. Make full use of the advantages of Beijing’s profound cultural heritage and cultural resources gathering, and strive to build an advanced cultural capital of socialism with Chinese characteristics with high inclusiveness and affinity, full of humanistic care, humanistic style and cultural charm. We will strive to optimize the spatial layout of nine types of international communication functions, including major diplomatic and foreign affairs activity areas, International Conference and exhibition areas, international sports and cultural exchange areas, and international transportation hubs, strengthen the construction of relevant facilities, and enhance the service guarantee capacity of major state affairs activities.

Building a modern economic system, moving towards high quality development in “the 14th five year plan”

Beijing’s economic development is at a critical stage of deep structural adjustment and accelerated power transformation, and a modern economic system is the only way for Beijing’s economic development to change from “quantity” to “quality”. In the future, Beijing will promote regional focal points and industrial agglomeration, strive to build a modern economic system that is compatible with the strategic positioning of the capital city, seize the opportunity of global industrial chain adjustment, implement the digitization, intelligence and green transformation and upgrading plan of manufacturing industry, and develop “high-tech” industries such as artificial intelligence and bio-medicine, so as to accelerate industrial transformation and upgrading; in addition, Beijing will also further promote the opening up of the service industry to a comprehensive pilot, promote Beijing’s high-quality development.

Focusing on high-end, precision and sophisticated fields with outstanding industrial advantages

Led by a new generation of information technology and medical health, has created new momentum for the development of high-end, precision and sophisticated industries and achieved a number of key technological landmark achievements. Beijing has obvious advantages in scientific and technological resources in the field of artificial intelligence, with over 50% of the backbone research units and over 60% of the talents. Beijing will continue to focus on the implementation of major projects, vigorously develop the medical and health industry, focus on the cultivation of artificial intelligence industry, continue to promote the new energy intelligent automobile industry, accelerate the development of new material industry, and support the development of science and technology service industry, continue to work hard to build a high-end, precision and sophisticated economic structure, to build a national science and technology innovation center, to promote Beijing’s high-quality development, and to continuously enhance the innovation and competitiveness of the capital’s development.

Comments of authoritative institutions

According to the ranking of 500 cities in the world in scientific research and output issued in “2018 Nature Index-Scientific Research City” with a supplement to UK magazine The Nature, Beijing was ranked in the first place in the world for two consecutive years.

The World Intellectual Property Organization released the 2019 Global Innovation Index Report on July 24, 2019 in New Delhi, India. This report also released a list of global technology clusters, where Beijing is ranked the 4th place worldwide.

Of which, Beijing was ranked first in the world in terms of The World Intellectual Property Organization released the 2019 Global Innovation Index Report on July 24, 2019 in New Delhi, India. This report also released a list of global technology clusters, where Beijing is ranked the 4th place worldwide.

Scientific paper publication index with 222,668 papers, accounting for 2.65% of the total number of papers published; and in terms of PCT international patent index, ranked 6th in the world with 23014 items, up 2 places from the previous year, accounting for 2.3% of all PCT international patent applications. In addition, Beijing has performed well in terms of openness and innovation, and in terms of the number of scientific publications co-authored and the number of joint inventions, ranking first and second in the world respectively. In terms of research fields, chemistry and digital communication performed well, which are the fields with the most number of papers and the most number of patent applications in Beijing respectively.”
City sub-center creates a new model of regional cooperation

Beijing city sub-center is "one wing" in the pattern of "one core with two wings" of Beijing City under Beijing-Tianjin-Hebei cooperative development strategy.

Beijing city sub-center is positioned to be a world-class demonstration area of harmonious and livable city, a demonstration area of new urbanization and a demonstration area of coordinated development in Beijing, Tianjin and Hebei region.

Beijing city sub-center will focus on five major fields: transportation infrastructure, public services, ecological environment, smart city and industry.

Accelerate the construction of administrative office areas, comprehensive transportation hubs and urban green centers; give priority to the implementation of pilot policies, major projects, high-quality enterprises and scientific and technological application scenarios; make every effort to build key projects such as Universal Studios theme park; and accelerate the coordinated development with the three northern countries* and create a new model of regional cooperation.

A new pattern of cooperation among Beijing, Tianjin and Hebei

The Beijing-Tianjin-Hebei region is the core region of China's independent innovation, high-end service and modern manufacturing. It shoulders the important mission of leading by science and technology and supporting by industry in accelerating China's industrialization and informatization process.

As the focus of Beijing-Tianjin-Hebei region’s future construction, Xiong'an New District will be built as an important pole of Beijing-Tianjin-Hebei world-class urban agglomeration, a new engine of modern economic system, and a national model to promote high-quality development. A number of major projects such as Jingxiong intercity and international scientific and technological achievements exhibition and trading center have been started, the public service center has been completed and put into operation, and Baiyangdian and watershed management and "Millennium forest" construction have achieved initial results.

Beijing will focus on the integration of Beijing, Tianjin and Hebei, deepen the integration with Xiong’an, promote the coordinated development of transportation, environment, industry and other fields to take the lead, jointly create a world-class research and development innovation, high-end services, "heavy equipment of big country" gathering area, carry out the application pilot of Beijing, Tianjin and Hebei big data comprehensive test area, and promote the sharing of innovative resources and the transfer/transfer/development of achievements.

Beijing Daxing International Airport

On September 2019, President Xi Jinping announced that Beijing Daxing International Airport was put into operation. Beijing Daxing International Airport and Capital International Airport form a "one south one north" double hub.

Beijing Daxing International Airport is located between Guangyang District, Langfang City, Hebei Province and Daxing District, Beijing city. It is one of the largest airports in the world.

The design goal of the airport is to reach 72 million passengers, 2 million tons of cargo and mail, and 628,000 flights by 2025. In the long-term planning, the annual passenger throughput will be more than 100 million, and the number of aircraft take-off and landing is 880,000.

Beijing's twin hubs will be more open, connecting Beijing, Tianjin and Hebei world-class cities, helping Beijing to implement its strategic positioning as a capital city and speed up the construction of Hebei Xiong'an New District, and serving the coordinated development of Beijing, Tianjin and Hebei.

Summer and Winter Olympic Games hosting city with super charms

Beijing is the first city in the world to host both the Summer Olympics and the Winter Olympics. The 2022 Winter Olympics and Winter Paralympics will push Beijing towards a remarkable transformation.

Beijing will speed up the implementation of scientific and technological winter Olympics, realize full coverage of 5G signal Olympic venues, 360-degree panoramic live broadcasting and VR immersion experience, promote the application of new technologies in winter Olympics, and deepen the development of underlying technologies and the construction of application scenes.

Beijing will promote the development of the ice and snow industry, speed up the construction of Olympic Winter Games related venues and supporting infrastructure, and drive 300 million people to participate in the ice and snow sports.

Daxing Airport area in pilot free trade zone (Beijing Daxing), a new high land for opening-upland

Daxing Airport area in pilot free trade zone (Beijing Daxing) featured of relying on a large-scale international aviation hub, focusing on service trade and scientific and technological innovation, and launching high-level benchmarking, and is no new platform jointly constructed and shared by Beijing and Hebei.

Through institutional innovation, Beijing will solve the development problems, gather new industries, new formats and new models, and build a new highland of "1 + 3 + n" open economy composed of free trade zone, 3 comprehensive bonded zones and N open functional zones.
The service industry continues to expand and open up to promote a new pattern of open economy

As the first and only comprehensive pilot city in the country to expand the opening of service industry, Beijing has made great efforts to build a new model for service industry opening up by benchmarking international advanced rules. It has taken many measures to expand the opening up in the service industry, build the soft power of service industry competition and optimize the business environment of service industry, with obvious results.

1. In May 2015, the State Council approved the "Comprehensive Pilot Plan for the Expansion and Opening of Beijing's Service Industry", which includes "6+1+5", i.e. focusing on six major areas of service industry to expand opening up, deepening the reform of foreign investment management system and optimizing five supporting systems.

2. In June 2017, the State Council approved the "Comprehensive Pilot Work Plan for Deepening Reform and Promoting the Expansion and Opening of Beijing's Service Industry", marking the beginning of a new phase of comprehensive pilot work for the expansion and opening of Beijing's service industry.

3. In January 2019, the State Council approved the "Comprehensive Pilot Work Plan for Comprehensively Promoting the Expansion and Opening of Beijing's Service Industry", marking the beginning of a new phase of comprehensive pilot work for the expansion and opening of Beijing's service industry.

Chapter III

Opening-up innovation: all-round opening-up for attracting investors with a sound business environment

In the first round of opening up, altogether 70 national firsts and best-effect opening-up and innovation measures were shaped.

In this new round of opening-up, 42 breakthrough policies and innovative institutional measures were shaped.
Comprehensive Pilot of Further Opening-up of the Service Sector in Beijing 3.0 - “5+9+177+ eight major fields” policy system, “industry opening+zone opening” mode, deepening reform and opening-up, and further stimulated economic and social development motivation

Fields of science and technology, Internet information, finance, education, culture and tourism, medical care and old-age care, professional services and business and other services.

“Industry Opening + Zone Opening” mode: not only gives full play to the advantages of industry opening without geographical restrictions, but also focuses on specific areas, relying on Zhongguancun, the airport economic zone, the comprehensive bonded zone and other functional areas to enhance the carrying capacity of tertiary industry opening.

Launched 177 tasks to comprehensively promote the comprehensive pilot work of Beijing’s opening up expansion in tertiary industry.
Remarkable achievements in the opening-up expansion in tertiary industry

In 2019, the added value of tertiary industry accounted for 83.5% of GDP, an increase of 5.6% over 2014.

In 2019, the service consumption accounted for 55% of the total market consumption, an increase of 10.2% over 2018.

Opening up 3.0 brings new momentum and creates a number of "Beijing experience"

- China’s first bonded supervision model based on bonded logistics supply chain
- China’s first intellectual property pledge loan risk disposal fund pool put into operation
- The first bank card clearing institution held by foreign capital in China was approved
- Take the lead in realizing unified registration and query of chattel guarantee in China, which was written into the regulations on optimizing the business environment by the State Council.
- The first green building performance liability insurance in China
- The first pilot of cross-provincial medical device registration system in China
- The first approved intellectual property securitization products in China
- The first pilot of Xicheng District of "Supervision Sandbox" mechanism in China
- China's first centralized insurance model for cultural enterprises
- The landing of foreign securities company - UBS Securities, the first one with shareholding of 51% in China
- Relax the threshold for foreign investors to set up investment companies
- Allow foreign investors to invest in the production of audio-visual products
- Extend the temporary import period of R&D of test vehicles
- Take the lead in carrying out the pilot of cross-provincial medical device registration system in China
- Established an official Chinese traditional medicine English hotline, the only one in the world

Four batches of Beijing pilot experience were duplicated and promoted

The expansion of the opening up of Beijing tertiary industry has resulted in four batches of 12 Beijing experiences, which have been written into the government work report by the State Council or have been promoted in various forms nationwide & FTZ-wide. There are 4 promotion cases in the first batch, 1 promotion case in the second batch, 5 promotion cases in the third batch, and 2 promotion cases in the fourth batch.

Implementation of pre-trial and open reform policies

Beijing’s first open reform experience continues to emerge

During the first round of pilots, 70 national innovation initiatives, such as intangible asset financing and leasing of cultural enterprises, are initiated nationwide or have achieved the best results.

The open structure and policy advantages supported by multiple points are more prominent

- Daxing Airport area in pilot free trade zone (Beijing Daxing) was officially listed; pilots such as general taxpayers in Tianzhu Comprehensive Protection Zone were approved; Dongcheng District established a "National Cultural and Financial Cooperation Demonstration Zone".
Great achievements have been made in opening up key fields, which injected new momentum into the capital’s high-quality economic development.

A number of opening-up achievements are evident:
- Beijing's ranking in the global financial center index (GFCI) has steadily improved.
- Financial industry has become the largest pillar industry of capital economy.
- The financial industry's fiscal contribution has reached a new level.

Developed a number of visual results:
- Level of knowledge creation leads the world.
- Scientific research talents and science and technology enterprises with global influence have achieved remarkable aggregation results.
- Heavyweight original achievements are emerging.

Actively expanded open space:
- Foreign capital invested in entertainment venues, performance venues, operating units and performance brokerage agencies with expanded scope of business.

Take various measures and try first:
- Publish the Three year action plan for building and upgrading convenience stores in Beijing to encourage the opening of convenience stores.

Actively improve the introduction mechanism:
- Improved the working mechanism of big data management and strengthened data gathering and open sharing.
- Projects of international cloud computation leading enterprises have been landed.

