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# Beijing Investment Development Report



北京市商务局



北京市投资促进服务中心  
Beijing Investment Promotion Service Center



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# Beijing Investment Development Report



# Preface

The year 2022 is the year when the 20th National Congress of the CPC will be convened and when the Beijing Winter Olympics were held, and it is also an important year for the implementation of the 14th Five-Year Plan. In retrospect of the endeavors during the 13th Five-Year Plan period and the beginning of the 14th Five-Year Plan, Beijing has steadfastly adhered to its strategic role as China's capital and guided by "four centers" and "four services" in city development. With pacesetting standards, Beijing has made historic achievements in promoting the capital's development, growth with reduced input, innovative development, green development, and people-centered development.

——Vigorously forge ahead for a new chapter of the capital's development in the new era

**Continuously optimize the capital's functions with new positioning.** Beijing highlights service guarantee as a political center and accelerates the development of an international communication center. With the successful celebration of the centenary anniversary of the founding of the CPC in 2021 and the marvelous Winter Olympics in 2022, Beijing's service guarantee capacity for important state events has been significantly improved. Beijing has in advance planned and constructed some major landmark projects, and the new structure for international communication featuring "one core, two axes, and multi-sectors" is taking shape. The influence of opening-up platforms represented by the three platforms of China Beijing International Fair for Trade in Services (CIFTIS), ZGC Forum, and Financial Street Forum is expanding. New progress has been made in the construction of science center, innovation highland, innovation ecosystem, and international innovation center for science and technology. In 2021, Beijing's R&D expenditure accounted for around 6% of its GDP, ranking among the top in international innovative cities. The invention patent ownership per 10,000 people in Beijing is almost ten times the national average. Three nation-level laboratories have been set up and put into operation and Huairou Comprehensive National Science Center has taken initial shape, which will generate a number of world-class original innovative achievements. Vitality for the development of "three science cities and one zone" continues to increase, and the revenue of Zhongguancun National Independent Innovation Demonstration Zone remains a double-digit annual growth rate. In addition, Beijing is demonstrating its cultural confidence and taking on a new look in developing the national culture center. In 2021, Regulations on the Conservation of Historical and Cultural Cities in Beijing took effect which ushered in a new chapter in the protection of the capital's historical and cultural cities. The Museum of the CPC History was established and the Peking University Red Building was reopened to the public, which have become the new red landmarks in the capital city. Beijing has also launched over 100 restoration projects for cultural relics, and the application and protection of cultural heritage in the middle axe of the city have stepped onto the "fast track". The North Canal was opened to navigation, reviving the thousand-year-old ancient canal. Universal Beijing Resort has been grandly opened, releasing new charisma of multi-culture integration.

**Make steady progress for high-quality economic development in the new journey.** Beijing strictly abides by the requirements of "dual control", i.e., control population scale and control construction scale; and "three red lines",

i.e., total population upper limit, ecology control line, and urban development boundary. Beijing's economic strength has experienced continuous improvement while its energy efficiency ranks among the top in province-level regions in the country. It has become the first megacity in China that has achieved growth with reduced input. Its GDP in 2021 registered at RMB 4026.96 billion, a year-on-year increase of 8.5%. It took Beijing 6 years, 5 years, and 3 years respectively to reach an economic aggregate of 2, 3, and 4 trillion yuan, showing an accelerating progress in the process. The per capita GDP in Beijing has increased to RMB 184,000, remaining No.1 among all provinces, autonomous regions, and municipalities, and tantamount to intermediate level of developed economies. The overall labor productivity has risen to above RMB 310,000 per employee, maintaining the national leading position. The economic structure continues to be optimized with steady progress in major areas. In 2021, the added value of service industry in Beijing took up over 80% of its GDP, and the information service industry, financial industry, and wholesale and retailing industry contributed nearly 70% to the growth of service industry. The industrial production of Beijing has made prominent contributions and the city has a growth of 31% in its industrial added value with pharmaceutical and electronics industries playing a significant supporting role. The fixed asset investment had a year-on-year increase of 4.9% with the investment in high-tech manufacturing growing 99.6% which is 77.4 percentage points higher than the national average, manifesting great impetus in high-tech manufacturing investment. The total market consumption climbed 11% year on year with 901 first stores (including flagship stores) launched in Beijing. The average per capita disposable income in Beijing was RMB 75,002 while the per capita consumption was RMB 43,640, so the consumption power was quite strong.

**Continuously conduct active international economic and trade cooperation to accelerate new opening up.** Beijing has adhered to high standards in the construction of the Integrated National Demonstration Zone for Opening up the Service Industry and the China (Beijing) Pilot Free Trade Zone (Two Zones). A number of policy initiatives and iconic projects were introduced and implemented and Beijing Stock Exchange was opened. Driven by the development of the Two Zones, foreign trade has achieved steady and excellent results. In 2021, Beijing's total import and export value of goods exceeded 3 trillion yuan, reaching 3043.84 billion yuan, a year-on-year increase of 30.6%, and 9.1 percentage points higher than the national growth rate over the same period. The

export of electromechanical products and high-technology products (with some overlapping) respectively increased by 20.8% and 90%, and the structure of trade in goods is under constant optimization. The total import and export value of trade in services experienced the fastest growth in recent 6 years, standing at USD 138.51 billion, a year-on-year increase of 13.7%. The growth rate of service export was almost 20 percentage points higher than that of service import, and the import and export of knowledge-intensive service made up over 50% of the total service import and export value, representing an improving service trade structure. Beijing has innovated its service systems and created "service packages" and "service butlers". As a result, its business environment has taken the lead in China and significant results have been made in stabilizing foreign investment. In 2021, the actual use of foreign investment in Beijing amounted to USD 14.43 billion, a year-on-year increase of 7.8%. A total of 1,924 new foreign-owned enterprises were set up in 2021, a record high since 2008 and up by 52.6% year on year. The actual use of foreign investment in high-tech industry accounted for 68.2% and that of the newly-established foreign-owned enterprises in high-tech industry took up 58.8%, showing strong momentum in attracting investment. The actual use of foreign investment in the region where the China (Beijing) Pilot Free Trade Zone is located took up 88.5% of the total in Beijing, fully untapping the efficiency of opening platforms in attracting investment.

**Achieve remarkable results in innovation-driven development by accumulating new driving force.** Beijing focuses on source innovation to inject new vitality into the rapid development of digital economy. In 2021, Beijing ranked No. 3 among global sci-tech city clusters and No. 4 in Global Innovation Hubs Index (GIHI), both up one place compared with the previous year. The added value of Beijing's digital economy accounted for 40.4%, remaining a leading position in China. Investment in such new infrastructure construction projects as 5G, IOV, and Industrial Internet witnessed a year-on-year increase of 1.5 percentage point, standing at 9.1%. The online consumption was active with the online turnover of wholesale and retail industry, and accommodation and catering industry above designated size accounting for 36.3% of the total retail sales of consumer goods, up by 4.1 percentage points. High-end industries are leading the new development and there is an accelerated clustering of innovation market players. In 2021, the high-tech industry and emerging industries of strategic importance (with some overlapping) in Beijing had a growth rate of 14.2% and 14% respectively, accounting for 27% and 24.7% of GDP, up 0.5

and 0.4 percentage point respectively from 2020. By the end of 2021, there were 91 unicorn companies in Beijing, ranking the second globally and the first in China, making it an important global cluster for unicorn companies.

**Make great breakthroughs in regional coordinated development in the new layout.** Beijing has taken initiative to engage itself in the development of the BRI and has achieved positive results in deepening international cooperation. Take the field of sci-tech innovation as an example, Beijing has built up 3 overseas sci-tech parks and several overseas innovation bases in recent years, and has established 4 nation-level "Belt and Road" collaborative labs. It has set up collaboration networks for BRI technology transfer, matchmaking over 7,000 cross-boarder technologies. Beijing has helped over 1,200 international young students in innovation and entrepreneurship through "Vine Project". The city has actively geared up to high-level international economic and trade rules and deepened economic and trade exchange and cooperation of RCEP. In 6 months since RCEP took effect, there had been RMB 770 million-worth import and export good benefitted from preferential policies, among which RMB 687 million of export goods enjoyed tariff reduction and exemption in importing countries. Breakthroughs have been made in key sectors by deepened promotion of coordinated development among Beijing, Tianjin, and Hebei. In 2021, 5,432 technology contracts were transferred from Beijing to Tianjin and Hebei with a transaction volume of RMB 35.04 billion, and Zhongguancun enterprises set up a total of 9,032 branches in Tianjin and Hebei. Cooperation Agreement on Jointly Promoting Basic Research in Beijing, Tianjin and Hebei (2021-2025) (Phase Three) was signed and the three regions have invested a total of about RMB 50 million in Beijing-Tianjin-Hebei Basic Research Cooperation Special Projects, funding over 100 projects, and some project results have been applied.

In the future, Beijing will adhere to promoting high-quality development with high-level opening up and continue to build up world-class business environment. *The Beijing Investment Development Report 2022* aims to present Beijing's comprehensive development strength in economy, science and technology, culture, and ecology, and analyze its investment environment and opportunities so as to provide some references for interested domestic and foreign investors in their decision making. In spite of the complicated and fickle international situations, Beijing is confident and determined to join hands with global investors in turning challenges into opportunities and building a sustainable future!



Beijing's GDP exceeds  
**RMB 4 trillion**

Per capita GDP reaches **RMB 184,000**, amounting to intermediate level of developed economies and **ranking the first among all the provinces (autonomous regions and municipalities)**

The overall labor productivity rises to **over RMB 310,000 per employee, taking the lead in China**

Per capita disposable income reaches  
**RMB 75,002, No. 2 in China**

Total retail sales of consumer goods  
**RMB 1,486.77 billion**

R&D investment intensity  
≈6%, No.1 in China

Global Sci-tech City Cluster Rank  
**No.3, up one place from the previous year**

Total import and export value of goods reaches  
**RMB 3,043.84 billion**  
**Exceeding RMB 3 trillion**

Total import and export value of service reaches  
**USD 138.51 billion**  
About **1/5** of the national total

Digital economy value added  
**RMB 1,625.19 billion**  
**40.4%** of Beijing's GDP

High-tech industry value added takes up **27%** of Beijing's GDP

Strategic emerging industries value added takes up **24.7%** of Beijing's GDP

Capital for “unicorns”, number of “unicorn” companies  
**NO.2** in the world, **NO.1** in China



- National Political Center
- National Cultural Center
- International Exchange Center
- International Sci-tech Innovation Center



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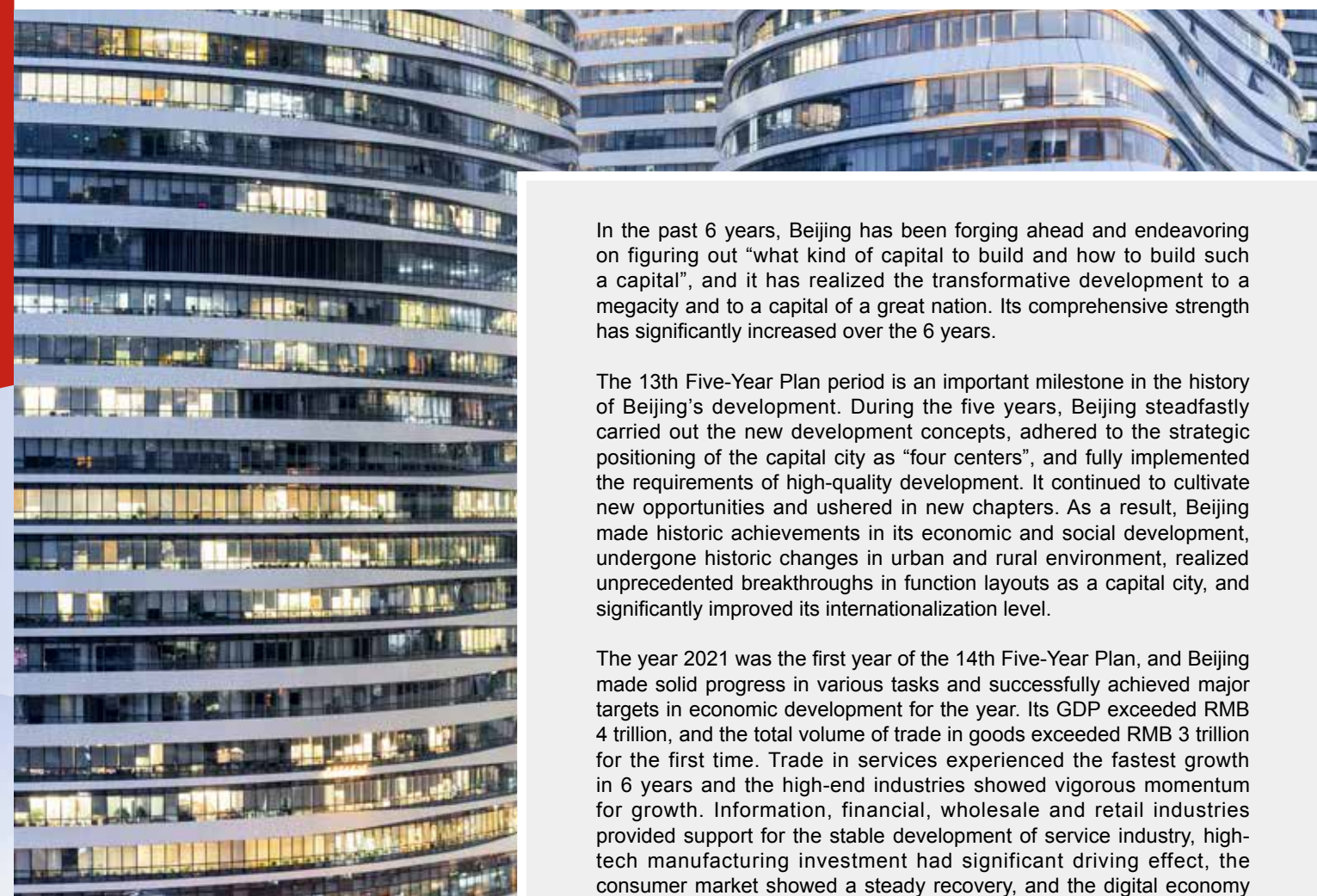




# Economic Strength and Investment Prospects

# 1

## Significantly Enhanced Economic Strength



In the past 6 years, Beijing has been forging ahead and endeavoring on figuring out “what kind of capital to build and how to build such a capital”, and it has realized the transformative development to a megacity and to a capital of a great nation. Its comprehensive strength has significantly increased over the 6 years.

The 13th Five-Year Plan period is an important milestone in the history of Beijing’s development. During the five years, Beijing steadfastly carried out the new development concepts, adhered to the strategic positioning of the capital city as “four centers”, and fully implemented the requirements of high-quality development. It continued to cultivate new opportunities and ushered in new chapters. As a result, Beijing made historic achievements in its economic and social development, undergone historic changes in urban and rural environment, realized unprecedented breakthroughs in function layouts as a capital city, and significantly improved its internationalization level.

