



2021 Beijing Foreign Investment Development Report



北京市商务局



普华永道

2021



Beijing

**Foreign Investment
Development Report**

Preface

The year 2021 marks the 100th anniversary of the founding of the Communist Party of China, a year of special importance in China's modernization process, and the first year of the 14th Five-Year Plan. Following the direction of open, inclusive, balanced and win-win economic globalization, Beijing has upheld its strategic positioning as the capital city, given full play to the function as an international exchange center, explored in depth the new mode of opening-up led by the service industry, and achieved remarkable development results in creating a "new high ground, new pattern, new engine and new mechanism" for opening-up.

By making vigorous efforts, Beijing has built a new high ground in open economy. Adhering to the innovation-driven development strategy, Beijing has built an economic structure featuring high-grade, precision and advanced industries, with a compound annual GDP growth rate of 6.0% during the "13th Five-Year Plan" period, reaching a GDP of 3.6 trillion yuan in 2020 and a per capita GDP of 168,000 yuan (about 24,000 USD), reaching the medium level of developed countries. As an important window for China's opening-up to the outside world, Beijing has witnessed the active development of its international economic and trade cooperation. During the "13th Five-Year Plan" period, the actual utilization of foreign investment in Beijing reached 82.98 billion USD, accounting for over 12% of the national total. By the end of 2020, more than 165 countries/regions and a total of more than 45,000 foreign-invested enterprises have been established in Beijing. Beijing has accommodated 35,000 foreign resident institutions, more than 4,000 regional headquarters and R&D centers, and 55 headquarters of Fortune 500 companies. Beijing has ranked No.1 among world cities in terms of the number of headquarters of Fortune 500 for 8 consecutive years. By 2020, the actual utilization of foreign investment in high-tech industries in Beijing reached 9.66 billion USD, accounting for 68.5% of the total actual utilization of foreign investment

in the city. 736 foreign-invested enterprises in high-tech industries were newly established in Beijing, accounting for 58.4% of the number of the new city's foreign-invested enterprises. With great vitality and momentum of growth, the high-tech industries in Beijing has been able to attract increasing amount of foreign investment.

By forging ahead with determination, Beijing has shaped a new pattern for the construction of "two zones". Beijing has advanced the construction of the National Comprehensive Demonstration Zone for Expanding the Opening-up of the Service Industry and the China (Beijing) Pilot Free Trade Zone (the "Two Zones") up to a higher standard, implemented reform initiatives in land supply, financing, talent, technology, data, etc., and continuously empowered foreign-invested enterprises/projects, with the first batch of or debut projects being settled in Beijing one after another. In 2021, Beijing accommodated the country's first wholly foreign-invested currency brokerage company, the first wholly foreign-invested insurance assets management company and the first insurance alternative investment and assets management company, approved the first wholly foreign-invested licensed payment institution, improved the full industry chain of international film and television production service system, and promoted foreign investment in adult education and training institutions and in setting up operational vocational skills training institutions. In the first quarter of 2021, 379 foreign-invested enterprises were newly established in Beijing, a year-on-year increase of 36.3%; contractual foreign investment reached 9.63 billion USD, a year-on-year increase of 1.3 times. Due to the construction of the "two zones", multiple favorable policies and incentives have been introduced, enabling foreign investors to enjoy more benefits from the opening-up of Beijing's industrial sectors. As a result, Beijing has become a "strong magnet" in attracting foreign investment.

By improving quality and efficiency, Beijing has fostered a new engine for deepening its opening-up. Guided by the strategy of humanistic Beijing, technological Beijing and green Beijing, the city has led the development of high-grade, precision and advanced industries with digitalization. In 2020, the added value of high-tech industries and strategic emerging grew by 56.9% and 58.5% respectively, the proportion of added value of modern service industries such as finance, technology and information further increased. By 2020, Beijing has accommodated 29000 national high-tech enterprises and 93 Unicorn enterprises, ranking first in the global cities. Digital economy accounted for 38% of Beijing's total economy, ranking among the top in the country, which becomes a new driving force for both quantity and quality of economic development. Strategic emerging industries and future industries has continued to grow, and the advantages of the service industry has been further consolidated, forming a higher level of dynamic balance in which demand drives supply and supply creates demand.

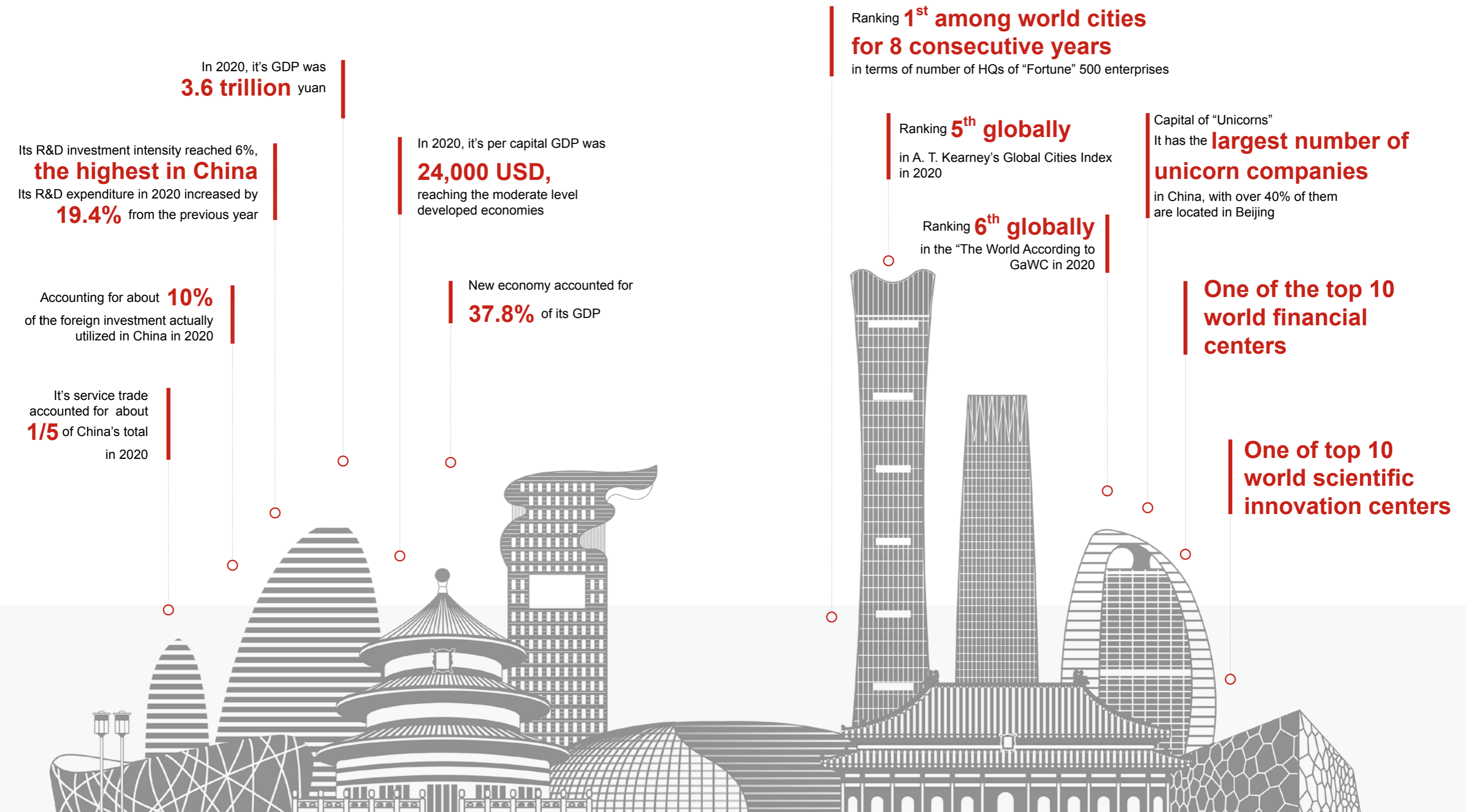
By optimizing standards and regulations, Beijing has developed and upgraded a new mechanism for opening-up and cooperation. Beijing has made every effort to build a world-class business environment, and continued to promote the reform of business environment from version 1.0 to 4.0. Now 98% of government services can be done online. People only need to visit government department once in order to get things done. Beijing took the lead in advancing the "single window, single form" acceptance model for foreign-funded enterprise registration and recording, the rule of law has been greatly enhanced, and enterprises and the public enjoy more convenience in dealing with government

departments. Beijing has the implementation of national tax and fee reduction policies to the maximum, reducing the burden of enterprises and society by more than 470 billion yuan during "13th Five-Year Plan" period. Beijing has continued to enhance coordination and interaction with Tianjin and Hebei. The five reform measures for facilitating cross-border trade in Beijing, Tianjin and Hebei, measures for cross-city handling of matters in Beijing and Tianjin, and the policy on handling FTZ-related matters in Beijing, Tianjin and Hebei "following the same standard for the same matter" have introduced. Tianjin Binhai - Zhongguancun Science Park has seen the registration of more than 2,000 new companies, and Zhongguancun companies have set up more than 8,800 branches in Tianjin and Hebei. Significant progress has been made in the opening-up and cooperation in key areas such as industrial collaboration and joint development and sharing of public services in Beijing - Tianjin - Hebei Region.

Economic globalization is still an irreversible trend of the times, so Beijing will comprehensively scale up its opening-up to the outside world, build a new economic system with higher openness, and foster new advantages in international cooperation and competition. This "Beijing Foreign Investment Development Report 2021", with the theme of Building a "Beijing Benchmark" for a new pattern of opening-up on all fronts, shows investors the effectiveness of work for attracting foreign investment in Beijing and new opportunities for development. It hoped that investors from home and abroad will join hands to expand new possibilities for mutually beneficial cooperation in Beijing and work together to achieve a win-win future!



Comprehensive Strength at a Glance



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

A selection of the implemented policies of foreign investment for the building of "Two Zones"

- 01 Took the lead in breaking through the national past qualification recognition mechanism for overseas futures professional qualifications.
- 02 Launched the first batch of pilot projects of domestic and foreign currency integrated accounts in China.
- 03 Conducted the first batch of pilot projects for the integrated domestic and foreign currency fund pools of multinational companies.
- 04 Rolled out the first batch of pilot projects for foreign patent agencies to set up permanent representative offices in China.
- 05 Allowed multinational companies to set up wholly foreign-owned financial companies.
- 06 Encouraged multinational companies to set up R&D centers and carry out "reverse innovation".
- 07 Allowed qualified foreign-funded companies to carry out global cultural art goods (non-cultural relics) display, auction and trading business.

A selection of the implemented projects of foreign investment for the building of "Two Zones"

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



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New Strength of Opening-up

Stable Progress and Leapfrog Development

01



Economic Strength

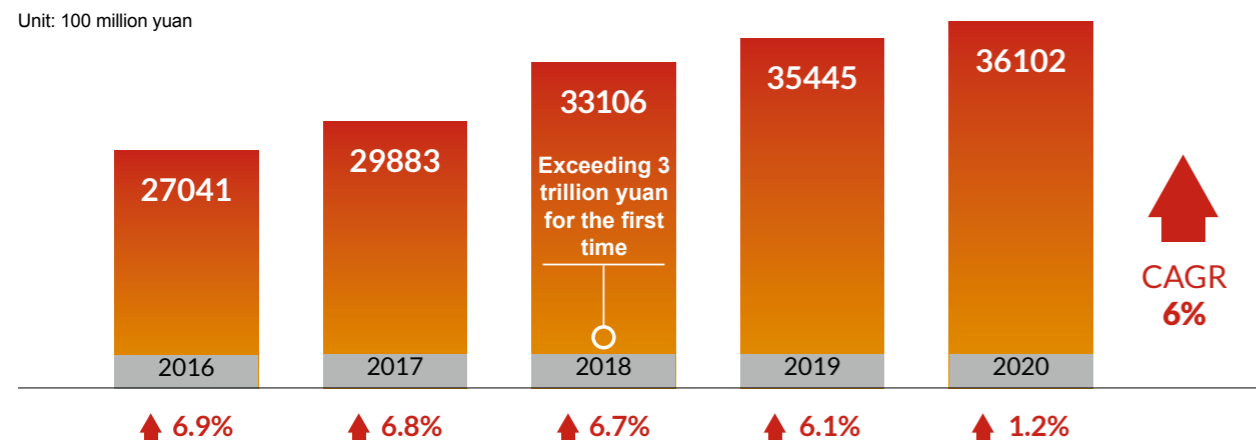
Achieving success both on quality and quantity of economic development

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

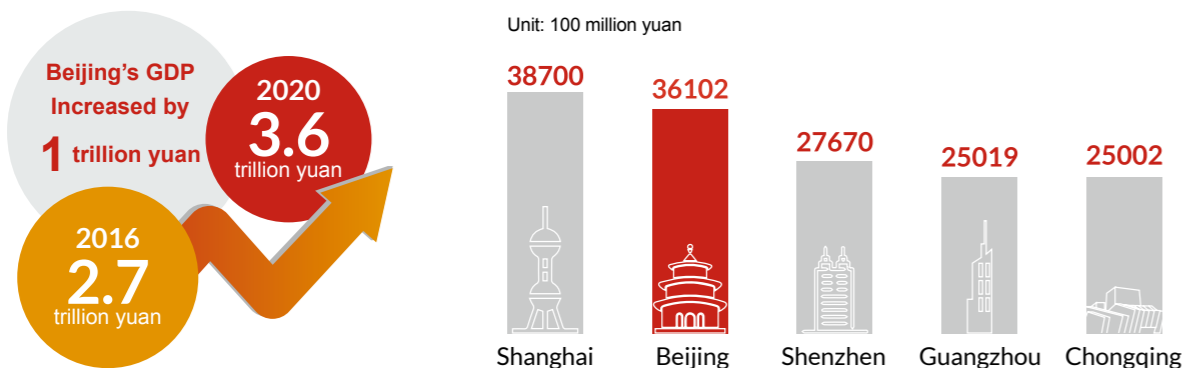
Total economic volume has set new record, and comprehensive strength has leaped to a new level.

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

Beijing's GDP growth during the "13th Five-Year Plan" period (2016-2020)



The top five cities in China in terms of GDP in 2020



Data sources: 1. The "Beijing Statistical Yearbook"
2. The "Statistical Bulletin of National Economic and Social Development of Beijing Municipality in 2020"
3. National Bureau of Statistics

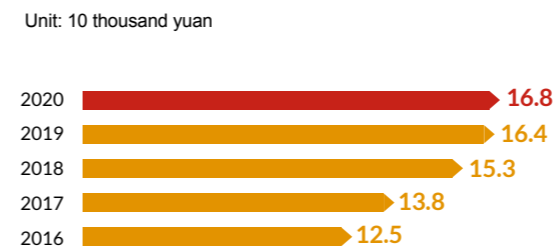
Beijing has led the country in terms of per capita GDP and taken further steps towards high quality development.

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

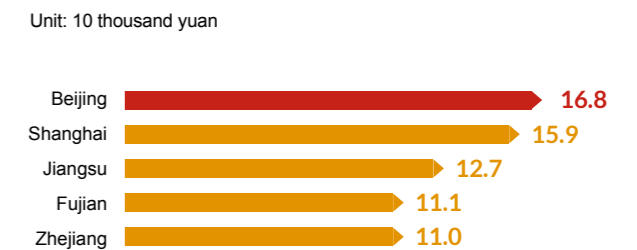


GDP per capita remains the **NO.1** in China
Reaching the **moderate level** of developed countries

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



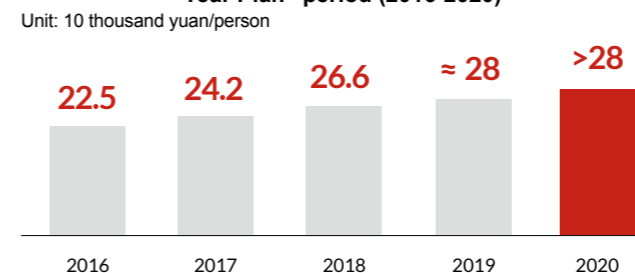
Top five provincial-level administrative regions in China in 2020 in terms of GDP per capita



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

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

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



- 3 decrements
Decrement in population, land for construction and construction scale

+ 1 increment
Increment in total labor productivity

Effective results have been achieved in mega-city governance, and solid steps have been taken to promote decremental development.

Data source: The "Beijing Statistical Yearbook"

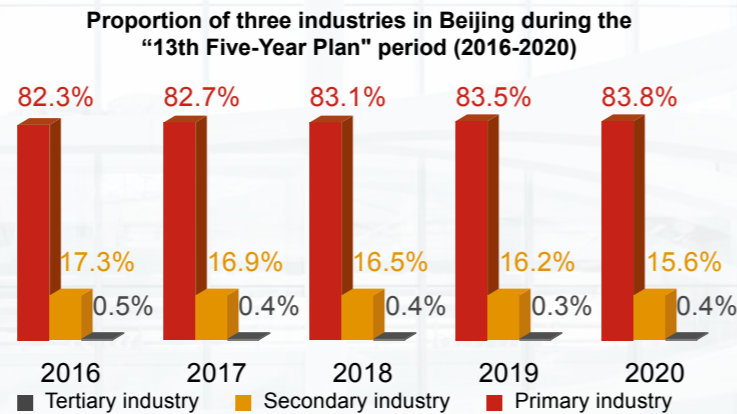
Note 1: Estimates made based on the "Statistical Bulletin of National Economic and Social Development in 2020" released by the National Bureau of Statistics

Economic Structure

Optimizing industrial structure systematically of industrial structure

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

- During the "13th Five-Year Plan" period, Beijing's industrial structure continued to be optimized, and the proportion of the tertiary industry steadily increased.
- In 2020, Beijing's tertiary industry realized an added value of 3,027.86 billion yuan, an increase of 49.7% compared with 2015, accounting for 83.8% of the city's GDP.
- In 2020, the per capita income of legal entities in the tertiary industry above designated size stood at 2.229 million yuan, an increase of 24.8% year-on-year.

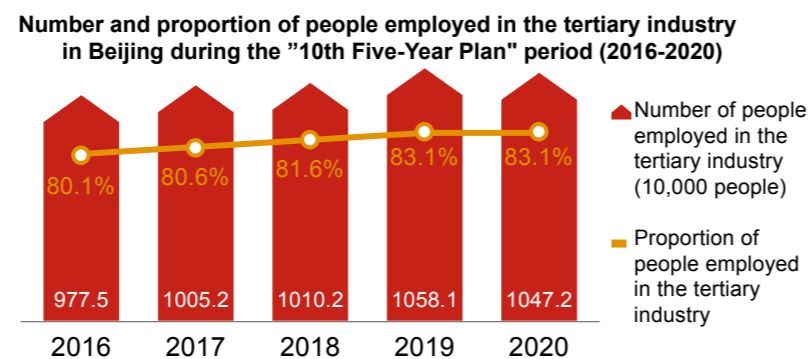


The proportion of added value of tertiary industry to GDP in Beijing in 2020²



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

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



Data source: The "Beijing Statistical Yearbook"

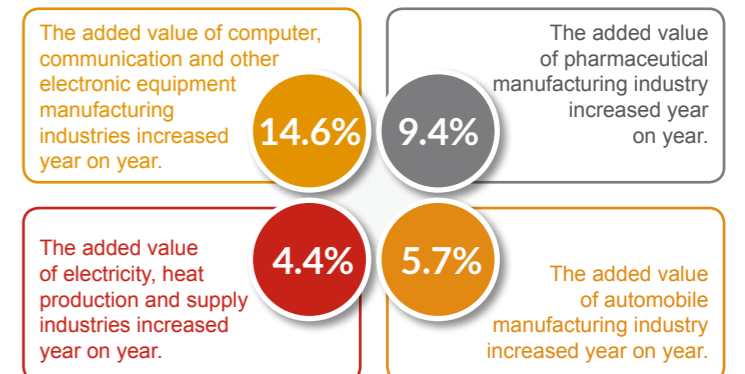
Note 2: World Bank high-income countries, EU countries, OECD countries' levels are based on data from 2019

Deeply integrating advanced manufacturing and modern service industries

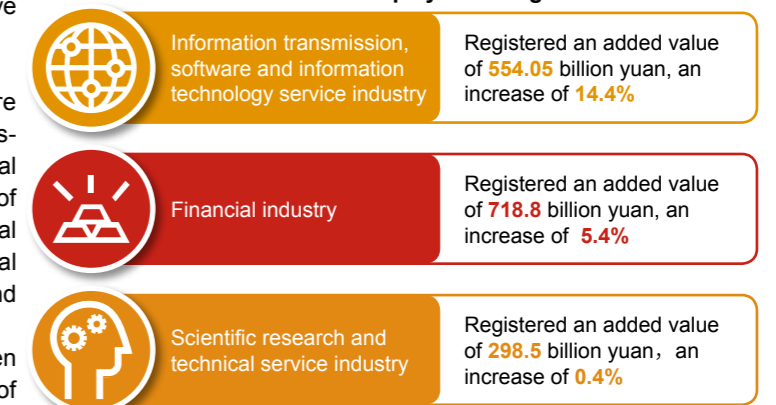
The manufacturing industry has driven the growth of the service industry efficiently, and the service industry has nurtured the development of manufacturing industry effectively.

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

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



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



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

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



Data source: 1. Beijing Municipal Commission of Economy and Information Technology
2. "Reviewing the '13th Five-Year Plan' and Looking Forward to the '14th Five-Year Plan'" press conference series held by Beijing in 2020

High-tech industries have demonstrated momentum of vibrant growth, and strategic emerging industries have kept growing.

- During the “13th Five-Year Plan” period, high-tech industries and strategic emerging industries increased accumulatively by 56.9% and 58.5%, respectively.
- In 2020, the added value of high-tech industries accounted for 25.6% of GDP, and the added value of strategic emerging industries accounted for 24.8% of GDP.²
- In 2020, the investment in high-tech manufacturing industry rose by 87.7%, and the investment in high-tech service industry increased by 16.5%. Among them, the investment in science and technology service industry grew rapidly, by 57%.