Promote internationalization with multiple measures:
- Administrative examination and approval authority of schools for children of foreigners is delegated to district education administration level.
- Improve the layout of international schools and increase the supply of international education.
- Vocational education international cooperation demonstrative projects have been promoted.

Accurate promotion to stimulate vitality:
- The Municipal Bureau of Justice has further relaxed the pilot conditions for foreign legal advisers to stimulate the vitality of the industry.
- Promote the establishment of wholly foreign-owned human resources service institutions in Beijing.

Many highlights and great achievements:
- Internet + Nursing Service has been progressing smoothly, and the service category and project have been continuously optimized.
- Promote the combination of medical and nursing services and improve the ability of elderly care services.
International resources gathered at an accelerated pace, and the ability to allocate high-end resources in the world continued to be enhanced. Create six major open platforms for the centralized display of the new carriers of opening-up achievements in business sector.

**China International Service Trade Fair (“Service Trade Fair”) - An important bridge for “introduced-in and going-out” of the further opening-up of service sector**

- Beijing Fair is an event held once a year (originally once every two years).
- Establish the Global Service Trade Outlook Committee.
- The trade scope of Service Trade Fair covers all 12 major service trades defined by the World Trade Organization, including commercial services, communication services, construction services, sales services, education services, environmental services, financial services, health and social services, tourism services, cultural and sports services, and transportation services.

Since the very beginning of this event, the Service Trade Fair has attracted tens of thousands of exhibitors from more than 100 countries and regions to participate in the negotiation and cooperation by setting up special exhibitions, international forums and trade negotiation platforms in the global service trade industry, and has realized the increasing number of exhibitors and regions, exhibitors and prospective contractors. Service Trade fair has gradually become a stage for the display of global high-quality innovative services, a window for the release of policies and information on international service trade, a platform for the docking and trading of service trade enterprises of various countries, and an important bridge for the bringing in of international advanced services and the “going out” of Chinese services.

- In 2019, the China International Trade in Services Fair attracted 137 overseas countries/regions, 21 international organizations, more than 180 domestic foreign trade associations, more than 8,000 domestic and overseas enterprises and institutions, and the number of participants increased three times; of which, “the Belt and Road Initiative” countries’ participation rate exceeded 70%, reaching USD105.6B, an increase of 32% over the first Beijing Fair.

**Open platform for quality upgrading**

- Five national foreign trade transformation and upgrading bases.
- Enterprises were included in the first batch of national public platforms for international marketing services.
- Continues to expand network of overseas economic and trade development service centers, with a total of 41 service centers in 31 countries and regions in five continents.
- Actively gave supports to ensure the success of a number of events during the second “One Belt and One Road” International Cooperation Summit Forum, the Asian Civilization Dialogue Conference and the 2019 FIBA Basketball World Cup.
Beijing’s ten new measures for expanding opening-up focusing on Strengthening the attraction to foreign financial institutions

Support foreign-funded financial institutions to fully participate in the comprehensive pilot of Beijing’s service industry expansion and opening up. Foreign-funded institutions newly established in the new round of financial opening will be supported to fully participate in qualified domestic limited partner overseas investment (QDLP), RMB international investment and loan fund, foreign exchange management facilitation and other pilot projects to facilitate their international business.

Support foreign-funded financial institutions to take the lead in enjoying the policy of fostering support in the financial field. In 2018, Beijing introduced policies and measures to foster the development of modern financial services. Financial institutions were given a service housekeeping system for foreign-funded financial institutions in terms of establishment, rental subsidy and financial talent incentive services.

Support foreign-funded financial institutions with full-time housekeepers. In the future, newly-established foreign-funded financial institutions, each institution would be equipped with a full-time service housekeeper to respond to the demands of enterprises at any time.

Establish a “green channel” for the registration of foreign-funded financial institutions. Foreign-funded institutions established in accordance with the “11 new financial policies” will be included in the “white list”. A green channel will be established and work process will be optimized to achieve rapid registration.

Establish a “green channel” for the introduction of talents from foreign-funded financial institutions. For financial talents from newly-established foreign-funded financial institutions, priority will be given to the relevant policies for the introduction of talents in this city, and qualified personnel introduction and settlement procedures will be handled.

Strengthen the living service guarantee for foreign-funded financial talents, support the newly-established foreign-funded financial institutions to move into the city’s international talent community, connect the city’s educational and medical resources, and improve the quality of educational and medical services for international financial talents and foreign-funded financial talents.

Promote upgrading of financial functional areas. In view of the credit rating, asset management and other key areas identified in the “new 11 financial policies”, focus will be made to build financial functional areas such as financial street, CBD and Shunyi offshore financial district, undertake the landing of corresponding institutions, fully interface trade associations and national financial infrastructure platforms. Support newly-established foreign-funded financial institutions in terms of establishment, rental subsidy and financial talent incentive services.

Support foreign-funded financial institutions to take the lead in enjoying the policy of fostering support in the financial field. Foreign-funded institutions newly established in the new round of financial opening will be supported to fully participate in qualified domestic limited partner overseas investment (QDLP), RMB international investment and loan fund, foreign exchange management facilitation and other pilot projects to facilitate their international business.

Support foreign-funded financial institutions with full-time housekeepers. In the future, newly-established foreign-funded financial institutions, each institution would be equipped with a full-time service housekeeper to respond to the demands of enterprises at any time.

Establish a “green channel” for the registration of foreign-funded financial institutions. Foreign-funded institutions established in accordance with the “11 new financial policies” will be included in the “white list”. A green channel will be established and work process will be optimized to achieve rapid registration.

Establish a “green channel” for the introduction of talents from foreign-funded financial institutions. For financial talents from newly-established foreign-funded financial institutions, priority will be given to the relevant policies for the introduction of talents in this city, and qualified personnel introduction and settlement procedures will be handled.

Strengthen the living service guarantee for foreign-funded financial talents, support the newly-established foreign-funded financial institutions to move into the city’s international talent community, connect the city’s educational and medical resources, and improve the quality of educational and medical services for international financial talents and foreign-funded financial talents.

Promote upgrading of financial functional areas. In view of the credit rating, asset management and other key areas identified in the “new 11 financial policies”, focus will be made to build financial functional areas such as financial street, CBD and Shunyi offshore financial district, undertake the landing of corresponding institutions, fully interface trade associations and national financial infrastructure platforms. Support newly-established foreign-funded financial institutions in terms of establishment, rental subsidy and financial talent incentive services.

Support foreign-funded financial institutions to take the lead in enjoying the policy of fostering support in the financial field. Foreign-funded institutions newly established in the new round of financial opening will be supported to fully participate in qualified domestic limited partner overseas investment (QDLP), RMB international investment and loan fund, foreign exchange management facilitation and other pilot projects to facilitate their international business.

Support foreign-funded financial institutions with full-time housekeepers. In the future, newly-established foreign-funded financial institutions, each institution would be equipped with a full-time service housekeeper to respond to the demands of enterprises at any time.

Establish a “green channel” for the registration of foreign-funded financial institutions. Foreign-funded institutions established in accordance with the “11 new financial policies” will be included in the “white list”. A green channel will be established and work process will be optimized to achieve rapid registration.

Establish a “green channel” for the introduction of talents from foreign-funded financial institutions. For financial talents from newly-established foreign-funded financial institutions, priority will be given to the relevant policies for the introduction of talents in this city, and qualified personnel introduction and settlement procedures will be handled.

Strengthen the living service guarantee for foreign-funded financial talents, support the newly-established foreign-funded financial institutions to move into the city’s international talent community, connect the city’s educational and medical resources, and improve the quality of educational and medical services for international financial talents and foreign-funded financial talents.

Promote upgrading of financial functional areas. In view of the credit rating, asset management and other key areas identified in the “new 11 financial policies”, focus will be made to build financial functional areas such as financial street, CBD and Shunyi offshore financial district, undertake the landing of corresponding institutions, fully interface trade associations and national financial infrastructure platforms. Support newly-established foreign-funded financial institutions in terms of establishment, rental subsidy and financial talent incentive services.

Support foreign-funded financial institutions to take the lead in enjoying the policy of fostering support in the financial field. Foreign-funded institutions newly established in the new round of financial opening will be supported to fully participate in qualified domestic limited partner overseas investment (QDLP), RMB international investment and loan fund, foreign exchange management facilitation and other pilot projects to facilitate their international business.

Support foreign-funded financial institutions with full-time housekeepers. In the future, newly-established foreign-funded financial institutions, each institution would be equipped with a full-time service housekeeper to respond to the demands of enterprises at any time.

Establish a “green channel” for the registration of foreign-funded financial institutions. Foreign-funded institutions established in accordance with the “11 new financial policies” will be included in the “white list”. A green channel will be established and work process will be optimized to achieve rapid registration.

Establish a “green channel” for the introduction of talents from foreign-funded financial institutions. For financial talents from newly-established foreign-funded financial institutions, priority will be given to the relevant policies for the introduction of talents in this city, and qualified personnel introduction and settlement procedures will be handled.

Strengthen the living service guarantee for foreign-funded financial talents, support the newly-established foreign-funded financial institutions to move into the city’s international talent community, connect the city’s educational and medical resources, and improve the quality of educational and medical services for international financial talents and foreign-funded financial talents.

Promote upgrading of financial functional areas. In view of the credit rating, asset management and other key areas identified in the “new 11 financial policies”, focus will be made to build financial functional areas such as financial street, CBD and Shunyi offshore financial district, undertake the landing of corresponding institutions, fully interface trade associations and national financial infrastructure platforms. Support newly-established foreign-funded financial institutions in terms of establishment, rental subsidy and financial talent incentive services.

Support foreign-funded financial institutions to take the lead in enjoying the policy of fostering support in the financial field. Foreign-funded institutions newly established in the new round of financial opening will be supported to fully participate in qualified domestic limited partner overseas investment (QDLP), RMB international investment and loan fund, foreign exchange management facilitation and other pilot projects to facilitate their international business.

Support foreign-funded financial institutions with full-time housekeepers. In the future, newly-established foreign-funded financial institutions, each institution would be equipped with a full-time service housekeeper to respond to the demands of enterprises at any time.

Establish a “green channel” for the registration of foreign-funded financial institutions. Foreign-funded institutions established in accordance with the “11 new financial policies” will be included in the “white list”. A green channel will be established and work process will be optimized to achieve rapid registration.

Establish a “green channel” for the introduction of talents from foreign-funded financial institutions. For financial talents from newly-established foreign-funded financial institutions, priority will be given to the relevant policies for the introduction of talents in this city, and qualified personnel introduction and settlement procedures will be handled.

Strengthen the living service guarantee for foreign-funded financial talents, support the newly-established foreign-funded financial institutions to move into the city’s international talent community, connect the city’s educational and medical resources, and improve the quality of educational and medical services for international financial talents and foreign-funded financial talents.

Promote upgrading of financial functional areas. In view of the credit rating, asset management and other key areas identified in the “new 11 financial policies”, focus will be made to build financial functional areas such as financial street, CBD and Shunyi offshore financial district, undertake the landing of corresponding institutions, fully interface trade associations and national financial infrastructure platforms. Support newly-established foreign-funded financial institutions in terms of establishment, rental subsidy and financial talent incentive services.

Support foreign-funded financial institutions to take the lead in enjoying the policy of fostering support in the financial field. Foreign-funded institutions newly established in the new round of financial opening will be supported to fully participate in qualified domestic limited partner overseas investment (QDLP), RMB international investment and loan fund, foreign exchange management facilitation and other pilot projects to facilitate their international business.

Support foreign-funded financial institutions with full-time housekeepers. In the future, newly-established foreign-funded financial institutions, each institution would be equipped with a full-time service housekeeper to respond to the demands of enterprises at any time.

Establish a “green channel” for the registration of foreign-funded financial institutions. Foreign-funded institutions established in accordance with the “11 new financial policies” will be included in the “white list”. A green channel will be established and work process will be optimized to achieve rapid registration.

Establish a “green channel” for the introduction of talents from foreign-funded financial institutions. For financial talents from newly-established foreign-funded financial institutions, priority will be given to the relevant policies for the introduction of talents in this city, and qualified personnel introduction and settlement procedures will be handled.

Strengthen the living service guarantee for foreign-funded financial talents, support the newly-established foreign-funded financial institutions to move into the city’s international talent community, connect the city’s educational and medical resources, and improve the quality of educational and medical services for international financial talents and foreign-funded financial talents.
Beijing, Tianjin and Hebei cooperation builds a new picture of mutual benefit and win-win cooperation

In the Urban Master Planning of Beijing (2016-2035), it clearly requires to promote the cooperative cooperation among Beijing, Tianjin and Hebei to construct a world-class city cluster centered in the capital. According to this planning, a new situation of coordinated development and mutual benefit for Beijing, Tianjin and Hebei will be initially formed by 2020, and a world-class urban agglomeration framework for Beijing, Tianjin and Hebei will be basically formed by 2035.