The year 2021 was the first year of the 14th Five-Year Plan, and Beijing made solid progress in various tasks and successfully achieved major targets in economic development for the year. Its GDP exceeded RMB 4 trillion, and the total volume of trade in goods exceeded RMB 3 trillion for the first time. Trade in services experienced the fastest growth in 6 years and the high-end industries showed vigorous momentum for growth. Information, financial, wholesale and retail industries provided support for the stable development of service industry, high-tech manufacturing investment had significant driving effect, the consumer market showed a steady recovery, and the digital economy accounted for 40.4% of the total GDP in Beijing. In general, despite the complicated international environment and multiple daunting challenges in 2021, Beijing adhered to the principle of seeking progress while maintaining stability, took initiative to enhance its economic strength, took new steps in building new development structure, and made new achievements in high-quality development.





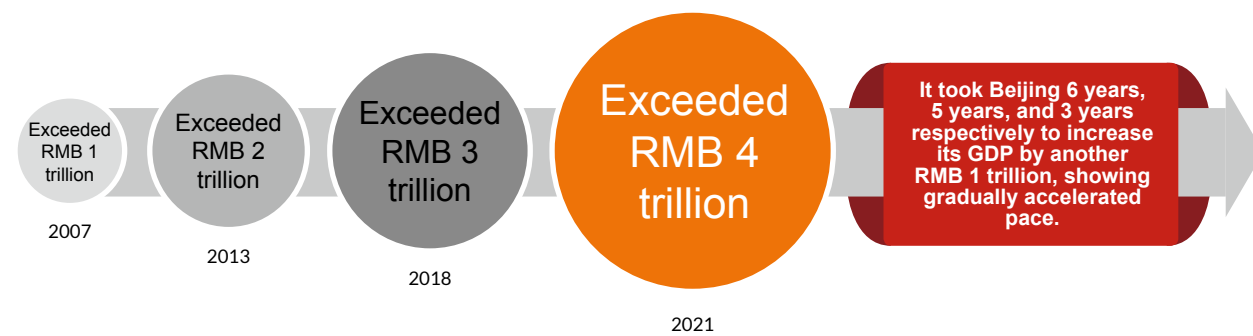
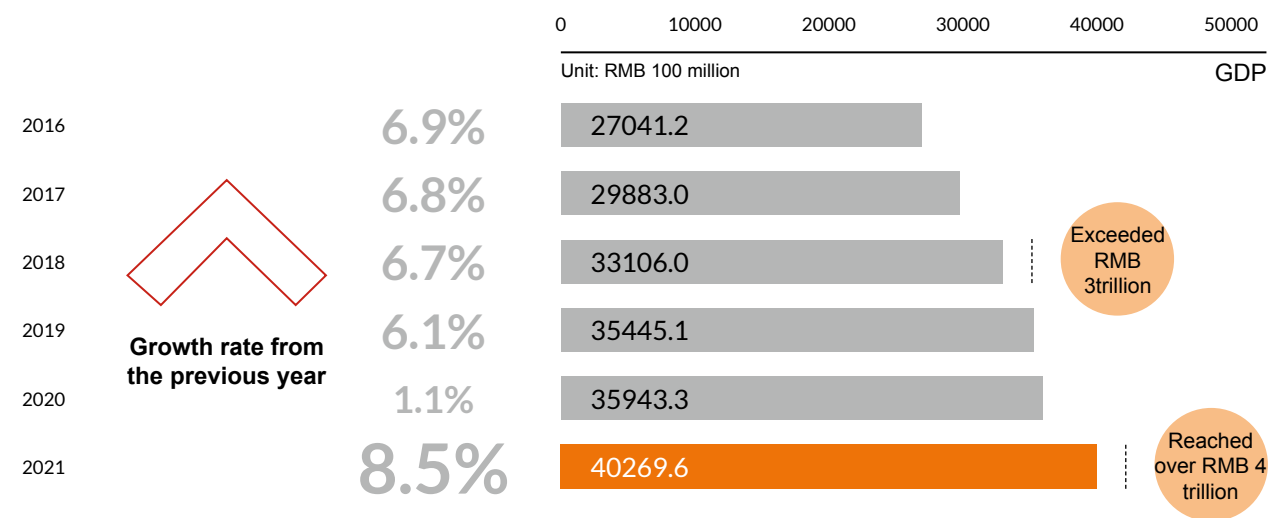
## Steady and record high economic aggregate

- During the 13th Five-Year Plan period, Beijing has reached a new level in high-quality economic development with its GDP increased by another RMB 1 trillion to RMB 3.6 trillion.
- In 2021, Beijing's GDP reached RMB 4,026.96 billion, climbing to the new level of RMB 4 trillion and ranking 2nd in China; calculated at constant price, it was a year-on-year increase of 8.5%, a nation-leading growth rate and the fastest growth since 2011.
- Beijing realized a GDP of RMB 1 trillion in 2007, and its economic aggregate exceeded RMB 2 trillion, RMB 3 trillion and RMB 4 trillion respectively in 2013, 2018 and 2021, with shortened interval in reaching new levels.



- In 2021, the per capita GDP of Beijing reached RMB 184,000, a year-on-year increase of 11.5% and 10 percentage points higher than the growth rate from the previous year.
- Beijing's per capita GDP remains leading among all provinces, autonomous regions, and municipalities in China, and is RMB 103,000 higher than the national average, equivalent to intermediate level of developed economies.

### Beijing's GDP and its growth rate from 2016 to 2021



Data sources: 1. Beijing Statistical Yearbook; 2. The Beijing 2021 National Economic and Social Development Statistical Report

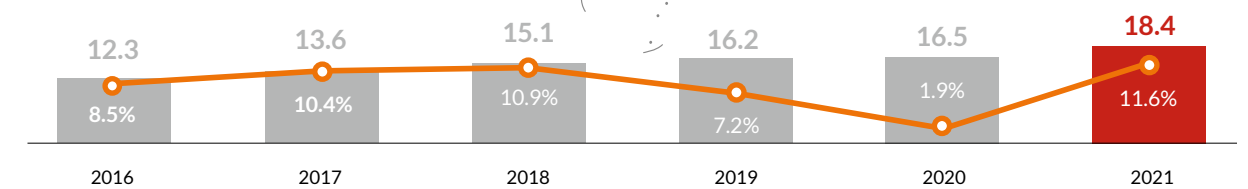
## Per capita GDP and overall labor productivity rank No. 1 in China

### Beijing's per capita GDP and its growth from 2016 to 2021

Unit: RMB 10,000

### Top 5 provincial-level administrative regions in per capita GDP

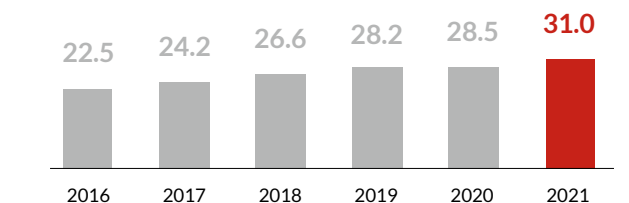
Unit: RMB 10,000



- In 2021, the social labor productivity in Beijing increased from RMB 225,000 per person in 2016 to over 310,000 per person, up 8.8% year on year and RMB 164,000 per person higher than the national average.

### Growth of Beijing's social labor productivity from 2016 to 2021

Unit: RMB 10,000/Person



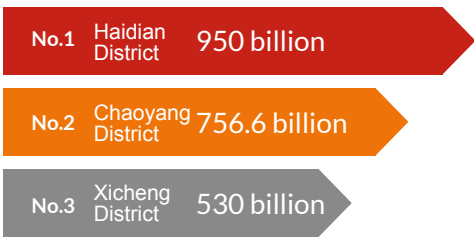
- Against the backdrop of deepened growth with reduced input and energy efficiency ranking among the top among provincial-level regions in China, the overall labor productivity in Beijing keeps taking the lead and its economic development efficiency has been significantly improved.

Data sources: 1. Beijing Statistical Yearbook; 2. The Beijing 2021 National Economic and Social Development Statistical Report; 3. Beijing Statistics WeChat Official Account; 4. Collated by PwC



## GDP of Haidian District, Chaoyang District, and Xicheng District rank Top 3 in Beijing

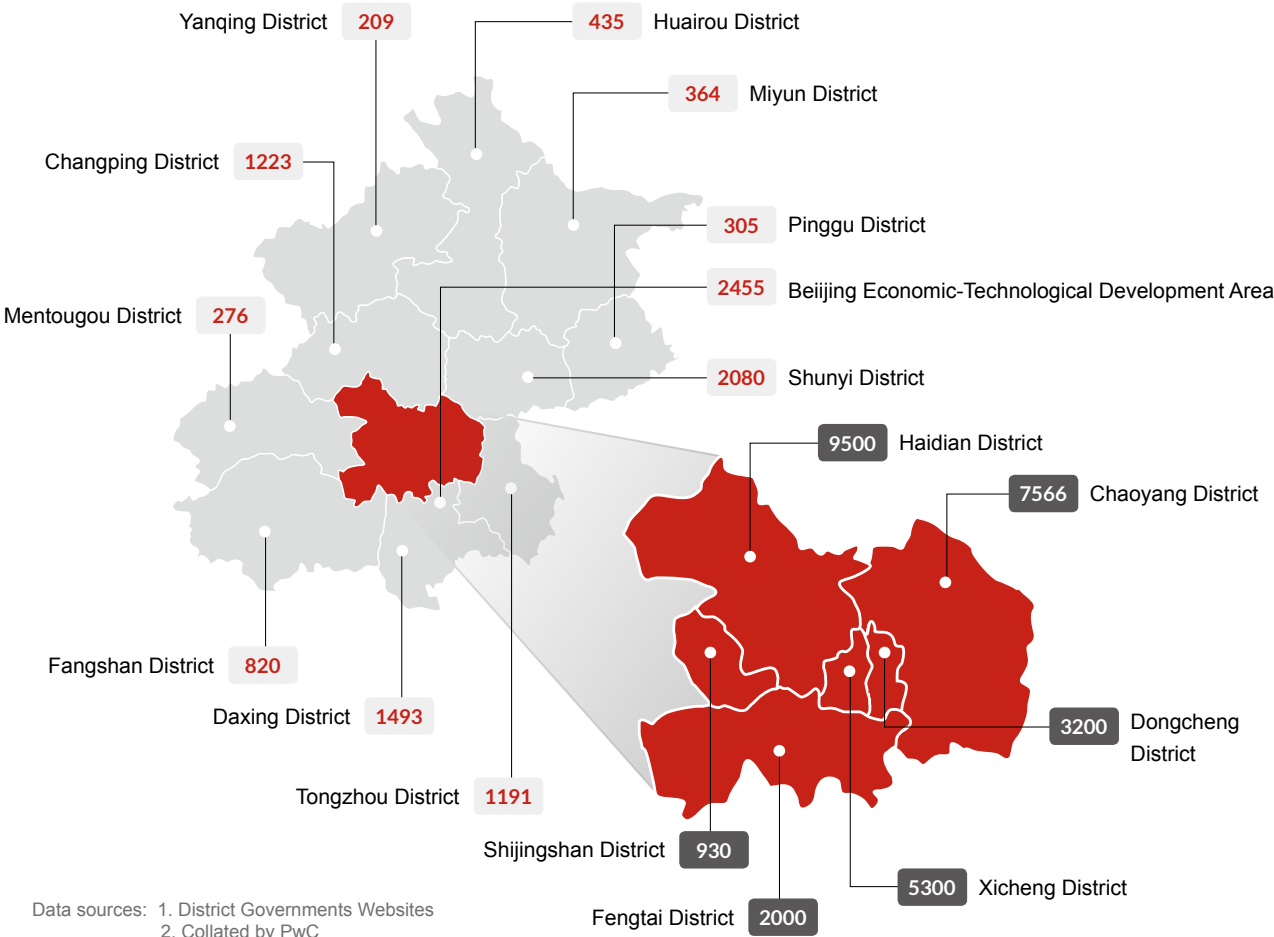
- In 2021, the GDP of Haidian District ranked 1st among districts in Beijing, standing at RMB 950 billion, a year-on-year increase of 11.7%; followed by Chaoyang District with its GDP reaching RMB 756.6 billion, a year-on-year increase of 7.5%; while Xicheng District, Dongcheng District, and Beijing Economic-Technological Development Area respectively ranked 3rd, 4th, and 5th with their respective GDP of RMB 530 billion, RMB 320 billion, and RMB 245.5 billion.



2021 GDP growth rate of different districts in Beijing					
Haidian District	Chaoyang District	Xicheng District	Dongcheng District	Beijing Economic-Technological Development Area	Shunyi District
11.7%	7.5%	4.7%	8.3%	20.0%	11.0%
Fengtai District	Daxing District	Changping District	Dongzhou District	Shijingshan District	Fangshan District
7.9%	60.1%	6.6%	8.0%	8.7%	7.9%
Huairou District	Miyun District	Pinggu District	Mentougou District	Yanqing District	
9.7%	7.5%	7.4%	10.0%	7.5%	

### GDP of Beijing's Districts in 2021

Unit: RMB 100 million

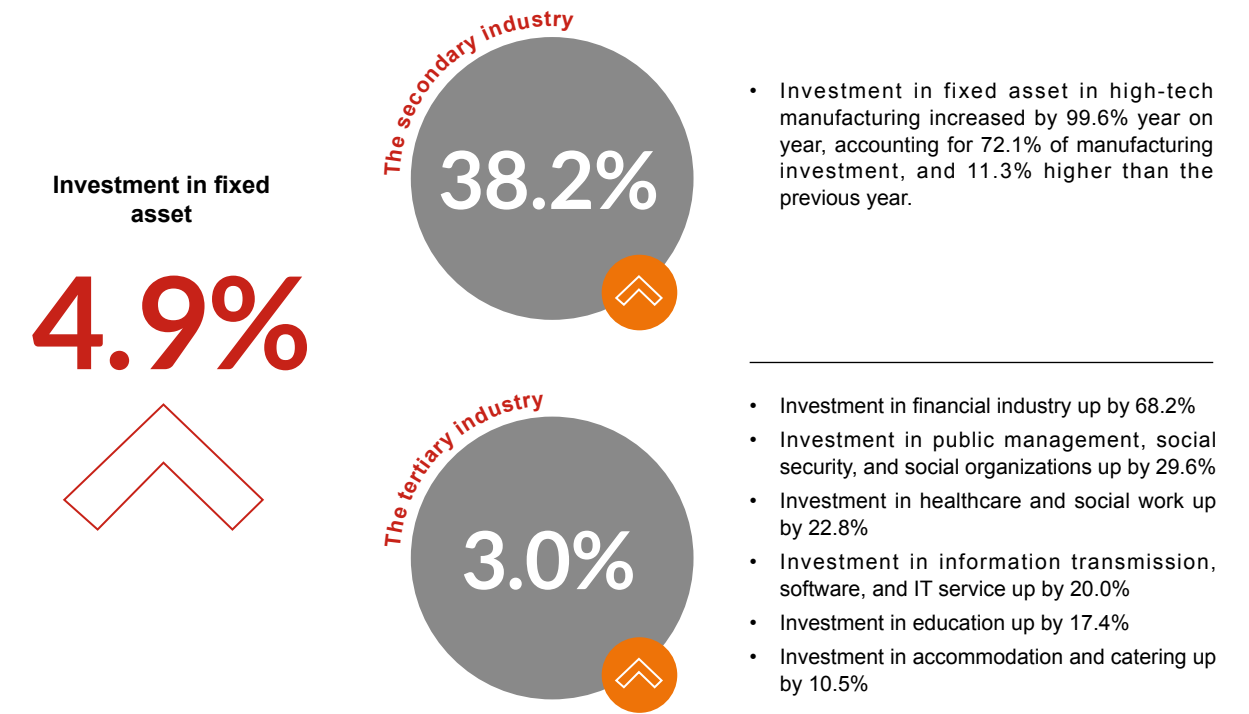
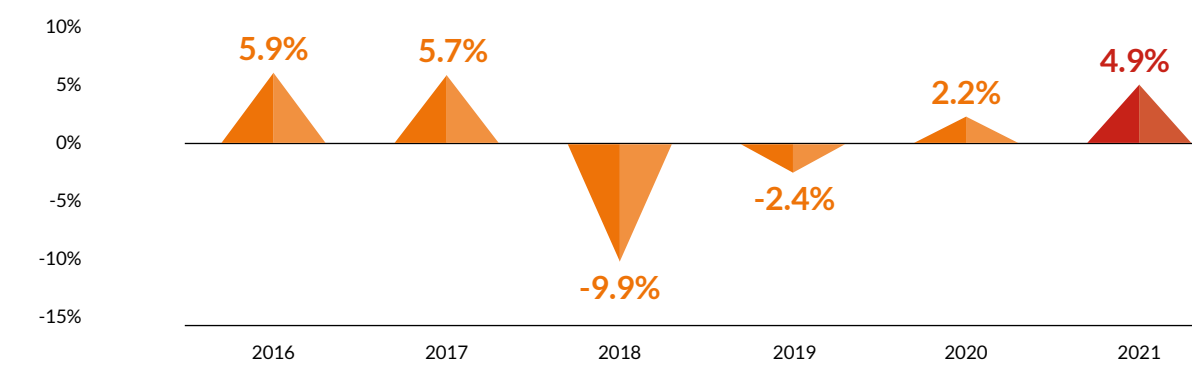