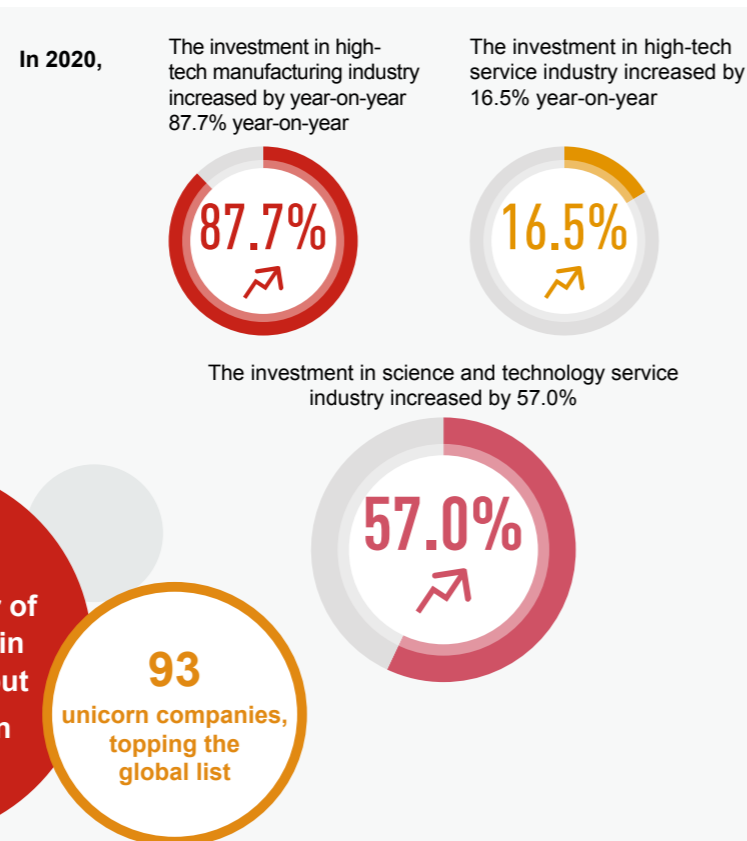
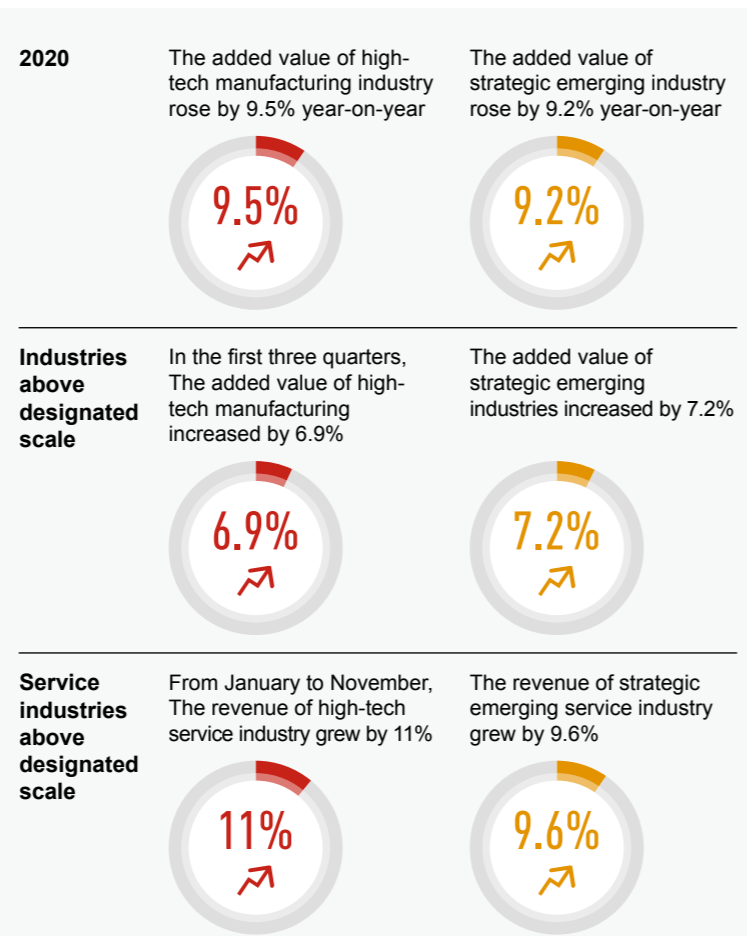
Market entities have been agglomerated with great development momentum.

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



Data source: 1. Official website of Beijing Municipal Commission of Economy and Information Technology
2. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020

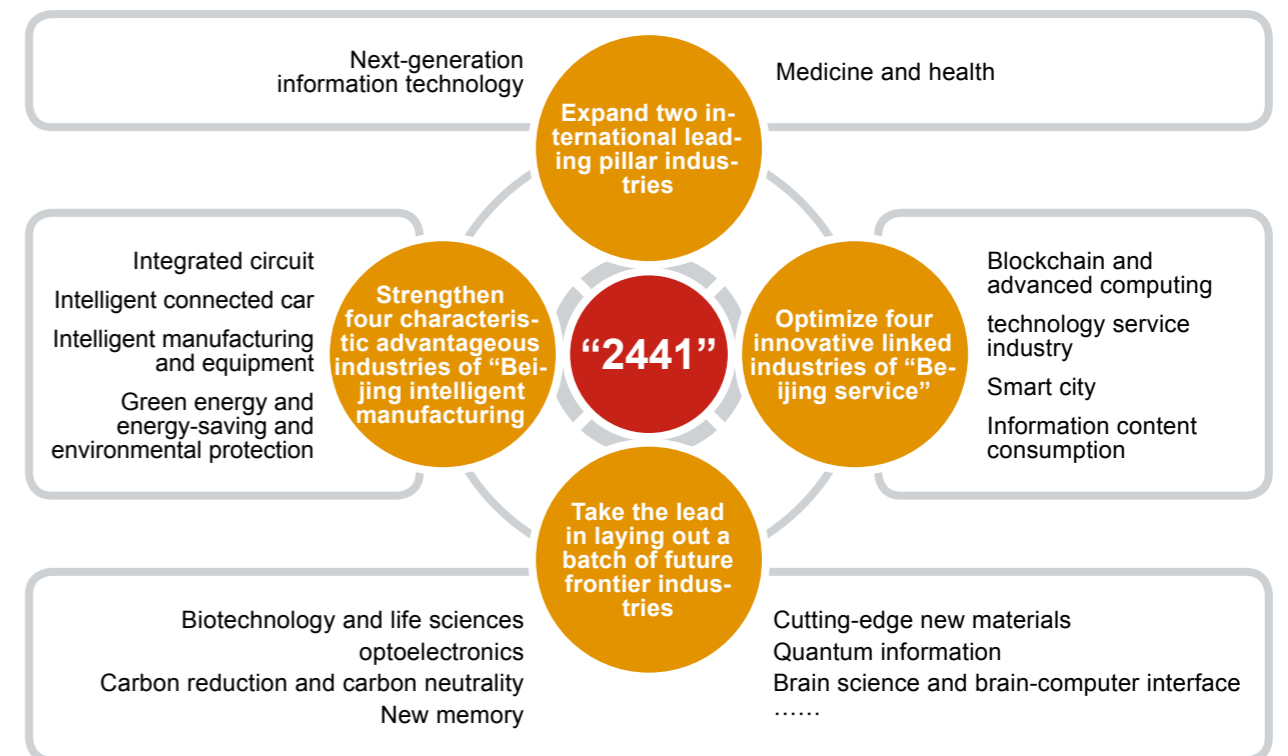
Note 2: The added value of high-tech industries and the added value of strategic emerging industries intersect.



Shaping “Beijing intelligent manufacturing” and “Beijing Service” with an economic structure featuring high-grade, precision and advanced industries



Beijing creates a more dynamic “2441” high-tech industry system.



Data Source: Beijing Municipal People’s Government, “Beijing’s 14th Five-Year Plan period high-precision industry development plan”

Technological Innovation

Accelerating agglomeration of high-end elements

Beijing continuously improves top design.

- During the “13th Five-Year Plan” period, Beijing successively introduced 28 provisions on scientific research projects and fund management, 30 provisions on science and technology innovation and regulations to promote the transformation of scientific and technological achievements, and further improved the top-level design for the development of high-end elements of scientific and technological innovation.

Beijing performs as a leader in the country in terms of investment into scientific and technological research.

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

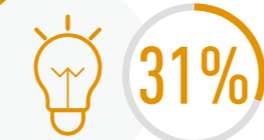
Intensity of investment into research and experimental development Ranking first in China



Beijing has yielded fruitful results in technological innovation.

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

2020 National Technological Invention and National Science and Technology Progress Award (preliminary evaluation passed)



The number of invention patents per 10,000 people was 155.8



10 times NO.1

	2020 Number/ amount	year-on-year growth (%)	Number/ amount increased from that in 2015	growth from 2015 (%)
Number of patent applications	257,000 applications	+13.7%	156,000 applications	+64.7%
Number of invention patent applications	146,000 applications	+12.6%	89,000 applications	+64.0%
Effective invention patents at the end of the year	336,000 patents	+18.2%	133,000 applications	+152.6%
Total turnover of technology contracts	631.62 yuan	+10.9%	345.26 billion yuan	+82.9%

Source: 1. Beijing Municipal Commission of Economy and Information Technology
2. Beijing Bureau of Statistics
3. Beijing Municipal Science and Technology Commission
4. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020



PwC Insights

- Chinese unicorn enterprises are gradually changing their roles to embrace digital transformation opportunities and provide original solutions in line with Chinese market needs. It is expected that during the “14th Five-Year Plan” period, more hard-tech star unicorn enterprises will emerge as policies and capital investments in support of technological research and development are further enhanced. Unicorn companies should be more active in leading digital transformation and upgrading and development of intelligent manufacturing, and should be committed to improving employees’ digital skills, enhancing cyber security, data privacy protection and digital trust, and promoting the construction of Digital China.

- Innovation has become the “key variable” in building a new development pattern, and the aggregated growth of unicorn enterprises reflects Beijing’s strength in science and innovation. In 2020, the number of unicorn enterprises in Beijing reached 93, ranking first in the world, with a total valuation of 2.649 billion yuan, and with leading unicorn enterprises represented by ByteDance and Didi. Beijing well deserves the reputation of “global capital of unicorn enterprises”.

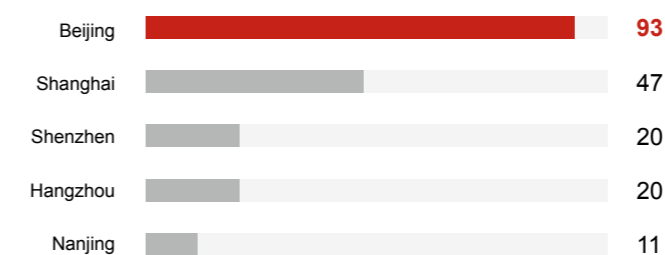
— PwC China

Beijing: “capital of unicorn enterprises”

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



Top 5 Chinese cities in 2020 in terms of number of unicorn enterprises accommodated



Data source: 1. The “2020 Hurun Global Unicorn Enterprise List”, statistics as of the release date on August 4, 2020
2. The “Unicorn Enterprise CEO Survey 2020” released by PwC China



Featuring “one district and sixteen parks”, Zhongguancun is accelerating the innovation and development of high-tech enterprises.

- Zhongguancun National Innovation Demonstration Zone, one of the core clusters of high-tech enterprises in Beijing, remains active in innovation and further demonstrated its role in driving innovation.
- Enterprise revenue has continued to rise. From January to November 2020, high-tech enterprises above designated scale (limit) in Zhongguancun Demonstration Zone achieved total revenue of RMB 6,048.25 billion yuan, an increase of 11.3% over the same period of the previous year.
- R&D investment has kept increasing. From January to November 2020, the total number of R&D personnel employed by enterprises in Zhongguancun enterprises stood at 729,000, up 10.5% over the same period of the previous year. R&D expenses totaled 267.58 billion yuan, an increase of 23.7% over the same period of the previous year.

Investment into innovation R&D personnel employed by high-tech enterprises above designated scale increased by 10.5% year-on-year
R&D expenses increased by 23.7%
The growth rate of R&D expenses increased by 7.6% year-on-year

Output of innovation 97,000 patent applications, up 11.7% year-on-year
Invention patent applications accounted for more than 60% of the total number of applications
The number of PCT patent applications increased by 38.9%

Effect of innovation Revenue from technology achieved by high-tech enterprises above designated scale increased by 23.3%, with a growth rate 4.3% higher compared with the same period of the previous year
The proportion of revenue from technology to total revenue reached 20%, an increase of 1.9% year-on-year

Note: January to November, 2020

Data source: 1. Beijing Municipal Bureau of Economy and Information Technology
2. Beijing Municipal Bureau of Statistics
3. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020

- Zhongguancun has developed into a gathering place for high-tech enterprises, science and technology innovation resources, talent resources and crowd innovation spaces, and is an important platform carrier and driving engine for Beijing to build an international science and technology innovation center.

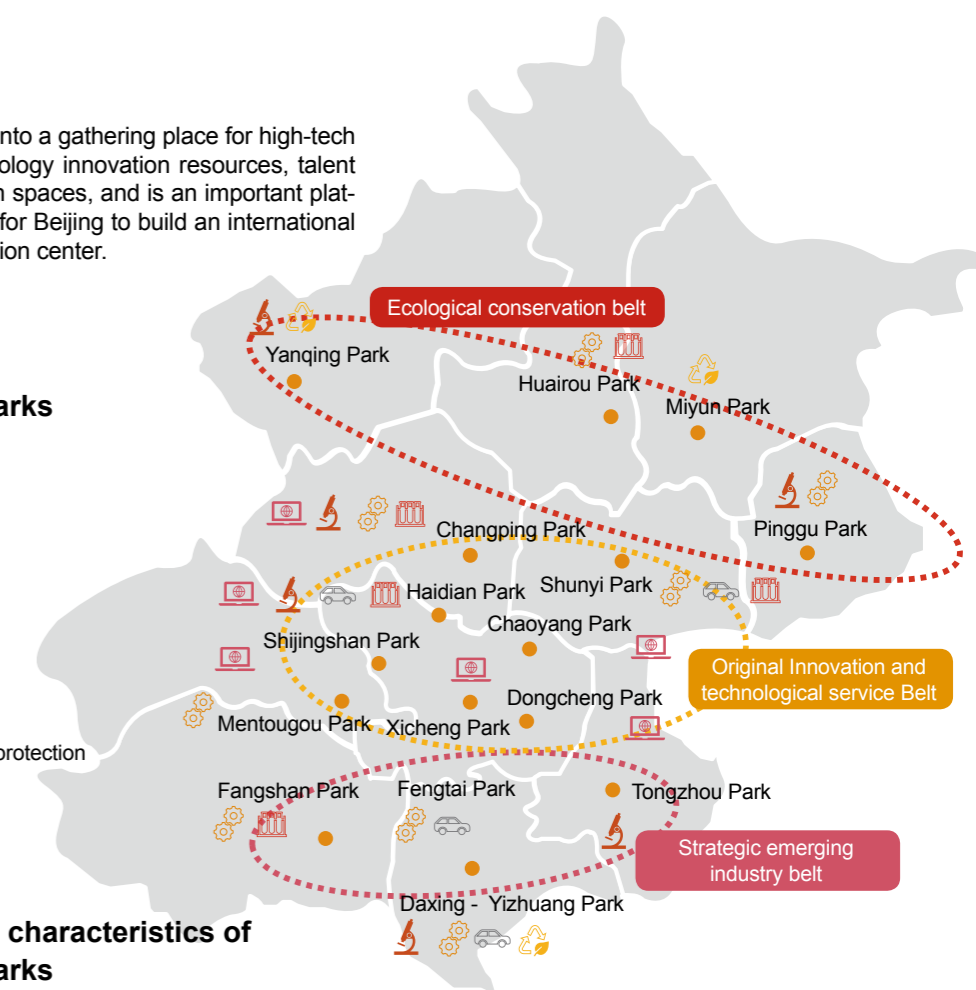
The distribution of Zhongguancun Sixteen Parks

Two leading industrial engines

- Information technology
- Biology and health

Four key industries

- Advanced manufacturing
- Modern transportation
- New energy and environmental protection
- New materials



The position and industry characteristics of Zhongguancun Sixteen Parks

Park	Positioning and Industrial Features
Haidian Park	The park is the birthplace of Zhongguancun Science Park, the core area of Zhongguancun National Independent Innovation Demonstration Zone, and the core area of the national science and technology innovation center. The park has preliminarily formed a cluster for headquarters of enterprises of the high-tech industry and R&D headquarters of enterprises dominated by the IT industry.
Changping Park	There are many universities and research institutions in the park. The park has formed five feature industries: energy technology, bio-medicine, advanced manufacturing, new materials, and electronic information.
Shunyi Park	The park is an R&D service and high-tech industrial cluster with a “sound ecosystem, industrial agglomeration, intensive land use, supplementary facilities, and integrated urban and rural development.” It concentrates on developing six new advantageous industrial clusters of the next-generation internet, mobile internet, new-generation mobile communications, satellite application, biological and health, energy conservation and environmental protection, and rail transportation. It also focuses on forming an industrial cluster with the top four potential industries: integrated circuits, new materials, new energy vehicles, high-end equipment, and the general aviation industry. It focuses on developing aerospace, high-end equipment manufacturing, R&D services, information services, and other high-end industries.
Daxing-Yizhuang Park	The park focuses on bio-medicine, electronic information, automobile manufacturing, equipment manufacturing and other industries. Among them, Beijing Economic and Technological Development Zone is the only national-level economic and technological development zone in Beijing, which enjoys the dual policies of national-level economic and technological development zone and high-tech industrial park.
Fangshan Park	The park focuses on the development of new petrochemical materials, high-end manufacturing, cultural innovation and other industries.
Tongzhou Park	The park develops modern manufacturing, integrated circuit, energy and environmental protection, bio-medicine, electronic information and other industries.
Dongcheng Park	The park is a “National Copyright Trade Base” recognized by China, a cluster of cultural and creative industry recognized by Beijing, and a “National Online Game and Animation Industry (Beijing) Development Base.”
Xicheng Park	Positioned as the capital’s core functional area, the park has profound cultural heritages and strong advantages in finance, information, science and technology, education resources, etc. The park plans to develop into an industrial pattern dominated by the modern service industry and supported by R&D, design, publishing, innovation, technology, and finance industries.
Chaoyang Park	The park focuses on three major industries: electronic information, bio-medicine and high-tech services.
Fengtai Park	The park has become a headquarter economic zone with proactive innovation, concentrated factors, developed economy and regional harmony. It is also an important high-tech industrial base of Beijing and the core urban economic functional area of the Fengtai District.
Shijingshan Park	The park focuses on developing emerging high-end industries such as modern finance, high-tech, cultural and creation, and scientific and technological services. It features with the digital entertainment industry which has an integrated development of technology and culture. It also has formed a development pattern supported by online games, film and television animation, digital media and design industries.
Mentougou Park	The park has formed an industrial cluster of the CNC equipment industry, bio-medicine industry, instrumentation industry, machinery industry, and other industries.
Pinggu Park	The park is located at the intersection of Beijing, Tianjin and Hebei, with obvious geographical advantages. The four leading industries are high-end equipment industry dominated by general aviation, high-end food and health industry, modern logistics and e-commerce industry, and music and culture innovation industry.
Huairou Park	The park focuses on developing nano-meter technology industry featuring new materials, science and technology service industry highlighting professional technology research and development, and digital information industry with cloud computing and Internet of Things (IoT).
Miyun Park	Five leading industries have been primarily established and developed, including, automobile and parts, new building materials, food and beverage, electronic information and bio-medicine.
Yanqing Park	The park is a critical area for expansion of the “Two Cities and Two Belts” central and northern R&D service and high-tech industrial belt.

Digital Economy

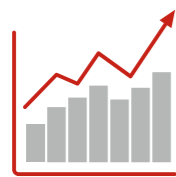
Fully releasing the dividends of digital economy

Top-level design has been gradually improved.



The development of digital economy has achieved effective results.

- The digital economy represented by information transmission, software and information technology service industry has become the main buttress of Beijing's economic growth. In 2020, the added value of Beijing's information service industry was 2.1 times that of 2015, and its proportion in GDP increased from 10.5% to 15.3%. The software and information service industry above designated scale achieved a business revenue of RMB 1,567.74 billion yuan, ranking first in the country and increasing 17.3% over the previous year, and the proportion in GDP increased from 10.5% to 43.4%.
- Digital technology enterprises are agglomerating in Beijing. Xiaomi, Baidu, Meituan, ByteDance, Didi and other digital economy enterprises have joined the "100 billion yuan club". More than 20 enterprises, including Xiaomi, Meituan and Baidu are on list of China's top 50 big data enterprises, and Beijing has the largest number of companies that made to this list.



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



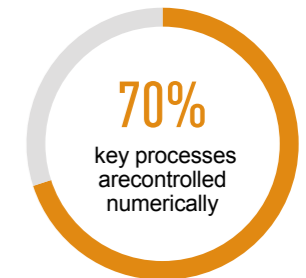
Data source: 1. Beijing Municipal Commission of Economy and Information Technology
2. Beijing Municipal Bureau of Statistics
3. "Reviewing the '13th Five-Year Plan' and Looking Forward to the '14th Five-Year Plan'" press conference series held by Beijing in 2020
4. Ministry of Industry and Information Technology's "Statistical Bulletin of Software and Information Technology Service Industry in 2020"



By the end of 2020

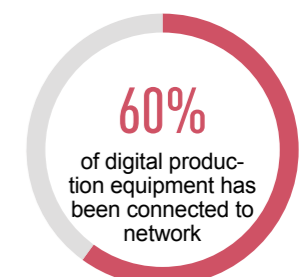
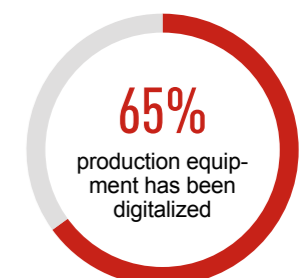
The development of digital economy has contributed to the enhancement of urban governance.

- A data governance system with blockchain as the core, which means a data application system featuring a big data platform, and a decision support system with "leadership cockpit" as the traction have taken shape.
- Innovative measures have been taken to improve the business environment, and big data has been applied to fully support the "reforms to streamline the government, delegate power, and improve government services" (all businesses can be handled in one system).
- Big data technology has been used for targeted pandemic response, providing 3.207 billion health status inquiries for 52.647 million people.
- The Specialized Zone for Financial Public Data has brought together more than 2 million market entities with about 1.8 billion records of high-value data, effectively reducing the cost of acquiring public data for financial institutions and solving the problem of difficult and expensive financing for SMEs.



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

- New digital infrastructure has been constantly improved, and the trial operation of the National Industrial Internet Data Center has been launched;
- The Haidian Park, Tongzhou Park and Information Technology Application and Innovation Park in the Economic Development Zone of the National Cyber Security Industrial Park have been opened, and the infrastructure construction of the National Comprehensive Demonstration Zone for Innovation and Application of Beidou and the National Industrial Demonstration Base for New Industrialization have made solid progress.
- Technology applications represented by the commercialization of 5G, 4K/8K ultra-high-definition video, and next-generation intelligent network-connected vehicles, have accelerated the integration of traditional industries with digital technology, giving birth to new enterprises and new market players.



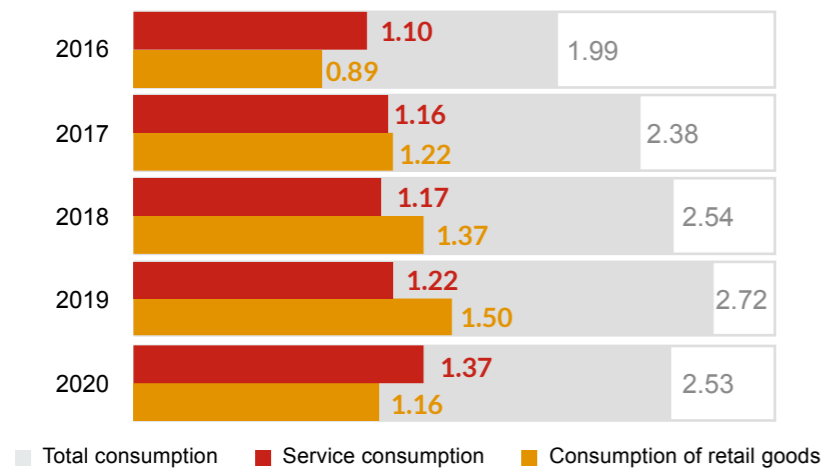
International Consumption

Stimulating new potential for consumption

The fundamental role of consumption in driving economic development has grown further.

- During the “13th Five-Year Plan” period, the total market consumption in Beijing continued to increase, the final consumption rate remained at about 60%, and the contribution rate of consumption to the economy was close to 70%.
- In 2020, the total retail sales of consumer goods in Beijing reached 1.37 trillion yuan, and the service consumption was 1.16 trillion yuan, accounting for about 45% of total consumption. Service consumption has kept growing, becoming the main driving force of consumption growth.

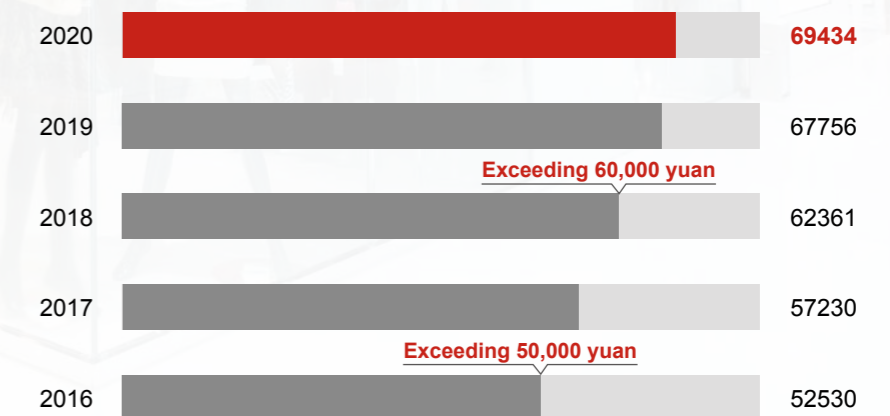
Consumption structure in Beijing during the “13th Five-Year Plan” period (2016-2020) (trillion yuan)



Consumption strength has kept growing.