As addressed by Cai Qi, the Secretary of CPC Beijing Municipal Committee, in the meeting for preparing "the 14th Five-year Plan" According to the 14th Five-year Plan, vigorously execute Beijing, Tianjin and Hebei cooperative development. Firmly grasp the "bull's nose" of relieving non-capital functions, unswervingly promote relieving and improving, optimize the allocation of resources in a wider range and space, strengthen the coordinated layout of industrial chains, and build a world-class city cluster with the capital as its core.
Beijing, Tianjin and Hebei cooperative development, constructing the capital centered world-class city cluster with a broader development space in mind.

Collaborative development has achieved remarkable results, and the regional industrial integration continues to improve.

The regional industrial structure of Beijing, Tianjin and Hebei has been continuously optimized

- The number of enterprises in the Beijing-Tianjin-Hebei region continued to grow steadily. At the end of 2018, there were 2,431 million enterprises engaged in secondary and tertiary industry activities in the region, an increase of 90.5% over the end of 2013, of which 435,000 were secondary industry enterprises and 1,996 million were tertiary industry enterprises.

Proportion of tertiary industry in Beijing, Tianjin and Hebei over the total of the second and third industry

![Proportion of industries in Beijing-Tianjin-Hebei region](image)

Note: data source from 2018 year-end data of the State Statistical Bureau

- The concentration of business services and high-tech services in the region is relatively high. Lease and business services, scientific research and technology services, and information transmission, software and information technology services are respectively 1.8%, 3.6% and 1.3% higher than those in the same industry nationwide.

The regional industrial division pattern becomes clear

Beijing-Tianjin-Hebei regional industrial division pattern becomes clear

- Beijing
  - Obvious high-end industry trend. Beijing’s hi-tech service industry and cultural industry are gathering more and more, and its position as a scientific and technological innovation center and cultural center is becoming more and more stable.

Tianjin
- Fast upgrading of service industry. With the rapid growth of high-tech service industry and obvious comparative advantages in finance and transportation, its core functions as a demonstration area for financial innovation and operation and a core area for northern international shipping are becoming increasingly obvious.

Hebei
- Rapid development of advanced manufacturing industry. Hi-tech manufacturing industry is making rapid progress, with high-tech manufacturing enterprises accounting for more than half of Beijing, Tianjin and Hebei in chemical raw materials and chemicals manufacturing, electrical machinery and equipment manufacturing, and pharmaceutical manufacturing.

### Medium-term target of Beijing-Tianjin-Hebei cooperative development (2018-2020)

<table>
<thead>
<tr>
<th>Target 1</th>
<th>Target 2</th>
<th>Target 3</th>
<th>Target 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build a coordinated city cluster spatial system</td>
<td>Actively support Hebei Xiong’an New District planning and construction</td>
<td>Promote breakthroughs in key areas</td>
<td>Make every effort to host 2022 Beijing Winter Olympics</td>
</tr>
<tr>
<td>Strengthen the Beijing-Tianjin linkage and comprehensively expand cooperation width and depth. The urban sub-center of Beijing and Hebei Xiong’an New District jointly form the new two wings of Beijing for overall planning, cooperation in-depth, complementary each other and gaining differential development.</td>
<td>Strengthen the fast connection between Beijing International Aviation Hub and Xiong’an New District. Promote the transfer of some high-quality public service resources in Beijing to Xiong’an New District, Hebei Province through various cooperation modes including new construction, trusting and joint construction. Encourage and guide enterprises and social capital in Beijing for active participation.</td>
<td>Build Beijing-Tianjin international comprehensive transportation hub into a transportation hub with global connectivity, high efficiency and perfect functions; and optimize the highway transportation network layout and build a highway network circling the capital region.</td>
<td>By taking advantage of the opportunity of preparing for 2022 Beijing Winter Olympics, jointly build a Beijing-Zhangjiakou cultural and sports tourism belt and build a sports, leisure and tourism industry gathering area that is based on the region, serves the whole country and radiates the world.</td>
</tr>
</tbody>
</table>

### Top 6 Industries in Beijing-Tianjin-Hebei Region

<table>
<thead>
<tr>
<th>Industry</th>
<th>Beijing-Tianjin-Hebei</th>
<th>Beijing</th>
<th>Tianjin</th>
<th>Hebei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale and retail</td>
<td>29.2%</td>
<td>29.8%</td>
<td>11.7%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Lease and business services</td>
<td>9.5%</td>
<td>9.9%</td>
<td>5.9%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Scientific research and technical service</td>
<td>11.7%</td>
<td>11.7%</td>
<td>5.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>15.0%</td>
<td>15.0%</td>
<td>5.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Information transmission, software and information technology services</td>
<td>5.9%</td>
<td>5.9%</td>
<td>4.2%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Note: data source from 2018 year-end data of the State Statistical Bureau

- Baoding
- Anxin
The industrial cooperation in Beijing, Tianjin and Hebei region is continuously improving.

Under the new situation, speeding up the construction of urban agglomerations, promoting collaborative regional development and creating new growth poles and growth zones are important ways to solve the problem of unbalanced and insufficient development and promote high-quality development. In the past few years, Beijing, Tianjin and Hebei have comprehensively expanded the scope and depth of service cooperation in the Beijing, Tianjin and Hebei region. The integration of service and factor markets in the three regions has been further strengthened. The reasonable division of labor and dislocation development of service industry have achieved remarkable results. The development level and quality of service industry have been improved overall.

- PwC China
Benchmarking first-class standards to create a "China Model" in building business environment

China's ranking in global business environment has been promoted

According to the World Bank's Business Environment Report 2020, China's ranking has been promoted to Place 31, ranking among Top 10 economics worldwide with the greatest improvement in the optimized business environment for two consecutive years. The overall score was 77.9 points, an increase by 4.26 points over the previous year.

Beijing represents the top level of China's business environment.

According to the World Bank's Business Environment Report 2020, Beijing is ranked 28th in the world in terms of business environment, with a score of 78.2 points. This year, it has increased by 4.6 points again, surpassing Tokyo, Japan, some EU countries and OECD member countries.

Comments of authoritative institutions

According to the 2020 Business Environment Report released by the World Bank on October 23, 2019, China's business environment ranked the 31st place in the world, to which Beijing contributed a lot.
The Regulations of Beijing Municipality on Optimizing Business Environment came into force on April 28, 2020

In response to the weaknesses in the protection of rights and interests that market players are concerned about, such as insufficient balance, inconvenient investment and trade, insufficient government services, and lack of uniform supervision and enforcement of laws, specific provisions are specified in these regulations for escorting enterprise and accelerating the reform and optimization of the business environment in Beijing.

Is it difficult to start a business? No more than 1 working day
Handle it immediately if required materials are available; if not, complete the handling with 1 working day. For low-risk construction projects, the construction project planning permit and the construction permit may be jointly handled, and the approval time for the whole process from project initiation to real estate registration shall not exceed 15 working days.

Easy access but difficult withdraw? Can be handled within 20 days if satisfying the conditions
After obtaining the business license, if no production or business activities are carried out, or if there is no creditor's right or debt, the cancellation registration may be handled if there is no objection on the 20th of the announcement.

Is it difficult for technological and cultural enterprises to innovate and develop? Rural collective operating construction land can be used for incubation
Market participants can use the existing resources of the national independent innovation demonstration zone and Beijing economic and technological development zone to build science, technology and culture business incubators. Rural collective operating construction land registered in accordance with the law conforms to the planning, and can also be used for the construction of projects such as incubation of scientific and technological and cultural enterprises, transformation of scientific and technological and cultural achievements and landing of industries.

Is it difficult for going the procedures and examination/approval? Promote notification and commitment, say goodbye to miscellaneous provisions
- Notification and commitment system for government service matters
- Unified guide to government service matters
- "Zero contact" policy
- Administrative checklist system
- Industry and field credit classification and supervision standards

Too many inspections and difficult in doing business? Inspection frequency can be reduced for enterprises with good credit
- Government releases relief subsidy and tax concession measures

Emergent outbreak of epidemic situation, enterprises are hard to survive? In the event of an emergency, the municipal and district people's governments shall, according to the losses of the market subject affected by the emergency, formulate and organize the implementation of relief, compensation, subsidies, tax concession, resettlement and other measures.

Difficult to find violation? Encourage internal reporting
Encourage industry and field insiders to report suspected serious violations of laws and regulations and major risks of market entities, so as to improve the pertinence and effectiveness of supervision and law enforcement. If it is verified, the relevant government departments will increase incentives to internal informants and strictly protect them.
Business environment "three-jumps" to create a perfect business environment in Beijing

Business environment reform continues to update to boost high-quality development of economy

History of business environment reform

1.0 Focus on the World Bank’s 10 indicators evaluation and the fields involved in the whole life cycle of enterprises

March 2018

2.0 Added the demands and problems mostly concerned by enterprises and masses

February 2019

3.0 Comprehensively meet the needs of standard-setting enterprises and the masses and push forward reforms in all areas of the business environment.

November 2019

Simplify administrative procedures, delegate powers to lower levels for fair supervision
Optimizing service and strengthening responsibility

- The reform is more intensive, broader in content and scope.
- The reform is more systematic, integrated and coordinated.
- The reform is more transparent and participatory.

Less walking around

- Thoroughly implement "governmental management service" reform
- Centered on the satisfaction of enterprises and masses
- Focus on weaknesses and key problems

Increase efficiency

- "Building first and inspection later" pilot for construction permit
- 60% of civil and commercial cases can be settled at the front end of litigation.
- The time for handling residence permit is reduced to 7 working days
- Complete loan renewal for small and micro enterprises can be completed within 10 working days

Decrease cost

- "Zero investment" for water and gas supply
- Guarantee-free release for lowering the customs clearance cost

Gain more benefits from optimizing business environment v3.0

The Key Missions of Beijing’s New Round of Deepening the Reform of governmental management service and Optimizing the Business Environment (i.e., business environment reform v.3.0) mainly involves three dimensions, 12 major aspects and 204 reform measures.

Focusing on 12 major reform fields

- Examination and approval system reform
- Access to municipal facilities
- Registration of real estate
- Financing tax environment
- Trade facilitation
- Tendering and bidding
- IPR protection
- Government service
- Market supervision
- Legal protection
- Business system reform
- Innovative environment
- Civilian real estate registration online
- Enterprise cancellation included in "d-Window"
- 600 services can be done at one time
- 24 certification matters will be deleted
- Complete loan renewal for small and micro enterprises can be completed within 10 working days
- Thoroughly implement "governmental management service" reform
- Centered on the satisfaction of enterprises and masses
- Focus on weaknesses and key problems

Business environment "three-jumps" to create a perfect business environment in Beijing

Gain more benefits from optimizing business environment v3.0

The Key Missions of Beijing’s New Round of Deepening the Reform of governmental management service and Optimizing the Business Environment (i.e., business environment reform v.3.0) mainly involves three dimensions, 12 major aspects and 204 reform measures.

Focusing on 12 major reform fields

- Examination and approval system reform
- Access to municipal facilities
- Registration of real estate
- Financing tax environment
- Trade facilitation
- Tendering and bidding
- IPR protection
- Government service
- Market supervision
- Legal protection
- Business system reform
- Innovative environment
- Civilian real estate registration online
- Enterprise cancellation included in "d-Window"
- 600 services can be done at one time
- 24 certification matters will be deleted
- Complete loan renewal for small and micro enterprises can be completed within 10 working days
- Thoroughly implement "governmental management service" reform
- Centered on the satisfaction of enterprises and masses
- Focus on weaknesses and key problems

Business environment "three-jumps" to create a perfect business environment in Beijing

Gain more benefits from optimizing business environment v3.0

The Key Missions of Beijing’s New Round of Deepening the Reform of governmental management service and Optimizing the Business Environment (i.e., business environment reform v.3.0) mainly involves three dimensions, 12 major aspects and 204 reform measures.