Data sources: 1. District Governments Websites  
2. Collated by PwC

## Robust growth in fixed asset investment in high-tech manufacturing

- In 2021, Beijing's fixed asset investment registered at RMB 842.59 billion, a year-on-year increase of 4.9% and 1.9 percentage points higher than the forecast at the beginning of the year. The investment in the secondary industry achieved double-digit growth with a year-on-year increase of 38.2%, which was the fastest growth; and investment in the tertiary industry had a year-on-year increase of 3%.
- In terms of the secondary industry, investment in manufacturing jumped by 68.3%, among which the investment in high-tech manufacturing increased by 99.6% which is 77.4 percentage points higher than the national average. Rapid growth in investment in high-tech manufacturing means that the foundation for cultivating and expanding new driving forces for economy has been further consolidated.
- In terms of the tertiary industry, investment in financing expanded by 68.2% year on year, and investment in software and IT service had a year-on-year increase of 20%, injecting new vitality for the high-quality development.
- In terms of different sectors, infrastructure investment dropped by 8.9%, real estate development investment climbed up by 5.1%, and private investment increased by 6.4%.

### Growth rate of investment in fixed asset in Beijing from 2016 to 2021



Data sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report; 2. Collated by PwC

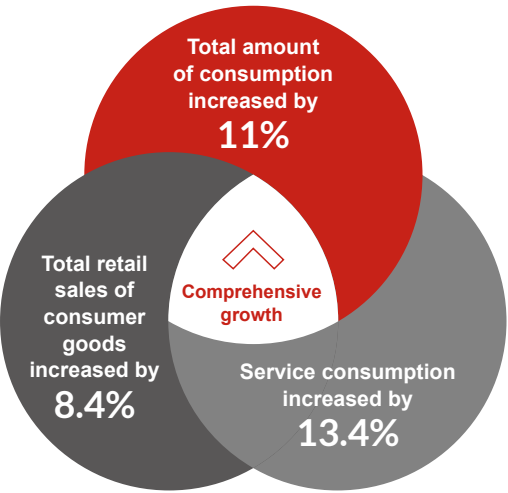
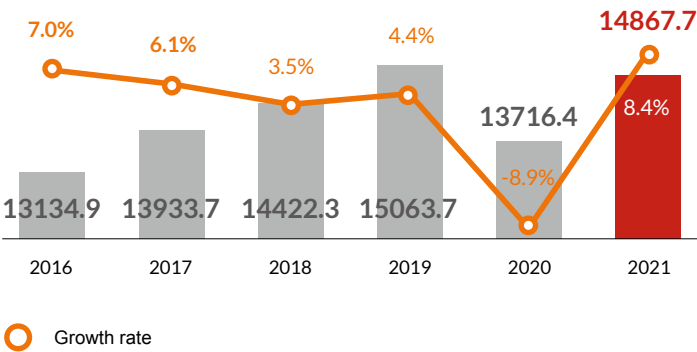


Accelerated release of consumption driving force

- In 2021, Beijing's total market consumption increased by 11% over 2020, among which the service consumption grew by 13.4%; and the total retail sales of consumer goods reached RMB 1,486.77 billion, an increase of 8.4%.
- In terms of retail sales of consumer goods:
  - By consumption patterns, commodity retail sales stood at RMB 1,373.31 billion, an increase of 7.1% over the previous year; catering revenue amounted to RMB 113.46 billion, a year-on-year increase of 27.5%.
  - By commodity categories, in whole sale and retail above designated size, the sales volume of commodities related to basic living consumption like beverages and textiles such as clothing, footwears, and hats respectively increased by 36.4% and 16.9%; the retail sales of such upgraded consumption as office supplies and communication equipment climbed up by 21.4% and 16.7% respectively. The online turnover of whole sale and retail above designated size, and accommodation and catering had a year-on-year increase of 19.0%, reaching RMB 539.27 billion.

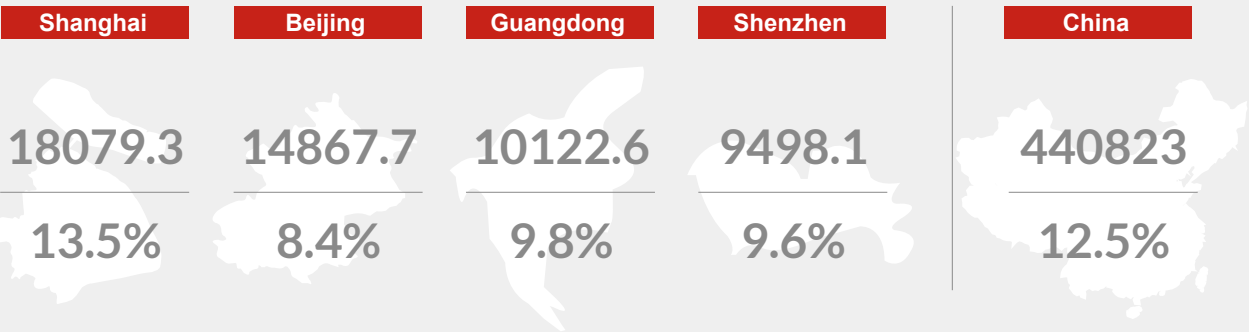
Beijing's total retail sales of consumer goods from 2016 to 2021

Unit: RMB 100 million



Retail sales of consumer goods and the growth rate of China's TOP4 first-tier cities in 2021

Unit: RMB 100 million

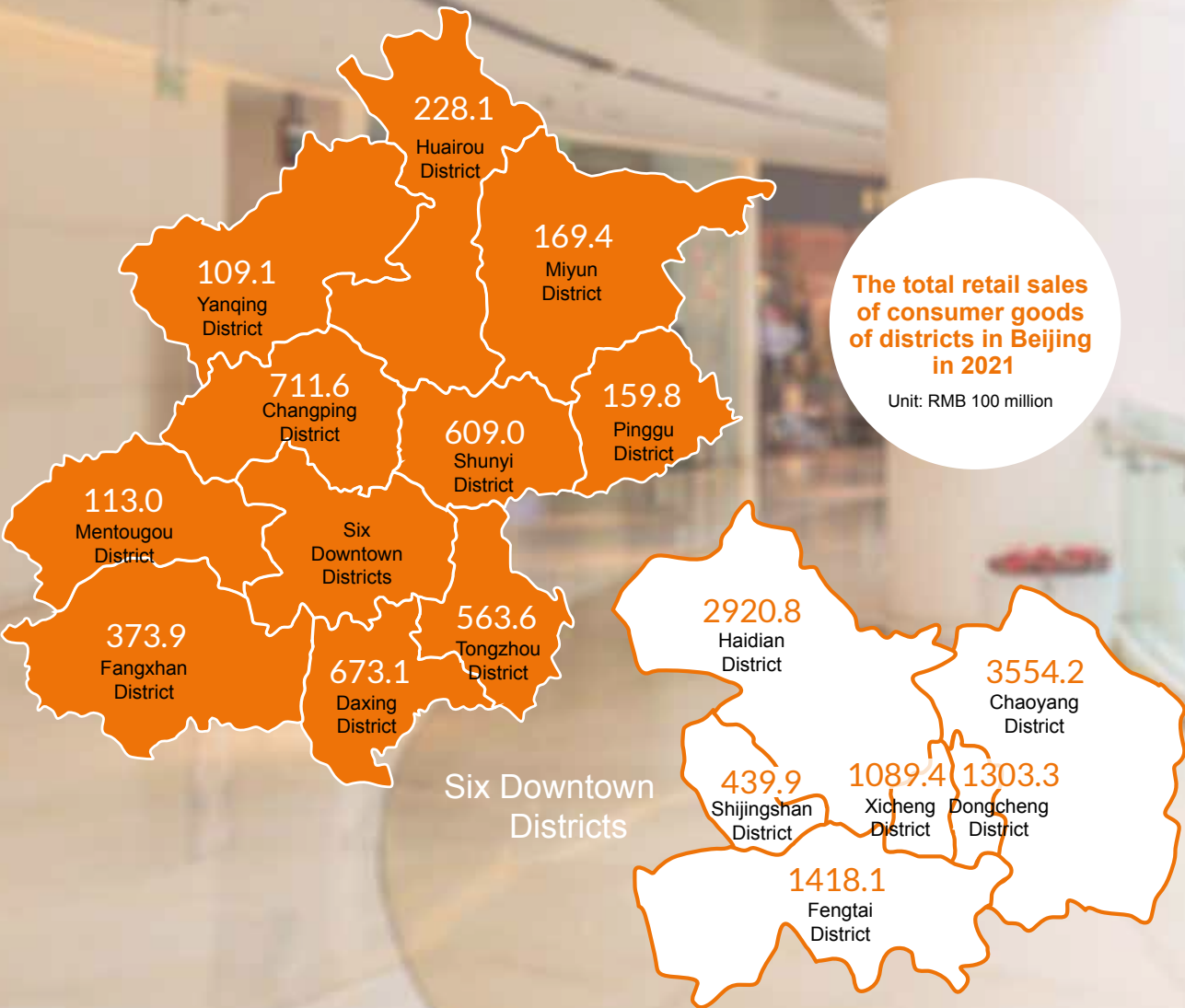


Data sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report  
2. The National Economic and Social Development Statistical Reports issued by different municipalities

- Beijing is making progress in building itself into an international consumption center city and different districts are witnessing flourishing consumer markets. The six downtown districts have great pulling effect on consumption in Beijing, with the total retail sales of consumer goods in Chaoyang and Haidian respectively reaching RMB 355.42 billion and 292.08 billion; Huairou, Mentougou, Shijingshan, and other districts have faster growth rate, showing huge consumption potential.

The total retail sales of consumer goods and growth rate of districts in Beijing in 2021

Chaoyang District	Haidian District	Fengtai District	Dongcheng District	Xicheng District	Changping District
10.3%	7.5%	7.5%	7.4%	9.7%	6.2%
Daxing District	Shunyi District	Tongzhou District	Shijingshan District	Fangshan District	Huairou District
8.8%	8.3%	6.5%	10.1%	9.5%	12.3%
Miyun District	Pinggu District	Mentougou District	Yanqing District		
5.3%	2.3%	11.6%	9.4%		



Data sources: 1. Government websites of districts in Beijing; 2. Collated by PwC

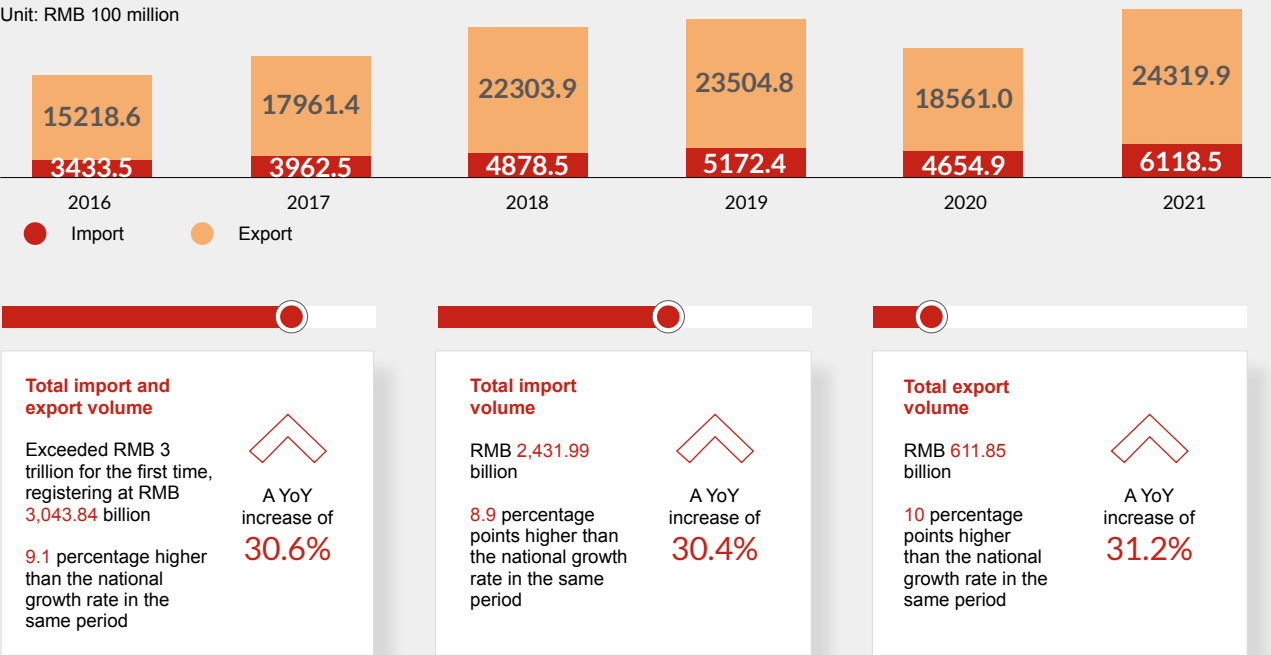


Resilient foreign trade development

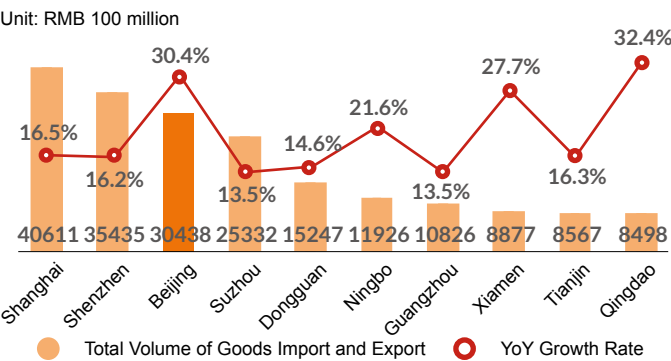
The scale of import and export of goods hit a record high

- During the 13th Five-Year Plan period, trade of goods in Beijing has been developing in a positive direction with trade structure continuously optimized and trade quality steadily improved.
- In 2021, the total value of import and export of goods in Beijing reached RMB 3,043.84 billion, a year-on-year increase of 30.6%. After it exceeded RMB 1 trillion in 2005 and hit the mark of RMB 2 trillion in 2010, the total value of import and export of goods crossed the threshold of RMB 3 trillion in 2021, laying a good foundation for the foreign trading development during the 14th Five-Year Plan period.
- Among them, the annual import value was RMB 2,431.99 billion, a year-on-year increase of 30.4% and 8.9 percentage points higher than the national growth rate in the same period; the export value reached RMB 611.85 billion, up by 31.2% year on year and 10 percentage points higher than the national growth rate.