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

Changes in per capita disposable income in Beijing during the “13th Five-Year Plan” period (2016-2020) (RMB)



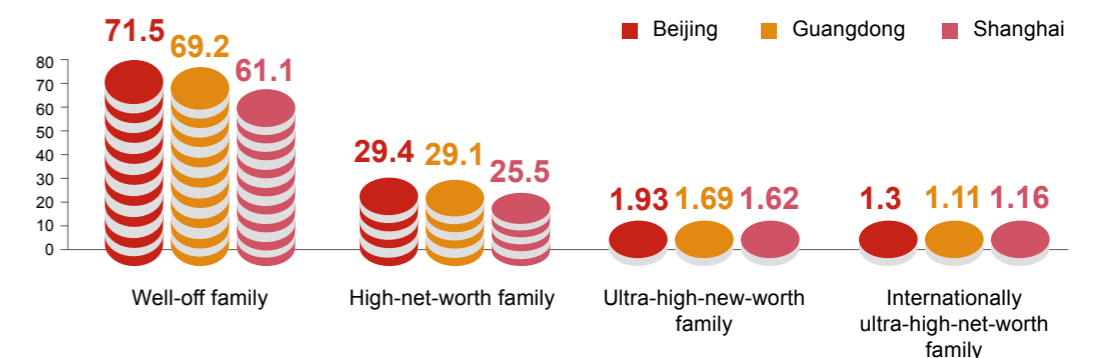
- Beijing is ranked first in China (excluding Hong Kong, Macao and Taiwan) in terms of the number of well-off families, and it is the region with the largest number of “well-off families”, “high-net-worth families”, “ultra-high-net-worth families” and “internationally ultra-high-net-worth families” in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

The new growth momentum of consumption has given rise to emerging consumption forms and models.

- Beijing has become a popular city for brand debuts, with a total of 183 debut stores in 2020. Among them, debut stores from retail and food and beverage sectors account for the largest percentage, taking up 42.1% and 39.9% of the total, respectively.
- In 2020, Beijing maintained a double-digit growth in online consumption, with online retail sales growing by more than 30%, 18.8% higher than the national average.



Top 3 regions in China in terms of distribution of wealthy families (10,000 families)



Data source: 1. Beijing Municipal Bureau of Statistics
2. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020
3. “Hurun Wealth Report 2020”
4. “Beijing Statistical Yearbook”

Data source: 1. “Beijing Statistical Yearbook”
2. Beijing Municipal Bureau of Statistics
3. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020
4. “Hurun Wealth Report 2020”

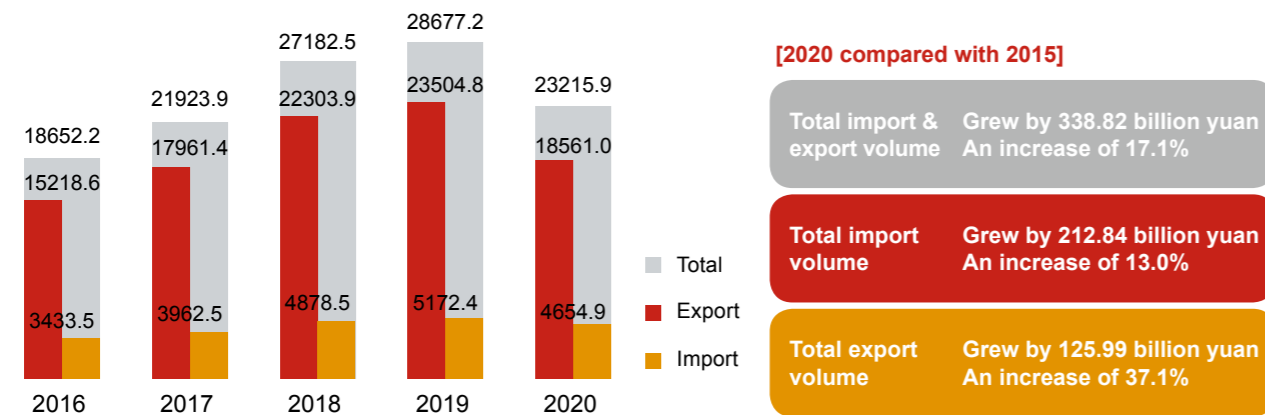
Development of Foreign Trade

Developing foreign trade well and improving its quality

The structure of foreign trade has kept optimizing.

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

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



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

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

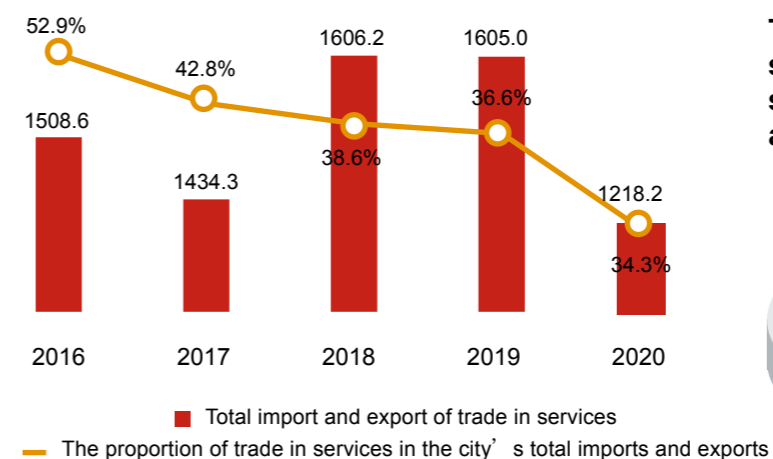


Data source: 1. Beijing Municipal Commerce Bureau
2. “Reviewing the ‘13th Five-Year Plan’ and Looking Forward to the ‘14th Five-Year Plan’” press conference series held by Beijing in 2020

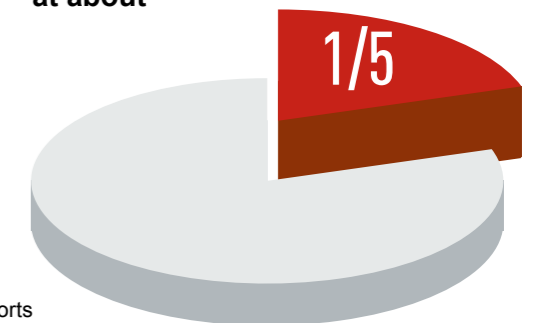
The openness of trade in services has been scaled up.

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

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



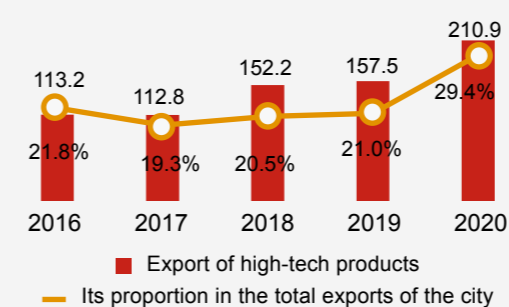
The share of Beijing's trade in services in China's total trade in services has been maintained at about



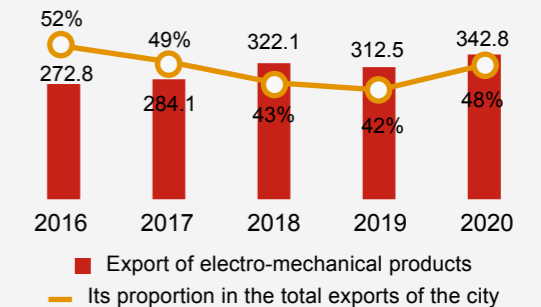
Optimization 2: High-tech products exports have continued to increase

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

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



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



Note: the exchange ratio used here is 1 USD to 6.4956 CNY (March 16th, 2021)

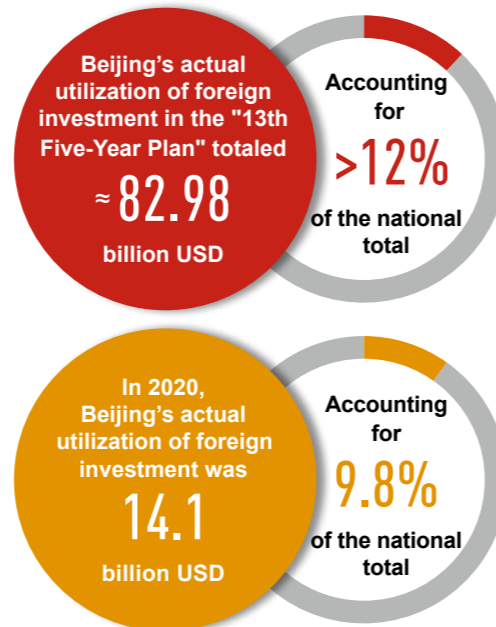
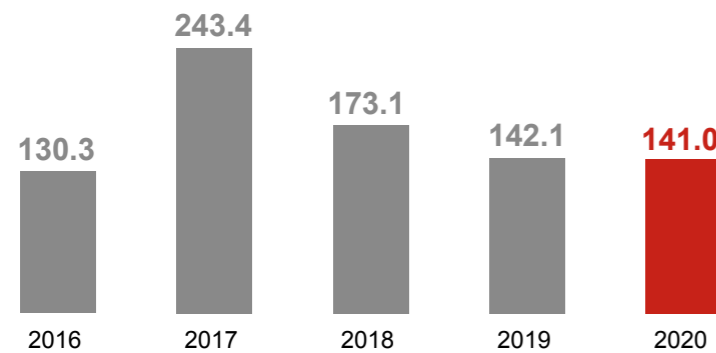
Utilization of Foreign Investment

Maintaining Beijing's strong momentum in the use of foreign investment, and growing Beijing into an attractive destination for foreign investment

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

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

Beijing's actual utilization of foreign direct investment during the "13th Five-Year Plan" period (2016-2020) (100 million USD)



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

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



A selection of foreign investment projects in Beijing in 2020

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



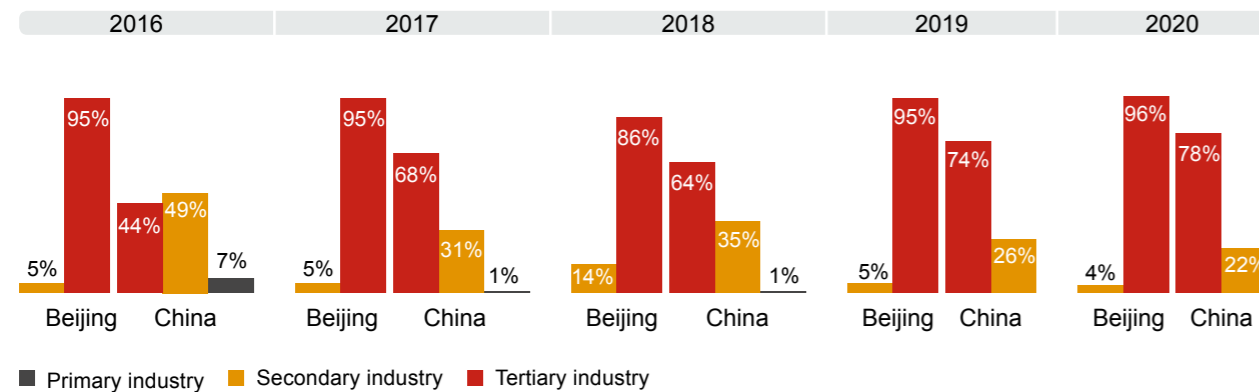
Data source: 1. Beijing Municipal Bureau of Statistics
2. Beijing Municipal Commerce Bureau
3. "Reviewing the '13th Five-Year Plan' and Looking Forward to the '14th Five-Year Plan'" press conference series held by Beijing in 2020

Data source: 1. Beijing Municipal Bureau of Statistics
2. Beijing Municipal Commerce Bureau
3. Compiled based on information from PwC

Further opening-up of the service industry has produced significant results.

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

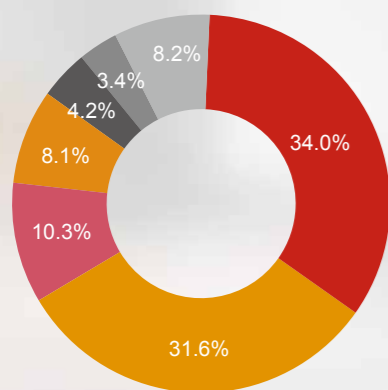
Structure of foreign direct investment in China and Beijing during the "13th Five-Year Plan" period (2016-2020)



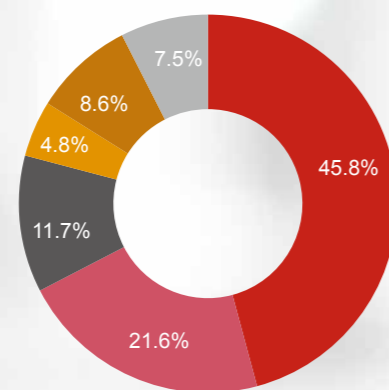
Note: Calculated by the actual amount of foreign capital utilized

- In 2020, the total actual utilization of foreign investment in Beijing's service industry reached 13.61 billion USD, accounting for 96.5% of the city's total utilization of foreign investment. The amount of foreign investment in scientific research and technological service industry accounted for 34% of the total amount of foreign investment in the city, information transmission, software and information technology service industry accounted for 31.6%, and leasing and business service industry accounted for 10.3%.
- In 2020, 1,232 foreign-invested enterprises were newly established in the service industry, accounting for 97.7% of the total number of foreign-invested enterprises newly established in the city, an increase of 1.7% year-on-year.

Structure of Beijing's actual foreign investment utilization in 2020



Structure of newly-established foreign enterprises in Beijing in 2020



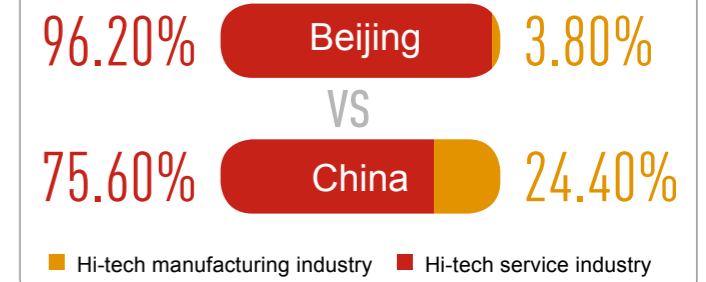
- Scientific research and technological service industry
- Information transmission, software and information technology service industry
- Leasing and business service industry
- Financial industry
- Culture, sports and entertainment industry
- Wholesale and retail industry
- Transportation, warehousing and postal industry
- Others

Data source: 1. Beijing Municipal Commerce Bureau
2. Beijing Municipal Bureau of Statistics
3. The "National Statistical Bulletin 2016-2020"
4. The "Statistical Bulletin 2016-2020 of Beijing Municipality"
5. Information compiled by PwC

Foreign investment in high-tech continuous to grow.

- In 2020, the actual utilization of foreign investment in Beijing's high-tech industries reached 9.66 billion USD, accounting for 68.5% of the city's total actual utilization of foreign investment, an increase of 4.7% year-on-year.
- In 2020, the number of foreign-invested enterprises newly established in Beijing's high-tech industries was 736, accounting for 58.4% of the total number of new foreign-invested enterprises in the city, up 4.1% year-on-year.

Structure of actual Utilization of foreign investment in high-tech industries in China and Beijing in 2020 (percentage taken by high-tech manufacturing and high-tech service industries)



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

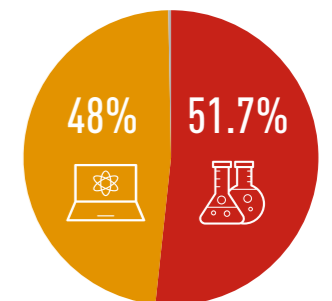
- In 2020, the actual utilization of foreign investment in Beijing's high-tech service industry reached 9.29 billion USD, accounting for 96.2% of the actual utilization of foreign investment in the city's high-tech industries, about 20 percentage points higher than the national level.
- In 2020, the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

Scientific research and technological service industry | Information transmission, software and information technology service industry

The amount of foreign investment actually utilized in these two segments accounted for 99.7% of the amount of foreign investment utilized in Beijing's high-tech service industry and 65.7% of the total amount of foreign investment actually utilized in the city.

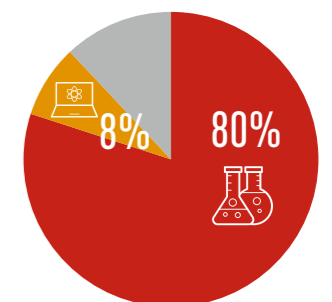
The number of new foreign-invested enterprises in these two segments accounted for 88% of new foreign-invested enterprises in Beijing's high-tech service industry and 50.6% of the total number of new foreign-invested enterprises in the city.

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

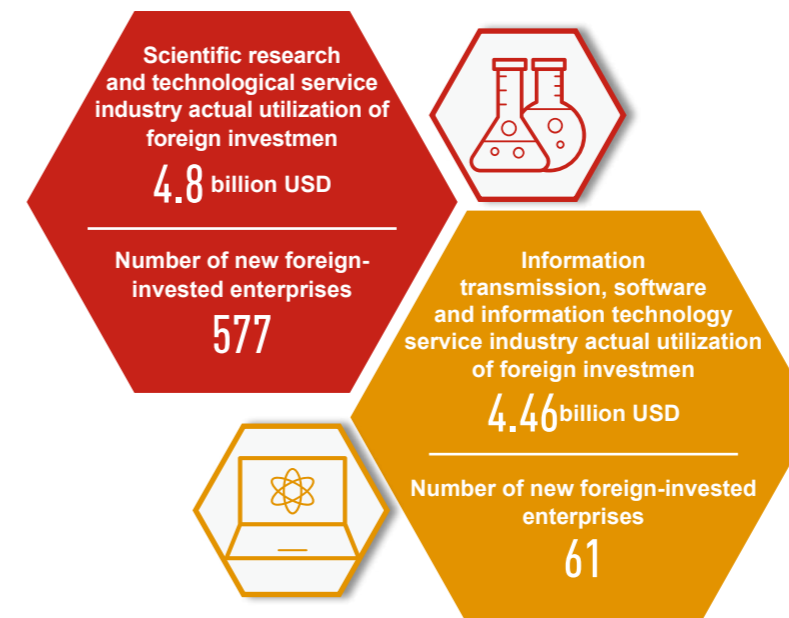


- Scientific research and technological service industry
- Information transmission, software and information technology service industry
- Others

Number of foreign-invested enterprises in key areas of high-tech service industry in 2020



- Scientific research and technological service industry
- Information transmission, software and information technology service industry
- Others



Data source: 1. Beijing Municipal Commerce Bureau
2. Organized by PwC based on public information

Overview of the utilization of foreign investment in various districts of Beijing in 2020 (ten-thousand dollars) and key industries for attracting foreign investment

1. Haidian District

New-generation information technology, energy conservation and environmental protection, new energy vehicles, intelligent manufacturing, new materials

Foreign Investment Utilization **566015**

2. Chaoyang District

Business services, finance, culture and creativity, high technology, scientific and technological services, sports and leisure, health care for the elderly

Foreign Investment Utilization **462027**

3. Dongcheng District

Finance, business services, information services

Foreign Investment Utilization **60101**

4. Shijingshan District

Modern finance, high technology, culture and creativity, business services, tourism and leisure

Foreign Investment Utilization **39075**

5. Xicheng District

High-end service

Foreign Investment Utilization **22386**

6. Fengtai District

High technology, new finance, culture and creativity

Foreign Investment Utilization **12017**

7. Shunyi District

High-end services, automobiles, aeronautics and astronautics, new generation information technology, new materials, new energy, modern agriculture

Foreign Investment Utilization **70270**

8. Economic Development Zone

Biomedicine, intelligent manufacturing, labor intelligence, information security, new energy steam car, finance

Foreign Investment Utilization **65465**

9. Tongzhou District

Culture and creativity, high-end business, health services, high-tech agriculture

Foreign Investment Utilization **56527**

10. Changping District

Energy and environmental protection, biomedicine, intelligent manufacturing

Foreign Investment Utilization **16195**

11. Daxing District

Electronic information, biomedicine, high-end automobile, high-end equipment, culture and creativity, airline services, energy conservation and environmental protection, urban services, modern agriculture

Foreign Investment Utilization **12715**

12. Fangshan District

New energy vehicles, intelligent equipment, new materials, tourism and leisure

Foreign Investment Utilization **9343**

13. Huairou District

New materials, environmental protection, biomedicine

Foreign Investment Utilization **7119**

14. Pinggu District

Modern agriculture, tourism and leisure, health services, culture and creativity

Foreign Investment Utilization **5002**

15. Mentougou District

Intelligent manufacturing, medicine and health, tourism and leisure, culture and creativity, energy conservation and environmental protection

Foreign Investment Utilization **4240**

16. Miyun District

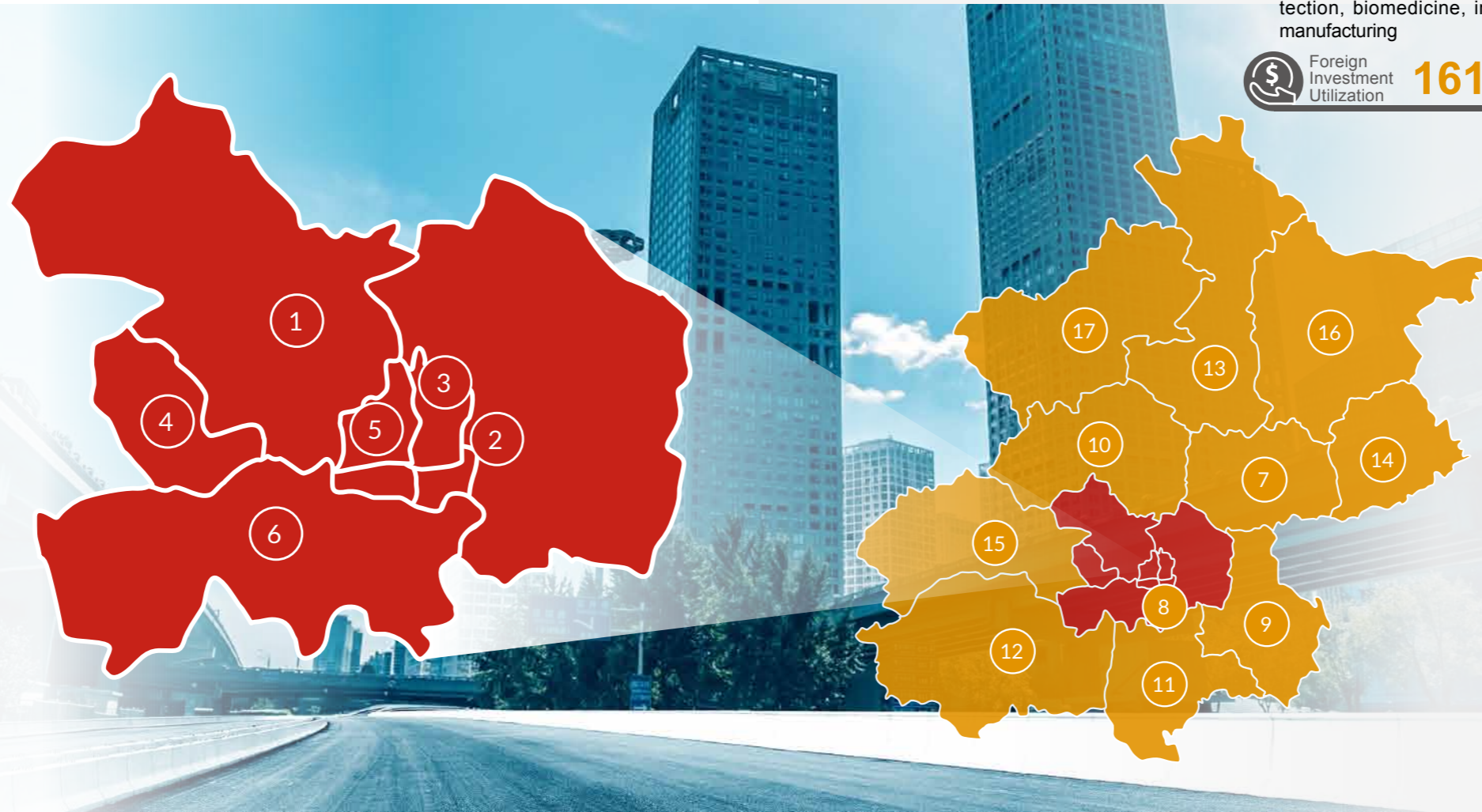
High-end intelligent equipment manufacturing, new generation information technology, tourism and leisure, modern agriculture

Foreign Investment Utilization **1660**

17. Yanqing District

Tourism and leisure, modern agriculture, new energy and environmental protection

Foreign Investment Utilization **304**



Data source: 1. The Beijing Municipal Commerce Bureau
2. Data organized by PwC based on public information

New International and Domestic Circumstances

Deeply integrating China's economy into the world and continuously releasing the potential for new development

02

New Opportunities of Opening-up

Deepening of Reform and Win-win Cooperation



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

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

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



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

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



China has made new historic progress in its economic and social development

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

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



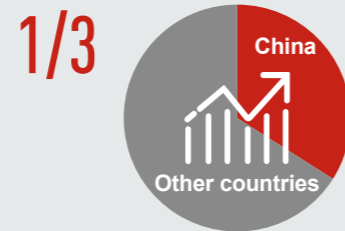
China has ample potential for high-quality development

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

Data source: 1. Special address by President Xi Jinping at the World Economic Forum Virtual Event of the Davos Agenda
2. The “World Economic Outlook” released by the International Monetary Fund (IMF) on April 2021
3. The “2020 Government Work Report”

China's economic recovery has boosted the global economy and the great vigor of its economy has stabilized global investment.