Focusing on 12 major reform fields

- Examination and approval system reform
- Access to municipal facilities
- Registration of real estate
- Financing tax environment
- Trade facilitation
- Tendering and bidding
- IPR protection
- Government service
- Market supervision
- Legal protection
- Business system reform
- Innovative environment
- Civilian real estate registration online
- Enterprise cancellation included in "d-Window"
- 600 services can be done at one time
- 24 certification matters will be deleted
- Complete loan renewal for small and micro enterprises can be completed within 10 working days
- Thoroughly implement "governmental management service" reform
- Centered on the satisfaction of enterprises and masses
- Focus on weaknesses and key problems

Business environment "three-jumps" to create a perfect business environment in Beijing

Gain more benefits from optimizing business environment v3.0

The Key Missions of Beijing’s New Round of Deepening the Reform of governmental management service and Optimizing the Business Environment (i.e., business environment reform v.3.0) mainly involves three dimensions, 12 major aspects and 204 reform measures.

Focusing on 12 major reform fields

- Examination and approval system reform
- Access to municipal facilities
- Registration of real estate
- Financing tax environment
- Trade facilitation
- Tendering and bidding
- IPR protection
- Government service
- Market supervision
- Legal protection
- Business system reform
- Innovative environment
- Civilian real estate registration online
- Enterprise cancellation included in "d-Window"
- 600 services can be done at one time
- 24 certification matters will be deleted
- Complete loan renewal for small and micro enterprises can be completed within 10 working days
- Thoroughly implement "governmental management service" reform
- Centered on the satisfaction of enterprises and masses
- Focus on weaknesses and key problems

Business environment "three-jumps" to create a perfect business environment in Beijing

Gain more benefits from optimizing business environment v3.0

The Key Missions of Beijing’s New Round of Deepening the Reform of governmental management service and Optimizing the Business Environment (i.e., business environment reform v.3.0) mainly involves three dimensions, 12 major aspects and 204 reform measures.

Focusing on 12 major reform fields

- Examination and approval system reform
- Access to municipal facilities
- Registration of real estate
- Financing tax environment
- Trade facilitation
- Tendering and bidding
- IPR protection
- Government service
- Market supervision
- Legal protection
- Business system reform
- Innovative environment
- Civilian real estate registration online
- Enterprise cancellation included in "d-Window"
- 600 services can be done at one time
- 24 certification matters will be deleted
- Complete loan renewal for small and micro enterprises can be completed within 10 working days
- Thoroughly implement "governmental management service" reform
- Centered on the satisfaction of enterprises and masses
- Focus on weaknesses and key problems
Optimizing business environment v.3.0: 204 reform measure, international standard benchmarking, best in China

<table>
<thead>
<tr>
<th>11 reform measure</th>
<th>Enterprise start-up, change, cancellation and other key phases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrial and commercial registration</strong></td>
<td>enterprises can handle business license, sand tax matters, social security, provident fund, bank account opening and cancellation business at any time on the &quot;e-Window&quot; platform, and implement the electronic cancellation mode and &quot;one-network service&quot; throughout the enterprise process.</td>
</tr>
<tr>
<td><strong>Separation of licenses</strong></td>
<td>when an enterprise applies for a business license, a food business license and a purple document for the second-class medical devices, it only needs to apply via &quot;one form&quot; on the Internet, the &quot;one window&quot; of the government affairs center accepts the application, and relevant departments are connected in parallel for examination and approval, obtaining all business licenses at once.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>18 reform measures</th>
<th>Two key fields: engineering construction project examination and approval and cross-border trade</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engineering construction project examination and approval</strong></td>
<td>for qualified investment projects, enterprises will independently make commitments according to the standards promulgated by the government, changing &quot;approval before construction&quot; to &quot;construction before inspection&quot;. Actively implement &quot;combining multiple plans into one&quot;, for shortening the time for enterprise site selection, design and preliminary research and demonstration by departments.</td>
</tr>
<tr>
<td><strong>Customs clearance service</strong></td>
<td>push forward the pilot implementation of the &quot;two-step declaration&quot; reform, enterprises do not need to submit all declaration information and documents at one time, but can declare and take delivery of goods only based on the summary of bill of lading, and then supplement complete information.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>36 reform measures</th>
<th>Three major fields: credit financing, municipal facilities access, tendering/bidding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprise financing</strong></td>
<td>set up Beijing's enterprise renewal acceptance center; and qualified enterprises can complete the approval within 10 working days as long as they submit the renewal application materials one month before the original loan expires.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>50 reform measure</th>
<th>Two key fields: government service and real estate registration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intelligence+ government affairs</strong></td>
<td>600 high-frequency government affairs services will be offered at the urban level and at the most once, reducing the average number of business people running around from the current 1.5 times to less than 0.3 times.</td>
</tr>
<tr>
<td><strong>Real estate registration</strong></td>
<td>real estate mortgage loan and registration will be implemented in one operation, and real estate comprehensive service points will be set up in 200 bank outlets. mortgage registration applications can be completed at the same time as mortgage loan contracts are signed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>44 reform measure</th>
<th>Two key fields: market supervision and legal protection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multi-mediation+ quick arbitration</strong></td>
<td>set up a mediation and quick arbitration team to solve 60% of civil and commercial cases at the front of litigation, improve the efficiency of dispute resolution and save the litigation cost of enterprises.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>45 reform measure</th>
<th>Intellectual property rights, overseas investment, talent protection, innovation incubation, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International talents</strong></td>
<td>greatly reduce the processing time for residence permit and work permit for foreigners. The processing time of residence permit has been reduced from 11 working days to 7 working days and that of work permit has been reduced to 11-13.</td>
</tr>
<tr>
<td><strong>Intellectual property rights</strong></td>
<td>formulated &quot;Measures for the Administration of Intellectual Property Subsidy of Beijing City (Trial)&quot;, and arranged financial funds to support IPR creation activities related to patents, trademarks, geographical indications, etc.</td>
</tr>
<tr>
<td><strong>Innovation and entrepreneurship</strong></td>
<td>Innovation and entrepreneurship: in this year support another 150 outstanding college students' entrepreneurship teams, and provide free 2-year municipal entrepreneurship park venues, entrepreneurship training, investment and financing, taxation and other entrepreneurship services.</td>
</tr>
</tbody>
</table>
Foreign capital business environment is optimized continuously with multiple measures

Active in innovating system and mechanism, apply “subtraction” in permitting procedures;

Reduce taxes and fees

In 2019, Beijing implemented the “six taxes and two fees” relief policy, resulting in a significant reduction in personal tax burden, with an additional tax cut of about 180 billion.

Business reform v.3.0 in Beijing constantly simplify governmental administration procedures

Multiple measures to optimize foreign capital business environment

1. Active in innovating system and mechanism, apply “subtraction” in permitting procedures
2. Promote the transformation and upgrading of foreign-funded industries, and give more support policies to them
3. Perfect foreign investment service system and create enterprise docking service package
4. Strengthen intellectual property rights protection and build up a credible Beijing
5. People-oriented talent policy with innovative mechanism for high-end talents
6. Enrich international supporting facilities and build elite’s ideal life
7. The urban environment is more livable and green
8. Accessible transportation system connects Beijing with the world
9. Innovation makes the city more intelligent

<table>
<thead>
<tr>
<th>Items</th>
<th>V.3.0 reform measures</th>
<th>Before the reform</th>
<th>After the reform</th>
<th>Development level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start a business</td>
<td>Continue to deepen the reform of the commercial system</td>
<td>2 phases 5 days</td>
<td>1 phases 1 day</td>
<td>Doing anything with 1 step; simplified to the best in the world</td>
</tr>
<tr>
<td>Handling construction permit</td>
<td>Deepen the reform of the examination and approval system for construction projects</td>
<td>22 phases 137.5 days</td>
<td>Simple and low risk 5 phases 20 days</td>
<td>Simple and low-risk social investment, the best in the world</td>
</tr>
<tr>
<td>Access to electric power</td>
<td>Optimize municipal facilities access service</td>
<td>The cost of small and micro enterprises dropped from RMB192,000 to RMB0</td>
<td>Free of charge</td>
<td>One of the three regions with free power access globally</td>
</tr>
<tr>
<td>Property registration</td>
<td>Promote intelligent real estate registration</td>
<td>2 phases 9 days</td>
<td>1 phases Finished on the same day</td>
<td>It takes the leading position in the world in steps and time spent</td>
</tr>
<tr>
<td>Tax payment time</td>
<td>Further reduced the tax payment time and improved the tax payment convenience for enterprises</td>
<td>142 hours</td>
<td>Within 120 hours</td>
<td>Reached the average of OECD high-income economies</td>
</tr>
</tbody>
</table>

Development level:
- Doing anything with 1 step; simplified to the best in the world
- Simple and low-risk social investment, the best in the world
- One of the three regions with free power access globally
- Reached the average of OECD high-income economies
Promote the transformation and upgrading of foreign-funded industries, and give more support policies to them

Beijing launched the "Enterprise Service Package": provide integration of inclusive policies according to the enterprise orientation and tailor-made solutions to the difficulties in the establishment and development of enterprises.

Beijing has continuously improved its service system for foreign investment, strengthened and improved its service efficiency for foreign-funded enterprises, set up an enterprise service platform, relaxed restrictions on foreign investment access, optimized the investment development environment for domestic and foreign enterprises, and acted as a good guilld for foreign-funded enterprises to invest in China.

Perfect foreign investment service system and create enterprise docking service package

Beijing Municipality Foreign Investment Enterprise Service Center
- Assign employees to all enterprises, and provide supporting personnel management services and foreign affairs services
- Provide all-round human resources services such as personnel dispatch, personnel agency, personnel recruitment, enterprise training and consultation for all enterprise customers.

Plans for optimizing enterprise service of districts of Beijing
- Xicheng District has set up a special working team, a comprehensive service office for economic development, and a special group to optimize the business environment.
- Dongcheng District adhered to the service plan of "Top 100 Enterprises" and formulates the service content according to the demand list.
- Chaoyang District has expanded the coverage of the comprehensive "service package". The newly-added top 100 enterprises, key cultural, scientific and technological innovation enterprises and key imported projects are expected to be included in the support scope of the "service package".

High-efficient handling customs clearance formalities
- Establish a one-stop service area for the International Horticultural Exposition, and provide full guidance and services for the establishment of foreign-funded enterprises. Business license can be easily obtained within one day. Provided one-stop service to 53 foreign-funded enterprise in the park during International Horticultural Exposition
- Strengthen the construction of overseas service centers
- Promote the integration and development of two-way investment, and host a satisfactory Beijing Two-way Investment Forum and Country Day Series Activities
- Strengthen the construction of overseas service centers and set up a support system for overseas investment assistance.

Continue to optimize the service system of foreign investment cooperation
- Relying on the "going global" comprehensive service system of Beijing enterprises, it provides enterprises with multi-dimensional and full-process information services.
- Promote the integration and development of two-way investment, and host a satisfactory Beijing Two-way Investment Forum and Country Day Series Activities
- Strengthen the construction of overseas service centers and set up a support system for overseas investment assistance.

Management and service mechanism applied to foreign-funded enterprises

- The Administrative Measures for the Construction of Collaborative Innovation Framework for Advanced Industries in Zhongguancun National Independent Innovation Demonstration Zone (trial)
  - Expand credit financing scale
  - Optimizing financing guarantee system
  - Increase capital market support
  - Strengthening financial institution linkage
  - Strengthen financial service innovation
  - Optimize government service environment

- The Several Measures to Increase Financial Support for the Healthy Development of Scientific and Technological Enterprises
  - "Single Window, Single Form" acceptance for business and business registration
  - Online/offline interactive "comparative statistics and directional supervision"
  - "Double credits" credit management model

The Measures for the Implementation of Several Provisions on Promoting the Development of Headquarters Enterprises in Beijing
- Paid-in capital subsidy
- Office accommodation subsidy
- Reward for business contribution
- Implement Project “Five-four-three-two”
  - "Five": five key industrial fields - medical health, special, cooperative, warehouse logistics robots and key parts of robots
  - "Four": four major industrial innovation models - industry-university-research collaboration, central-land collaboration, innovation and entrepreneurship incubation, cross-border integration and innovation model
  - "Three": three major application and service markets - intensifying the application experiences
  - Talent training
- Talent training
- "Two": two major industrial synergy paths - perfecting the supporting applications in public security and warehouse logistics robots and key parts of robots
- "Five": key industrial fields - medical health, special, cooperative, warehouse logistics robots and key parts of robots

Regulations of Beijing Municipality on Optimizing Business Environment
- The Several Measures to Respond to the Impact of Covid-19 Epidemic on Promoting the Healthy Development of Cultural Enterprises
  - Start-up fund support
  - Support excellent creation
  - Develop "culture+Internet"
  - Offer good loan renewal service
- The Several Measures to Increase Financial Support for the Healthy Development of Scientific and Technological Enterprises
  - Expand credit financing scale
  - Optimizing financing guarantee system
  - Increase capital market support
  - Strengthening financial institution linkage
  - Strengthen financial service innovation
  - Optimize government service environment
- The Administrative Measures for the Construction of Collaborative Innovation Framework for Advanced Industries in Zhongguancun National Independent Innovation Demonstration Zone (trial)
  - Expand credit financing scale
  - Optimizing financing guarantee system
  - Increase capital market support
  - Strengthening financial institution linkage
  - Strengthen financial service innovation
  - Optimize government service environment
Strengthen intellectual property rights protection and build up a credible Beijing