Beijing's total goods import and export volume from 2016 to 2021



Goods Import and Export of China's Top10 Cities in 2021

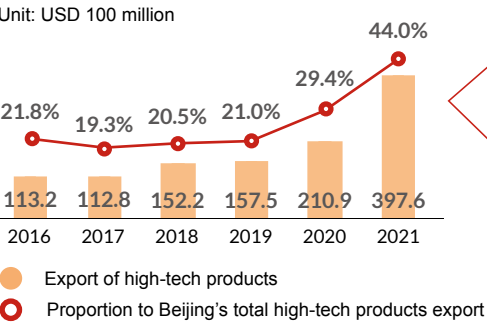


Data sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report; 2. Statistical Bureaus of different municipalities; 3. Collated by PwC

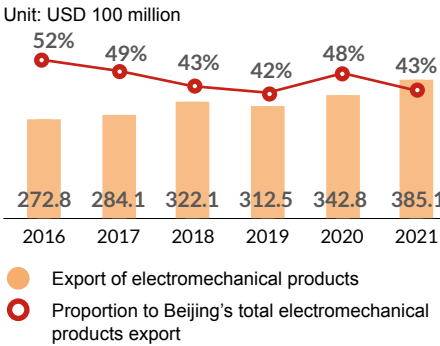
Continuous increase of high-tech products export

- In 2021, Beijing's export of electromechanical products and high-technology products (with some overlapping) respectively increased by 20.8% and 90%, standing at USD 38.51 billion and USD 39.76 billion, with expanded scale and improved quality.

Export of high-tech products from 2016 to 2021

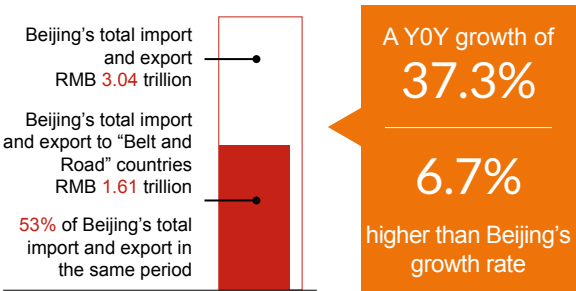


Export of electromechanical products from 2016 to 2021



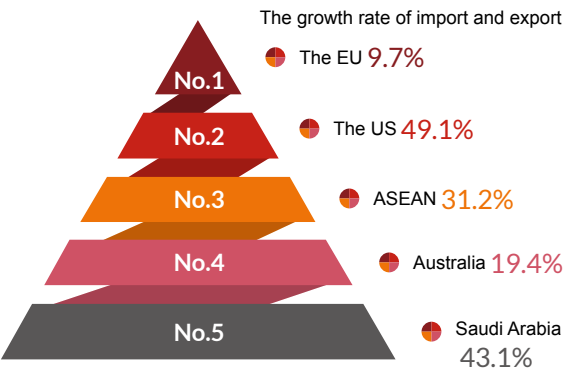
Faster growth of import from and export to countries along the "Belt and Road"

- In 2021, the import and export value of Beijing to the "Belt and Road" countries reached RMB 1.61 trillion, a year-on-year increase of 37.3%, accounting for 53% of Beijing's total import and export in the same period. And the export to countries along the "Belt and Road" stood at RMB 371.78 billion, up by 44.6% year on year which was 13.4 percentage points higher than the export growth rate of Beijing in the same period.



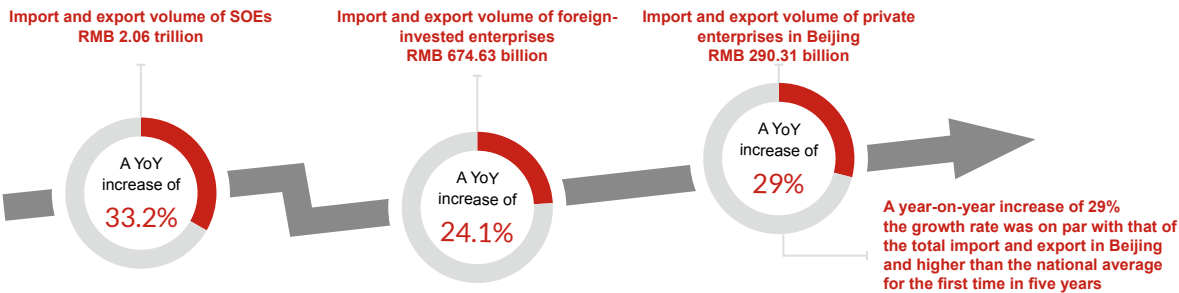
Steady growth of import and export with major trade partners

- In 2021, Beijing witnessed growth in both import and export with its Top 5 trading partners, i.e., the EU (excluding the UK), the US, ASEAN, Australia, and Saudi Arabia.



Booming vitality of foreign trade businesses

- In 2021, the total import and export value of private enterprises in Beijing reached RMB 290.31 billion, a year-on-year increase of 29%, which was higher than the national average for the first time in five years, showing the vitality of private enterprises in foreign trade.
- The import and export of SOEs and foreign-invested enterprises in Beijing was respectively RMB 2.06 trillion and 674.63 billion, an increase of 33.2% and 24.1% respectively.



Data sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report; 2. Beijing Municipal Bureau of statistics

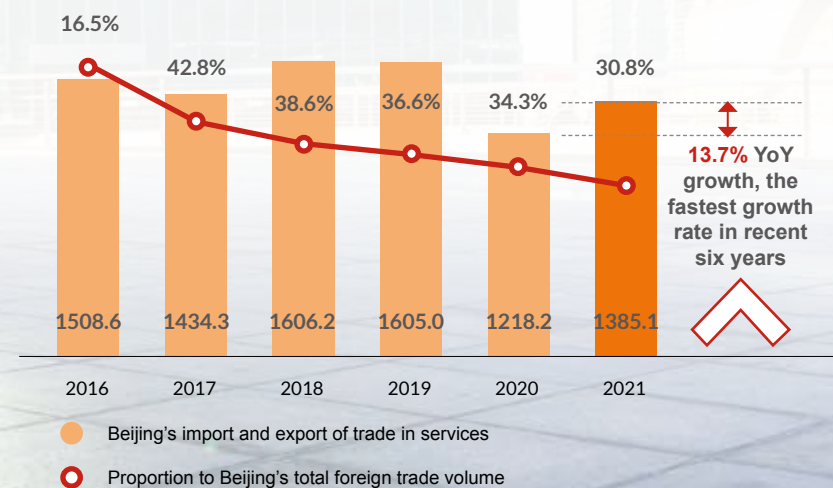


## Promote the open development of service trade with high quality

- During the 13th Five-Year Plan period, trade in services in Beijing has steady development with its proportion to national trade in services keeping at around 1/5, ranking among the top in China.
- In 2021, Beijing's total volume of import and export of trade in services reached USD 138.51 billion, a year-on-year increase of 13.7% and the fastest growth rate in 6 years, kicking off a great start for the 14th Five-Year Plan. The import and export of trade in services accounted for 30.8% of the total volume of foreign trade in Beijing and 16.9% of the national total trade in services.
- The structure of trade in services continued to improve and trade deficit has reduced substantially. The growth rate of service export was nearly 20 percentage points higher than the service import, bringing about a year-on-year decrease of 40% in service trade deficit.
- Steady growth was achieved in trade in knowledge-intensive service and its import and export took up over 50% of the total import and export of trade in services, 6.5 percentage points higher than the national level.

### Beijing's total import and export of trade in services from 2016 to 2021

Unit: USD 100 million



16.9%

The proportion of Beijing's import and export of trade in services to the national import and export of trade in services in 2021

30.8%

The proportion of Beijing's import and export of trade in services to Beijing's total foreign trade volume in 2021

>50%

Proportion of Beijing's trade in knowledge-intensive service in 2021

Data sources: 1. Beijing Municipal Commerce Bureau; 2. Beijing Municipal Bureau of Statistics; 3. The Beijing 2021 National Economic and Social Development Statistical Report

## Great contribution from the tertiary industry and the secondary industry to economic growth

- Service industry in general maintained steady development.** In 2021, the tertiary industry achieved an added value of RMB 3,288.96 billion, contributing 81.7% to the economic growth; among them, information service, finance, whole sale and retail industry contributed 68.4% to the growth of the tertiary industry, while business service, transportation, culture, sports and recreation, accommodation and catering sectors also recovered growth.
- Industrial production made significant contribution.** With the rise of investment in fixed assets in the secondary industry, especially in high-tech manufacturing, the industrial value added in 2021 increased by 31% and its contribution to economy climbing to 18%. Among them, the pharmaceutical industry driven by vaccine production and the electronics industry driven by the integrated circuits played important supporting roles.

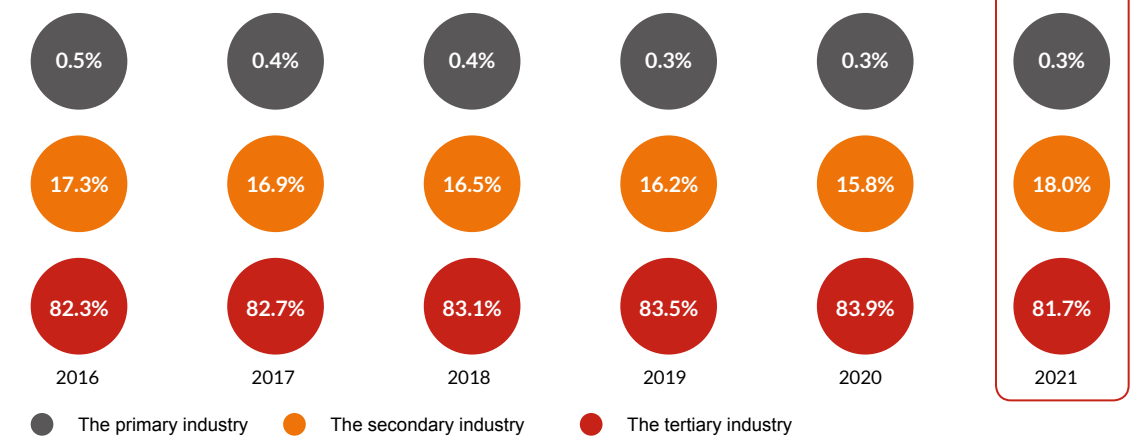
68.4%

Contribution of information service, finance, whole sale, and retail industry to the growth of the tertiary industry

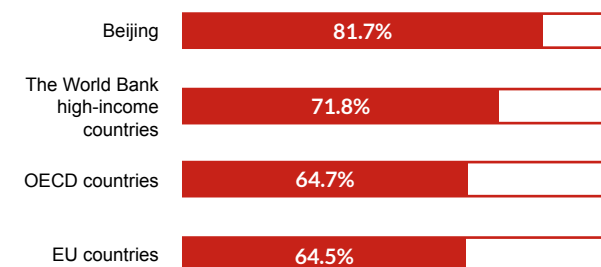
31.0%

Industrial value added Important supporting roles of pharmaceutical and electronics industries

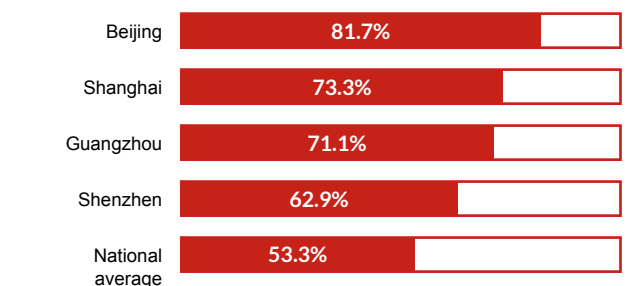
### Proportion of Beijing's three industries' value added to its GDP from 2016 to 2021



### International comparison of tertiary industry's value added to GDP in 2021



### Domestic comparison of tertiary industry's value added to GDP in 2021



Note: Data of the World Bank high-income countries, EU countries, and OECD countries are from the year 2020

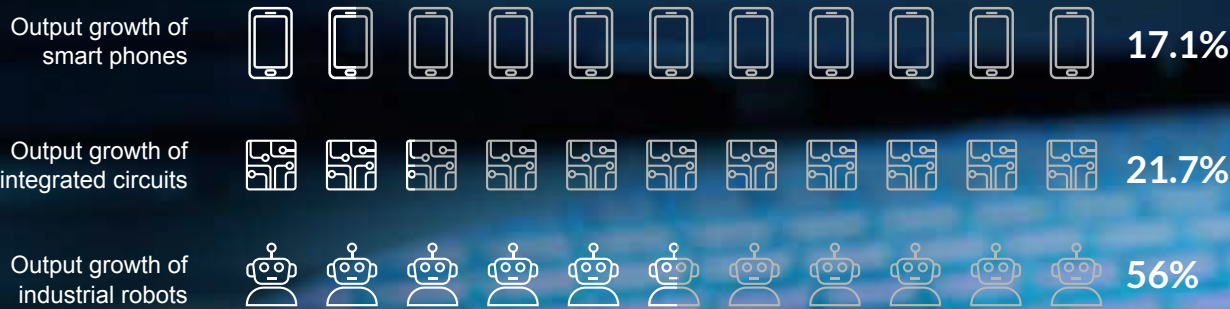
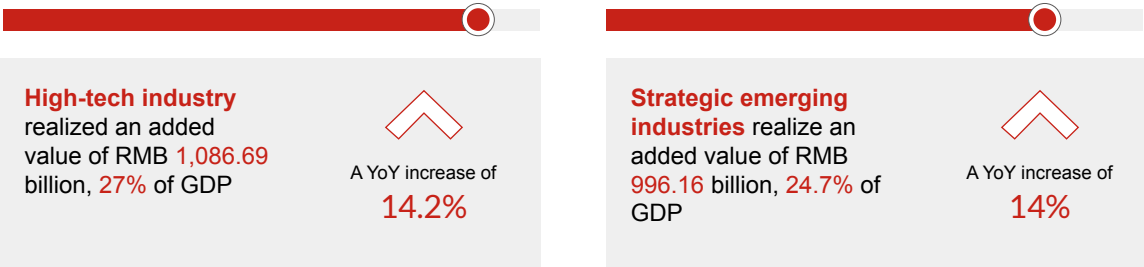
Data Sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report; 2. Beijing Statistical Yearbook; 3. The World Bank website; 4. Collated by PwC