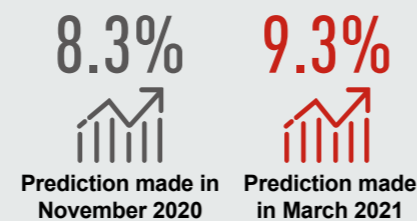
- In December 2020, the Organization for Economic Cooperation and Development (OECD) released a report showing that the global economy is expected to grow by 4.2% in 2021.
- China will be the locomotive of the world economy, contributing more than **one-third** of the global economic growth in 2021.



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



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



- On March 9, 2021, the American Chamber of Commerce in China (AmCham China) released "2021 China Business Climate Survey Report" showing that:
 - 81%** of respondents expected positive growth in China's domestic market in 2021;
 - 75%** of companies surveyed expressed optimism about China's economic recovery;
 - 85%** of companies surveyed said they are not considering moving production and sourcing outside of China;
 - 61%** companies surveyed continued to view China as a preferred investment destination;
 - 61%** companies believed the Chinese government will further open its market to foreign investment, up five percentage points from the previous year.



- According to the "American Business in China White paper" released by the American Chamber of Commerce in China in May 2021:
 - 2/3** of U.S. companies said they plan to increase their investment in China in 2021;
 - More than 50%** companies said the investment environment in China is improving;
 - Member companies of the American Chamber of Commerce are generally positive about China's **growth and profitability potentials** and **the business environment** in China.

U.S. companies in China

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

Data source: 1. The "Economic Outlook 2021" released by the Organization for Economic Cooperation and Development (OECD) in December 2020
 2. The "World Economic Outlook" released by the International Monetary Fund (IMF) in April 2021
 3. Published by Bloomberg Economics (BE)
 4. The "2021 China Business Climate Survey Report" released by the American Chamber of Commerce in China (AmCham China)

The foreign investment in China bucked the trend as huge China market recovered strongly.

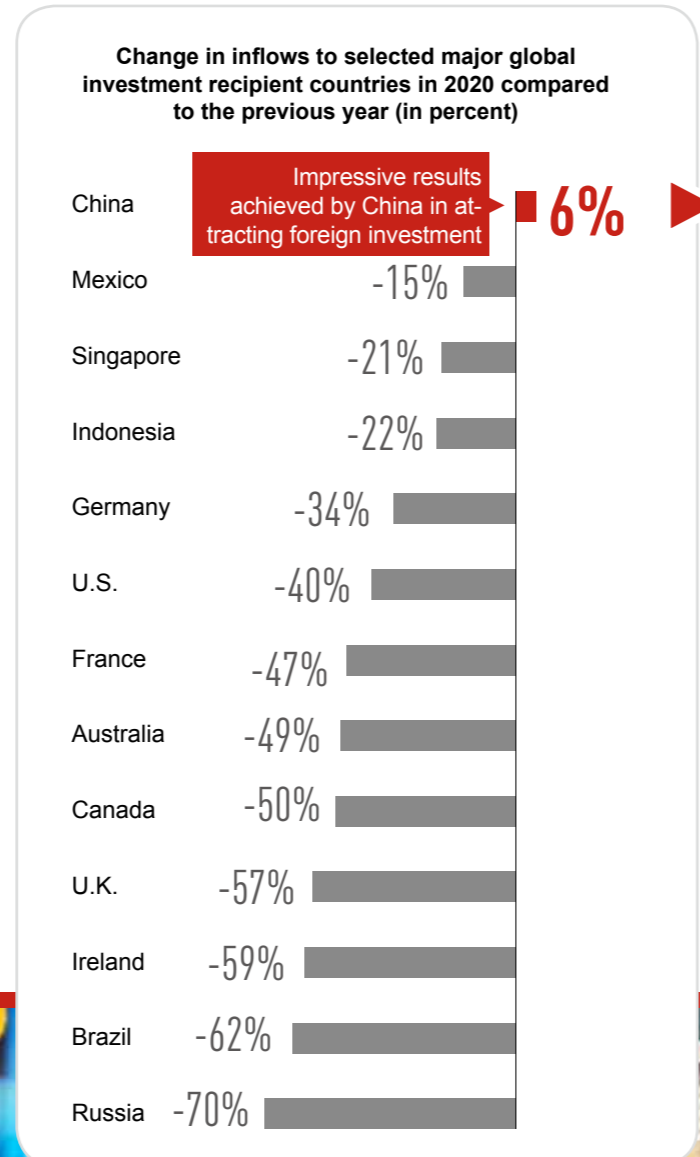
○ In June 2021, the United Nations Conference on Trade and Development (UNCTAD) released a report showing that the global foreign direct investment (FDI) in 2020 decreased by 35% compared with that in 2019.

China's FDI growth is strong

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

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

The world's largest FDI outflow country, China's FDI outflow accounts for **18%** of the world's total



Continuous optimization of the structure of investment attraction

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

Accelerated implementation of projects

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

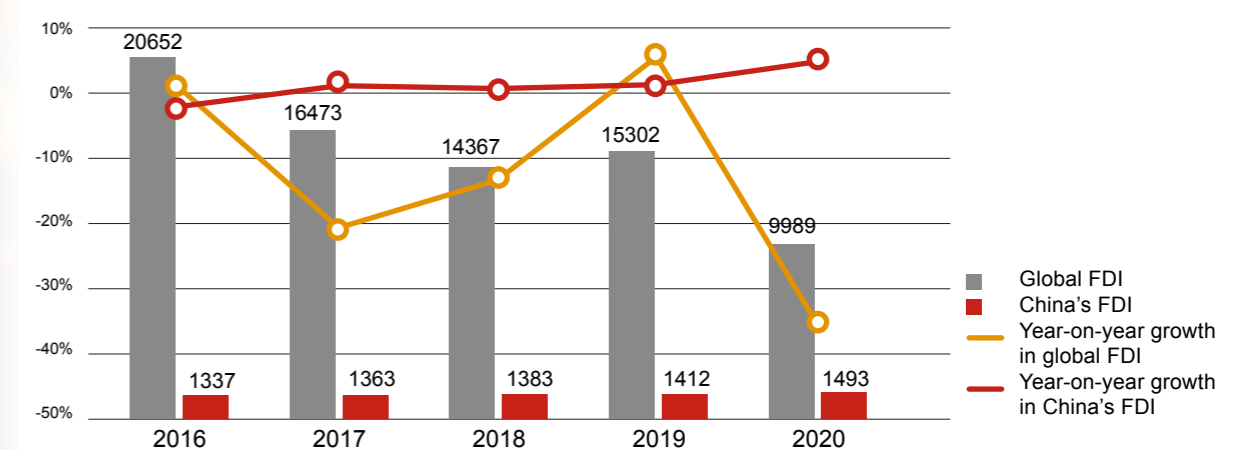
Significant increase of foreign investment in certain regions

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

Outcomes of being a highland for opening-up

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

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



Data source: 1. The "World Investment Report 2021" released by the the United Nations Trade and Development Organization (UNCTAD) in June 2021
2. Statistics from the Ministry of Commerce, Ministry of Commerce's 2020 Business Work and Operation Press Conference

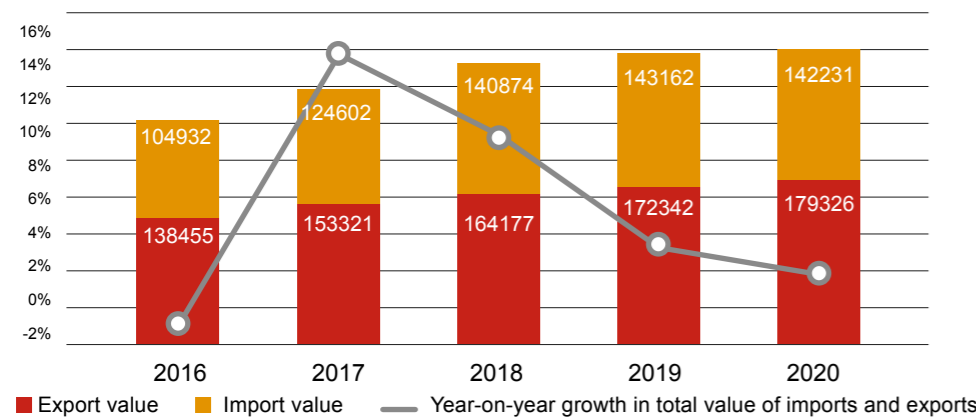
Data source: 1. The "World Investment Report 2021" released by the the United Nations Trade and Development Organization (UNCTAD) in June 2021
2. Statistics from the Ministry of Commerce, Ministry of Commerce's 2020 Business Work and Operation Press Conference

With foreign trade stabilization measures taking effect, China's foreign trade has made a "V" shape rebound.

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

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

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



2020

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

32.16 trillion yuan **+1.9%**
World's Only major economy that achieved a positive growth in trade

NO. 1
Largest exporter in the world

NO. 2
Second largest importer in the world

120 +
Largest trading partner of over 120 countries and regions

Super large consumers' market

Stable industrial and supply chains

Constantly improving business environment

The vitality of foreign trade entities has continued to increase

The mode of trade has been greatly optimized

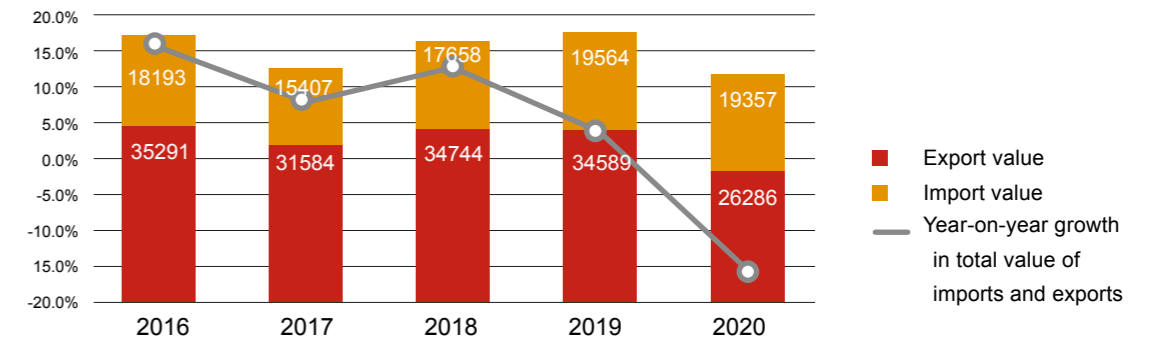
Continuous development of traditional advantageous products



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

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

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



Intellectual property royalties

Telecommunications, computer and information services

Insurance service



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

2020

Data source: 1. Statistics from the World Trade Organization
2. Statistics from the General Administration of Customs
3. The "Trade and Development Report 2020" released by from the United Nations Trade and Development Organization on March 18, 2021

Data source: 1. National Bureau of Statistics: 2016-2020 "Statistical Bulletin of National Economic and Social Development"
2. The Ministry of Commerce

New Landscape of Opening-up

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

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

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

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

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

RCEP was officially signed.

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

Data source: 1. The Ministry of Commerce
2. The Information Office of the State Council

New landscape of opening-up

Multi-layer

Wide-range

High-level

- Silk Road Economic Belt
- 21st Century Maritime Silk Road
- Pilot FTZs in China
- Signed FTAs
- FTAs under negotiation
- FTAs under consideration

The "Foreign Investment Law of the People's Republic of China" and the "Implementation Regulations of the Foreign Investment Law of the People's Republic of China" took effect.

The restriction on foreign shareholding ratio of futures companies has been officially cancelled nationwide.

The 2020 edition of the "National Negative List for Foreign Investment Market Access" and the "Negative List for Foreign Investment Market Access in Pilot Free Trade Zones" came into effect, and the number of provisions of these two regulations reduced from 40 to 33 and from 37 to 31, respectively.

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

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

The State Council approved the establishment of Beijing, Hunan, Anhui Pilot FTZs, and the expansion of Zhejiang Pilot FTZ.

The restrictions on foreign shareholding ratio of securities companies was officially cancelled nationwide.

The "Measures for the Security Review of Foreign Investment" took effect.

The "Special Administrative Measures for Foreign Investment Access to Hainan Free Trade Port (Negative List) (2020 Edition)" (27 provisions in total) took effect.

2020.1.1

2020.4.1

2020.7.23

2020.8.12

2020.9.7

2020.9.21

2020.11.15

2020.12.1

2020.12.30

2021.1.18

2021.1.27

2021.2.1

Domestic independent open-up platforms (inexhaustive)

21

pilot FTZs

1

national integrated demonstration zone for greater openness in the services sector

4

pilot areas for greater openness in the services sector

28

pilots for innovative development of trade in services

31

model cities for service outsourcing

17

national export bases for Chinese medicine service

13

national export bases for culture

12

national export bases for digital service

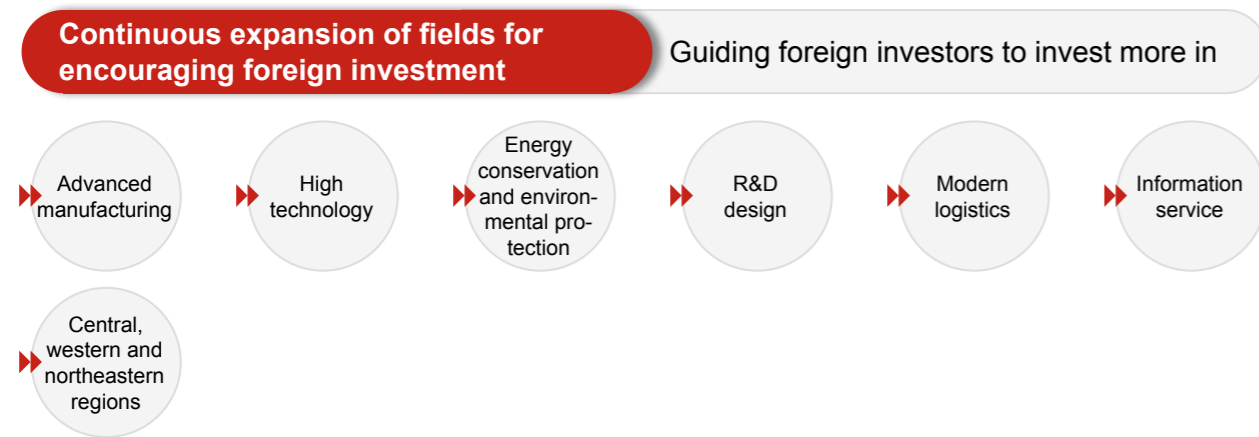
The “Foreign Investment Law” has opened up new prospects.

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

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



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



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


 The negative list for foreign investment market access has been further shortened

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

“
 In the long run, the “Measures for Security Review of Foreign Investment” is conducive to the better development of foreign-invested enterprises in China, and will not add unnecessary burden to normal foreign investors and enterprises.
 —Ministry of Commerce of the P.R.C.
 ”


 Steadily promote the reform of foreign investment management system

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


 Strive to promote the implementation of major foreign investment projects

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


 Implement pre-establishment national treatment for foreign investment across the board

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

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

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

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

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

The national "14th Five-Year Plan" charts a course for China's further development.

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

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

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

Accelerate the synergistic development of Beijing, Tianjin and Hebei

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

Hold successful Beijing Winter Olympics and Winter Paralympics

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

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

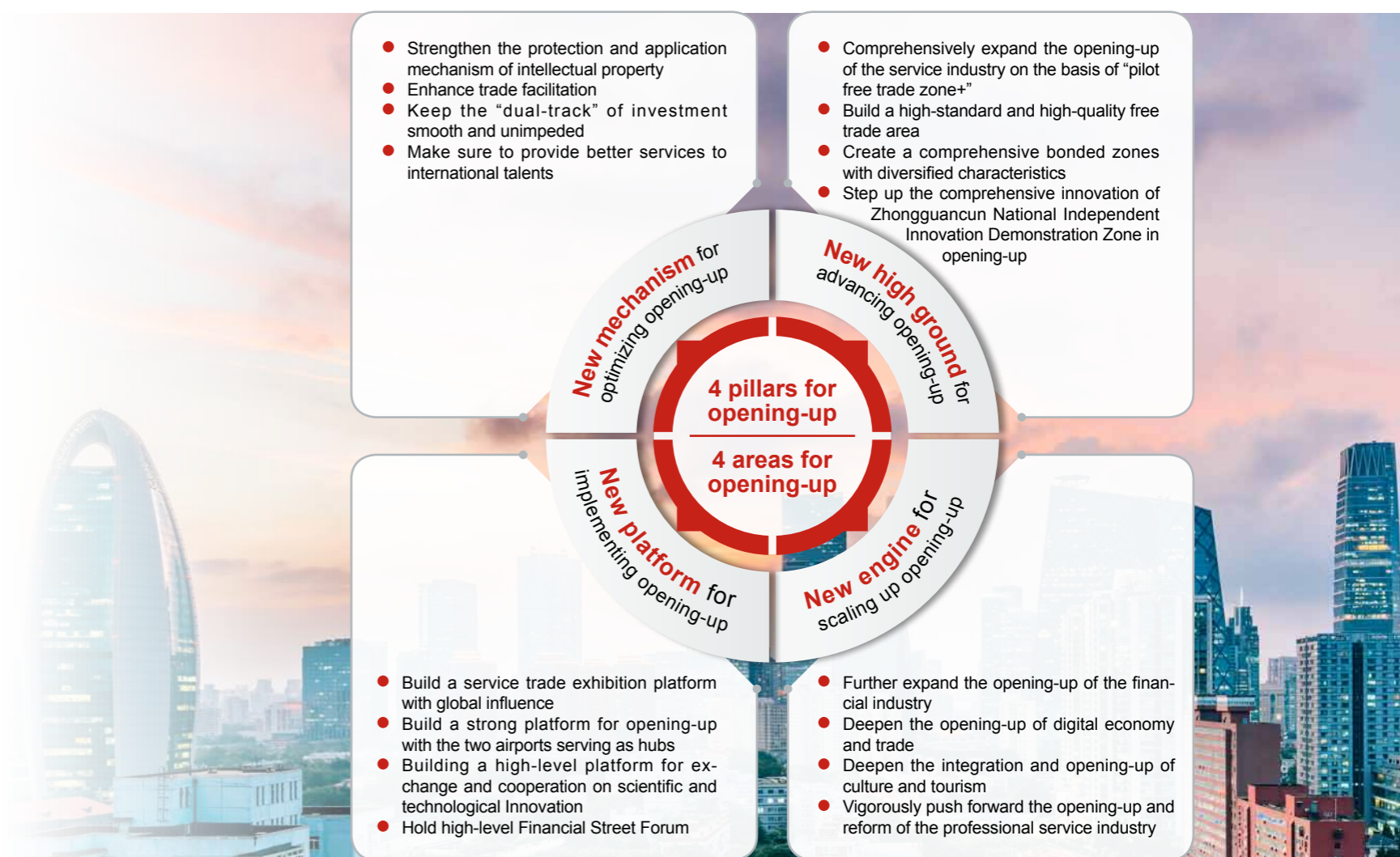
New Initiatives Adopted in the "14th Five-Year Plan" Period

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

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

Following the "4x4" framework, the initiatives adopted for the new round of opening-up will focus on "new high ground, new engine, new platform and new mechanisms", and highlight 16 key tasks. Furthermore, more initiatives in financial services, digital economy and trade, cultural tourism, professional services and other areas will be introduced to promote the further opening-up of Beijing.

Beijing made an Action Plan for "4x4" new initiatives for opening-up.