### Improved IPR public service system

- Organized IPR alliance of key enterprises
- Guide and promote the integration and innovative development of IPR financial related service institutions
- Strengthen the public service of IPR
- Erected an IPR big data regional intelligent monitoring system
- Erected an integrated IPR public service platform
- Promote IPR financial innovation
- Get through the service chain of IPR operation
- Explore new products of IPR pledge financing insurance and promote products of IPR pledge loans
- Accelerate the construction of Zhongguancun IPR financial service platform

### Erect an IPR protection platform to provide “one-stop” comprehensive IPR services

- Beijing Intellectual Property Protection Center: New-generation information technology, High-end equipment man-facturing
- Zhongguancun Intellectual Property Protection Center: New materials, Biological medicine

### Several Measures to Promote and Protect Intellectual Property Rights

- Funding from intellectual property service organizations
- Discount on pledged loans
- Funding for standard development
- Patent funding and grants
- Intellectual property education in primary and middle schools
- Rights safeguarding assistance
- Intellectual property in the industrialization of patented technologies

### Build a full-dimension and strictest rights protection system

1. Launched “Beijing Counts Intensive Service Integration Platform”
2. Established a special bankruptcy trial mechanism and a bankruptcy case fast trial mechanism
3. Improved the multi-resolution mechanism for IPR disputes and promote the rapid protection of rights

### Strengthen intellectual property rights protection

- Comprehensively promote the construction of a credit system
- Strengthening the judicial guarantee of commercial trial
- Implement the most stringent intellectual property protection

### People-oriented talent policy with innovative mechanism for high-end talents

Beijing provides “all-round” international talent support, enriches high-end talent resources and escorts enterprise development.

#### Expanding and opening up service industry to provide “all-round” international talent guarantee

- Management staffs of the Fortune 500 headquarters and foreign R&D centers may apply directly for permanent residence in China.
- Foreign talents holding permanent residence identity cards enjoy national treatment in establishing scientific and technological enterprises.
- Foreigners are allowed to apply for a 2-5 year long-term visa.
- Eligible high-end, precision and sophisticated talents are entitled to certificate handling shortcuts and “green passage” service for applying work permit and visa, etc.
- Full social application of foreigners’ permanent resident permits in Beijing.
- Speed up the building of international talent communities and provide a range of auxiliary services of high quality and international standards, covering education, medical care, residence, culture, sports and recreation, and establish one-stop service platforms.

#### The Three-Year Action Plan for key fields further “enlarge” the policy for attracting overseas high-end talents

- Science and technology
  - Attracting overseas high-end scientific and technological talents: Foreign talents (Class A) are entitled convenient measures such as work permit, visa for talents, social security and “green channel” services.
  - Finance
  - Support the construction of international talent community in the capital. Foreign high-level talents in key service industries such as finance can be granted a work permit for up to five years.
  - Education
  - Support high-end talents, education management talents and high-end technical talents from countries along the “the belt and road initiative” to study in Beijing.
  - Specialized fields
  - Attracting overseas high-end scientific and technological talents.
  - Finance
  - Support high-end talents in key service industries such as finance can be granted a work permit for up to five years.
  - Education
  - Support education management talents and high-end technical talents from countries along the “the belt and road initiative” to study in Beijing.
  - Specialized fields
  - Supporting overseas high-end scientific and technological talents.

#### Effective incentives to attract overseas/high-end talents

- “New Ten Rules” for foreign talents entry and exit reform and 20 rules for Zhongguancun talent policy for their easy entry and exit

- Scope of service: service enterprises and start-up teams oriented to finance, science and technology, culture, commerce, tourism and other services that conform to the strategic positioning of the capital city, with a wider range of services and a wider range of beneficiaries.

- The receivers of service include: foreign high-level talents, foreign members of entrepreneurial teams, foreign managerial and technical talents, and foreign Chinese /young students

- Visa for long-term stay handled with shortened handling time: foreign talents recognized by the foreign talent qualification window of the foreign entry and exit service hall may apply for a 2-5 year long-term visa.

#### Beijing as an international metropolis

- Beijing as China’s capital, a global scientific and technological innovation center, has a larger range of talents and industry service.

#### Talent support policy

<table>
<thead>
<tr>
<th>Talent Support Policy</th>
<th>30%</th>
<th>50%</th>
<th>60%</th>
<th>55%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science and Technology</td>
<td>60%</td>
<td>50%</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>Education</td>
<td>55%</td>
<td>50%</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>Opportunities</td>
<td>50%</td>
<td>40%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Medical and Social Welfare</td>
<td>40%</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
</tbody>
</table>

#### Entry into Mainland China, Hong Kong, and Macao without visa

- 30%: Foreign talents recognized by the foreign talent qualification window of the foreign entry and exit service hall may apply for a 2-5 year long-term visa.
Enrich international supporting facilities and build elite’s ideal life

Rich international medical resources
- By the end of 2019, Beijing has a total of 11,300 health care institutions, 126,000 beds in health institutions and 282,000 health technicians.
- In April 2019, Beijing Union Medical College Hospital, Sino-Japanese Friendship Hospital and other seven hospitals will be designated as international medical pilot hospitals. Chaoyang District, Haidian District, Daxing District, Huairou District, Changping District and Shunyi District were designated as international medical service pilot areas to provide medical services for foreign patients and help build an international communication center.
- Beijing International Medical Service Zone Park Phase I will take shape in early 2020. It will basically build 1-2 general hospitals and 8-10 specialized hospitals, becoming one of the leading medical industry clusters in Asia.

International community offers overseas environment
- Beijing is speeding up the construction of eight international talent communities, including Chaoyang Wangjing, Zhongguancun Science City, Future Science City, Shijingshan Shougang, Tongzhou, Shunyi, Huairou Science City and Beijing Economic and Technological Development Zone.

Rich international education resources
- Beijing is one of the cities with the most developed education and culture in China, with 92 universities including Peking University and Tsinghua University. The number of key universities accounts for a quarter of the country.
- The Measures for the Administration of Schools for Children of Foreign Nationals in Beijing supports the innovative policies of international talents and the introduction of talents’ children into schools for children of foreign nationals.
- Beijing has more than 50% academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering.

Construct international talent community to create an "overseas-like" environmental
- Chaoyang Wangjing: construct an international talent government service center, an international winter Olympics talent exchange station, and an innovation and entrepreneurship platform to better serve international talents in education, medical care, culture, and life services.
- Zhongguancun Avenue: construct a first-class and internationally renowned international talent gathering area in China, and build a talent innovation and entrepreneurship highland with global influence.
- Future Science City: an international talent community practicing "innovation, openness, low carbon, humanism and co-existence".
- New Shougang: design the international talent community characteristic identification system that reflects the connotation of the new Shougang.
- Chaoyang, Zhongguancun and Shunyi set up foreigner service hall.
- Tongzhou and Shijingshan set up service windows for foreigners.
- International medical service pilot area
The urban environment is more livable and green

- **Power, heat, gas, and water supply capability is increasing**
  - Beijing's comprehensive tap water production capacity will be 5.27 million cubic meters per day.
  - The industry has formed a main power grid featured of "power supply by district with an annual power transmission line." to ensure the demand for electricity for production and living.

- **Has a high level of environmental protection and pollution control capabilities**
  - In 2019, Beijing's per capita park green space area will be 16.4 square meters per person, with the urban green coverage rate of 45%, and the sanitation level has been improved rapidly.
  - The investment in environmental sanitation was increase by 45.3% annually, and the harmless treatment rate of domestic garbage increased from 56.4% in 2000 to 99.9% in 2019.

- **Developed sports facilities enable nationwide fitness programs blooming**
  - 60 national fitness demonstration streets and sports characteristic villages and towns have been established.

- **International sports events are coming one after another**
  - Inter-national Snow Federation Cross-country Skiing Points Grand Prix and Pulley World Cup in Beijing.
  - Many international A-level events, such as China open, International road cycling race around Beijing, women's world cup of International Fencing Federation, sand Volleyball Grand Slam, Beijing World Athletics Championships, have been held in Beijing.

- **The urban environment is greener and livable**
  - Green development concept is deepening, the investment in environmental protection is gradually increasing, and the comprehensive urban environmental management capability is continuously improving. The average annual concentration of fine particulate matter (PM2.5) has decreased from 89.5 micrograms/cubic meter in 2013 to 42 micrograms/cubic meter.

- **By the end of 2018, the forest field coverage in Beijing has reached 43.5%**
  - The coverage rate of 500 meter service radius of park green space is up to 80%.
  - Per capita public green area 16.3m²

Comments of authoritative institutions

"The first place in China, ranking the 16th place worldwide, and Hong Kong the 19th place. "

Resonance Consultancy, an international consulting company, released the annual World’s Best City Report on January 7, 2020. The best city ranking is based on multiple criterions including living environment, living standard, city reputation and competitive advantage, by giving quantitative and benchmark assessments to major cities in the world with a population of more than 1 million.

Innovation makes the city more intelligent

- **Intelligence city - refined urban management makes improvement and efficiency**
  - Construct an open, shared, agile, efficient and safe urban management system by using 5G, cloud computing, big data, artificial intelligence and other scientific and technological means for the key fields of social governance and public demands.

- **Erect an intelligent municipal foundation system**
  - Build a convenient passenger transportation service system based on the Internet platform to realize the Internet-based infrastructure, transportation and operating environment.

- **Construct a social co-governance platform**
  - Erect an intelligent traffic management system
Build a world-class aviation hub.

- The terminal complex of Beijing Daxing International Airport has a building area of 1.4 million square meters, and the length of the airside concourse where planes can be parked exceeds 4,000 meters.
- A "five vertical and two horizontal" transportation network was constructed for the airport, enabling accessibility to Beijing, Tianjin and Hebei within 1 hour.
- By 2025, Beijing Daxing International Airport will have a passenger flow of 72 million per year, making it one of the busiest airports in the world.
- In August 2019, the area of 19.97 square kilometers of Daxing Airport is planned to be a pilot free trade zone, which will focus on the development of aviation logistics, aviation technology, financial leasing and other industries, and create a functional bearing area for international exchange center, a national aviation science and technology innovation leading area, and a Beijing-Tianjin-Hebei coordinated development demonstration area.

Construct a high-efficient and dense rail transit network

- As of 2019, Beijing has 22 rail transit lines, the same as at the end of last year; the operation line length is 699 kilometers, with 6,173 operating vehicles; and total passenger transport throughput was 3.96 billion person/times.

Strengthen the guaranteed ability of highway facilities

- As of 2019, there are 1,158 bus lines, an increase by 270 more than that at the end of 2018; the operation line length is 27632 kilometers, an increase by 8,387 kilometers; and operating vehicles 24,627, an increase by 551.

Accessible transportation system connects Beijing with the world
The rapid development of Chinese cities has benefited from China’s active integration into the world and its continuous opening and reform in the fields of politics, economy, science and technology, and cultural exchanges. The rise of Chinese cities has left a deep impression on the world.

According to the latest GaWC release, Beijing has replaced Singapore for the first time and entered the world’s top four cities; in 2015, according to the ranking made by ATKearney “Global City Index”, Beijing’s ranking is remained unchanged at the 9th place.

International metropolis is defined as a metropolis that plays an important role in global political, economic and other social activities and has a leading role and radiation-driven capability.

London, New York have the best degree of internationalization, especially in terms of economic influence, international transportation network supporting, intellectual capital and innovation.

Beijing and Shanghai are gradually crowding into the front ranks of global international metropolises. Beijing experienced fast growth in terms of economic strength, R&D capability and cultural exchange etc. Shanghai develops well in terms of economic influence and other aspects.
The Beijing Urban Master Plan (2016-2035) clearly defines Beijing’s strategic position as a “national political center, cultural center, international communication center, and scientific and technological innovation center” and its development goal of building a higher level of international first-class harmonious and livable city by 2050.

In order to objectively reflect Beijing’s internationalization level, PricewaterhouseCoopers has designed 10 indicators and 47 variables to evaluate Beijing’s internationalization level from three aspects of international influence, international growth and international support, based on the criteria of London, new York, Paris, Tokyo, Hong Kong and Shanghai, and in combination with the inspection dimensions of “List of World-class Cities” and “City of Opportunities”.

