



**THE WORLD'S** highest bridge, at 565 meters, opened on Dec 29 on the border of Guizhou and Yunnan provinces. In the past few years, China's railway network, especially high-speed lines, has undergone dramatic change. HE JUNYI / FOR CHINA DAILY

## New sectors are opening up to foreign investors

Recent government guideline will lower entry hurdles in wide range of fields

By ZHANG YUE and HU YONGQI

China is opening more sectors to foreign investment and introducing a slew of measures to invite participation, top officials say.

The State Council's executive meeting on Dec 28, chaired by Premier Li Keqiang, approved a new guideline to further attract foreign investment and advance China's opening-up.

"We should take measures with great effectiveness in attracting foreign capital," Li said.

Under the new guideline, foreign investment access hurdles will be dropped in a number of manufacturing sectors, including rail transportation, motorbikes and ethanol fuels. Foreign capital will have access to fields like energy, water conservancy, environmental protection and utilities via franchise agreements.

"China's economy develops as we continue our opening-up strategy. Besides advanced technology and experience in management, China also needs capital investment from overseas," Li said.

The catalog for industrial access for foreign investors also will be amended to match the new measures.

Foreign capital will be encouraged to enter high-end manufacturing, as well as related services, such as industrial design and logistics. Accounting and auditing, architecture design and rating services will be open to foreign investment for the first time.

Foreign-funded companies will be cleared to join the national science and technology program as equals with domestic ones, and enjoy favorable policies under the "Made in China 2025" strategy.

The guideline emphasizes equal treatment for foreign investors, and no additional restrictions are allowed.

Li said that government at all levels should further streamline administration to reinforce the implementation of existing policies in attracting foreign investment and to reduce institutional costs.

The new guideline highlights consistency in policies designed to attract foreign investment. Better protection of intellectual property rights for investors is also covered.

The government will work to make it easier for foreign investors and experts to live and work in China. Foreign investment in the "encouraged categories" in central and western areas will receive financing, land and taxation incentives.

Li has emphasized the importance of foreign investment this year. Addressing the UN General Assembly in New York in September, he vowed that China will carry out a new round of opening-up.

Foreign investment is vital for China's economic transformation and structural adjustment, according to Chen Fengying, a researcher in global economies at the China Institute of Contemporary International Relations.

"Multinational companies are facing competition from Chinese rival enterprises and rising costs of labor, but the market potential of Chinese consumers and China's advantage in educated talent still attract overseas investors," Chen says.

China, which now is encouraging foreign investments to move into high-end, low-carbon and sustainable industries, can improve the business environment and lower market access barriers by introducing negative lists and granting multinational companies national treatment, which may maintain its attractiveness, Chen says.

Negative lists include only those activities that are off-limits in a sector, and all other activities are considered open.

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# \$503b earmarked for high-speed railway plan

By SU ZHOU and LUO WANGSHU

In the next five years, China will invest 3.5 trillion yuan (\$503 billion; 478 billion euros; £407.5 billion) to accelerate railway construction, including expansion of the country's high-speed rail network to 30,000 kilometers, a senior official said on Dec 29.

"By 2020, more than 80 percent of China's major cities will be connected by high-speed railways," says Yang Yudong, vice-minister of transportation.

China released a white paper, titled Development of China's Transport, which Hu Kaihong, director of the State Council Information Office's Press Bureau, says is the first to review the sector's tremendous changes in recent decades and to set goals for its future.

Over the past few years, China's railway network, especially high-speed rail, has undergone dramatic change. From 2011 to 2015, China invested 3.58 trillion yuan to build 30,000 km of railway. By the end of this year, the nation's total railway length will reach 124,000 km, including 20,000 km of high-speed railway, accounting for 65 percent of the world's total high-speed rail.

In July, the National Development and Reform Commission issued an updated national railway development plan envisioning a 175,000-km rail network by the end of 2025, with 38,000 km of high-speed rail.

However, the network still faces challenges, especially in the less-developed western part of China. Yang says he is confident that lines in western China will eventually become profitable.

"Plus, building high-speed railways in less-developed regions is not only

### Transportation in China

Development of China's transportation network

#### • Railway

By the end of 2015, China's railway network totaled 121,000 km, ranking second in the world. It has the world's longest high-speed railway network, totaling 19,000 km. By 2020, China will expand its high-speed railway network to 30,000 km, connecting more than 80 percent of its big cities.



#### • Highways

By the end of last year, China's highways totaled 4.58 million km, and the country ranked No 1



in the world in expressway construction.

#### • Civil aviation

China had 210 civil airports by 2015, for which 26 handle more than 10 million passengers annually, and 51 handle over 10,000 metric tons of cargo and mail each year.



#### • Ports

At the end of last year, China's ports had more than 31,000 quay berths for production use, and the number of berths for 10,000 tons or above reached 2,221.



about recouping investment. It is part of the big project of rejuvenating the whole region and the country's economy.

The high-speed rail linking Beijing and Shanghai showed a profit last year, Xinhua News Agency reported in July, quoting Tianjin Railway Construction Co, a shareholder of Beijing-Shanghai High-Speed Railway Co.

Yang Hao, a professor of rail transportation at Beijing Jiaotong University, says the economic returns of a high-speed railway network shouldn't be judged solely on whether lines are profitable, since these railways can leverage the development of such industries as tourism, logistics and real estate.

According to China Railway Corp,

construction began on Dec 29 on a high-speed line linking Guiyang, Guizhou province — a transportation hub connecting members of the Association of Southeast Asian Nations — and Nanning, capital of the Guangxi Zhuang autonomous region.

The 482-km line will connect the Shanghai-Kunming railway and the Chengdu-Guiyang railway to the north, and will also link to southern coastal areas including Hainan province and Guangzhou, Guangdong province.

The new will accelerate communication between China and ASEAN countries and play an important role in the Belt and Road Initiative.

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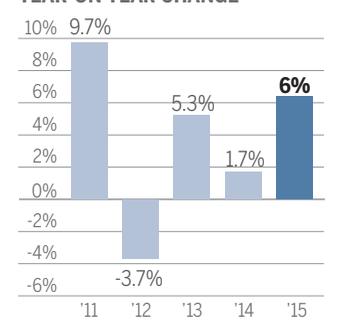
### Foreign capital

The amount of foreign capital China has utilized during the past five years

(Unit: billion)



### YEAR-ON-YEAR CHANGE



Source: Ministry of Commerce

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