Leveraging new strategic advantages to create a new high ground for reform and opening-up

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

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

- Strengthen the service guarantee for major state affairs activities
- Aggregation and carrier of national high-end elements
- Impetus and support for Beijing’s opening-up and development
- Demonstration and leader of urban external exchanges



One core	An important carrying area for state affairs and diplomacy	
Two axes	Concentrated carrying area for international financial management, international conference and exhibition and other comprehensive services concentrated bearing area	
Multiple sectors	Their respective development plans have been defined Carrying capacity area for public public diplomacy	
	01 Yanqing – Badaling: World Horticulture Expo module International culture and tourism	05 Chaoyang: embassy module Push forward the construction of the fourth embassy cluster
	02 Huairou – Yanqi Lake: science city module international communication, international exchanges of culture and science	06 Tongzhou: city sub-center module Remove non-capital functions, agglomeration of international high-end factors
	03 Shunyi: Capital airport module Promote the construction of the second and third phases of the New China International Exhibition Center	07 Daxing: international airport module International business and finance, international organization functions
	04 Haidian – Zhongguancun: “three hills and five gardens” module Gathering of international high-end talents and starting up of high-tech enterprises	

Building “Two Zones” with high standards and promoting the expansion of opening-up in all aspects

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

Building an international science and technology innovation center and reinforcing the core position of innovation

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

Positioning the digital economy a forerunner and building a global benchmark city of digital economy

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

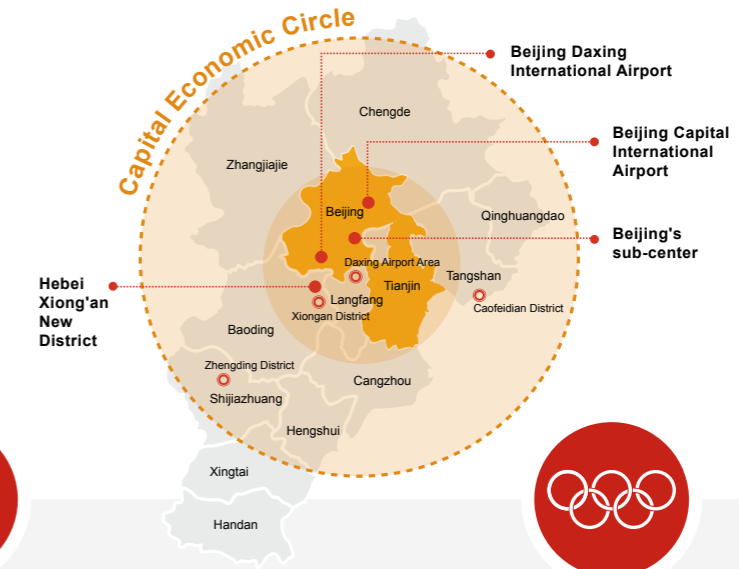


Building an international consumer center and leading the new demand for consumption

- It is one of the main tasks of Beijing’s business development in the “14th Five-Year Plan” period to promote the development of new consumption by building an international consumer center
- Plan 5 regional consumption centers
- Forster consumer brands: brands’ debut stores, “night capital”, landmark consumption circles
- Improve international consumption: explore new ways to develop free-duty stores and new models for cross-border e-commerce

Interacting development of “one core and two wings” and promoting the Coordinated Development of Beijing Tianjin-Hebei

- Beijing insists on the interacted development of “one core and two wings”, strengthens regional coordination and cooperation, and promotes the coordinated development of Beijing-Tianjin-Hebei to a higher level
- R&D in Beijing and industrialization in Beijing, Tianjin and Hebei
- Strengthen the convergence of new energy vehicles, unmanned vehicles and other high-tech fields
- Connect Beijing, Tianjin and Hebei with railways
- Promote breakthroughs in the layout of regional innovation chain, industrial chain and supply chain
- Promote the formation of a world-class city cluster with the capital as the core



Building a national cultural center and creating a world famous tourist city

- The “Medium and Long-term Plan for Beijing to Promote the Construction of National Cultural Center (2019-2035)” was officially released on April 9, 2021
- Vigorously develop modern cultural industries and promote high-quality cultural consumption
- Promote the implementation of the same standard for online and offline artistic and literary creation
- Accelerate the construction of “cultural circle”
- Build a world famous tourism city

Leveraging the 2022 Winter Olympic and Paralympic Games to improve the application of high technology scenarios

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



Data source: 1. The “14th Five-Year Plan’ and Long-Range Objectives Trough the Year 2035”
 2. Beijing Municipal Commerce Bureau
 3. Beijing Municipal Commission of Science and Technology
 4. The “Medium and Long-term Plan for Beijing to Promote the Construction of National Cultural Center (2019-2035)”
 5. The “2021 Government Work Report of Beijing Municipality”

Data source: 1. The “2021 Government Work Report of Beijing Municipality”
 2. The “Action Plan for the Implementation of New Opening Initiatives of Beijing Municipality”
 3. Beijing Municipal Commerce Bureau

03

New Engine of Opening-up

Multiple Incentives and Better Opportunities

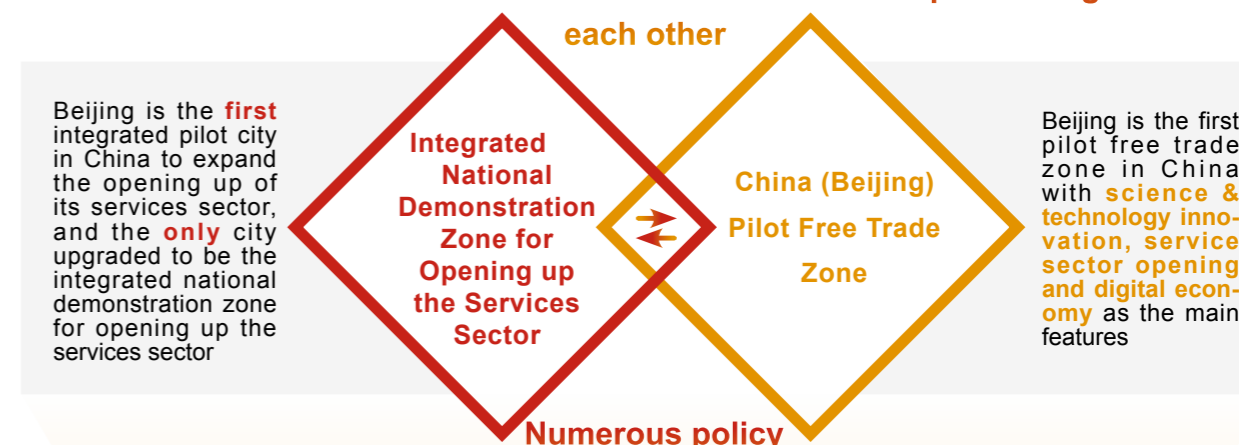


Introduction of Numerous Incentives for the Construction of “Two Zones”

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

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

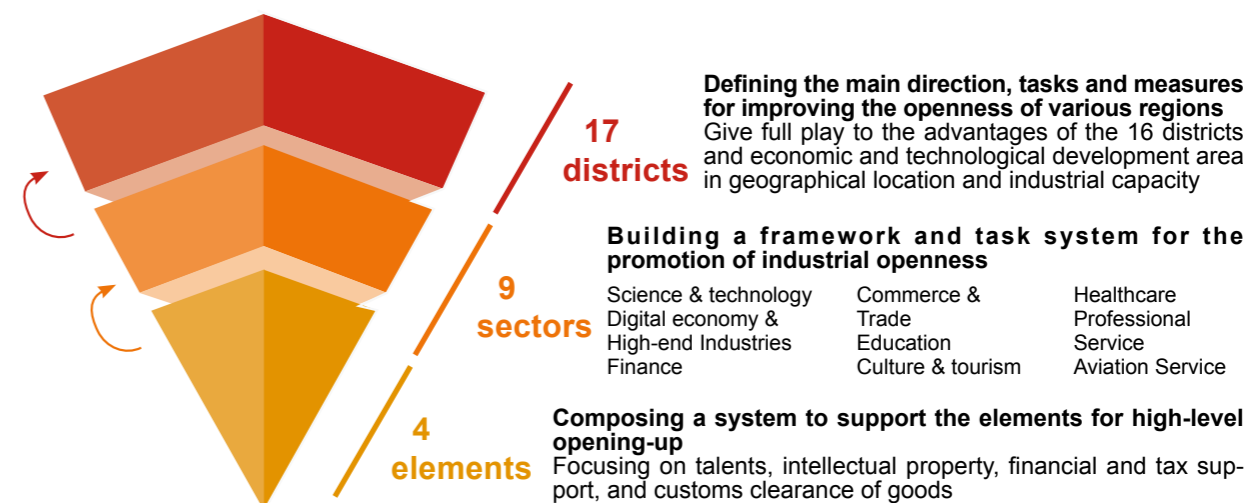
Each zone has its own characteristics while complementing each other



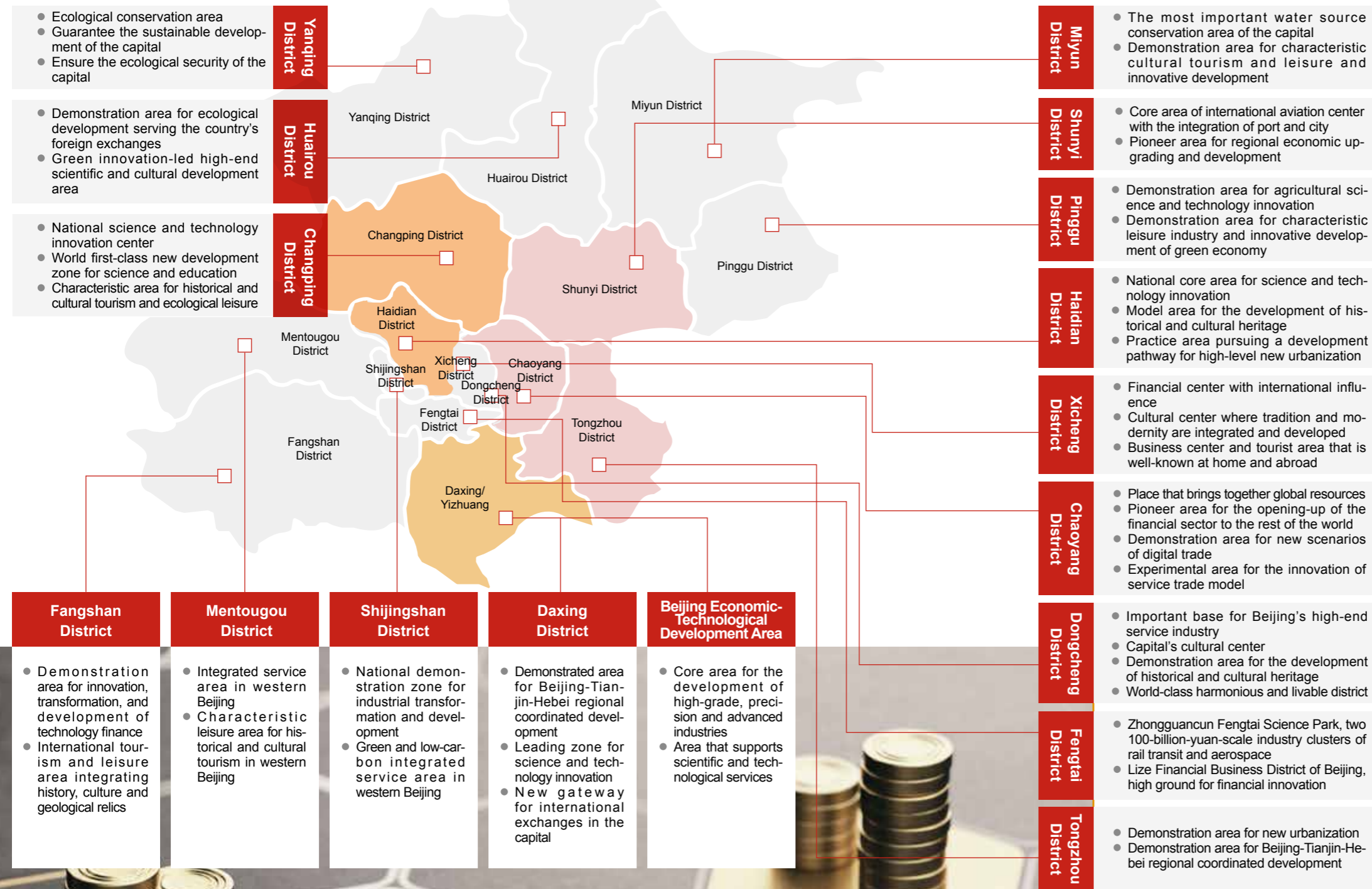
Numerous policy incentives are introduced which is unprecedented nationwide

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

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



17 Districts: Clarify development direction and position, and facilitate foreign investors to make accurate and wise investments



Innovative Science and Technology Region

Changping Cluster

- Take the lead in making breakthroughs in the pilot of decentralized clinical trial (DCT)
- Speed up the construction of international research-based hospitals

Haidian cluster

- Focusing on creating a world-class innovation ecology
- Pilot in constructing the offshore innovation center
- Applying for the Zhongguancun comprehensive bonded zone
- Promoting the construction of the digital trade port



International Business Service Region

Chaoyang cluster

- Highlighting the international-orientation
- CBD attracts the convergence of headquarters of foreign-invested institutions
- Jinzhao international cooperation service zone promotes the integration pilot of tax-free consumption and pre-checkin

Shunyi cluster

- Give full play to the advantages of the airport, and expand the business forms of bonded R&D, bonded services etc. in Tianzhu comprehensive bonded zone
- The airport economic demonstration zone of the Capital Airport expands the international traffic rights and promotes the development of air cargo

Tongzhou cluster

- Stepping up the construction of the global wealth management center and international financial port in canal business district
- Starting the construction of a pilot zone for green finance reformation and innovation
- Preparing for the establishment of a carbon bank



High-end Industry Region

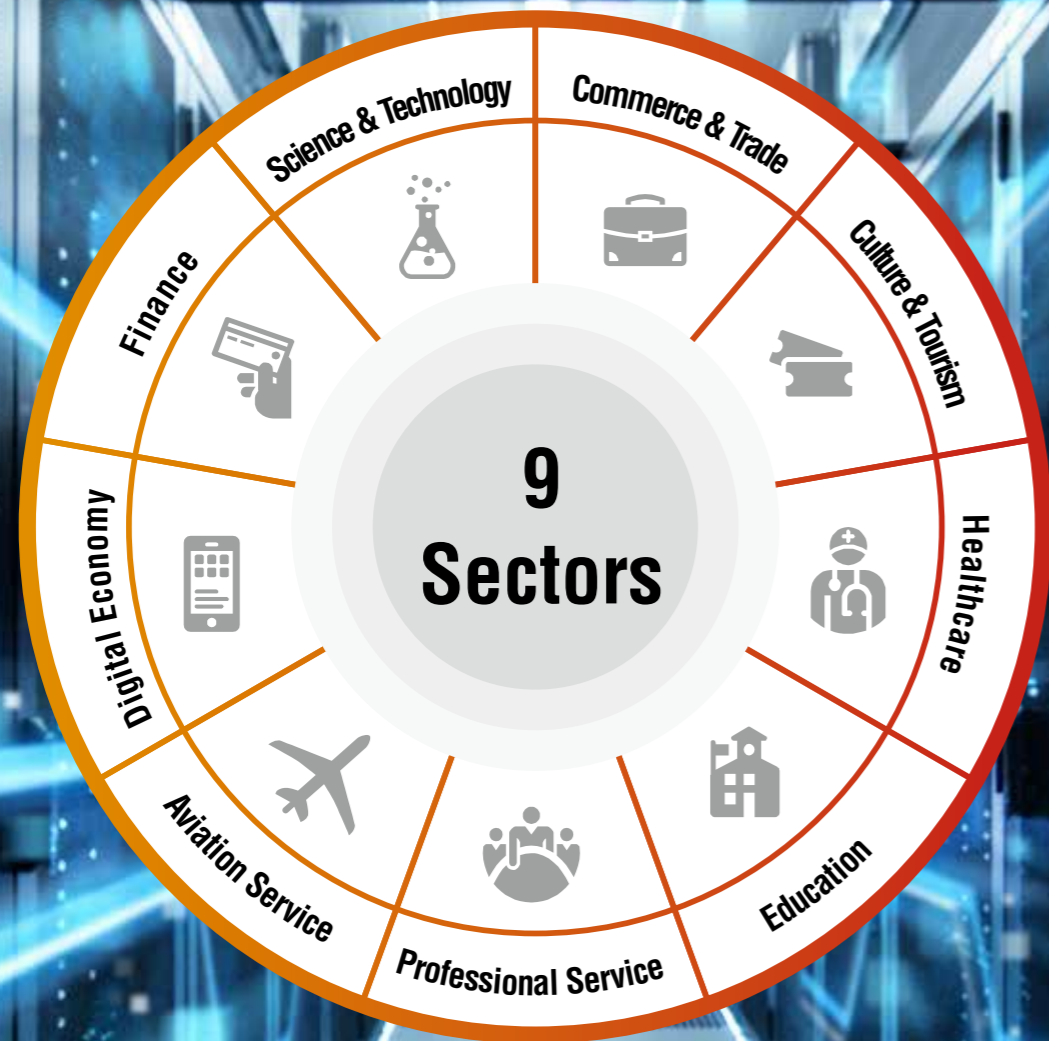
Daxing cluster










- Promote the planning and construction of International Convention and Exhibition Center of Daxing Airport, international consumption hub, etc.
- Explore the construction of "business district without customs"
- Accelerate the construction completion and operation of the Comprehensive Bonded Zone

Yizhuang cluster

- Strengthen and optimize industries of new energy intelligent vehicles, robotics, medical health etc.
- Accelerate the establishment of digital economy innovation laboratory and global digital health innovation center

9 Sectors: Deepen industrial opening-up and continuously enhance attraction for foreign investment



 Digital Economy	<ul style="list-style-type: none"> • Establish digital trade rules to promote international mutual recognition of digital certificates and electronic signatures • Strengthen the construction of digital economy infrastructure, and build an international big data exchange and a digital copyright trading platform • Promote the flow of cross-border data, and make pilot trials in software real-name verification, data origin label identification, data product import and export, etc. • Create application scenarios for the digital financial system, and build a pilot zone for legal digital currency 		
 Finance	<ul style="list-style-type: none"> • Carry out a pilot project for the integration of domestic and foreign currency capital pools to facilitate multinational corporations' global funding arrangements • Support the establishment of domestic and overseas parallel funds, and implement a macro-prudential management model for external debt • Promote the implementation of foreign debt facilitation measures • Give priority to allowing multinational companies to establish wholly foreign-invested financial companies in Beijing • Support social capital to establish and lead the operation of RMB international investment and loan funds in Beijing 		
 Science & Technology	<ul style="list-style-type: none"> • High-tech enterprises are approved upon filing • Pilot project for technology transfer income tax • Encourage multinational corporations to set up R&D centers and carry out "reverse innovation" • Support technology-based enterprises to carry out overseas listings, offshore mergers and acquisitions, and special purpose vehicle acquisitions through foreign-invested financial institutions 		
 Commerce & Trade	<table border="0"> <tr> <td data-bbox="1914 783 2270 972"> Build an international consumption center city <ul style="list-style-type: none"> • Promote the gathering of international high-quality commercial resources • Foster the development of "tax exemption + tax rebate + bonded" </td> <td data-bbox="2285 772 2831 972"> Create an open platform <ul style="list-style-type: none"> • Create an international economic and trade exchange platform with the China Beijing International Fair for Trade in Services (CIFTIS) serving as the leading force • Strengthen the function of the port platform by relying on the "dual-hub" airports • Take the three comprehensive bonded zones as the carrier to build an open platform to support the development of industries </td> </tr> </table>	Build an international consumption center city <ul style="list-style-type: none"> • Promote the gathering of international high-quality commercial resources • Foster the development of "tax exemption + tax rebate + bonded" 	Create an open platform <ul style="list-style-type: none"> • Create an international economic and trade exchange platform with the China Beijing International Fair for Trade in Services (CIFTIS) serving as the leading force • Strengthen the function of the port platform by relying on the "dual-hub" airports • Take the three comprehensive bonded zones as the carrier to build an open platform to support the development of industries
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 Culture & Tourism	<ul style="list-style-type: none"> • Further open up approval and permit, to pilot in Tongzhou cultural and tourism zone for foreign investors to invest in performing groups • Satisfy high-quality cultural consumption needs, and allow qualified foreign-invested enterprises to carry out global cultural art (non-cultural relics) exhibition, auction, and trading business 		
 Healthcare	<ul style="list-style-type: none"> • Promote the international medical service pilot <ol style="list-style-type: none"> 1. Carry out clinical medical research such as cross-border telemedicine 2. Explore the pilot project of decentralized clinical trial (DCT) 3. Pilot real-time settlement between regional hospitals and international insurance companies • Promote innovation in medical services, and launch a pilot project for cross-border e-commerce retail imports of drugs 		
 Aviation Service	<ul style="list-style-type: none"> • Enhance the market competitiveness of the international aviation equipment maintenance, and explore port facilitation measures for aircraft equipment maintenance and subcontracted repair business of aircraft maintenance companies • Build an international air cargo system, and support the expansion of cargo traffic rights 		
 Professional Service	<ul style="list-style-type: none"> • Expand the opening-up of professional services, and support overseas rating agencies to establish subsidiaries • Optimize the supply of professional service talents, and implement the recognition of international practice qualifications in financial and other service fields • Give full play to the role of the international commercial dispute prevention and settlement organizations platform, and allow well-known overseas arbitration institutions and dispute resolution institutions to provide arbitration services for civil and commercial disputes in international commercial, investment and other fields 		
 Education	<ul style="list-style-type: none"> • Increase the supply of international education, and improve the layout of schools for children of foreign personnel • Encourage foreign investors to invest in adult education and training institutions, and support foreign investors to invest in operating vocational skills training institutions • Establish a batch of demonstration projects of international cooperation in vocational education 		

4 Elements: Support a high level of opening-up to further optimize the development environment for foreign investment

01 Greater support for talent development

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

02 More convenience in cargo clearance

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



03 Better protection and application of intellectual property

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

04 Increased fiscal and taxation preferential support

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



Achievements in the Development of Foreign Investment in the Construction of “Two Zones” in 2021

Making efforts in key sectors continuously, and accelerating adoption of foreign investment



Financial & High-end Industries

Emerging effects of Opening-up

Projects implemented:

- Amundi, Europe's largest asset management company and the world's top ten asset management company was introduced into Beijing
- PayPal Information Technology Co., Ltd., the first wholly foreign-invested licensed payment company in China was set up in Beijing
- Allianz Insurance Asset Management Co., Ltd., China's first wholly foreign-invested insurance asset management company was introduced into Beijing
- Beijing is one of the first in China in establishing integrated domestic and foreign currency bank accounts that meet the needs of RMB internationalization and foreign exchange management

Optimization of business environment for financial industry:

- A service platform for domestic listing of foreign-invested enterprises was established in Beijing



Digital Economy

Innovative development of digital economy

Setting up of a data transaction service system:

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



Science & Technology Innovation

Continuous optimization of ecology for innovation

Construction of innovation platform:

- Zhongguancun introduced 10 Belgian science and technology innovation projects through cloud road-show

Construction of an international scientific and technological talent community:

- “Qiaomengyuan” Overseas Academician and Expert Workstation was set up
- Promote the implementation of the International Technology Transfer Center of the City University of Hong Kong in the Future Science Park



Healthcare

Accelerated incubation of pharmaceutical R&D achievements

Setting up of international research-based hospitals and research-based wards:

- Completed the upgrading construction of the first batch of 10 research-based wards and started the demonstrative construction of the second batch of 5-10 wards

Drug/medical device approval and customs clearance:

- The approval process for domestic biomedical R&D entities has been simplified to facilitate international cooperative R&D led by domestic entities



Culture & Tourism

Continuous relaxation of access conditions

Allocation of license resources:

- Permit has been given to Beijing International Resort Co., Ltd. to independently file and host foreign-related performances in the resort

Further opening-up approval and permit:

- Pilot in Tongzhou cultural and tourism zone for foreign investors to invest in performing groups



Aviation Service

Joint development of “dual airports”

Introduction of industrial policies:

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



Talent

Strengthen the introduction of talents

Certification of qualification

- Implement the recognition of international practice qualifications in financial and other service sectors
- For qualified professionals with overseas professional qualifications, after filing, they may apply for work residence permits in accordance with regulations

- Open an application channel for the qualification examination for foreign talents

Talent introduction

- Trial implementation of the “Interim Measures for the Administration of Financial Subsidies for Overseas High-end Talents of Beijing Municipality”

Talent service

- Implementation of the policy of “acceptance of application materials for work permit and residence permit at the same service window and collection of these two permits at the same time
- Beijing Free Trade Zone (FTZ)'s first “Talent E+” Workstation dedicated to serving the construction of the FTZ was established in Haidian District
- The housing allocation plan for InnoEcos International Talent Apartment was proposed



Business Environment

Continuous improvement of business environment

Policy reform

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

Government service

- The “Government + Enterprise” dual-butler service model has been implemented in the Financial Street of Xicheng District to provide support for corporate policies

Regulation innovation

- The “big data + credit” model has been used by CBD Administrative Committee to assist credit regulation-

Expand the opening up of education

- The Beijing Municipal Education Commission delegates the school approval authority for children of foreign personnel to each district

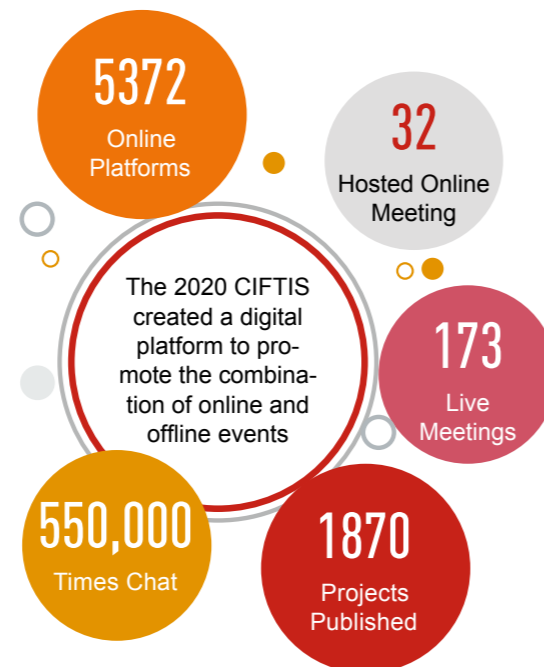
Data source: 1. Beijing Municipal Commerce Bureau
2. Open Beijing
3. Information compiled by PwC

Development of Key Platforms

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

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

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



China International Fair for Trade in Services

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

Financial Street Forum

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

Zhongguancun Forum

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



New Height of Opening-up

Constant Optimization of Business Environment

04



Further Upgrading of Business Environment

Continuously creating a transparent, stable and international business environment

"Four jumps" to build a more open business environment

"Optimization of China's successful experience in the business environment: Driving forces of reform and the future opportunities for reform"

88 reform measures were adopted by the World Bank in 2 years

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

"Doing Business in China 2020"

Government-oriented toward enterprise driven

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

"China's Urban Business Environment Index Report in the Post COVID-19 Era"

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

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

"Business Environment of China's 296 Cities in 2020"

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

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

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

Embrace the new era of improved business environment for taxation

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

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

History of reforms to improve business environment



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

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

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

4.0 Version of Business Environment Reform brings more benefits.

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

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

- Shorten the time needed for applying for access to municipal services by half
- "Whole-process online administration" of the online car-hailing permit
- Customs clearance for export is shortened to within 1.1 hours
- Title reviews in Beijing-Tianjin-Hebei are mutually recognized
- Citizens purchasing house in Beijing are able to handle full-process online
- Promote the launch of the "Social Credit Regulations of Beijing Municipality"
- Establish a blacklist of untrustworthy intellectual property subjects

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

Adding more government services to gradually improve “one-stop” service system for foreign investment

Beijing’s “enterprise package”

- customize solutions for the difficulties encountered in the establishment and development of enterprises



“ Give full play to the role of the expert advisory committees, social supervisors, and government service “experiencers”; establish regular information communication channels, and further enhance the basis, pertinence, and effectiveness of reforms. Through the enterprise service hotline, 12345, companies’ complaints will be handled immediately upon submission. Their problems will be solved within the prescribed time limit with better services. Government officials are involved to experience the whole processes to optimize the service. “Service Package” for enterprises are provided featuring active, enthusiastic, and forward-looking services.