Based on the assessment result 2020, it reveals that: Beijing received 144 points in its overall internationalization level, ranking the 6th place. Where:
- Ranking the 4th place in terms of international influence
- Ranking the 6th place in terms of international growth
- Ranking the 7th place in terms of international support

Based on the assessment result, it reveals that London and Tokyo ranked the first and the second place with 245 points and 212 points respectively.

**International influence**

- Total GDP, GDP growth rate, Global Financial Center Index, Economic influence, Economic freedom
- Business supports the scale of service industry

**Development of MNCs**

- Global Top 500, Quantities of MNCs and headquarters

**Supporting international transportation network**

- Number of direct international flights to cities, International freight circulation scale, Utilization rate of public transportation, Business trip cost, Transportation and infrastructure, Gateway city index

**International growth**

- Intellectual capital and innovation
  - Number of researchers, World’s top universities, Mathematical and scientific academic performance, Number of patents, Number of winners of science and technology awards
  - Innovation ability of human capital, Technical maturity

- Sustainable development
  - Labor supply, Retain outstanding talents, Temperature comfort, Population and livability, Sustainable development and natural environment

**International support**

- Business-friendly environment
  - Tax index evaluation, Unemployment rate, Economic risks of natural disasters

- Cultural, tourism
  - International cultural exchange, Number of theatres, Number of museums, Number of stadiums, Tourist attraction, Number of hotel rooms, Shopping attraction, Food attraction

- Market activity
  - Living cost, Business operation cost

- Health, safety and security
  - Health level of residence, public safety and social security

- Ecology
  - Environmental protection commitment, Utilization rate of renewable energy, Waste recovery rate, Natural ecological environment
Beijing was scored 57 points, ranking the fourth place. Among them, Beijing performed well in two variables: the number of Top 500 enterprises in the world, the number of multinational companies and the number of headquarters enterprises.

The economic development has high quality, its leading position of GDP is remained

- Beijing's GDP in 2019 was RMB3.5T, an increase by 6.1% over the previous year.
- The per capita disposable income of Beijing residents was RMB68,000, higher than GDP in terms of growth rate with an upgrade development benefit and actual growth by 6.3%.

In 2019, Beijing's headquarters economy realized "double 100M" in terms of total assets volume and annual operating income, with nearly 4000 HQs, and over 60% of which are innovative enterprises. Headquarters-based enterprises play an important supporting role in Beijing's economic development. The per capita profit of headquarters enterprises is 2.3 times that of the average level of enterprises above the scale in Beijing.

HQ enterprises have outstanding innovation ability and have become an important part of Beijing's "hi-tech" industry.
- There are about 1800 hi-tech headquarters, accounting for about 45% of the total number of headquarters enterprises.
- There are about 800 cultural creative headquarters, accounting for about 20% of the total.
- The total number of invention patents authorized by headquarters enterprises accounts for more than 60% of the total number of enterprises in Beijing.
- PCT (patent cooperation agreement) foreign patent application accounts for about 50% of Beijing's total.

Beijing is the first choice for headquarters of multinational corporations to invest in China: as of 2019, there are 180 regional headquarters of multinational corporation in Beijing. The origin of investment is relatively concentrated, the top five are Japan, Hong Kong, Germany, USA and South Korea.

Regional headquarters of multinational corporation investments in Beijing are diversified, including decision-making, investment and financing, settlement, marketing, procurement and R&D.
Beijing was scored 30 points, ranking the sixth place, among which, it performed well in labour force supply. International advanced cities’ experience in technological maturity, retention of outstanding talents, temperature comfort, population and liveability, sustainable development shall be learned.

The financial and technology two-wheel driven market is full of potential

Beijing further opens up to foreign investment and continuously optimizes its business environment. In the eight major areas of service industry, policies have been continuously introduced to promote financial openness and accelerate the gathering of high-end scientific research elements. The two-wheel drive pattern of finance and science and technology has been formed, and the market development potential has been further enhanced.

The added value of the financial industry has risen steadily.

Beijing has issued policies to support the innovation and development of financial science and technology, increasing the total scale of the financial industry year by year. In the past ten years, the added value is increased from RMB1864 to RMB654.5B, with an average annual growth of 13%. Compared with 2018, the financial industry grew by 9.5%, contributing 18.5% to the economic growth, becoming one of the six pillar industries in Beijing.

Changes in Value Added of Beijing’s Financial Industry 2015-2019

Changes in Value Added of Beijing’s Financial Industry 2015-2019

The role of the financial industry as a pillar has been continuously strengthened.

- Beijing’s main players in the multi-level capital market are active. In 2019, Beijing will add 47 listed companies with a total financing of RMB883B. The number of entrepreneurs listed in Beijing on the opening day of the scientific innovation board tied with Shanghai as the first in the country.
- The insurance industry’s service capacity was further strengthened. As of 2019, there are 68 legal insurance institutions and 112 insurance branches in Beijing, with the number of institutions ranking first in the country.
- Revenue and profits in the financial industry maintained double-digit growth. In 2019, the total assets of Beijing’s financial industry increased by 5.3% year-on-year, while the growth rate of Beijing’s financial industry income and profit increased by 11.2% and 19.8% year-on-year, respectively.

Financial international influence continues to increase

- As of 2019, Beijing has 7 foreign auto finance companies, 3 foreign reinsurance companies, and international financial organizations such as the World Bank, the International Monetary Fund and the Asian Development Bank have all set up representative offices in Beijing.
- Since 2013, Beijing’s ranking in the Global Financial Center (GFCI) has been promoted steadily to the 7th place in the world in September 2019.
- Beijing is taking the leading position in financial science and technology.

Changes in Value Added of Beijing’s Financial Industry 2015-2019
Driven by technical innovation and continuously increasing of new kinetic energy

- In 2019, the above-scale science and technology service industry realized RMB725.07B, a year-on-year increase by 3.6%.
- Revenue from information transmission, software and information technology services reached RMB134.64B, a year-on-year by 14.4%.

Technical innovation resources are powerful

- According to "China’s Urban Science and Technology Innovation Development Report 2019" released by the Capital Institute of Science and Technology Development Strategy, Beijing ranks first in the country’s science and technology innovation development cities.
- Zhongguancun has played an innovative and exemplary role, and the proportion of high-tech enterprises carrying out scientific and technological activities has remained above 70%.
- More than 10000 angel investors are active in Zhongguancun, accounting for 80% of the country’s total.
- The international influence of Beijing’s scientific and technological innovation continues to increase, with internationally renowned enterprise research and development centers set up one after another. Tesla, Alibaba Dharma Institute and other internationally renowned enterprise research and development centers set up in Beijing.
- The construction of the "three cities and one district" main platform has shown a new pattern. 5 large-scale scientific facilities, cross-research platforms and other innovative resources gathered at an accelerated pace. With the emergence of the world’s first brain-like chip, China’s first overseas approved anti-cancer drug and other landmark scientific research results.

Beijing’s R&D expenditure percentage over GDP reached the level of developed countries.

- Beijing’s R&D expenditure was RMB187.08B, a year-on-year increase by 18.4%, equivalent to 6.2% of the GDP, 2% higher than that of developed countries characterized by high-tech industries. Beijing attaches great importance to social research and development investment to drive the rapid development of science and technology service industry.

82 unicorn enterprises, accounting for 43% of China’s total

3190 gazelle enterprises, accounting for 12.73% of China’s total

“Double Creation” demonstration bases account for one-sixth of the country’s total

25000+ hi-tech enterprises

700+ Incubators, University Science Parks and Zongchuang Spaces

226000 patent applications, an increase by 7.05%

RMB569.53B technical contract turnover, an increase by 14.9%

Schematic Diagram of Space Carrying Capacity of Beijing Science and Technology Innovation Center

The proportion of international city R&D investment in GDP

Beijing
Shanghai
Korea
Israel
Japan
Finland
Germany
U.S.A.

6.2% 4.2% 4.3% 4.2% 3.4% 3.2% 2.9% 2.7%
Beijing was scored 57 points, ranking the 7th place, of which, living cost and international cultural exchange are relatively good. However, experience shall be learned from advanced cities worldwide in terms of operating costs, health and safety, security, number of international tourists, environmental protection commitments and waste recovery rate

Cultural industrial development has been continuously improved.

- In 2019, the income of cultural enterprises above scale will reach RMB1.3T, a year-on-year increase by 8.2%. The added value of cultural industry accounts for about 10% of the city’s GDP and continues to hold the top position in China.
- As of 2019, there are about 90,000 registered cultural enterprises and over 200 cultural headquarters enterprises, and cultural and technological "unicorns" such as palm reading technology and comic books have emerged.
- Yangqing, Huairou and Pinggu have been identified as the first batch of national global tourism demonstration zones.

Further opening-up achievements in cultural industry are blooming.

- Beijing’s service industry continues to expand and open up, and a number of innovative achievements have emerged in the cultural field. Beijing’s cultural industry enjoys a stable development and a good environment for innovation.

Ten billion investment funds to support the integration of science, technology and culture

A total of RMB10B cultural and creative industries development guidance fund has been set up, which includes five sub-funds have including “cultural science and technology integration development” and "Beijing-Tianjin-Hebei cultural industry coordinated development", to expand the investment and financing channels for cultural and creative enterprises.

Vigorously promote nationwide cultural center construction by policy

- Beijing released “Medium and Long-term Plan of Beijing for Promoting the Construction of National Cultural Center (2019 -2035)” to upgrade cultural construction in the following six aspects.
- It issued opinions on promoting the integration of culture and tourism. Twenty-six measures in seven aspects promoted the transformation of Beijing’s advantages in culture and tourism resources into development advantages.
- Increase government investment support to ensure the implementation of major cultural projects. The planned investment in 2020 is about 900 million yuan, nearly double the average annual investment in the past three years.

The international influence of brand activities continues to expand.

In 2019, 23000 cultural performances, 123 times and 2976 persons cultural exchanges were held in Beijing. Successfully held Beijing International Tourism Festival and other international cultural festivals. Hosted Service Trade Fair, Hi-tech Expo, Culture Expo and other brand activities. Among them, Beijing International Film Festival has become the first film exchange market in Asia. Exchanges and cooperation are further deepened, and the charm of the capital’s culture and tourism is revealed.

According to the Cultural Industry Exhibition Index of Provinces and Cities and China's Cultural Consumption Development Index 2019 released by Renmin University of China, Beijing has been ranked the first place in the country in the comprehensive index of cultural industries and cultural consumption for four consecutive years. Beijing’s cultural industry enjoys a stable development and a good environment for innovation.

Further opening-up achievements in cultural industry are blooming.

- Beijing’s service industry continues to expand and open up, and a number of innovative achievements have emerged in the cultural field.
- Beijing’s first duty-free shop for foreign tourists and tourists from Hong Kong, Macao and Taiwan officially opened in Blue Harbor Shopping Center.
- Foreign capital invested in entertainment venues, performance venues, operating units and performance brokerage agencies with expanded scope of business.
- Foreign investors are allowed to invest in the production of audio and video products. Japan’s largest record company Ebes has settled in Beijing.
- The first global copyright protected stage play "Dancing Horse" was performed in Beijing.
Exchanges and cooperation in various fields are pragmatic and active.

- Beijing has 45,000 foreign enterprises, more than 4,000 regional headquarters and research and development centers, and 56 headquarters of the world's top 500 enterprises, ranking first in the world.
- In the cultural field, activities such as "Beijing Night" and "Happy Spring Festival" were held overseas to tell Beijing stories and promote culture to go out.
- In the field of education, the number of brand programs for Sino-foreign cooperation in running schools, Confucius Institute, Confucius Class and education exchanges with foreign countries has been steadily increasing. As of 2019, the number of foreign students studying in Beijing exceeded 120,000.
- 322 million tourists were received, an increase by 3.22 over the previous year; realized total tourism revenue of RMB 622.46 billion, an increase by 5.1%.

"China Window" for international exchange has increasingly attraction

- Build Beijing as a major international gathering place with active international exchanges, perfect international services and prominent international influence.
- The expansion of international servicing facilities and the construction of various construction projects such as Yanqi Lake International Conference Center and National Conference Center Phase II generated an international communication space layout of "one core, two axes and four regions".
- Beijing has trade relations with more than 230 countries and regions.
- More than 165 countries and regions made investments in Beijing.
- An all-round and three-dimensional pattern of friendly cities has taken shape. Beijing has established friendly city relations with 56 cities in 51 countries.
- There are nearly 10 intergovernmental international organizations with headquarters in Beijing.
- There are more than 20 representative offices of international intergovernmental organizations in Beijing.
- 8 participating laboratories are jointly established with "One belt, one road" related countries.