# Accelerated Accumulation of New Driving Force

## High-tech industry and strategic emerging industries lead new growth

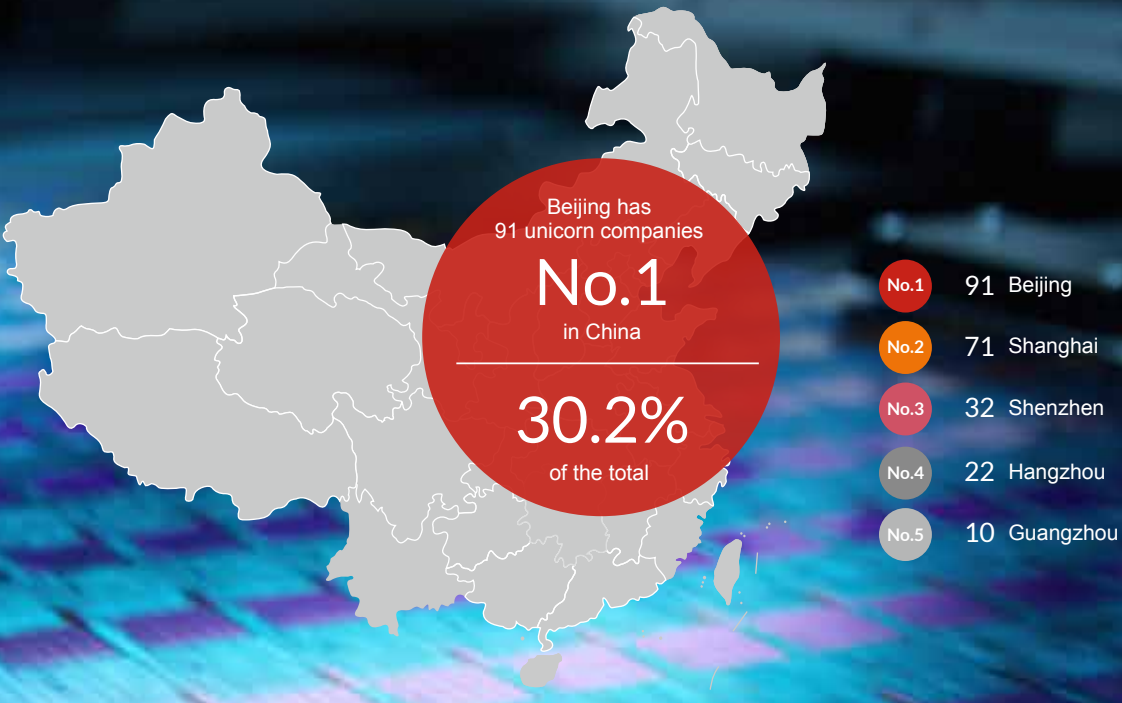
- In 2021, Beijing's high-tech industry and strategic emerging industries (with some overlapping) achieved an added value of RMB 1,086.69 billion and RMB 996.16 billion respectively, representing an increase of 14.2% and 14.0% at current prices and accounting for 27.0% and 24.7% of Beijing's GDP, respectively 0.5 and 0.4 percentage point higher than the previous year.
- Production of high-tech products grew fast, with the output of smart phones, integrated circuits, and industrial robots respectively up by 17.1%, 21.7%, and 56.0%.



Strong Support for Industrial Added Value

## “Unicorn Capital” empowers new development

- In 2021, there was a total of 1,058 unicorn companies around the world, an increase of 472 from the previous year. China ranks second among all countries and regions, with 301 unicorn companies, up by 74 from the previous year, accounting for 28.4% of the world total. Internationally there were 673 new unicorn companies in 2021, with 146 new ones from China.
- Beijing is an important global cluster of unicorn companies with 91 unicorn companies, ranking second among cities around the world and first in China. And 4 of China's Top 10 unicorn companies are located in Beijing.
- Unicorn enterprises in Beijing are mainly in the industries of entertainment and media, digital economy, food and beverage, and AI.



Note: Statistics as of Nov 30th, 2021.  
Data Sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report  
2. Global Unicorn Index 2021 by Hurun Research Institute



## Positive progress in building a global benchmark city for digital economy

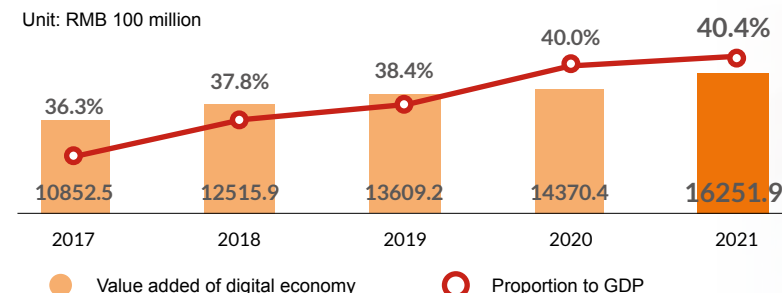
- In August 2021, Beijing announced to build a benchmark city for digital economy and issued the action plan, striving to set up "Beijing Model" for digital economy development in China and "Beijing Benchmark" for global digital economy development.

### New driving force for rapid development of digital economy

- In 2021, Beijing's digital economy realized an added value of RMB 1,625.19 billion, leading the nation. It was a year-on-year increase of 13.1% at current prices and accounted for 40.4% of GDP in Beijing. Among them, the key industries achieved RMB 891.81 billion added value, an increase of 16.4%, and 22.1% of Beijing's GDP.

### Proportion of value added of digital economy to GDP from 2017 to 2021

Unit: RMB 100 million



### Revenue of Internet and information service doubled within 3 years

- In 2021, the annual revenue of Internet and IT service reached RMB 2.2 trillion, doubling in only 3 years after hitting the mark of 1 trillion in 2018, accounting for 25.7% of the national total, and ranking first among all provinces, autonomous regions, and municipalities.



Revenue of Internet and IT service industry

**RMB 2.2 trillion**

### The new generation of IT represented by big data, AI, and blockchain is accelerating its penetration into real economy

- In 2021, the value added of digitalization efficiency reached RMB 733.38 billion, an increase of 9.3%.
- The digitalization rate of manufacturing facilities in industrial enterprises above designated scale exceeded 54%, and the digital control rate in key processes was over 53%, showing accelerated industrial digitalization.



Value-added of digitalization efficiency  
**RMB 733.38 billion**

Digitalization rate of manufacturing facilities  
**54%**

Digital control rate of key processes  
**53%**

### Digitalization upgrade in service industry picked up speed.

- In 2021, online gaming, online entertainment, and online sports enterprises all witnessed a growth rate of over 20%.
- The amount of third-party mobile payment increased by 16.3% and the business volume of inter-bank clearing system for online payment reached RMB 97.6 trillion, 1.8 times higher than that in 2018.



Revenue of online gaming, entertainment, and sports enterprises

**Growth rate over 20%**

### Online consumption presented active performance.

- In 2021, whole sale and retail industry, and accommodation and catering industry above designated size realized online revenue of RMB 539.27 billion, a year-on-year increase of 19%, accounting for 36.3% of total retail sales of consumer goods, up by 4.1% year on year.



Online sales volume of wholesale and retail industry, and accommodation and catering industry above designated size

**RMB 539.27 billion**

Data sources: 1. Beijing Daily; 2. The Beijing 2021 National Economic and Social Development Statistical Report; 3. Beijing Statistics WeChat Public Account; 4. Collated by PwC

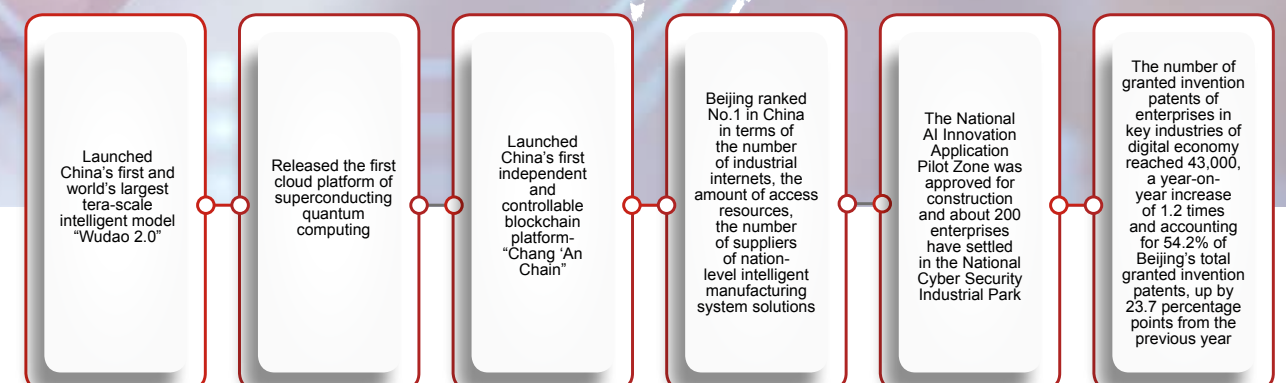
## New breakthroughs in digital technology innovation

- According to Global Innovation Index 2021, Beijing ranked 3rd in global technology city clusters, one place up from the previous year.

### Top 5 Sci-tech clusters among economies and cross-border regions in 2021



- In 2021, Beijing achieved numerous results in digital technology innovation.



## New infrastructure construction continued to improve

- In 2021, there were 282 new infrastructure projects under construction with an increase of 26.4% in complete investment, accounting for 9.1% of the total investment in Beijing, up by 1.5 percentage points from the previous year. 52,000 5G base stations were completed, ranking first in China in terms of base station per 10,000 people, realizing full coverage within the Fifth Ring and precise coverage in key areas and typical scenarios outside the Fifth Ring.
- Beijing Smart City 2.0 was launched and Jingtong, Jingban, and Jingzhi mobile terminals served as unified portals for service in smart city.
- Initiated new infrastructure construction such as city platforms for algorithm and computing power

**282**

New infrastructure projects under construction

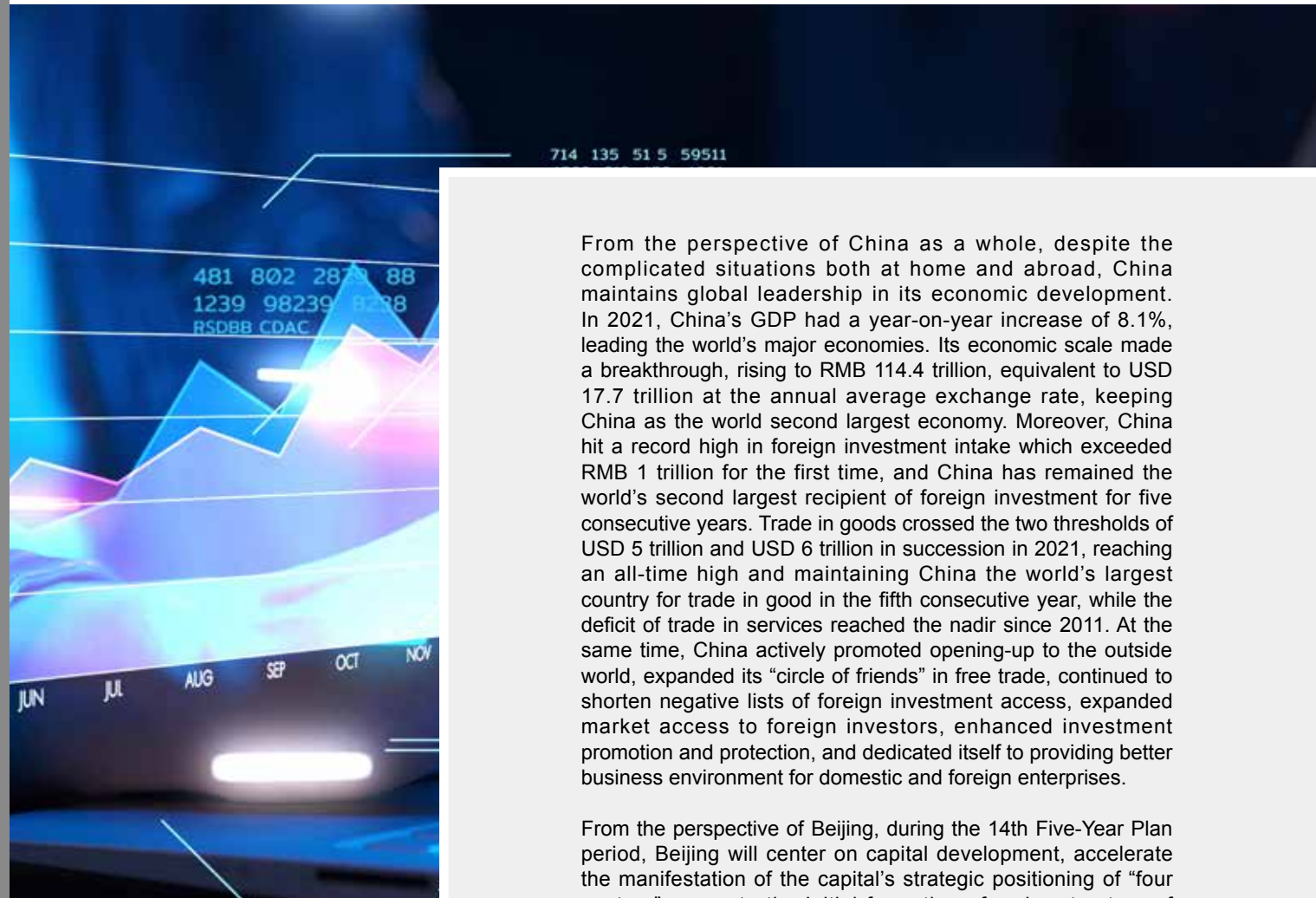
**26.4%**

Complete investment growth

Data sources: 1. Beijing Daily; 2. The Beijing 2021 National Economic and Social Development Statistical Report; 3. Global Innovation Index 2021 by World Intellectual Property Organization (WIPO)



# Optimistic Investment Prospects



From the perspective of China as a whole, despite the complicated situations both at home and abroad, China maintains global leadership in its economic development. In 2021, China's GDP had a year-on-year increase of 8.1%, leading the world's major economies. Its economic scale made a breakthrough, rising to RMB 114.4 trillion, equivalent to USD 17.7 trillion at the annual average exchange rate, keeping China as the world second largest economy. Moreover, China hit a record high in foreign investment intake which exceeded RMB 1 trillion for the first time, and China has remained the world's second largest recipient of foreign investment for five consecutive years. Trade in goods crossed the two thresholds of USD 5 trillion and USD 6 trillion in succession in 2021, reaching an all-time high and maintaining China the world's largest country for trade in good in the fifth consecutive year, while the deficit of trade in services reached the nadir since 2011. At the same time, China actively promoted opening-up to the outside world, expanded its "circle of friends" in free trade, continued to shorten negative lists of foreign investment access, expanded market access to foreign investors, enhanced investment promotion and protection, and dedicated itself to providing better business environment for domestic and foreign enterprises.

From the perspective of Beijing, during the 14th Five-Year Plan period, Beijing will center on capital development, accelerate the manifestation of the capital's strategic positioning of "four centers", promote the initial formation of major structure of world-class city cluster with the capital as the core. Beijing plans to make substantial progress in the construction of a world-class harmonious and livable capital and achieve practical results in implementing the new development pattern so that it will take the lead in China in the new journey of building a modern socialist country in all aspects.