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

Beijing Domestic Listing Service Platform for Foreign-invested Enterprises

- With big data, artificial intelligence, and block-chain technology, the platform has established a foreign-invested enterprises database based on the needs of enterprise value evaluation, coaching and training, listing consultation, financing matching, and policy implementation. Currently, it includes over 4,000 overseas investment enterprises.



Beijing Foreign Investment Enterprise Service Center

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

The People’s Government of Beijing Municipality (International Portal)

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



Data source: News media reports on Beijing’s domestic listing service platform for foreign-invested enterprises and the People’s Government of Beijing Municipality (International Portal)

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



Invoice

- In 2020, online settlement of invoice business was first implemented in Beijing
- “One-stop” package for invoice types, revision increments, and requisitions

+



Government Services

- Beijing’s Reform 4.0 (4.0 version of business environment reform) has further cut procedures to continuously optimize the business environment

01 Compared with 2019, Beijing has streamlined various application materials by 33% and shortened the processing time by 25%

02 13 types of electronic certificates involving market entity registration have been included into the city’s electronic certificate database in 2020

03 17 items in the 2020 “cross-provincial administration” list have been enabled to “process fully online”

Area	Reform 4.0 initiatives	Content of reform	Development level
Investment and construction environment	Sort out the entire chain of investment and construction projects, and promote the reform of the entire project process	The “List of Approval Matters in the Field of Investment in Beijing (2020)” was developed and introduced for the first time	Approval for social investment and low-risk projects has been shortened into 5 steps which could be completed within 20 days
	Expand municipal access and further reduce approval time	Reduce the processing time by half	Has been one of the three regions with free global power access
Market environment	Deepen commercial system reform and optimize the market access environment in the field of digital economy	Promote “approval list covers the whole process” for business license; Promote the “reduction of certificates” and simplify the approval; Introduce Economic–Technological Development Area’s “one industry, one certificate” to the free trade zone to achieve “one certificate for business operation”; “Whole-process online administration” of the online car-hailing permit is achieved	Has achieved one step within one day for the approval of enterprises start-up, which has reached the best standard globally
Foreign investment and trade environment	Clearance time is “further reduced”	Export customs clearance is reduced to less than 1.1 hours, and preferential policies such as guarantees for advanced certified enterprises in Beijing and Tianjin are shared across customs areas	Further facilitate the convenience of investment and trade, and increase the turnover rate
	Clearance cost is “further reduced”	The comprehensive cost of customs clearance is reduced by 20%, and the average export tax rebate time is reduced to within 6 working days	
Employment environment	Reduce and simplify the employment requirements in certain industries	Cancel the qualification examinations for road freight transport drivers and the qualifications of evaluated skills, and comprehensively promote the certification of vocational skill	Lower the employment threshold, remove unreasonable restrictions, and provide more opportunities for people in Beijing
Administrative environment	Continue to promote online systems for paying taxes and registering properties to enable full-process online	The first city to optimize the process for refund for VAT input into “one report, one declaration, one tax payment, and one voucher”	The tax time has been reduced to within 120 hours, reaching OECD’s high-income economy standard
		Promote full-process online properties registration, and further expand the application of electronic registration	Properties registration can be finished within 1 step on the same day, leading the world in terms of the procedure and time

Reference: 1. “Measures to Further Optimize Business Environment and Better Serve Market Players”
2. “Key Tasks of Beijing’s New Reform on Government Services to Optimize the Business Environment”

Comprehensively serving the foreign-invested enterprises in Beijing with more targeted business policies

Upgrading the international transportation hub to closely connect Beijing with the world

“Guidelines for the Development of Foreign Asset Management Institutions in Beijing”

- The reason for choosing Beijing
- Laws, regulations and policies
- Establishment of asset management institutions and product filing
- Taxation policies in the asset management industry
- Q&A for overseas asset management institutions settled in Beijing
- Regulatory agencies and service agencies

“List of Approval Matters in the Field of Investment in Beijing (2020)”

- 175 items in investment approval, covering 13 functional departments for investment projects approval in Beijing
- Strictly implement "approval list covers the whole process"
- Eliminate hidden barriers and provide targeted services

“Action Plan on Strengthening Intellectual Property Protection”

- Strictly protect intellectual property
- Build an intellectual property protection system
- Rapid initiation of intellectual property protection
- Create a fair environment for intellectual property protection

“Notice on Application for Fin-tech Innovation Pilots in Capital Market (Beijing)”

- Pilot first in Beijing, explore and establish the regulatory system for Fin-tech in capital market
- Create an inclusive and prudent regulatory environment for Fin-tech
- Promote new-generation information technology applications such as big data, cloud computing, artificial intelligence, and blockchain

“Opinions on Implementing the ‘Regulations of Beijing Municipality on Optimizing Business Environment’”

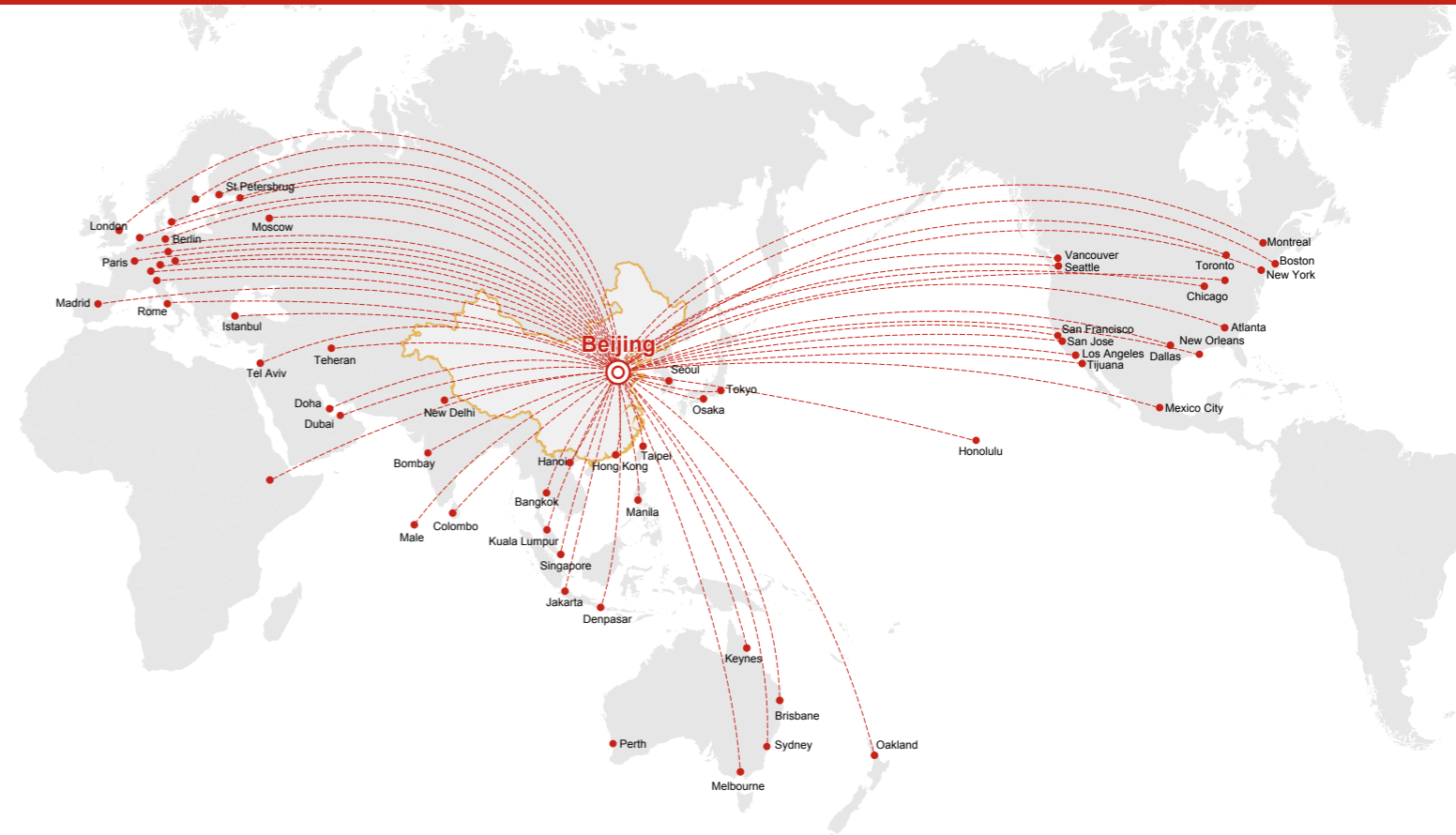
- Create a relaxed and convenient environment for market access
- Strengthen supervision during and after the event
- Strengthen quality and technical basic services
- Provide convenient and efficient government services
- Strengthen and optimize the legal protections for business environment

Investment

FinTec

Intellectual property

Business environment



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

International integrated three-dimensional transportation network

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

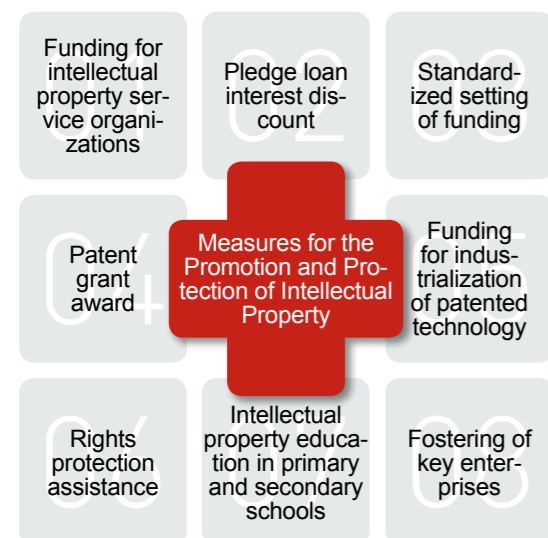
A new engine for regional development featuring "double airports" and "double hubs"

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

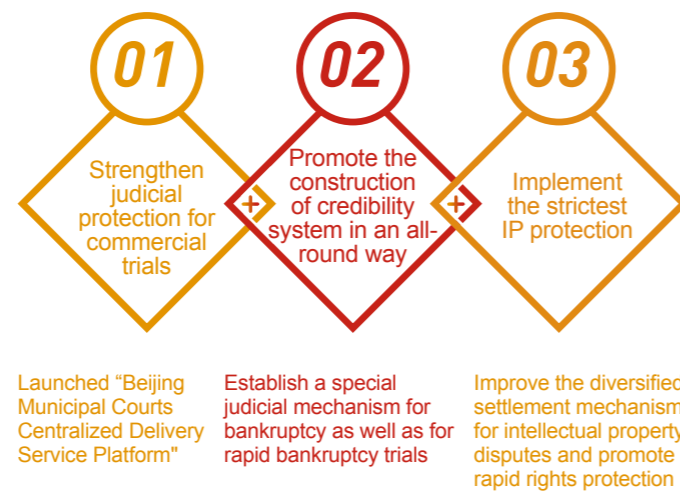
Data source: "Beijing Statistical Bulletin 2020"

Further improving intellectual property protection system to promote service innovation and development

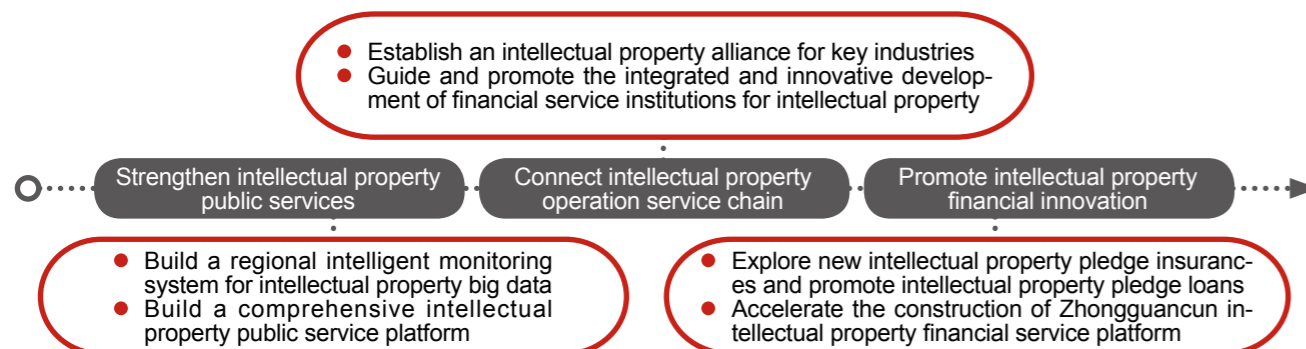
Launch a “1+8” intellectual property promotion and protection system



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



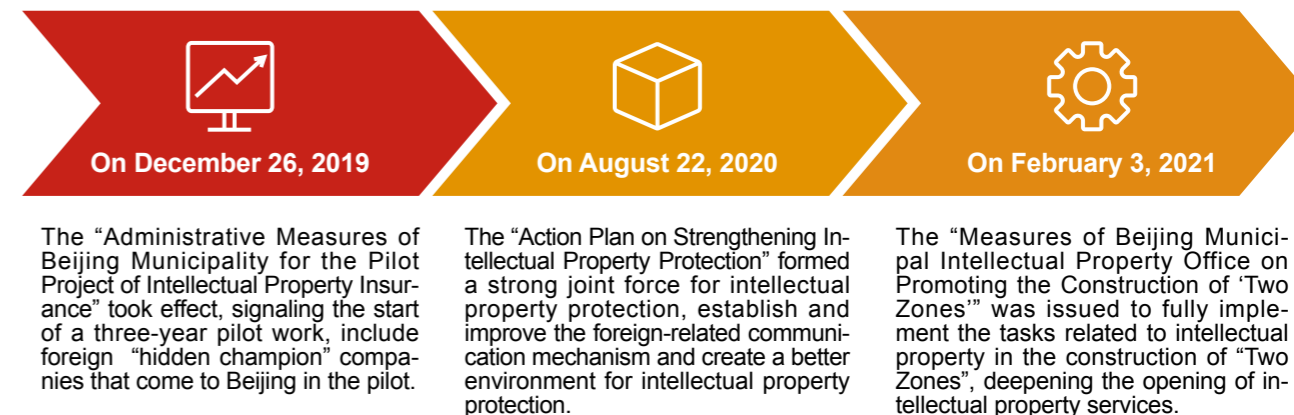
Improve the public service system of intellectual property



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

	Beijing Intellectual Property Protection Center	Zhongguancun Intellectual Property Protection Center	Beijing's first FTZ intellectual property protection sub-center was established in the Economic-Technological Development Area
Focused Industries	Next-generation information technology	New material	One station, one room, one court, one window, one hall
	High-end equipment manufacturing	Bio-medicine	Preliminary review of patents in key industries, rapid rights protection, and intellectual property protection cooperation.

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



Intellectual property protection and application cases

- In 2020, 142 companies** participated in the intellectual property insurance pilot project, insuring **1,660 patents** and receiving **19 million yuan** in premium, and the total insured amount reached **1.659 billion yuan**.
- Opened a “green channel” for reviewing patent applications, shortening the patent authorization cycle by more than two-thirds
- Foreign talents have been encouraged to use their own intellectual properties, proprietary technologies and other non-monetary assets as capital to establish technology-based enterprises
- Explorations have been made to build the country's first single shelf registration for intellectual property asset securitization products

- Xicheng District:** Build a center for copyright asset management and financial service, with copyright assets as the core financial mechanism
- Chaoyang District:** Establish Beijing's first exhibition intellectual property alliance
- Haidian District:** Carry out the first trial and exploration of intellectual property securitization. Support foreign scientists to lead government-supported science and technology projects.
- Shijingshan District:** Establish a full-chain service with a model of “one district + two databases + three windows + N”, with 40 service items
- Economic-Technological Development Area:** Open “Two Zones construction” service window, providing consulting services on patent applications in overseas countries and regions
- Shunyi District:** Fully launch the pilot project of intellectual property insurance provided by German-owned enterprises
- Tongzhou District:** The “Procedures for the Promotion of Intellectual Property in Tongzhou District, Beijing” added 6 new funding awards and adjusted 2 funding standards
- Daxing District:** Daxing Branch of Beijing Intellectual Property Protection Center was inaugurated

Strengthening talent attraction and protection, and building a world-class highland for talents

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

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

"New ten provisions" for the reform of entry and exit of foreign talents and new twenty policies for talents in Zhongguancun		Work Plan for the Talent Field in the Construction of "Two Zones"	
Task		Measure	
<ul style="list-style-type: none"> In 2019, the pilot scope of the new policies for the entry and exit of foreign talents expanded to the entire Beijing, and foreign talents holding permanent resident ID cards were entitled to enjoy national treatment in establishing science and technology enterprises Reform highlights: Focus on the services sector and benefit a wider audience; Decentralize the authority of administrations to make the process more convenient; Encourage innovation and entrepreneurship to benefit talents of more levels; Establish a point evaluation system and introduce market-oriented evaluation; In addition, foreign scientific and technological personnel with outstanding contributions will be rewarded; multinational enterprises will be supported to carry out scientific and technological R&D activities in Beijing Key service target groups: Overseas high-level talents, foreign members of entrepreneurial teams, foreign management and technical personnel, foreign Chinese/young students Long visa period and short processing cycle: Foreign talents recognized by the Foreign Talent Qualification Recognition Window of the Foreigners Entry and Exit Service Hall can apply for a long-term visa with a valid term of 2-5 years 	Improve talent evaluation	<ul style="list-style-type: none"> Broaden professional qualification certification Build application channels for foreign talents 	
	Intensify introduction of talents	<ul style="list-style-type: none"> Pilot a quota management system for foreign talents, and explore the introduction of recommended talents Explore the policies for talent attraction on a hierarchical and classified basis Simplify the special talent introduction process Provide visa convenience 	
Effective incentives for talents	<ul style="list-style-type: none"> Implement interim measures, detailed rules and policies for the implementation of financial subsidies for overseas high-end talents Allow foreign personnel to start and hold shares in domestic companies Facilitate foreign exchange settlement for overseas employees of Chinese-funded institutions Broaden the use of foreign exchange 		
Strengthen talents service	<ul style="list-style-type: none"> Work permits and residence permits are processed in one-window and issued at the same time Establish a full-chain one-stop service window and service site Establish a convenient international talent service system to enable "services providing upon landing, before landing, or on talents' behalf through the whole process" Promote the construction of an international talent community Optimize labor security services under non-standard forms of employment Improve the working mechanism of labor contract 		

Full-process one-stop online service platform

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

Services and convenience for talents

"One-window processing and one-time document collection" for the handling of foreign talents' work and residence permits has been realized

- Carried out the evaluation on the professional title of technical broker for the first time
- Promulgated guidelines for building international talent communities in the capital
- Established a chief public health expert system

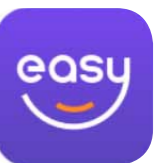
Continue to strengthen the construction of talent teams in science and technology, culture, outstanding youth, capital public health and other fields

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

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

- "Foreign talents with permanent residence permit" enjoy national treatment in setting up "scientific and technological enterprises"
 - Provide convenience policies and measures such as fee reduction, land use quota guarantee and public services for foreign talents who establish scientific and technological enterprises
 - It is defined that foreign talents enjoy the same treatment as Chinese citizens in establishing scientific and technological enterprises in the pilot areas
 - The regulations on the establishment registration, enterprise type, the term of operation & change and other circumstances of the scientific and technological enterprises established by foreign talents are defined
 - Promise not to engage in any business undertakings for which there are special national or municipal measures or stipulations regarding market access
 - Encourage foreign talents to set up scientific and technological enterprises with the converted monetary value of their own intellectual property rights, proprietary technologies and other non-monetary property as the investment
 - Foreign talents are entitled to go through the formalities of participating in social insurance
 - Relevant departments of administrative authorities in pilot areas should strengthen inter-departmental information sharing, and the foreign talents should not be required to provide or submit the information that can be obtained through inter-departmental information sharing
- "Tentative Measures on the Establishment of Science and Technology Enterprises by Foreign Talents Holding Permanent Resident ID Cards"

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



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

Building up talent communities

- Creating an "overseas-like" environment "Guidelines for the Construction of International Talent Communities in the Capital (Trial Edition)"



Accelerating the convergence of the international education and medical institutions and improving the effective allocation of resources

Implementing refined management to create harmonious and quality urban life

Abundant international medical resources



Establish international research-based hospitals and research-based wards

- 8 hospitals were selected as the first batch of international medical pilot hospitals to promote real-time settlement with international insurance



Explorations on employing non-medical personnel to provide pre-disease treatment services of Chinese medicine in medical institutions

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



Innovative development of "Internet + Medical Care & Health"

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

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

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

03 Tackle challenges of pollution prevention and control: the city's sewage treatment rate reached 95.8% and the area of new added afforestation and greening was 150,000 mu

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



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

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

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

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

Pilot areas of international medical services

Abundant international education resources

- There are 92 universities including Peking University and Tsinghua University, and the number of key universities accounts for a quarter of the total numbers in the country
- The "Measures for the Administration of Schools for Children of Foreigners in Beijing" supports children of foreigners in attending schools for children of foreigners
- There are more than 50% of the national academicians of the Academy of Science and the Academy of Engineering in Beijing

Promote further opening-up of the education sector

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

The sections of the water body of inferior category five were completely eliminated

The average annual concentration of fine particles decreased by 53%

The forest coverage rate reached 44.4%

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

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

"Peripheral ring and power supply by district" was formed in the electric power sector



05

New Landscape of Opening-up

Diversified Openness and Strong Vitality

During the “13th Five-Year Plan” period, Beijing has thoroughly implemented the strategic positioning as capital city, vigorously strengthened the construction of the “four centers” function, improved the capacity of “four services”, and successfully completed the service support task for “Belt and Road” Forum for International Cooperation, Beijing Summit of the Forum on China-Africa Cooperation, World Horticultural Exposition and other major international events. This period has witnessed the **further optimization of Beijing’s function as capital city and steady improvement of its internationalization level.**

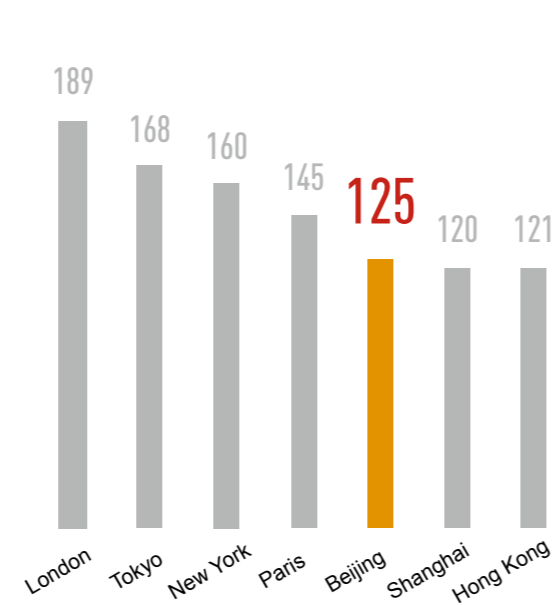
In order to objectively reflect the internationalization level of Beijing, PwC designed 9 indicators and 37 variables from the three dimensions of international influence, international growth and international support, based on the “Global Power City Index” (GPCI) by Japan’s Mori Memorial Foundation,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

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

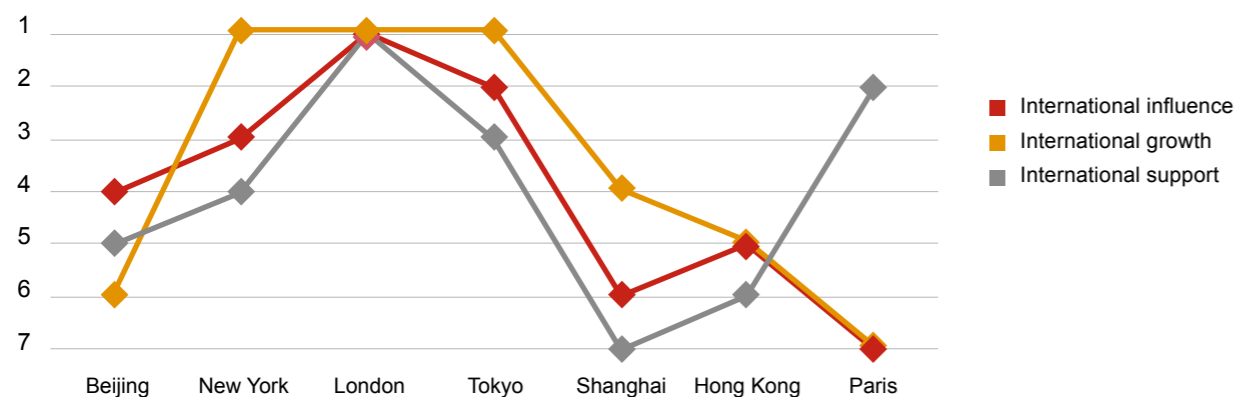
- Results of the overall evaluation of internationalization level in 2021:
- London and Tokyo ranked 1st and 2nd, with scores of 189 and 168, respectively.
- Beijing ranked **5th** overall, with a score of 125.