Achieve total tourism revenue
RMB 622.46 billion, up 5.1%.
President Xi Jinping reiterated in his keynote speech at the 2nd China International Import Expo that China’s opening will be getting wider and wider. China insists on promoting reform, development and innovation through opening up and continues to push for a higher level of opening up to the outside world. Standing at a new historical starting point, Beijing will continue to expand market opening, improve the opening pattern, implement innovation drive, optimize the business environment, deepen regional cooperation, and build a "Beijing sample" of open cooperation, open innovation and open sharing, bringing more opportunities for world economic growth.

Build a "Beijing Sample"
Featured of Open Cooperation, Open Innovation and Open Sharing

Building a new pattern of expanding opening with high standards Make better use of the policy advantages of the comprehensive pilot project to expand the opening of the service industry and the free trade area of Daxing Airport to create a more relaxed entry threshold for foreign capital and a more open foreign capital service platform. Promote with high standard the construction of the "three zones" of Daxing Airport area in pilot free trade zone (Beijing Daxing), free trade experimental zone and comprehensive bonded zone, focusing on service trade and scientific and technological innovation, making full use of the opening mode of "industrial opening+park opening" to realize vertical and horizontal linkage, block combination and benign interaction.

Comprehensively promote openness, innovation and international cooperation. Accelerate the implementation of the "One Belt and One Road" Beijing Action Plan for Science and Technology Innovation, and support institutions of higher learning, scientific research institutions and enterprises to set up offshore science and technology incubators in international talent-intensive areas and countries and regions along the "the belt and road initiative". Support multinational company HQs development in Beijing. Host with high standard Zhongguancun Forum, and strive to build an international platform for scientific and technological innovation exchange and cooperation that integrates scientific and technological exchange and the display, release and trading of innovative achievements.

Further implement the innovation-driven development strategy. Vigorously promote the development of high-end, precision and sophisticated industries, the introduction of R&D centers and promote the success demonstration zone for innovation in financial science and technology and professional services, promote the success of the "supervision sandbox" pilot project, and strive to build a financial science and technology center with global influence.

The handle of the Big Dipper turned east last night, and the year began again this morning. Optimizing the Business Environment and supporting policies to ensure the "excellent" business environment will never end. Beijing will uphold its original spirit, forge ahead bravely, look forward to the future, and move forward with innovation. Beijing will adhere to the principle of joint development and sharing, adhere to the goal of openness, green and sustainability, and provide more market opportunities, investment opportunities and growth opportunities for foreign-funded enterprises to achieve common development. It is firmly believed that the prospect of economic development will definitely be brighter!
Appendix 1: Comprehensive Polit of Further Opening-up of the Service Sector in Beijing

Comprehensively promote the comprehensive pilot of further opening-up Beijing's service industry

Relevant regulations | Laws and administrative regulations basis | Opening-up measures
---|---|---
**Lease and commer-cial service**

Foreign lawyers participating in the pilot shall meet the following conditions:
1. Natural persons who do not have the nationality of the People's Republic of China;
2. Having worked as a lawyer outside China for not less than 3 years and being a practicing lawyer.

“Notice of the Ministry of Justice on Launching a Pilot Work for Domestic Law Firms to Hire Foreign Lawyers to Serve as Foreign Legal Advisers” (SFT [2017] No.32)

Further explore ways and mechanisms for closer business cooperation between Chinese law firms and foreign law firms as well as those in Hong Kong, Macao, and Taiwan. In the pilot program for domestic law firms to employ foreign lawyers as foreign legal advisers, we will appropriately reduce the qualification requirements for foreign lawyers participating in the pilot program to engage in legal profession outside China for not less than three years.

Foreign-invested travel agencies are not allowed to operate overseas travel business of mainland Chinese residents and travel business to Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan region, except as otherwise provided by the decision of the State Council or the free trade agreement signed by China and the mainland's arrangement with Hong Kong and Macao on the establishment of closer economic and trade relations.

**Information transmission, software and IT service**

Telecom companies: limited to the telecom services that China has promised to open after entering WTO, the ratio of foreign capital shares in value-added telecom services shall not exceed 50% (except for e-commerce, domestic multi-party communication, store-and-forward and call centers), and the basic telecommunications business must be controlled by Chinese side.

Foreign-funded telecom enterprises refer to enterprises that are jointly invested and established by foreign investors and Chinese investors in the territory of the People's Republic of China in the form of Sino-foreign joint ventures. The proportion of foreign investors in foreign-invested telecom enterprises operating value-added telecom services (including radio paging service in basic telecommunications business) shall not exceed 50% in the end.

Foreign-funded telecom enterprises refer to enterprises in the form of Sino-foreign joint ventures. The proportion of foreign investors in foreign-invested telecom enterprises operating value-added telecom services (including radio paging service in basic telecommunications business) shall not exceed 50% in the end.


In Beijing's comprehensive pilot demonstration zone and demonstration zone for the expansion and opening of the service industry, restrictions on the share ratio of foreign capital for value-added telecom services such as store-and-forward services, domestic multi-party communication services and Internet access services (only providing Internet access services for users) will be removed.

Such as store-and-forward services, domestic multi-party communication services and Internet access services (only providing Internet access services for users) will be removed.

Foreign-invested travel agencies are not allowed to operate overseas travel business of mainland Chinese residents and travel business to Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan region, except as otherwise provided by the decision of the State Council or the free trade agreement signed by China and the mainland's arrangement with Hong Kong and Macao on the establishment of closer economic and trade relations.

**Scientific research and technical service**

Enterprises with foreign investment shall meet the following conditions in addition to the conditions stipulated in article 10 of these regulations to obtain the qualification of certification bodies:
(i) Foreign investors have obtained the approval of the authorized institution in the country or region where it is located;
(ii) Foreign investors have more than 3 years of business experience in certification activities.

Regulations of the People's Republic of China on Certification and Accreditation (revised in 2016) (Decree No.866 of the State Council of the People's Republic of China)

Measures for the Administration of Registration of Medical Devices (Order No.4 of the State Food and Drug Administration)

Measures for the Administration of Registration of in vitro Diagnostic Reagents (Order No.5 of the State Food and Drug Administration)

Measures for the Supervision and Administration of Medical Device Production (Revised in 2017) (Decree No.37 of China Food and Drug Administration)

Hygiene and social work

When applying for registration of domestic medical devices that are not subject to the special examination and approval procedures for innovative medical devices, the samples shall not be entrusted to other enterprises for production.

When applying for registration of domestic medical devices that are not subject to special approval procedures for innovative medical devices, the samples shall not be entrusted to other enterprises for production.

For the establishment of Type II and Type III medical device manufacturing enterprises, they shall apply to the food and drug supervision and administration departments of the provinces, autonomous regions and municipalities directly under the central government where they are located for a production license, and submit the registration certificates of the medical devices produced and photocopies of the technical requirements of the products and other materials held by the applicant enterprises.

Measures for the Administration of Overseas Investment in Qualified Domestic Institutional Investor (Order [2007] No.46 of China Securities Regulatory Commission)

The accreditation of QDII is expanded to cover investment management institutions set up in Beijing by both domestic and foreign agencies, including domestic securities companies, fund management companies, and futures companies;

Financial sector

Overseas direct investment refers to the act of a domestic institution to establish or acquire the ownership, control or management rights of an existing enterprise or project overseas through establishment (rural proprietorship, joint venture, cooperation), mergers and acquisitions, equity participation and other means with the approval of the competent department of overseas direct investment.

Foreign exchange management for overseas direct investment by domestic financial institutions shall be implemented with reference to these Provisions. Where the relevant regulatory authorities have other provisions on the use of funds for overseas direct investment by domestic financial institutions, such provisions shall prevail.

Qualified domestic institutional investors refer to domestic fund management companies, securities companies and other securities operating institutions that are approved to raise funds within the territory of the People's Republic of China and use part or all of the raised funds to conduct overseas securities investment management in the form of asset portfolios.

Qualifying domestic institutional investors refer to domestic fund management companies, securities companies and other securities operating institutions that are approved to raise funds within the territory of the People's Republic of China and use part or all of the raised funds to conduct overseas securities investment management in the form of asset portfolios.

Enterprise with foreign investment shall meet the following conditions in addition to the conditions stipulated in article 10 of these regulations to obtain the qualification of certification bodies:

(1) Foreign investors have obtained the approval of the authorized institution in the country or region where it is located;
(2) Foreign investors have more than 3 years of business experience in certification activities.


Support qualified institutions in Beijing to pilot outward foreign investment in the form of qualified domestic limited partners, allow qualified institutions to raise RMB funds from qualified investors, and invest the funds in overseas markets;

Support qualified institutions in Beijing to pilot outward foreign investment in the form of qualified domestic limited partners, allow qualified institutions to raise RMB funds from qualified investors, and invest the funds in overseas markets;
Hygiene and social work

Private non-enterprise units refer to social organizations engaged in non-profit social service activities organized by enterprises and institutions, social organizations and other social forces as well as individual citizens using non-state-owned assets.

Culture, sports and entertainment industries

Foreign investors and Chinese investors may establish recreational places for Sino-foreign joint ventures or Sino-foreign cooperative ventures in accordance with the law, and shall not establish recreational places wholly owned by foreign investors.

Hong Kong and Macao investors are allowed to invest in the mainland to set up joint ventures, cooperative ventures and wholly-owned performance brokerage agencies. Other foreign investors are limited to joint ventures and cooperative ventures, and the proportion of investment shall not exceed 49%. Mainland partners shall have the leading power in the operation.

Foreign investors and Chinese investors may, in accordance with the law, set up Sino-foreign joint ventures, Sino-foreign cooperative performance brokerage agencies and performance venue business units, foreign-funded theatrical performance organizations shall be established, and no foreign-funded performance brokerage institutions or performance venue operating units shall be established. For the establishment of Sino-foreign joint venture performance brokerage agencies and performance venue business units, the investment proportion of Chinese joint venture partners shall not be less than 51%; for the establishment of Sino-foreign cooperative performance brokerage agencies and performance venue business units, the Chinese partners shall have the management leadership. And performance venue business units, the investment proportion of Chinese joint venture partners shall not be less than 51%; for the establishment of Sino-foreign cooperative performance brokerage agencies and performance venue business units, the Chinese partners shall have the management leadership.

Foreign investment in the editing, publishing and production of books, newspapers, periodicals, audio-visual products and electronic publications is prohibited.

The control over access to non-profit elderly care institutions in the form of private non-enterprise entities by foreign contribution has been relaxed.

The Regulations on the Administration of Commercial Performance (Revised in 2016) (Decree No.666 of the State Council) Select a specific area where the cultural and entertainment industries gather, and allow foreign investors to set up business units of performance venues without setting investment proportion restrictions.

Select specific areas where the cultural and entertainment industries gather, allowing foreign investors to invest in the establishment of entertainment places, without setting a limit on the proportion of investment.

Special Administrative Measures for Admission of Foreign Investment (Negative List) (2019 Edition), (Decree No.25 of the National Development and Reform Commission of the People's Republic of China and the Ministry of Commerce of the People's Republic of China) Select a specific area where cultural and entertainment industries gather, allowing foreign investors to provide brokerage services nationwide.

Foreign investors are allowed to invest in the production of audio and video products (limited to cooperation only in Beijing National Music Industry Base, Beijing Publishing Creative Industry Park, Beijing National Digital Publishing Base, while Chinese side shall control the power for business operation and final content review).

Foreign investors and Chinese partners shall not be less than 51%; for the establishment of Sino-foreign cooperative ventures, foreign-funded theatrical performance organizations shall be established, and no foreign-funded performance brokerage institutions or performance venue operating units shall be established. For the establishment of Sino-foreign joint venture performance brokerage agencies and performance venue business units, the investment proportion of Chinese joint venture partners shall not be less than 51%; for the establishment of Sino-foreign cooperative performance brokerage agencies and performance venue business units, the Chinese partners shall have the management leadership.