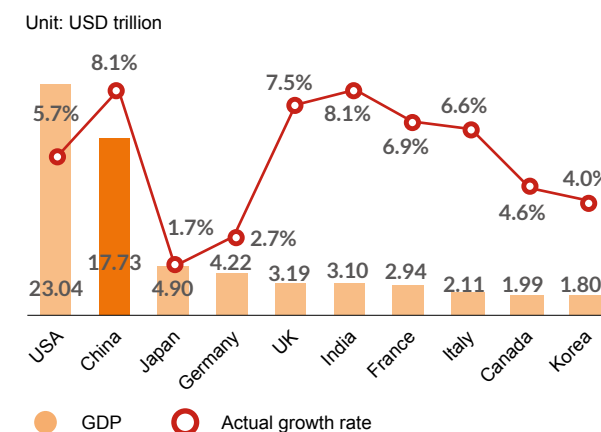
Looking into the future, Beijing presents infinite business opportunities and promising investment prospects.

## China leads global economic recovery

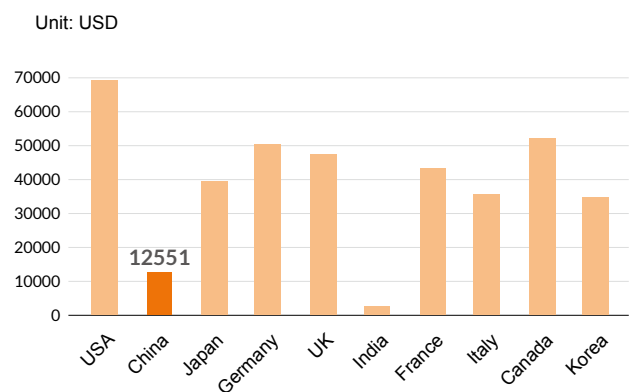
### Economic growth rate leads major economies

- In 2021, China's GDP increased by 8.1% year on year, the largest growth since 2011, and its economic growth rate ranked among top in global major economies. Its economic aggregate exceeded RMB 110 trillion, standing at RMB 114.4 trillion, equivalent to USD 17.7 trillion at annual average exchange rate, which consolidated China's position as the world's second largest economy. China's economy is expected to account for over 18% of the world economy and its contribution to the world economic growth is estimated to reach around 25%.
- The per capita GDP in China reached RMB 80,976, a year-on-year increase of 8% and equivalent to USD 12,551 at annual average exchange rate, which was above the world average per capita GDP.

### GDP and Growth Rate of the World Top 10 Economies in 2021



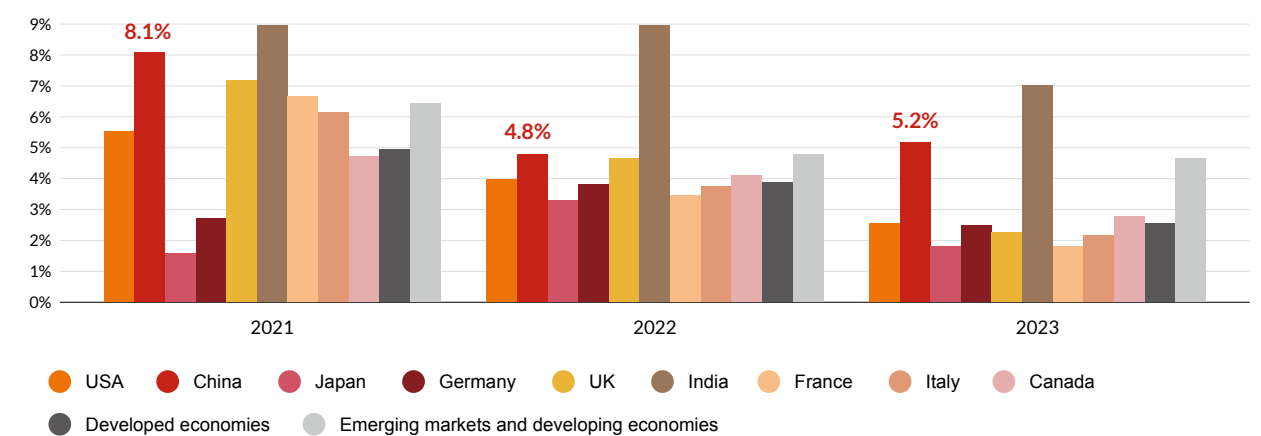
### Per Capita GDP of the World Top 10 Economies in 2021



### Optimistic economic growth expectations

- According to the forecast of the World Bank, the International Monetary Fund, and other market analysis institutions, China's economy will continue to outperform other major economies in the next 3 to 4 years.

### GDP forecast of the world major economies



Data sources: 1. Chinese Government Network ([www.gov.cn](http://www.gov.cn)); 2. EIU; 3. IMF

## China maintains its position as the world's second largest foreign capital inflow country for five consecutive years

### Steady growth in foreign investment utilization in China

- World Investment Report 2022 released by UNCTAD showed that the global FDI in 2021 reached USD 1.58 trillion, increasing 64% from the ultra-low level in 2020.
- In 2021, China hit a record high in foreign investment absorption which exceeded RMB 1 trillion for the first time, reaching RMB 1.15 trillion with a year-on-year growth rate of 14.9%, the first double-digit increase in nearly a decade. (It was equivalent to USD 173.48 billion, a year-on-year growth rate of 20.2%, excluding banking, securities, and insurance sectors.)

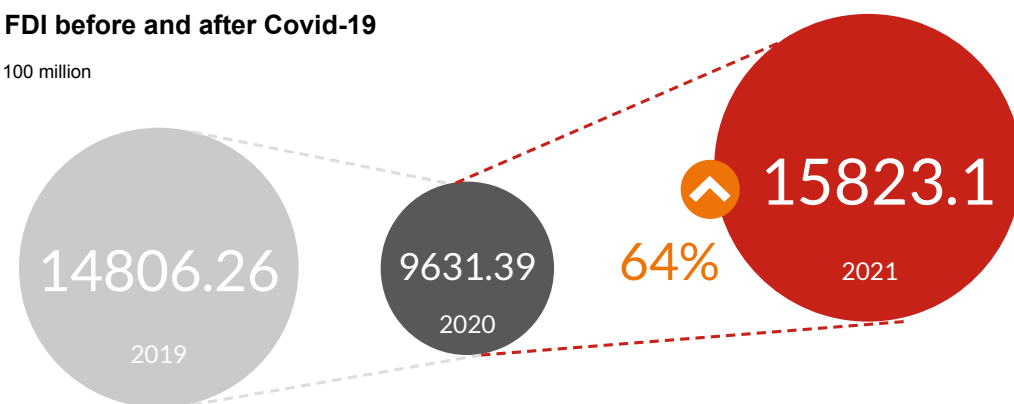
### Rising magnetism of foreign investment utilization in China and "dual improvement" in scale and quality of investment attraction

The actual foreign investment utilization in China stood at USD 173.48 billion, a year-on-year increase of 20.2% (excluding banking, securities, and insurance sectors.)

Around 48,000 foreign-owned enterprises were newly established, a year-on-year increase of 23.5%

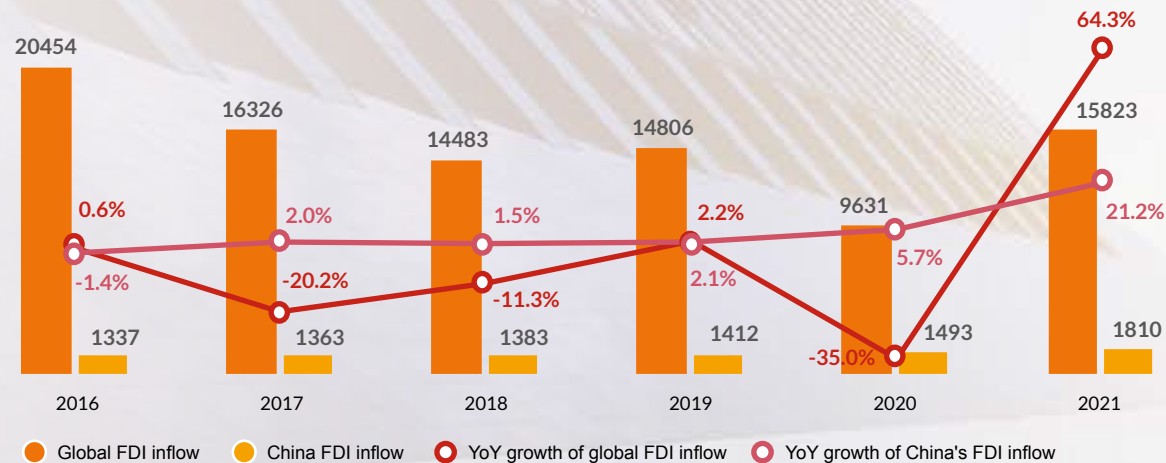
### Global FDI before and after Covid-19

Unit: USD 100 million



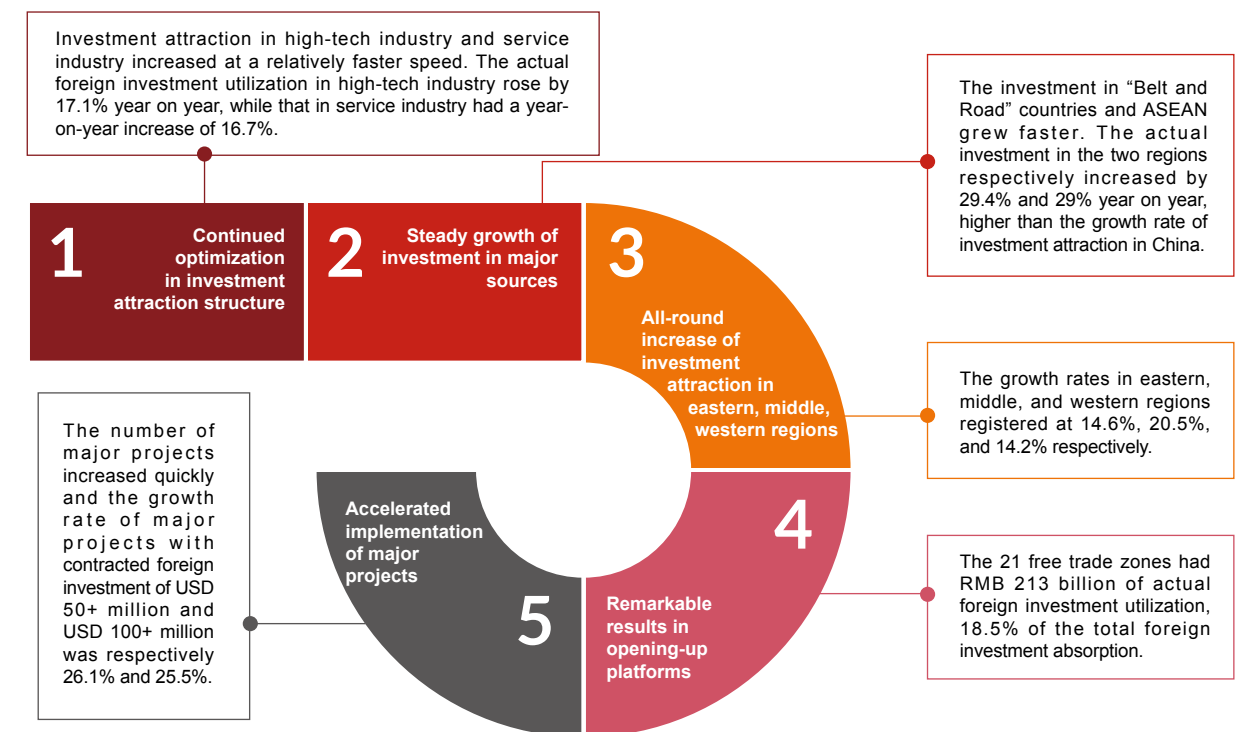
### Global and China's FDI inflow and the growth rate from 2016 to 2021

Unit: USD 100 million



Note: Data in above graph are from unified statistical results

Data sources: 1. WTO; 2. World Investment Report 2022 by UNCTAD; 3. MOFCOM

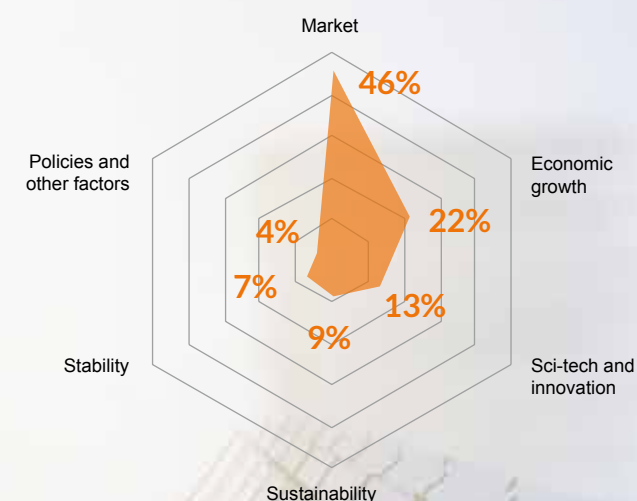


## MNCs are optimistic about Chinese market and its economic growth

### Chinese market and its economic growth are major pulling force for MNCs

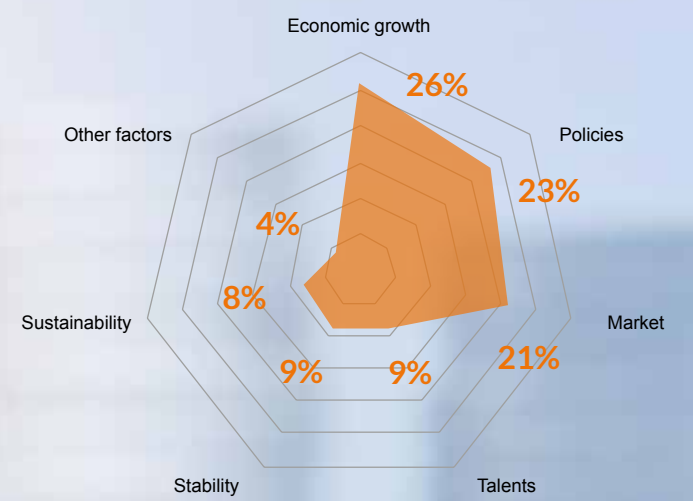
- From February to March 2022, PwC China has surveyed on the operation performances of MNCs in China, finding that despite some challenges, the MNCs were optimistic about Chinese market and its growth potential and that Chinese market and its economic growth were two major factors attracting MNCs.