Overall score in internationalization degree in 2021



Ranking in the sub-indicator of internationalization degree in 2021



International influence

Economic influence

- Total GDP
- GDP growth rate
- Global financial centers index
- Economic freedom
- Scale of pro-business services

Development level of multinational corporations

- Global Top 500 companies
- Number of multinational corporations and headquarters

International transportation network

- Cities with direct international flights
- International freight flows
- Number of air passengers
- Public transportation use
- Business travel cost

International growth

Intellectual capital innovation

- Number of researchers
- World’s top universities
- Academic performance
- Number of patents
- Winners of prizes

Sustainable development

- Availability of skilled human resources
- Retention of extraordinary talents
- Comfort level of temperature

International support

Business-friendly environment

- Taxation index evaluation
- Unemployment rate
- Economic risk of natural disasters

Culture, tourism

- International cultural exchanges
- Number of theaters
- Number of museums
- Number of stadiums
- Tourist attractions
- Number of hotel rooms
- Shopping attractiveness
- Gourmet attractiveness
- Number of international visitors

Market activity

- Living cost

Ecology

- Commitment to environmental protection
- Renewable energy rate
- Waste recycle rate
- Natural ecological environment



PwC insights

In the PwC’s “Cities of Opportunity 2021” assessment, Beijing has been ranked **first for four consecutive years**. Of the 10 dimensions of the 2021 assessment indicator system, Beijing ranked in the top five in eight dimensions. Among them, it ranked No. 1 in the transportation and urban planning dimension, No. 2 in the culture and living dimension, No. 3 in two dimensions of technological maturity and economic impact, and No. 4 in four dimensions of intellectual capital and innovation, regionally important cities, urban resilience, and business-friendly environment.

International influence

Beijing ranked **4th** with a score of 57 in the international influence indicator:

- Beijing led in two variables, the **number of Fortune 500 companies** and the number of multinational companies and headquartered companies.
- Beijing made outstanding performance in two variables, **GDP growth rate** and the **scale of pro-business services**.



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

The overall pattern of international metropolises has remained stable but with certain changes:

- Cities like London, New York, Paris, Tokyo, Hong Kong and Singapore have always ranked among the top ten global cities for years, but some cities such as Paris, Tokyo, and Singapore have declined in their rankings.
- **Beijing, Shanghai and other Chinese cities have been risen strongly**, with steady increase in the rankings.

Ranked 3rd in the world

According to the "Global Power City Index" (GPCI) released by Japan's Mori Memorial Foundation, Beijing ranked **3rd** in the world in the economic dimension with a score of 295, ranking third in the world.

Ranked 2nd in the world

According to the "Global Urban Competitiveness Report 2020-2021: Global Urban Value Chain - A Perspective on the Time and Space Evolution of Human Civilization" released by the UN-HABITAT and the National Academy of Economic Strategy, CASS, Beijing **ranked first in the achievement of sustainable development goals among the mainland cities in China, and ranked 2nd in the world in the soft business environment** only next to New York.

continued to top the list

Beijing **continued to top the list** of the "Global Cities 2020 Annual Report under the Belt and Road Initiative" released by the China Academy of Urban Planning and Design in 2020.

Ranked first

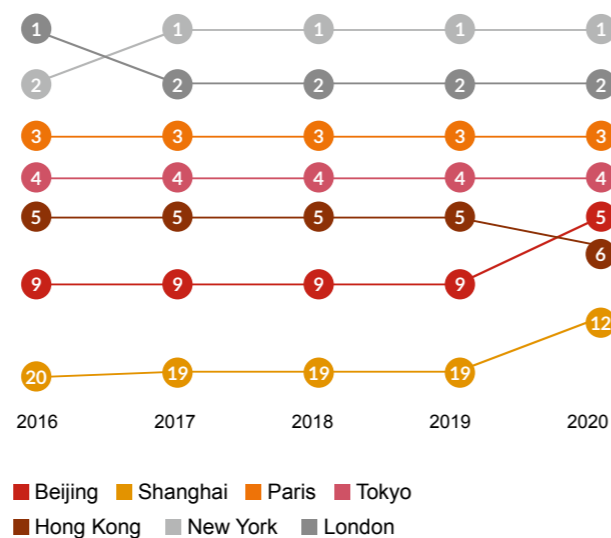
Beijing **ranked first** in PwC's "Cities of Opportunity 2021" List, topping the list for **4 consecutive years**.

Ranked 5th in the world

According to 2020 "Global Cities Index", released by A.T. Kearney, Beijing surpassed Hong Kong for the first time, ranking **5th in the world**, a record high for Beijing. This is also the first change in the top five cities in the 12 years since the release of the report. The rise of Beijing's ranking is the result of both social stability and the substantial increase of human capital investment.

- In the indicator of "business activities", Beijing ranked 2nd in the world, and is the **city with the largest number of headquarters of Fortune 500 companies in the world**.
- The increase in education investment and cultural center status has promoted a significant increase in Beijing's score in the indicator of "human capital".

A.T. Kearney's "Global Cities Index"

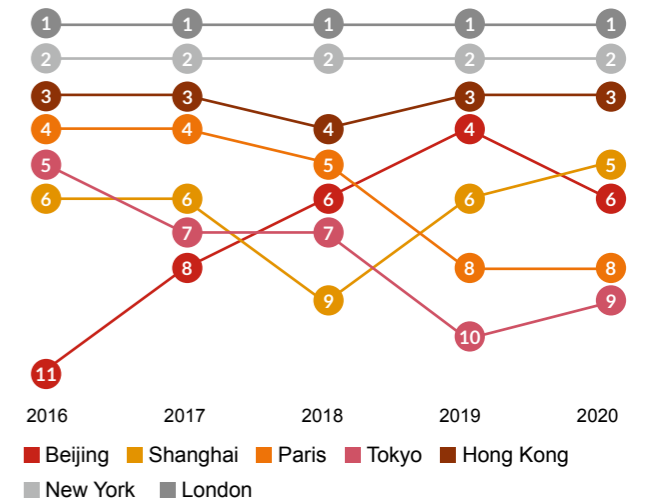


Ranked 6th in the world

According to the latest "The World According to GaWC" released by GaWC in 2020, Beijing, as a strong first-tier city, ranked **6th** among the world's cities.

- In the past decade, the ranking of the top three cities in the world have remained relatively stable. Chinese cities such as Beijing and Shanghai have shown an upward trend, and established cities such as Paris and Tokyo have seen significant decline in their rankings.

Rankings in GaWC's "The World According to GaWC"



Data source: 1. The "Global Cities Index" and the "Global Cities Outlook" released by A.T. Kearney in November 2020.
 2. "The World According to GaWC" by GaWC (Globalization and World Cities) released in August 2020
 3. The "Global Power City Index" (GPCI) released by Japan's Mori Memorial Foundation in December 2020
 4. The "Global Urban Competitiveness Report 2020-2021: Global Urban Value Chain - A Perspective on the Time and Space Evolution of Human Civilization" released by the UN-HABITAT and the National Academy of Economic Strategy, CASS in December 2020
 5. The "Global Cities 2020 Annual Report under the Belt and Road Initiative" released by the China Academy of Urban Planning and Design in November 2020
 6. PwC's "Cities of Opportunity 2021" released in March 2021

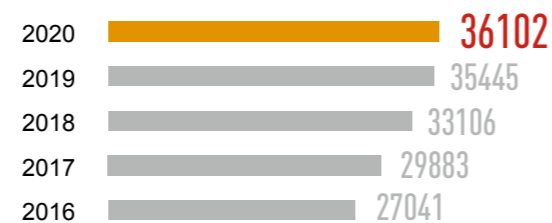
International influence

Beijing achieved steady increase in GDP and continuous optimization of economic structure.

2020

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

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



Policies have contributed to the development of headquarters economy.

- In 2021, the Beijing Municipal People's Government issued the "Regulations on Promoting the High-quality Development of Headquarters Enterprises in Beijing", coordinated policy service resources to help higher-level headquarters companies develop in Beijing.
- Beijing formulates a sound policy system to promote the development of headquarters economy, revises policies to support regional headquarters of multinational companies and headquarters enterprises, and implements a three-year action plan to optimize and improve the innovative headquarters economy.
- By focusing on customs clearance facilitation, intellectual property protection and application, Beijing has redoubled its efforts to optimize the development environment for headquarters enterprises, cultivate and grow a headquarters economy that matches the capital's strategic positioning, and support and guide high-quality development of headquarters enterprises in Beijing.

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

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

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

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

Data source: 1. The "Statistical Bulletin of National Economic and Social Development (2020) of Beijing Municipality"
2. Beijing Municipal Commerce Bureau

International growth

Beijing ranked **6th** in the indicator of **international growth** with a score of 26:

- Beijing did remarkably well in the two variables of supply of labor force and academic performance.



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

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

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

Stayed ahead in the world

According to A.T. Kearney's "Global Cities Outlook" in 2020, Beijing led the in the **innovation dimension**.

Ranked 5th in the world

According to the "Global Innovation Hubs Index 2020" released by the 2020 Zhongguancun Forum, Beijing **ranked 5th in the world**.

Ranked 4th in the world

According to the "Global Innovation Index 2020" (GII 2020) released by the World Intellectual Property Organization, Beijing ranked **4th in the world's top 100 science and technology clusters**.

Ranked 1st in the country

According to the "Report on Science and Technology Innovation Development in China Cities 2020" released by the Capital Institute of Science and Technology Development Strategy, Beijing continued to lead the way and remained **the first in the country**.

Ranked 1st in the world

According to the adjusted "nature index" in the "Nature Index - Science Cities 2020", a supplement of UK's "Nature" magazine, Beijing has been **ranked the first place** in the dimension of global scientific research city since 2016.

Ranked 1st in the world

According to the "2020 'Ideal City' - Global Science and Technology Innovation City Survey Report for 2035", Beijing **ranked first in the world** in terms of future expectations for breakthrough in technology innovation in global cities, surpassing San Francisco and other key cities.

Data source: 1. The "Global Cities Outlook" released by A.T. Kearney in November 2020
2. The "Global Innovation Index 2020" released by the World Intellectual Property Organization in September 2020
3. The "Nature Index - Science Cities 2020", a supplement of UK's "Nature" magazine, released in September 2020
4. The "Global Technology Innovation Center Index 2020" released by the Zhongguancun Forum in September 2020
5. The "Report on Science and Technology Innovation Development in China Cities 2020" released by the Capital Institute of Science and Technology Development Strategy
6. The Shanghai Institute of Science and Springer Nature Group released the "2020 'Ideal City' - Global Science and Technology Innovation City Survey Report for 2035" in October 2020,



International growth

Beijing is booming the science and technology innovation industry.

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

Beijing has implemented the regulations on promoting the transformation of scientific and technological achievements, and formulated and implemented a series of policies such as **“30 provisions on science and technology innovation”** and **“10 + 3 measures” for high-grade, precision and advanced industries.**



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

“Unicorn enterprises”, ranking first among the world cities

- **29,000** national high-tech enterprises
- **204,000** software works were registered
- **257,000** patent applications, an increase of 13.66%
- The number of patents granted was **163,000**, achieving an increase of **23.6%**
- **155.8** invention patents per 10000 people, ranking the first in China, nearly **10 times** of the national average
- The total turnover of technology contracts was **631.62 billion yuan**, an increase of 10.9%
- In the year of 2020, 186000 new enterprises were set up, including **76,000** technology-based enterprises, an increase of nearly 10,000 over the same period last year, accounting for **more than 40%** of the total number of newly established enterprises
- **R&D centers of internationally renowned enterprises have settled in Beijing one after another:** Seragon (China) Co., Ltd., the world's top innovative drug R&D enterprise, has settled in Beijing. The company also set up a fully functional Asia Pacific regional headquarters including a R&D center in Beijing

Data source: 1. Beijing Municipal Bureau of Statistics
2. The “2021 Government Work Report of Beijing Municipality”

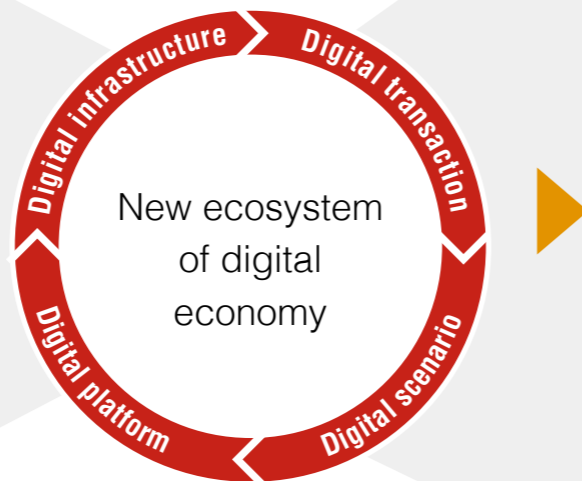
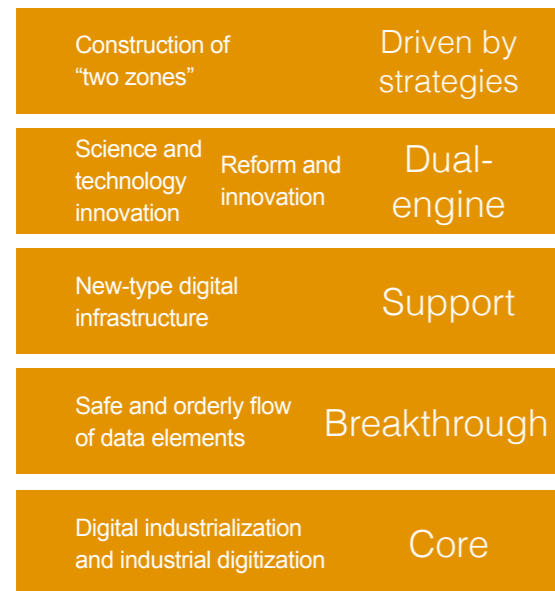
Schematic Diagram of Space Carrying Capacity of Beijing Science and Technology Innovation Center



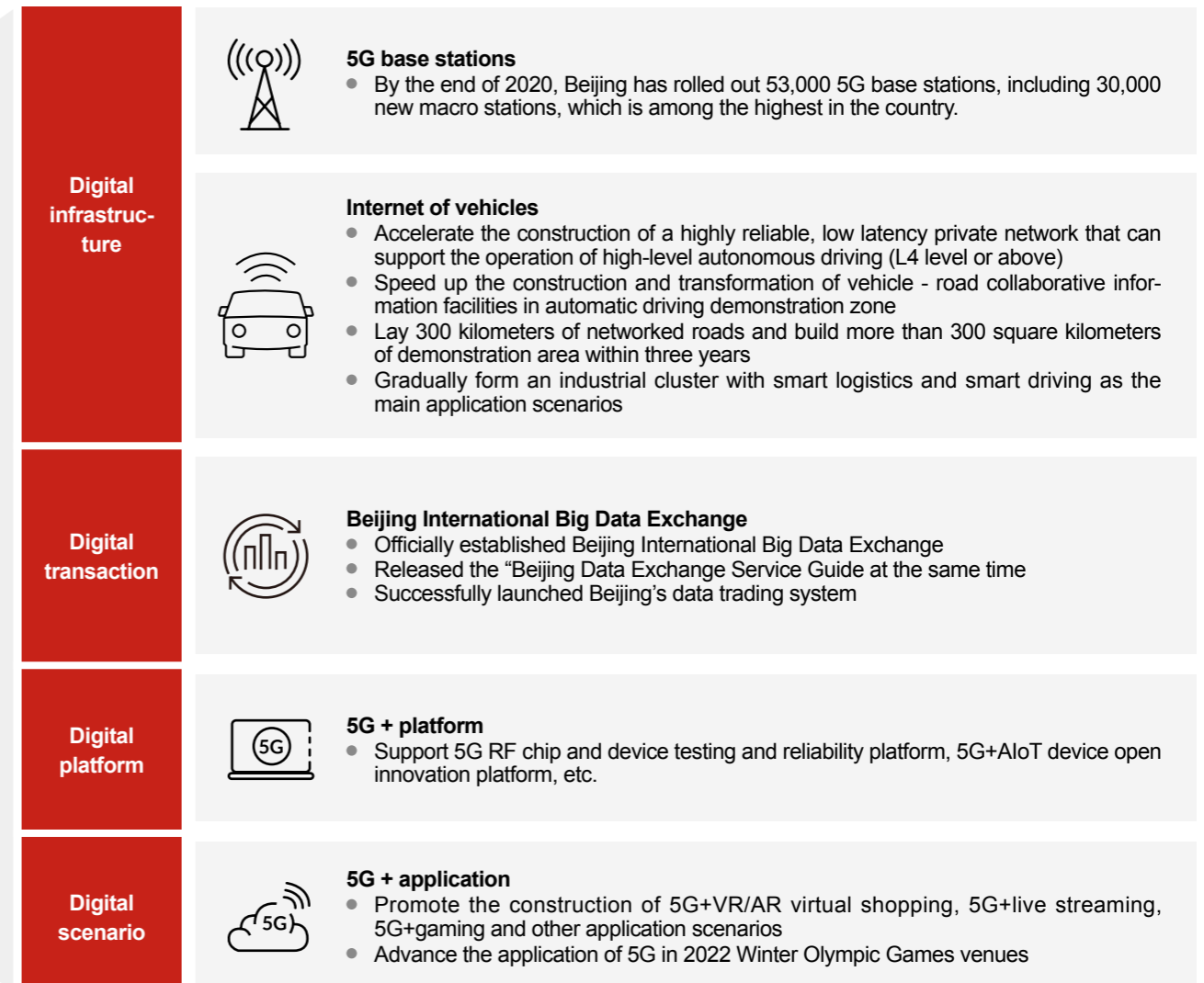
Legend: ■ Three Major Science Cities, □ Beijing Economic and Technological Development, ■ Higher Education Park, ✈ Airport Economic Zone, ● Parks in Zhongguancun, 🏢 Three cities and one district

Beijing is constructing a benchmark city for global digital economy.

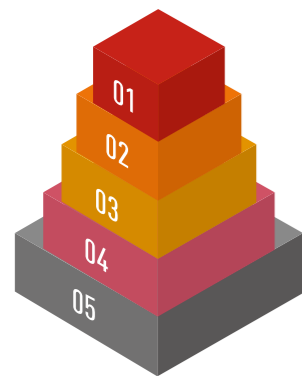
- In 2020, Beijing's new economy achieved an added value of **1,365.4 billion yuan**, accounting for 37.8% of the region's GDP, and the digital economy has become a new driving force for development.
- New industries, new business forms and new models characterized by digital economy and information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



The development is guaranteed by top-level design.



The development is guaranteed by top-level design.



- ① "Beijing's Implementation Plan on Accelerating the Construction of a Benchmark City for the Global Digital Economy"
- ② "Beijing's Plan for Promoting Innovation and Development of Digital Economy" (2020-2022)
- ③ "Implementation Plan of Beijing Municipality on Building a Pilot Digital Trade Zone"
- ④ Implementation Plan for the Establishment of Beijing International Big Data Exchange
- ⑤ Work arrangements related to the pilot project on the secure management of cross-border data flow in Beijing

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

Scenario applications are listed as follows.

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

International growth

Financial industry has a steady growth.

- The added value of Beijing's financial industry increased from 392.6 billion yuan in 2015 to **718.8 billion yuan** in 2020, with an average annual growth rate of about 13%.
- In 2020, Beijing's financial industry grew by **5.4%** year-on-year, and its share increased from 18.5% in the previous year to **19.8%** in 2020, making it a major supporting force in the recovery of the service industry and an important pillar industry in Beijing.
- In 2020, the total assets of Beijing's financial industry exceeded **150 trillion yuan**, up **7.7%** year-on-year, accounting for more than half of the country.
- By the end of 2020, the number of headquarter-level corporate financial institutions in Beijing exceeds **900**, and a total of 49 foreign-invested and Chinese-invested financial institutions have settled and started their business in Beijing.

Beijing pursues wider opening-up with better quality.



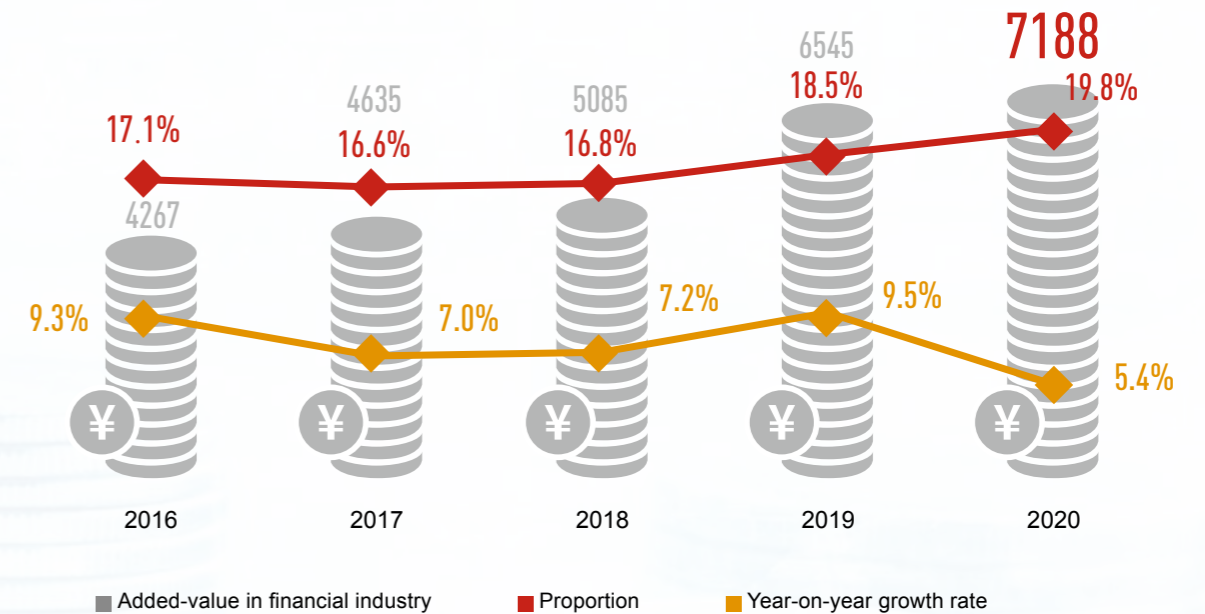
- The construction of Beijing's "two zones" involves **102 policies in the financial sector**.
- As of the beginning of 2021, **43** policies in the financial sector have been implemented, and the implementation rate is nearly half.
- As of March 2021, the number of corporate financial institutions registered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

Financial entities are clustering at a faster rate.