Main policy documents for further opening-up comprehensive pilot in service sector

1 Approval of the State Council to the Working Plan for Promoting Comprehensive Pilot of Further Opening-up of the Service Sector in Beijing (GH [2019] No.16)
2 Circular on the Issuance of “Several Measures of Beijing Customs to Support the Expansion and Opening-up of Beijing’s Service Industry”
3 Notice on the Implementation of the National Unification of “Multiple Certificates into One” Reform and Related Issues (JGSF [2017] No.58)
4 Circular on the Issue of “Supporting Measures to Deepen the Opening-up and Reform of Service Industry and Promote the Development of Cultural Trade in Beijing Tianzhu Comprehensive Free Trade Zone” (JSWZZ [2018] No.492)
5 Measures for the Administration of Public Credit Information of Beijing (Government Order No.280)
6 Notice on Carrying out the “One Window Acceptance” for Establishing Business Record and Business Registration for Foreign Investment Enterprises (JSWZZ [2017] No.34)
7 Several issues on the implementation program for carrying out the reform of “integration of multiple certificates” in the field of foreign trade (JGSF [2017] No.8)
8 Approval of the State Council to the General Program of Deepening Reform and Promoting Comprehensive Pilot of Further Opening-up of the Service Sector in Beijing (GH [2017] No.86)
9 Some Measures to Implement Joint Incentives for Enterprises with Excellent Double-credit Points (Office of Further Opening-up of Beijing [2017] No.8)
10 “Ten new policies” for the entry and exit of foreign talents in the Further Opening-up Comprehensive Pilot Demonstration Zone of Beijing's Service Industry (Chaoyang, Shunyi)
11 Opinions of the Beijing Municipal Administration for Industry and Commerce on Optimizing Access Services and Supporting the Expansion of Comprehensive Opening-up of Service Industries (Beijing Industry and Commerce [2016] No. 34)
12 Notice of Beijing Municipal Tourism Development Commission on the promulgation of “Measures for the Administration of Pilot Work of Outbound Tourism Business by Beijing Sino-foreign Joint Venture Travel Service”
13 Approval of the State Council to the General Program of Further Opening-up of the Service Sector in Beijing (GH [2015] No.81)
Key policies concerning high-end, precision and sophisticated industries

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Document Series of Beijing CPC Committee and Beijing Municipal People’s Government on Speeding up Scientific and Technological Innovation and Constructing High-end Economic Structure ([JF] [2017] No.27)</td>
</tr>
<tr>
<td>2. Several Measures of Beijing Municipal People’s Government on Optimizing Talent Service, Promoting Scientific and Technological Innovation and Promoting the Development of High-tech Industries ([JZF] [2017] No.38)</td>
</tr>
<tr>
<td>3. Measures for the Administration of Beijing High-end Industrial Development Fund ([JCJY] [2015] No.2329)</td>
</tr>
</tbody>
</table>

Key policies concerning HQ economy

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Measures to Further Improve Intellectual Property Work of Headquarters Enterprises and Promote Innovation and Development of Headquarters Economy ([JSWZBZ] [2018] No.4)</td>
</tr>
<tr>
<td>2. Notice on Issuing and Amending the Measures for the Implementation of Several Provisions on Encouraging Multinational Corporations to Set up Regional Headquarters in Beijing ([JSWZBZ] [2018] No.13)</td>
</tr>
</tbody>
</table>

Talent policy

<table>
<thead>
<tr>
<th>Project name</th>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of international high-end business talents</td>
<td>Opinions on the Implementation of the Construction of International High-end Business Talent Development Zone in Beijing’s CBDs ([JCF] [2014] No.19)</td>
</tr>
<tr>
<td></td>
<td>Notice of Chaoyang District People’s Government on Printing and Distributing Documents such as “Interim Measures for International High-end Business Talent Service Support” ([CZF] [2014] No.11)</td>
</tr>
</tbody>
</table>

Improving the Incentive Mechanism for Foreign Talents

<table>
<thead>
<tr>
<th>Pilot Measures</th>
<th>Leading units at municipal level</th>
<th>Collaboration units at municipal level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve the recognition and incentive policies for overseas high-level talents and talents in short supply that meet the development needs of Beijing’s key areas of service industry opening, and explore ways to subsidize foreign talents identified by human resources and social security departments and foreign talent authorities working in Zhongguancun.</td>
<td>Department of Organization, Bureau of HR and Social Security, Bureau of Finance</td>
<td>Zhongguancun Administrative Committee, Bureau of National Taxation, Office of Overseas Chinese</td>
</tr>
<tr>
<td>Strengthen the support for overseas talents in project application, achievement promotion and financing services, allow or support foreign scientists and foreign experts to lead or participate in undertaking major national and Beijing science and technology projects, and explore the system of foreign talents serving as legal representatives of new scientific research institutions and institutions. (Construct Beijing Workstation for Overseas Academician Experts)</td>
<td>Science and Technology Commission, Bureau of HR and Social Security, Department of Organization, Office of Overseas Chinese</td>
<td>Office of Organization Establishment, Bureau of Intellectual Property Rights, Bureau of Financing, Bureau of Civil Affairs, Shijingshan District Government, Development and Reform Commission (New Shougang Office), Shougang Group Co., Ltd.</td>
</tr>
</tbody>
</table>
Appendix 3: Policy Navigation of Beijing City for Optimizing Business Environment

Policy documents for handling construction permit

<table>
<thead>
<tr>
<th>Title of policy</th>
<th>Policy documents for &quot;obtaining credit&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Notice of Beijing Municipal Planning and Natural Resources Committee on the Supervision of Service in the Whole Process of Construction Projects for Newly Built Simple and Low-Risk Projects with Social Investment (JZGF[2019]No.170)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>7 Notice of Beijing Municipal Planning and Natural Resources Committee on the Supervision of Service in the Whole Process of Construction Projects for Newly Built Simple and Low-Risk Projects with Social Investment (JZGF[2019]No.170)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>8 Notice of Beijing Municipal Housing and Urban-Rural Construction Committee on Optimizing Quality and Safety Supervision and Spot Check of Social Investment Housing and Municipal Infrastructure Projects (JZFF[2019]No.35)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>9 Notice of Beijing Housing and Urban-Rural Construction Committee on Further Clarifying the Qualifications of Quality and Safety Supervisors (JZFF[2019]No.101)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>10 Notice of Beijing Housing and Urban-Rural Construction Committee on Implementing building construction permits Online Approval (JZFF[2019]No.121)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>11 Notice of the Beijing Municipal Planning and Urban-Rural Construction Committee on Optimizing the Procedures for Quality Supervision and Construction Safety Supervision of Beijing Housing and Municipal Infrastructure Projects (JZFF[2019]No.178)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>12 Notice of Beijing Municipal Housing and Urban-Rural Construction Committee on Opening Electronic Seal of Joint Acceptance Notice (JZFF[2019]No.145)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>13 Notice of Beijing Municipal Housing and Urban-Rural Construction Committee on Establishing and Perfecting the Law Enforcement and Inspection System of Engineering Quality and Safety Based on Risk Management (JZFF[2019]No.165)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>14 Notice of Beijing Municipal Housing and Urban-Rural Construction Committee on Clarifying Quality and Safety Supervision and Spot Check of Social Investment Low-Risk Construction Projects (JZFF[2019]No.168)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>15 Opinions of Beijing Municipal Water Affairs Bureau on Implementing &quot;Several Provisions on Optimizing the Examination and Approval Service of Simple and Low-Risk Projects with Social Investment in New Construction&quot; (JSWP[2019]No.4)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>16 Decision of Beijing Arbitration Commission/Beijing International Arbitration Center on Establishing &quot;Construction Project Dispute Resolution Center&quot; (JZFF[2019]No.6)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>17 Notice of Beijing Housing and Urban-Rural Construction Committee on Further Optimizing the Procedures for Quality Supervision and Construction Safety Supervision of Beijing Housing and Municipal Infrastructure Projects (JZFF[2019]No.178)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>19 Notice of Beijing Municipal Housing and Urban-Rural Construction Committee on Doing a Good Job in the Pilot Work of Reforming the Examination and Approval System for Construction Projects (JZFF[2019]No.470)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
<tr>
<td>21 Notice of Beijing Housing and Urban-Rural Construction Committee on Issues Concerning Optimizing the Business Environment for Bidding of Construction Projects (JZFF[2019]No.578)</td>
<td>6 Notice on Issues Concerning Strengthening the Construction of Service Window in Real Estate Registration (JZFF[2019]No.15)</td>
</tr>
</tbody>
</table>
Policy documents for "attracting talents"

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Notice on Reducing Social Insurance Rates in Beijing (JRSYF[2019]No.67)</td>
</tr>
<tr>
<td>2 Notice on Establishing the Corresponding Relationship between Professional Qualification and Professional Title of Professional and Technical Personnel in Beijing (JRSYF[2019]No.87)</td>
</tr>
</tbody>
</table>

Policy documents for "starting business"

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Notice of the General Office of Beijing Municipal People's Government on Further Improving the Promotion and Application of Electronic Business License (JZBF[2019]No.12)</td>
</tr>
<tr>
<td>2 Notice of Beijing Municipal Market Supervision and Administration Bureau and Other Six Departments on Deepening the Reform of Business Environment and Promoting the Whole Process of Online Handling to Improve the Start-up Efficiency of Enterprises (JSJF[2019]No.4)</td>
</tr>
<tr>
<td>3 Notice of Beijing Municipal Market Supervision and Administration Bureau, State Administration of Taxation Beijing Municipal Taxation Bureau, Beijing Municipal Human Resources and Social Security Bureau, Beijing Municipal Bureau of Commerce, Beijing Housing Provident Fund Management Center and Beijing Customs on Further Promoting Easy Enterprise Cancelation for Optimizing Business Environment (JSJF[2019]No.5)</td>
</tr>
<tr>
<td>4 Opinions on Implementing &quot;One Window Management&quot; Service Mode for New Enterprises (Trial) (JZFF[2019]No.14)</td>
</tr>
<tr>
<td>5 Notice on Further Optimizing the Business Environment and Promoting Easy Handling Social Insurance Business (JSBF[2019]No.5)</td>
</tr>
<tr>
<td>6 Notice of Beijing Housing Provident Fund Management Center on Relevant Matters Concerning Registration of Depositing Units with Electronic Business License for Housing Provident Fund Depositing (JFGJJF[2019]No.10)</td>
</tr>
</tbody>
</table>

Policy documents for "cross-boarder trade"

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Letter on Issuing the 2019 Action Plan for Promoting Cross-border Trade Facilitation at Beijing Airport (JSHZ[2019]No.437)</td>
</tr>
<tr>
<td>2 Announcement on Measures to Further Optimize the Business Environment and Promote Cross-border Trade Facilitation between Beijing and Tianjin (Beijing and Tianjin Joint Announcement No.4)</td>
</tr>
<tr>
<td>3 Announcement on Measures to Continuously Optimize Business Environment and Promote Cross-border Trade Facilitation between Beijing and Tianjin (Beijing and Tianjin Joint Announcement No.5)</td>
</tr>
</tbody>
</table>

Policy documents for "contract execution"

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regulations of Beijing Higher People's Court on Information Disclosure of Commercial Cases</td>
</tr>
<tr>
<td>2 Measures of Beijing Court for Online Filing and WeChat Appointment Filing (Trial)</td>
</tr>
<tr>
<td>3 Regulations of Beijing Higher People's Court on RandomDividing of Cases (Trial)</td>
</tr>
<tr>
<td>4 Regulations of Beijing Higher People's Court on Promoting Intensive Service (Trial)</td>
</tr>
<tr>
<td>5 Several Opinions of Beijing Higher People's Court, Beijing Municipal People's Procuratorate, Beijing Municipal Public Security Bureau and Beijing Municipal Justice Bureau on Joint Investigation and Control of Executed Persons and Combating Crime of Refusal to Commit Crimes</td>
</tr>
<tr>
<td>6 Implementation Opinions of Beijing Higher People's Court on Giving Full Play to Judicial Functions to Provide Judicial Guarantee for Optimizing Capital's Business Environment</td>
</tr>
<tr>
<td>7 Provisions of Beijing Higher People's Court on Entrusted Appraisal and Evaluation (Trial)</td>
</tr>
</tbody>
</table>

Policy documents for "government service facilitation"

<table>
<thead>
<tr>
<th>Title of policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Notice of General Office of CPC Beijing Municipal Committee and General Office of Beijing Municipal People's Government on Distributing the Work Plan for Further Promoting the Convenience of Examination and Approval Services in Beijing</td>
</tr>
<tr>
<td>3 Notice of General Office of Beijing Municipal People's Government on Distributing the Work Plan of Adhering to People-Centered Promotion of Integrated Online Government Construction (JZBF[2019]No.9)</td>
</tr>
<tr>
<td>4 Notice on Promoting the Work of Electronic Qualification Examination and Approval of Construction Engineering Enterprises (JFF[2019]No.111)</td>
</tr>
<tr>
<td>5 Notice on Implementing Electronic Certificate of Safety Production License (JFF[2019]No.61)</td>
</tr>
</tbody>
</table>
Beijing Municipal Bureau of Commerce

http://sw.beijing.gov.cn