



A booth for the Czech Republic featuring a photo of an elegant cafe in Prague attracts many visitors at this year's China International Fair for Investment and Trade held in Xiamen. WU XIAOPING / FOR CHINA DAILY

# REPORT HIGHLIGHTS CHINESE FOREIGN INVESTMENT

Opening-up paying dividends at home and abroad, **Cao Yingying** reports.

The Report on Foreign Investment in China 2018 was released on Sunday during the China International Fair for Investment and Trade held in Xiamen, Fujian province.

Zhang Xingfu, deputy director-general of the Department of International Trade and Economic Affairs at the Ministry of Commerce, said that while facing complicated domestic and foreign situations last year, China has followed the road of opening-up and continuously improved the management systems and working mechanism for foreign investment.

Zhu Bing, deputy director-general of the Department of Foreign Investment Administration at the ministry, said that global external direct investment growth is weak and that international competition for attracting foreign investment has intensified.

Under these circumstances, China's foreign direct investment hit \$136.32 billion in 2017, an increase of 2 percent compared with 2016.

Nonfinancial outbound direct investment reached \$131.04 billion.

The utilization of foreign capital has developed well and made steady progress, Zhu said.

According to statistics from the ministry, China's outbound direct investment stood at \$124.63 billion last year, third highest in the world behind the United States and Japan.

The United States, Australia, Singapore and the Netherlands are the main investment destinations for China's outbound investment.

The report said that foreign investment in China mainly came from the service industry in 2017.

The countries involved in the Belt and Road Initiative remain priority destinations for China's outbound investment.

A total of 59 countries along the BRI were invested in by China last year, amounting to \$14.36 billion.

Following a guidance released by the central government in 2017 restricting the fields for outbound investment, no new projects in real estate, sports or entertainment have been set up. As a result, more investment has been directed toward chemicals, power generation and manufacturing.

Last year, the East, Central, West and Northeast regions



A staff member shows visitors a popular cake brand from the Czech Republic. WU XIAOPING / FOR CHINA DAILY



Government officials attend the China International Fair for Investment and Trade held in Xiamen. XIAO DA / CHINA DAILY



A crystal ware produced in the Czech Republic draws attention during this year's China International Fair for Investment and Trade. WU XIAOPING / FOR CHINA DAILY

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The Report on Foreign Investment in China 2018

respectively accounted for 74.7 percent, 8.5 percent, 13.1 percent and 3.7 percent of China's outbound investment, respectively.

Chinese outbound investment has accelerated the construction of overseas economic and trade cooperation zones, according to the Ministry of Commerce.

A total of \$5.79 billion was invested in economic and trade cooperation zones in 2017.

The imports and exports of foreign-funded enterprises in China totaled \$1.84 trillion in 2017, an increase of 9 percent compared with 2016.

Those imports and exports accounted for 44.8 percent of China's total foreign trade last year.

“Foreign-funded enterprises play a vital role in

the improvement of China's research and development capacity,” the report said.

Global top cross-border enterprises have established R&D centers, trained research workers and sponsored research projects in China to encourage technological innovation and entrepreneurship.

Foreign-funded enterprises have also promoted industrial upgrades in the auto industry, light industry and in retail trade.

Long Guoqiang, vice-president of the Development Research Center of the State Council, said in the report that China is facing the challenges of absorbing foreign capital under the new situation.

International competition to absorb cross-border

direct investment is becoming increasingly fierce and the uncertainty of China's external economic and trade environment has increased, which has made it more difficult to attract investment, Long said.

However, Long wrote in the report that focusing on the opening-up of the service industry, China has expanded the accesses to foreign capital. China should create a legal and market-oriented business environment based on equal competition between domestic and foreign capital, and play the role of an open platform with special economic zones, economic and technological development zones, and free trade zones.

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Experts and entrepreneurs from the financial sector discuss issues on the applications of financial technology. XIAO DA / CHINA DAILY

## Experts: To expand, fintech must support the real economy

By **LIANG KAIYAN**  
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To expand its competitiveness, the financial technology sector should be prepared to serve the entire economy, financial insiders told a conference on Monday.