Allianz Insurance Assets Management Co., Ltd. (2020)	Daiwa Securities (China) (2020)	FitchBohua Credit Rating Co., Ltd. (2020)	PayPal Information Technology Co., Ltd. (2020)	Deutsche Bank (China) Co., Ltd. (2020)
China's first wholly foreign-invested insurance assets management company	Beijing's first newly established foreign-controlled securities firm	The second foreign credit rating agency approved to enter the Chinese market	China's first wholly foreign-invested licensed payment company	Beijing's first wholly foreign-owned bank that has obtained the securities investment fund custody qualification

Data source: 1. Beijing Municipal Bureau of Statistics;
 2. Beijing Municipal Commerce Bureau;
 3. Information released by Open Beijing Public Information Service Platform
 4. Global Financial Centre Index Report (GFCI29) by Z/Yen Group, a UK-based think tank, and China (Shenzhen) Development Institute

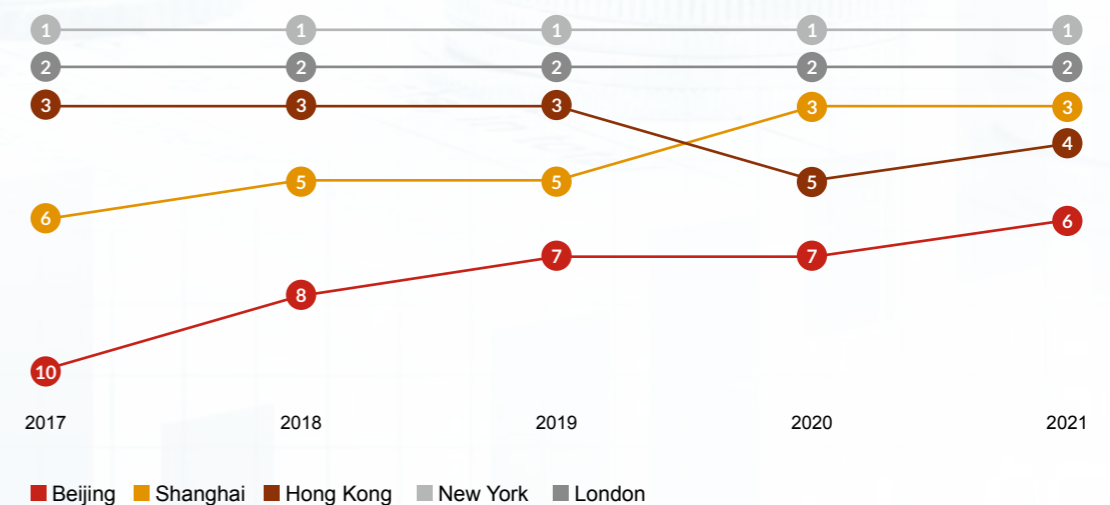
Beijing's financial industry during the "13th Five-Year Plan" period (2016-2020) (100 million yuan)



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

Since 2013, Beijing has steadily improved its ranking in the Global Financial Center Index (GFCI) and **ranked 6th in the world** in 2021.

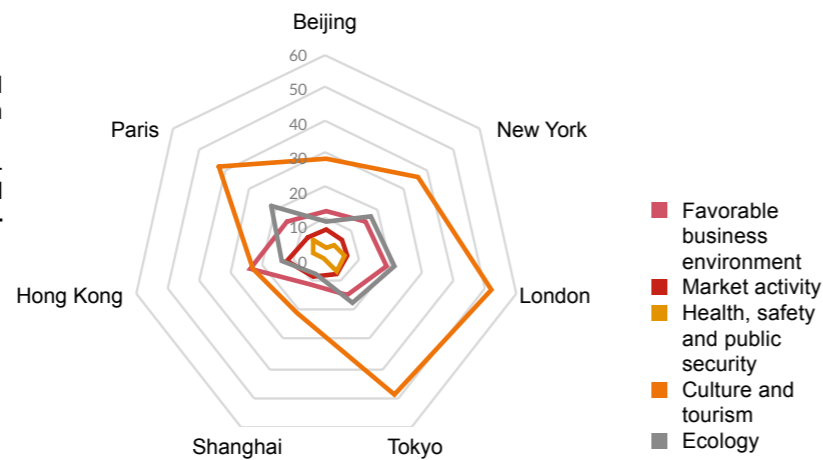
Global financial center rankings for selected cities 2017-2021



International support

Beijing ranked **5th** in the **international support** index with a score of 52, in which:

- It performed well in three variables - **cost of living, international cultural exchange, and number of stadiums.**



The development capacity of the cultural industry has continued to increase.

“

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

Top-level design promotes the construction of a national cultural center.



Planning system

Beijing's **planning system** for constructing a national cultural center around the overall framework of “one core, one city, three belts and two zones” **has been increasingly improved:**

- The “Medium- and Long-term Plan of Beijing Municipality to Promote the Building of a National Cultural Center (2019-2035)”, the plan on “three belts and two zones” and other plans have been successively released.

Regulations and policies

Regulations and policies for the construction of a national cultural center have been **continuously strengthened:**

- The “Regulations of Beijing Municipality on Intangible Cultural Heritage”, the “Regulations of Beijing Municipality on the Promotion of Civilized Behavior”, and the “Regulations of Beijing Municipality on the Protection of Famous Historical and Cultural Cities” have been issued.
- Policies on cultural construction such as promoting the development of non-state-owned museums, the construction of public service system of radio and television, the reform of corporate governance structure of public cultural institutions, strengthening the reform of institutional groups, and the high-quality development of cultural industries have been introduced.

Data source: 1. Beijing Municipal Bureau of Statistics
2. Renmin University of China's “Comprehensive Cultural Industry Index of Chinese Provinces and Cities” in 2020”

On November 18, 2020

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



From 2016 to 2020

- **Beijing ranked first in China** in terms of the number of companies included into the nomination list of “Top 30 National Culture Enterprises”, rated as key national cultural export enterprise, and selected into national demonstration bases for cultural and technological integration.
- The number of unicorn enterprises in the cultural sector accounted for about **half of the country's total.**

In 2020

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

By the end of 2020

- There were **161** operators for performance venues.
- There were **266** movie theaters, and Beijing accommodated **7** out of the top 10 movie theaters in the country.
- There were **1938** physical bookstores, and there were **0.9** bookstores for every 10,000 people.

International support

The International influence of cultural events has kept increasing.

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



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

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

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

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

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

- Star Times Group, the most influential digital TV operator in Africa
- Huayunshangde, a culture enterprise with many years of experience in mainstream media in Europe

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



Schematic Diagram of Culture Space Carrying Capacity of Beijing



International exchange and cooperation has been steadily strengthened.

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

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

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

Rich activities in various fields

Educational sector

- The number of Sino-foreign cooperative schools and branded programs for foreign educational exchange education foreign exchange has been steadily increasing

Cultural sector

- Efforts have been made to profoundly develop the “Happy Spring Festival” events, further enhancing the visibility of the “Beijing Night” brand for foreign cultural exchanges
- With the theme of “Charming Beijing” and the brand of “The Great Wall Heroes”, Beijing has made use of important overseas media and international hub airports to advertise Beijing’s image and cultural tourism resources

Tourism sector

- Affected by the international circumstances, Beijing received a total of **184 million tourist** arrivals and achieved a total tourism revenue of **291.4 billion yuan** in 2020, both down year-on-year, but the rate of decline was lower than the national average

Three platforms have been adopted to smoothly connect communication channels.

Tremendous efforts to build three platforms for opening up



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

International attractiveness has been improved steadily.

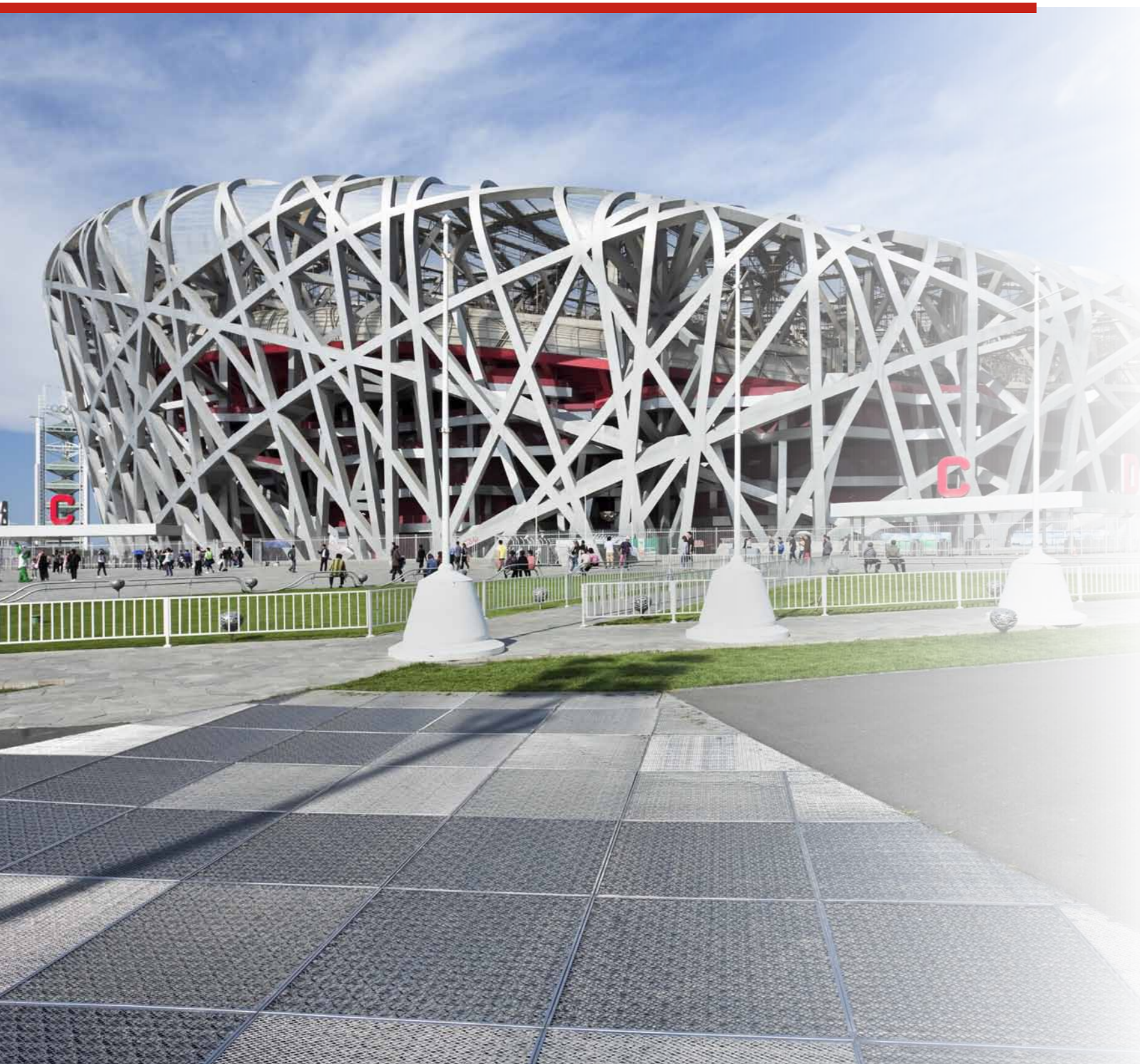
Trade with more than **230** countries and regions

- More than **165** countries and regions have come to Beijing for investment
- Established friendship city relations with **55** cities in **50** countries, forming an all-around, three-dimensional and friendly pattern of friendship cities
- **35,000** representative offices of international intergovernmental organizations in Beijing
- **45,000** foreign-invested enterprises
- 4000 regional headquarters and R&D centers
- **55** headquarters of Fortune 500 companies, topping the list of world cities for **8 consecutive years**
- According to the “Global Conference Destination Competitiveness Index Report 2020”, Beijing ranked **first** among Chinese mainland cities

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

Looking Forward

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



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

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

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

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

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

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

Appendix I: Compilation of key policies for the construction of “Two Zones” in Beijing

Overall national plan



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



“Reply of the State Council on the Work Plan for Deepening a New Round of Comprehensive Pilot Projects of Further Opening up the Services Sector, and Building the Integrated National Demonstration Zone for Opening up the Services Sector in Beijing” (G.H. [2020] No.123)

Implementation plan of each district



“Notice of Dongcheng District Leading Group Office for the Construction of Integrated National Demonstration Zone for Opening up the Services Sector on Issuing the ‘Work Plan for the Construction of ‘Two Zones’ in Dongcheng District”



“Work Plan of Chaoyang District for the Construction of the Integrated National Demonstration Zone for Opening up the Services Sector and the International Business Service Region of China (Beijing) Pilot Free Trade Zone”



“Work Plan of Xicheng District on the Construction of Integrated National Demonstration Zone for Opening up the Services Sector”



“Work Plan of Haidian District on Construction of ‘Two Zones’ (2020-2021)”



“Work Plan of Fengtai District of Beijing Municipality on the Construction of Integrated National Demonstration Zone for Opening up the Services Sector”



“Implementation Plan of Shijingshan District on the Construction of Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone”



“Work Plan of Shunyi District on Promoting the Construction of Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone”



“Work Plan of Tongzhou District on Promoting the Construction of Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone’s International Business Service Region”



“Notice of Leading Group Office of Beijing’s Changping District on the Construction of ‘Two Zones’ for Issuing the ‘Work Plan of Changping District on the Construction of ‘Two Zones’” (C.L.Q.B.F. [2020] No.1)



“Work Plan of Miyun District of Beijing Municipality on the Construction of Integrated National Demonstration Zone for Opening up the Services Sector”



“Work Plan of Huairou District on the Construction of ‘Two Zones’”



“Work Plan of Yanqing District on the Construction of ‘Two Zones’”

Appendix I: Compilation of key policies for the construction of “Two Zones” in Beijing (continued)



“Notice of People’s Government of Pinggu District of Beijing for Issuing Work Plan of Pinggu District on Construction of ‘Two Zones’” (J.P.Z.F. [2020] No.21)



“Notice of Daxing Leading Group Office for Daxing Cluster in the High-end Industry Region of China (Beijing) Pilot Free Trade Zone (the Daxing Region of the Integrated National Demonstration Zone for Opening up the Services Sector) for Issuing Work Plan of Daxing District on the Construction of ‘Two Zones’”(J.X.L.Q.B.F. [2020] No.1)



Work Plan of Fangshan District for the Implementation of the ‘Work Plan for Deepening the New Round of Integrated Pilots of Opening up the Services Sector in Beijing and Building the Integrated National Demonstration Zone for Opening up the Services Sector’ and the ‘Overall Plan for China (Beijing) Pilot Free Trade Zone’”



Notice of the Leading Group for the Construction of ‘Two Zones’ of Mentougou District of Beijing Municipality on Issuing ‘The Implementation Plan of Mentougou District on Carrying out the Construction of the Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone’”



“Work Plan of the Yizhuang Cluster of High-end Industry Region of China (Beijing) Pilot Free Trade Zone (Economic-Technological Development Area of Integrated National Demonstration Zone for Opening up the Services Sector)”

Implementation plans of relevant authorities



“Work Plan for the Construction of ‘Two Zones’ in the Business Field in Beijing”



Work Plan for the Construction of ‘Two Zones’ in the Education Field in Beijing



“Work Plan on Speeding up Scientific and Technological Innovation to Promote the Construction of Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone”



“Working Measures of Beijing Talent Work Bureau on Promoting the Construction of ‘Two Zones’”



“Notice on Issuing of the Work Plan for the Construction of ‘Two Zones’ in the Professional Services Fields in Beijing” J.F.G. [2021] No.72)



“Work Plan on Promoting the Construction of ‘Two Zones’ in the Financial Field”

Appendix I: Compilation of key policies for the construction of “Two Zones” in Beijing (continued)



“Notice on Issuing the ‘Work Plan of Beijing Municipal Bureau of Economy and Information Technology on Pushing Forward the Construction of the Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone’”



“Work Plan on the Construction of ‘Two Zones’ in the Culture and Tourism Field”



“Notice of the Healthcare Coordination Sub-group of the Leading Group for the Work of China (Beijing) Pilot Free Trade Zone (Integrated National Demonstration Zone for Opening up the Services Sector) on Issuing the ‘Work Plan (2021) on the Construction of the Integrated National Demonstration Zone for Opening up the Services Sector and China (Beijing) Pilot Free Trade Zone in the Healthcare Field’”

Implementation plans of each cluster of the pilot free trade zone



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



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



“Implementation Plan of Yizhuang Cluster of High-end Industry Region of China (Beijing) Pilot Free Trade Zone”



“Implementation Plan of Tongzhou Cluster of the International Business Service Region of China (Beijing) Pilot Free Trade Zone”



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



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



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

Appendix II: Compilation of other foreign investment-related policies

Foreign Investment



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

Headquarters Economy



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



“Notice of People’s Government of Beijing Municipality for Issuing Relevant Provisions of Beijing Municipality on Promoting the High-quality Development of Headquarters Enterprises” (J.Z.F. [2021] No.3)

Opening-up of the services sector



“Measures of Beijing Municipality on Accreditation of ‘Urgently Needed and Scarce’ Foreign Talents for the Integrated Pilot Projects for the Opening-up of the Services Sector in Beijing” (J.K.Z.F. [2019] No.168)



“Notice on Issuing the Three-year Action Plan for Opening-up and Reforming Key Fields of the Services Sector”



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



“Three-year Action Plan for Opening-up and Reform in Internet Information Fields” (S.F.W.Y.K.D.K.F.B.Z [2019] No.25)



“Three-year Action Plan for Opening-up the Reforming the Financial Field”



“Three-year Action Plan for Opening-up and Reforming the Education Field”



“Three-year Action Plan for Opening-up and Reform in Culture and Tourism Fields of Beijing Integrated Pilot for Opening up the Services Sector”



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



“Three-year Action Plan (2019-2021) for Opening-up and Reform in Professional Service Fields of Beijing Integrated Pilot for Opening up the Services Sector”



“Three-year Action Plan for Opening-up and Reforming the Fields of Commercial Services, Transportation and Construction Services”

Appendix II: Compilation of other foreign investment-related policies (continued)

Optimizing the business environment



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



"Notice of General Office of the People's Government of Beijing Municipality for Issuing Implementation Plan of Beijing Municipality for Further Optimizing the Business Environment and Better Serving Market Entities" (J.Z.B.F. [2020] No. 26)



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



Notice of Beijing Local Financial Supervision and Administration, Business Management Department of People's Bank of China, and the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission for Issuing Opinions on Accelerating the Optimization of the Business Environment of Financial Credit (B.J.F. [2020] No.31)



"Notice of Beijing Municipal Administration for Market Regulation and Office for the Reform of Administrative Examination and Approval System of the People's Government of Beijing Municipality for Issuing Work Plan of Beijing Municipality for Full Coverage of Pilot Reform of 'Separating the Operating Permit and the Business License'" (J.S.J.F. [2020] No.98)



"Notice of General Office of the People's Government of Beijing Municipality for Issuing Major Tasks in Beijing's New Round of Deepening the Reform of 'Streamlining Administration, Delegating Powers, and Improving Regulation and Services' to Optimize Business Environment" (J.Z.B.F. [2019] No.19)



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

Introducing talents



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



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



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



"Notice of Beijing Municipal Human Resources and Social Security Bureau, Beijing Municipal Education Commission, and Beijing Municipal Health Commission on Further Simplifying the Employment Procedures of College and University Graduates in Beijing Municipality to Optimize Employment Services" (J.R.S.B.F. [2021] No.11)

Appendix II: Compilation of other foreign investment-related policies (continued)



"Notice for Issuing Discretionary Benchmark for Administrative Punishment Concerning Human Resources and Social Security in Beijing (J.R.S.J.F. [2021] No.7)



"Notice of Beijing Municipal Education Commission and Beijing Municipal Civil Affairs Bureau for Issuing Administrative Measures of Beijing Municipality's Schools for Children of Foreigners (Revised)" (J.J.W.) [2020] No.7)



"Notice of Beijing Municipal Human Resources and Social Security Bureau on Strengthening the Services for Personnel Files of Mobile Population for the Convenience of Enterprises" (J.R.S.R.C.F. [2020] No. 24)



"20 Policies to Deepen the Reform of Talent Management in Zhongguancun"



"Beijing's Ten New Policies for the Entry and Exit of Foreign Talents"



"Interpretation of 20 Entry and Exit Policies and Measures of the Ministry of Public Security in Supporting Beijing's Innovation and Development"

Other fields



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



"Notice for Issuing Relevant Policies and Measures for Accurate Assistance to Catering Industry" (J.S.S.H.Z. [2020] No.37)



"Notice of General Office of the People's Government of Beijing Municipality for Issuing Opinions on Financial Support to Relieve Non-capital Functions and Build a High-grade, precise and advanced Economic Structure" (J.Z.B.F. [2017] No.35)



"Notice for Issuing Guiding Opinions on Implementing the Indicators for the Allocation of Commercial Ecological Forms of Beijing Street Blocks" (J.S.W.G.Z. [2018] No.31)



"Notice of General Office of the People's Government of Beijing Municipality for Issuing Work Plan on Comprehensively Implementing the Reform of 'Separating Operating Permit and Business Licenses'" (J.Z.B.F. [2018] No.43)



"Notice of Beijing Municipal Commerce Bureau and Beijing Municipal Finance Bureau for Issuing Implementation Plan for Innovation and Development of Service Trade in Pilot Areas and Demonstration Cities Supported by Beijing Foreign Trade and Economic Development Funds" (J.S.W.C.W.Z. [2018] No.27)



"Notice of Beijing Municipal Human Resources and Social Security Bureau and Beijing Municipal Finance Bureau on Accurately Supporting Stable Employment of Small and Medium-sized Enterprises in Key Industries" (J.R.S.N.Z. [2020] No.48)

Afterword

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

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

This year's Report includes five parts, namely, new strength of opening-up, new opportunities of opening-up, new engine of opening-up, new height of opening-up and new landscape of opening up. In addition to comprehensively displaying Beijing's impressive achievements in development of foreign investment and trade, modern industrial system construction and urban transformation, it also pays attention to analyzing and judging

the new international and domestic circumstances to show Beijing's historic opportunities for overseas investors in the new wave of opening-up. The Report, which is bilingual in English and Chinese, closely follows the needs of investors in its content design, and aims to provide practical policy information, industry information and location information guidance for potential investors.

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

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

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All information and data used in this report are as of March 31, 2021, and information and data that became publicly available after that date have not been included. Unless otherwise noted, all information and data are obtained from publicly available official data sources or provided by the Beijing Municipal Bureau of Commerce.

This report is for general information purposes only and should not be used as a substitute for advice from professional advisors. PwC recommends that you ensure that you obtain professional advice tailored to your specific situation from the Beijing Municipal Commerce Bureau or your professional advisor before making an investment decision.





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