### The interviewed companies are most optimistic about China in terms of (key words)



Data source: 1. MNCs in China: Seize Opportunities in Market and Economic Growth by PwC

### The most important pulling factors for the interviewed companies to continue their business in China (key words)



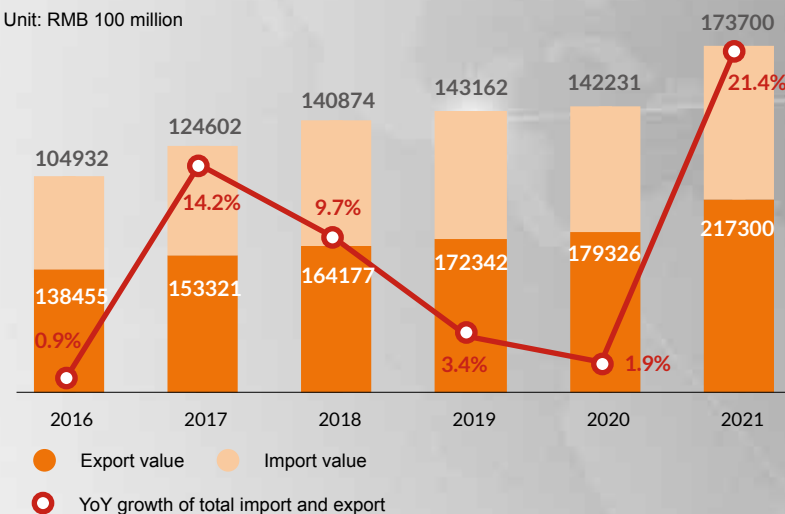


## China remains the world's largest nation for trade in goods for five consecutive years

- In 2021, China's trade in goods achieved rapid growth with annual volume of import and export of goods reaching RMB 39.1 trillion, a year-on-year increase of 21.4%. The scale hit a record high, and the quality improved steadily.
- China's import and export of goods reached USD 4 trillion for the first time in 2013 and 8 years later in 2021, it hit the two marks of USD 5 trillion and USD 6 trillion, an all-time high, accounting for 13.5% of the global total trade volume.

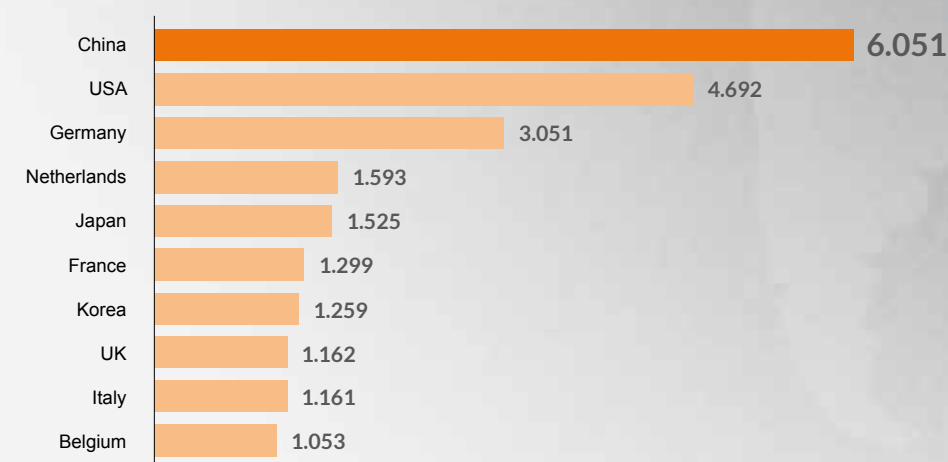
China's total service import and export and growth rate from 2016 to 2021

Unit: RMB 100 million



Global Top 10 Countries of Trade in 2021

Unit: USD trillion



Data sources: 1. National Bureau of Statistics of China; 2. MOFCOM; 3. General Administration of Customs of China; 4. WTO

- Since 2021, China has introduced a series of well-targeted policies and measures to stabilize main players and the market, and to guarantee the stability and smoothness of foreign trade industrial chain and supply chain, which has greatly stimulated the vitality of market players and has become import support for the steady growth of foreign trade.

### Policies and measures to stabilize growth

- Maintain reasonable and sufficient liquidity
- Continue with and optimize some tax reduction policies
- Implement new structural tax reduction
- Enhance financing support for MSMEs and manufacturing enterprises
- Accelerate the development of new business models and forms in foreign trade
- Deepen reforms on facilitating cross-border trade
- Promote reform and innovation on facilitating trade and investment in free trade pilot zones

Continuous momentum in trade

Annual incremental foreign trade reached USD 1.4 trillion

Exceeded USD 5 trillion and USD 6 trillion within one year

### Steady growth of imports and exports with Top 5 trading partners

- In 2021, China's imports and exports with its Top 5 trading partners, including ASEAN, the EU, the US, Japan, and Korea, registered at RMB 5.67 trillion, RMB 5.35 trillion, RMB 4.88 trillion, RMB 2.4 trillion, and RMB 2.34 trillion respectively, up by 19.7%, 19.1%, 20.2%, 9.4%, and 18.4% respectively.

### Booming vitalities of foreign trade business entities and active performance of private enterprises in import and export

- The private enterprises had an import-and-export volume of RMB 19 trillion, an increase of 26.7% and accounting for 48.6% of the total.

- In 2021, China's imports and exports with "Belt and Road" countries increased by 23.6%, 2.2 percentage points higher than the overall growth.

### Faster growth in imports and exports with "Belt and Road" countries

- In 2021, China exported RMB 12.83 trillion worth of electromechanical products, an increase of 20.4% and accounting for 59% of the total export value, among which the export of **automatic data processing equipment and components, mobile phones, and automobiles** respectively grew by 12.9%, 9.3%, and 104.6%.

- In 2021, China imported RMB 7.37 trillion worth of electromechanical products, an increase of 12.2% and accounting for 42.4% of the total import value, among which the import of **integrated circuits** climbed up by 15.4%.

### Good growth momentum of the import and export of electromechanical products

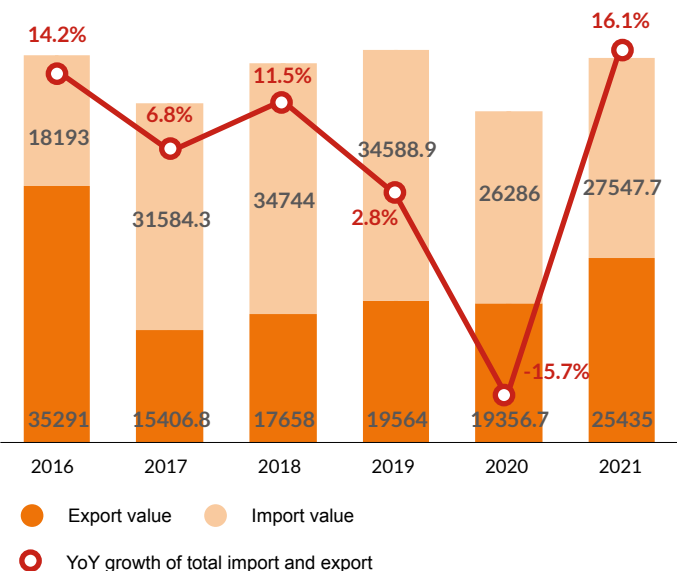
Data sources: 1. National Bureau of Statistics of China; 2. MOFCOM; 3. General Administration of Customs of China

## Continuous rapid growth of China's trade in services

- In 2021, China's service import and export reached a total of RMB 5,298.27 billion, a year-on-year increase of 16.1%.
- Service export registered at RMB 2,543.5 billion, a year-on-year increase of 31.4%, while service import stood at RMB 2,754.77 billion, up by 4.8% year on year. The growth rate of service export was 26.6 percentage higher than service import, bringing the deficit of trade in services down by 69.5% to RMB 211.28 billion, a record low since 2011.

### China's import and export of goods and growth rate from 2016 to 2021

Unit: RMB 100 million



### Substantial improvement in competitiveness of knowledge-intensive service export

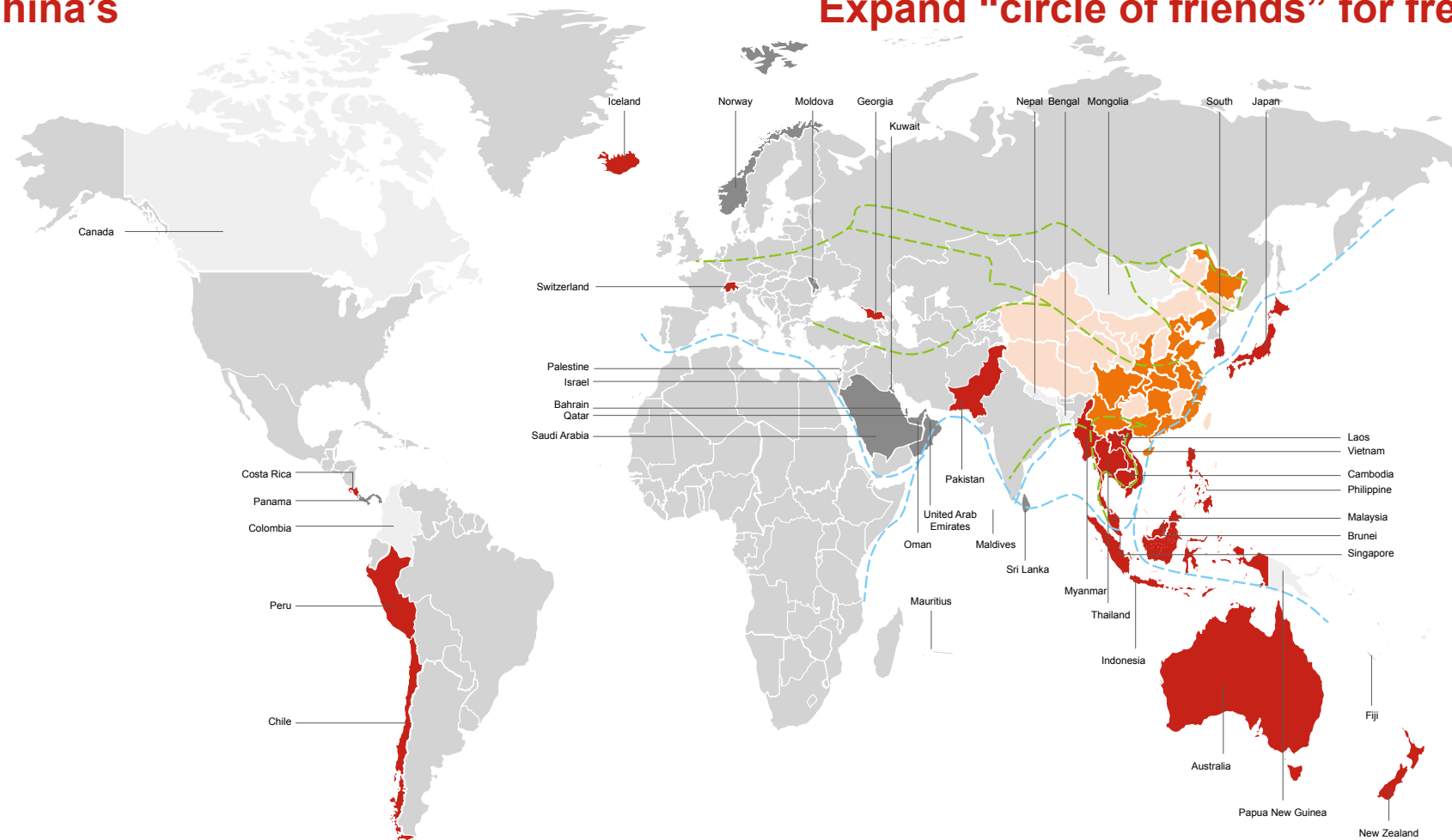
- In 2021, the import and export of knowledge-intensive service reached RMB 2,325.89 billion, up by 14.4%.
- The export of knowledge-intensive service increased by 18% to RMB 1,262.3 billion, among which the export of **individual cultural and entertainment service, IP royalties, and telecommunication computer and information service** respectively climbed by 35%, 26.9%, and 22.3%, manifesting strong export competitiveness.
- The import of knowledge-intensive service increased by 10.4% to RMB 1,063.5 billion, among which the import of **financial service and insurance service** grew relatively faster with a growth rate of 57.5% and 21.5% respectively.

### Significant growth in import and export of transport service

- In 2021, the import and export of transport service reached RMB 1,682.15 billion, an increase of 61.2%.
- The export of transport service was RMB 820.55 billion, up by 110.2%, while its import was RMB 861.6 billion, up by 31.9%, making it **the fastest growing sector among the 12 major sectors of trade in services**.
- The deficit of travel service witnessed dramatic decline. In 2021, China's travel service trade deficit drooped from RMB 1,494.16 billion in 2019 to RMB 643.04 billion, which was an important factor behind the significant decline in the deficit of China's trade in services.

Data sources: 1. National Bureau of Statistics of China; 2. MOFCOM; 3. Collated by PwC

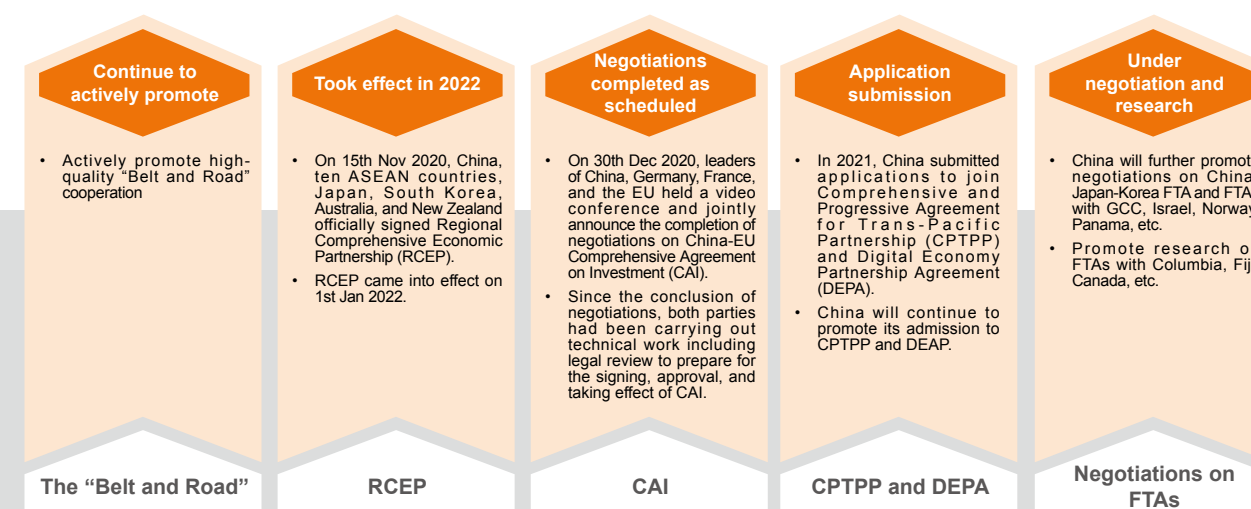
## Expand "circle of friends" for free trade agreements



- In the context of accelerating new development pattern, it requires full leverage of the roles of FTA to promote higher level opening up. It is necessary to speed up the implementation of upgrade strategies for free trade zones and promote the scale, quality, and efficiency of free trade zone construction so that a global-oriented and high-standard network of free trade zones can be built up.

### Build up a global-oriented and high-standard network of free trade zones

China has signed 10 FTAs with 26 countries and regions, having trading partners in Asia, Oceania, Latin America, Europe, and Africa.



### The dividends of China's expanded opening up will benefit more and more domestic and foreign enterprises.

- Over the past decade, the number of FTAs between China and other countries has almost doubled from 10 to 19, and the proportion of trade volume with FTA partners to China's total foreign trade has increased from 17% to 35% in 2021.
- In 2021, China's import and export with its free trade partners with whom the FTAs had taken effect had a year-on-year increase of 23.6%, higher than the overall growth rate of China's foreign trade over the same period.