The fifth (2018) Financial Science and Technology Summit and Financial Technology Enabling Real Economy and Blockchain Landing Application was launched on Monday during the ongoing 20th China International Fair for Investment and Trade. The event attracted experts and senior executives from the financial industry to discuss the applications of financial technology to the frontiers of real economy and the latest trend in the industry.

“In recent years, financial technology has become the key area of focus in the financial industry,” said Yao Zhiping, chief economic director of the Xiamen financial affairs office.

The trend of promoting reform and innovation in the financial service industry through cutting-edge technology such as big data, blockchain and cloud computing, and integrating fintech with the real economy, are becoming more and more obvious, Yao said.

Financial technology, or fintech, is a broad term for new technology and innovation that aims to compete with traditional financial methods in such services as banking and investing.

Cai Kailong, founder of Touch Wood, a venture capital management company, said that fintech is best considered a combination of traditional finance and advanced technology, which will drive new products and industries related

to payments, deposits, loans and investments. “Fintech should serve the real economy so that it can maintain its vitality and long-term development,” Cai said.

Li Ji, general manager of Xiamen Cross-Strait Equity Exchange, said that at present, fintech in China is developing rapidly with great impetus, and that emerging fintech and its business are continuing to grow. “In the next five to 10 years, there will be a upsurge for the Chinese financial industry to emerge as world renowned fintech companies,” Li said.

As a new technology in the financial industry, the application of blockchain was also discussed.

“Blockchain is a decentralization technology and we believe in it,” said David Liu, chairman of an international networking organization.

The organization will connect its industries around the world with better and more effective mechanisms using the technology, he added.

During the summit, Sino-King Tomm Bo Data Management, a blockchain technology provider, signed a cooperation agreement to aid its industries around the world, transforming their blockchain technologies to increase production efficiency and enhance the industries' brand value at low cost.

Fintech must develop based on traditional finance models to aid in ramping up its competitiveness and must serve the real economy to ensure its development, said Chou Yi, director of the Taiwan Institute of Economic Research.

Finance is the blood of economy that requires innovation to develop with vital energy, Chou said.

### What they say

It is my first time at the China International Fair for Investment and Trade, which is well organized and interesting. I have a glass factory in Poland and want to search for cooperation opportunities through this trip to Xiamen. I participated in many talks and meetings during the four-day fair and found my trade partner. I will export glass in my factory and import Chinese glass. I would like to come to the fair next year, which will help with my business expansion.

**Bartosz Browarny,**  
marketing director of Crystal Glass Factory in Poland

Our chamber is one of the biggest international chambers in India, with 75,000 members and more than 400 million registrations. And we already have close cooperation with China. We hope to attract Chinese and global investors to launch businesses in India through the platform, which has attracted many high-quality businessmen, politicians and international guests. For next year's fair, the SME Chamber of India will launch a series of cooperation projects with CIFT and bring more Indian businesses to Xiamen.

**Chandrakant Salunkhe,**  
founder and president of the SME Chamber of India

I came to the fair for the first time, and it is one of the best. The fair is a great opportunity for local and national companies looking for some investors. We've actually had very good negotiations. We have a list of different projects and we are going to have different memorandums of understanding, some contracts, in order to have a kind of collaboration. We target projects like energy, solar power plants, and in agriculture, tourism and construction of hotels and different complexes. We have had some very good negotiation results.

**Fazel Khayyat,** investment expert of the Khorasan Razavi Center of Investment Services

I am very impressed with the fair. There are a lot of promotions from the Chinese regions and provinces and that was a big plus for me, and also other countries exhibiting in the fair as well, like Ghana, Mali, Jordan, the Czech Republic and Japan. I have been in seminars and seen exhibitions and I was very impressed with the movement by Chinese investors looking for other locations, but also looking to attract higher-valued activities into China.

**Armando E. Heilbron,** investment promotion workshop leader of World Bank Group