Data sources: 1. Press conferences on 25th Jan and 1st March 2022 by the State Council Information Office of China; 2. Press Conference on 24th March 2022 by MOFCOM; 3. China Free Trade Area Service Website (fta.mofcom.gov.cn); 4. Collated by PwC



Promote higher level of opening-up to the outside world

Implement negative lists for foreign investment access

- The further shortening of negative lists for foreign investment access and implementation of national treatment for foreign enterprises are important measures by China to expand high-level opening-up and promote high-quality economic development.
- In Dec 2021, the NDRC and MOFCOM released Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition) and Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zones (2021 Edition), which took effect on 1st Jan 2022.

Comparisons between Negative List for Foreign Investment Access (2021 Edition) and Negative List for Foreign Investment Access in Pilot Free Trade Zones (2021 Edition)

Sectors	Negative List	Negative List in Pilot FTZs	Observation
Agriculture, forestry, animal husbandry and fishery	The Chinese Party for the selection of new wheat varieties and seed production shall hold no less than 34% of the shares, and the selection of new corn varieties and seed production must be controlled by the Chinese Party.	For selection and cultivation of new wheat or corn varieties or production of seeds, the Chinese party shall have a stake of not less than 34%.	Lift the restriction that the selection of new corn varieties and seed production must be controlled by the Chinese Party.
	Investment in fishing of aquatic products in sea area under Chinese jurisdiction and within Chinese territorial waters shall be prohibited.	N/A	Lift the restriction.
Manufacturing	Printing of publications must be controlled by the Chinese party.	N/A	Lift the restriction.
	Investing in the application of steaming, stir-frying, moxibustion, calcination of Chinese herbal medicines and other processing techniques as well as the production of confidential prescription products of proprietary Chinese medicines shall be prohibited.	N/A	Lift the restriction.
Leasing and business service	Market surveys shall only be limited to the form of equity joint venture; for radio and television ratings survey therein, controlling stake shall be held by the Chinese Party.	For broadcast media rating services, the Chinese party shall have a controlling stake. For social surveys, the Chinese party shall have a stake of not less than 67%, and the legal representative shall be a Chinese citizen.	Further clarification of the conditions for this restriction.
	Investment in social surveys shall be prohibited.	N/A	Lift the restriction.
Culture, sports and entertainment	Investment in performing arts groups is prohibited.	The Chinese party shall have a controlling stake in a performing arts group.	Loosen the restriction

Comparisons between Negative List for Foreign Investment Access 2021 Edition and 2020 Edition

General Interpretation: Negative List for Foreign Investment Access 2021 Edition was further shortened with optimized administrative measures and improved precision.	National Negative List for Foreign Investment Access		Negative List for Foreign Investment Access in Pilot Free Trade Zones	
	No. of Items	Percentage of Shortening	No. of Items	Percentage of Shortening
	31	6.1%	27	10%
Further deepen opening-up in manufacturing sector and realize zero item in the negative list for manufacturing in pilot FTZs.	In automobile manufacturing, the restriction on the shareholding percentage of foreign investors in the manufacturing of passenger cars and the restriction that one foreign investor may establish two or less joint ventures in China to manufacture the same type of vehicles will be removed. In radio and television equipment manufacturing, restriction on foreign investment in satellite television broadcasting ground receiving facilities and key components production will be removed, and both domestic and foreign capitals will be administered under the principle of equal treatment.			
Explore loosened access threshold for service industry in pilot FTZs	Foreign investment access restriction on market surveys will be removed except that controlling stake for radio and television ratings survey shall be held by the Chinese Party. Foreign investment will be allowed the access to social surveys, but the Chinese party shall have a stake of not less than 67%, and the legal representative shall be a Chinese citizen.			
Improve precision of negative list for foreign investment access	In the Note of Negative List, "a domestic enterprise engaged in business in a field in which investment is prohibited by the PFTZ Negative List may offer shares and be listed for trading overseas, subject to the examination and approval of the appropriate department of the state; an overseas investor shall not participate in the operation and management of the enterprise, and its stake shall be subject to the relevant provisions on the administration of domestic securities investment by overseas investors. The CSRC and the relevant authorities will implement precise management of the listing and financing of domestic enterprises engaged in businesses in areas prohibited by the negative list outside China in accordance with the regulations. The CSRC and the relevant competent authorities shall, in accordance with the regulations, exercise precise management over the listing and financing abroad of domestic enterprises engaged in businesses in areas prohibited by the negative list.			
Optimize the management of negative list for foreign investment access	"A foreign-invested enterprise's investment in a pilot free trade zone shall comply with the relevant provisions of the PFTZ Negative List." was added in the Note of Negative List. To ensure the coherence between Foreign Investment Access Negative List and Market Access Negative List, "the relevant provisions of the Market Access Negative List shall uniformly apply to domestic and overseas investors" was added.			

Data sources: 1. NDRC; 2. MOFCOM; 3. People's Daily; 4. Collated by PwC

Expand the scope of encouraging foreign investment

- In May 2022, the NDRC and Ministry of Commerce released Catalogue of Industries Encouraging Foreign Investment (2022 Edition) (Exposure Draft), supporting foreign investment in medium and high-end manufacturing, R&D, modern services and in the central, western, and northeastern regions.

Comparisons between Catalogue of Industries Encouraging Foreign Investment 2022 Edition and 2020 Edition

General Interpretation: the 2022 Edition has an increased number of items and an optimized structure of items. Compared with the 2020 Edition, 238 items were added, 114 revised (mainly expanding sectors covered by the original items), and 38 deleted. Among them,

- The National Catalogue of Industries Encouraging Foreign Investment (hereinafter referred to as the National Catalogue) added 50 items, revised 62, and deleted 14;
- The Catalogue of Priority Industries for Foreign Investment in the Central-Western Region (hereinafter referred to as the Central-Western Catalogue) added 188 items, revised 52, and deleted 24.

Continue to encourage foreign investment in manufacturing

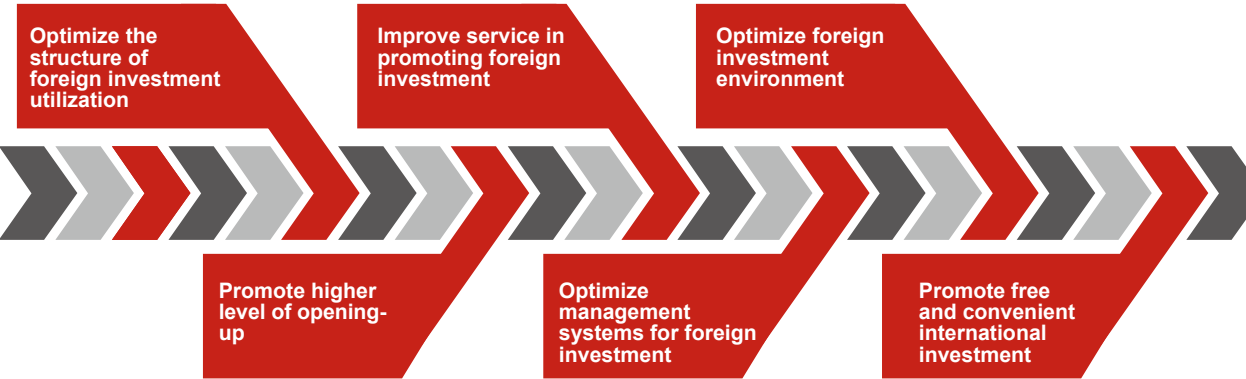
Continue to encourage foreign investment in productive service

Continue to encourage foreign investment in central, western, and northeastern regions

- The National Catalogue increased or expanded such items as components, parts, equipment manufacturing, etc.
- The National Catalogue increased or expanded such items as professional design, technology service and development, etc.
- According to advantages in local labor resources, special sources and the demands in investment and business attraction, the Central-Western Catalogue added or expanded relevant items.

Three changes

Interpretation of Plans on Foreign Investment Utilization during the 14th Five-Year Plan Period



01 General Principles

- Adhere to high-level opening-up to the outside world to attract high-quality global resources
- Adhere to stabilizing quantity and optimizing structure to stabilize the scale of foreign investment utilization and improve the quality of utilization
- Adhere to stabilizing industrial chain and supply chain with good service, and improve the modernization level of industrial chain and supply chain through better utilization of foreign investment
- Adhere to optimizing business environment to stabilize expectations and confidence of foreign investment.
- Adhere to coordinating development and security to prevent and resolve national security risks

02 2035 Outlook

- The scale of foreign investment utilization ranks among the top in the world, the position of a major country in foreign investment utilization remains stable, the structure of foreign investment utilization continues to be optimized, and the interactive and mutual-driving development in overseas investment, foreign trade, and consumption promotion is further enhanced.

Data sources: 1. NDRC; 2. MOFCOM; 3. People's Daily; 4. Collated by PwC

Guide green transition with carbon peaking and carbon neutrality goals

Dec 2009

**The Copenhagen Climate Change Conference**  
China announced internationally that by 2020 it would lower carbon dioxide emissions per unit of GDP by 40% to 45% from the 2005 level

Sep 2020

**General Debate of the 75th UN General Assembly**  
President Xi Jinping made a speech and announced China would enhance its NDCs and strive to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060.

Nov 2020

**The 3rd Paris Peace Forum**  
President Xi Jinping in his speech mentioned China would draw up implementation plans for carbon peaking and carbon neutrality.

Dec 2020

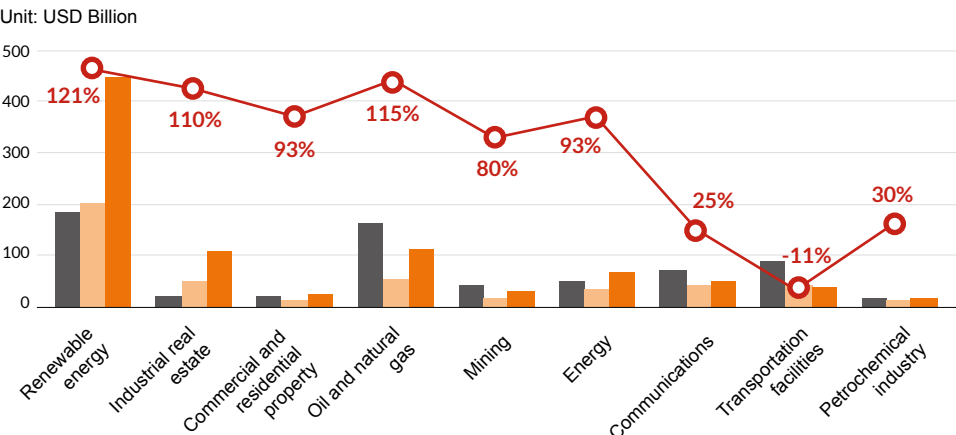
**Climate Ambition Summit**  
On the Climate Ambition Summit celebrating the fifth anniversary of the signing of the Paris Agreement, President Xi Jinping announced China's new measures in NDCs.

Oct 2021

**The Leaders' Summit of the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15)**  
President Xi Jinping made a keynote speech and said that to achieve its carbon peak and neutrality targets, China would release implementation plans for peaking carbon dioxide emissions in key areas and sectors as well as a series of supporting measures, and would put in place a "1+N" policy framework for carbon peak and carbon neutrality

- Renewable energy has become a key focus for global foreign investment, with investment volume in 2021 basically doubled from 2020.

FDI in key sectors from 2019 to 2021



Data sources: 1. Collated by PwC; 2. The 40th Edition of Investment Trends Monitor by UNCTAD

Proactively respond to new changes and new challenges

Highlights of 2022 Report on the Work of the Government and the Potential Influence on MNCs

Dimension	Highlights	Potential Influence Analysis
Proactive fiscal policy and prudent monetary policy	<ul style="list-style-type: none"><li>The proactive fiscal policy should be more effectual, more targeted, and more sustainable. We will implement a new package of tax-and-fee policies to support enterprises. Tax refunds and cuts are expected to total 2.5 trillion yuan this year. VAT credit refunds will account for 1.5 trillion yuan of this sum. The prudent monetary policy should be both flexible and appropriate, with reasonably ample liquidity being maintained. Financial institutions will be encouraged to lower real loan interest rates and cut fees, so as to truly make it easier for market entities to access financing and achieve a considerable drop in overall financing costs. The RMB exchange rate will be kept generally stable at an adaptive, balanced level.</li></ul>	<ul style="list-style-type: none"><li>Stable expectations on RMB exchange rate will boost the investors' confidence during global turbulence, help MNCs prevent imported inflation, and ensure their profit of business in China. The Government's encouragement of banks to lower loan interest and cut fees is conducive to low-cost financing for MNCs, which will in return allow them to expand investment in China.</li><li>The Government Work Report points out that VAT credit refunds have been increased significantly, which will boost market confidence. The refunds can directly improve the financial performance of MNCs and they can better utilize the refunds to expand their business.</li></ul>
Expand opening-up	<ul style="list-style-type: none"><li>We will encourage foreign-invested enterprises to move into a broader range of sectors, and support more foreign investment in medium and high-end manufacturing, R&amp;D, and modern services, as well as in the central, western, and northeastern regions. We will improve services for promoting foreign investment and accelerate the launching of major foreign-funded projects. We will launch more trials on the extensive opening of the service sector.</li></ul>	<ul style="list-style-type: none"><li>In May 2022, the NDRC and Ministry of Commerce released Catalogue of Industries Encouraging Foreign Investment (2022 Edition) (Exposure Draft) and solicited public opinions. The 2022 Edition has an increased number of items and an optimized structure of items. Compared with the 2020 Edition, 238 items were added, 114 revised (mainly expanding sectors covered by the original items), and 38 deleted. The National Catalogue of Industries Encouraging Foreign Investment (hereinafter referred to as the National Catalogue) added 50 items, revised 62, and deleted 14. The Catalogue of Priority Industries for Foreign Investment in the Central-Western Region (hereinafter referred to as the Central-Western Catalogue) added 188 items, revised 52, and deleted 24.</li><li>These will present new business opportunities for MNCs with competitive edges in new technologies and new business models.</li><li>At present, most of the MNCs are located in the east and south of China. In the context of coordinated regional development, the business environment in central, western, and northeastern regions will be gradually improved. So the MNCs are expected to invest in those regions or relocate their plants to there.</li></ul>
Digital economy	<ul style="list-style-type: none"><li>We will encourage development of the digital economy. We will strengthen overall planning for the Digital China initiative, build more digital information infrastructure, gradually build up a national system of integrated big data center, and apply 5G technology on a larger scale. We will advance digitalization of industries, and build smart cities and digital villages. We will accelerate development of the Industrial Internet, build up digital industries such as integrated circuits and artificial intelligence, and enhance China's technological innovation and supply capacities for key software and hardware.</li></ul>	<ul style="list-style-type: none"><li>Digital business in China boasts promising prospect. According to the China Academy of Information and Communication Technology (CAICT), China's digital economy in 2020 reached a scale of RMB 39.2 trillion or USD 6.2 trillion, accounting for 38.6% of GDP, with the digitalization scale of industries standing at RMB 31.7 trillion. Currently, Chinese enterprises are seeking digital solutions to upgrade their production chains, with AI, big data, IOT, automation systems, and 5G network devices being popular demands, which presents a market with huge potential to tech companies around the world.</li></ul>
Carbon emission peaking and carbon neutrality	<ul style="list-style-type: none"><li>We are resolved to stop the blind development of energy-intensive projects with high emissions and backward production capacity. We will improve the carbon sequestration capacity of ecosystem, and transition from assessing the total amount and intensity of energy consumption to assessing the total amount and intensity of carbon emissions, improve policy incentives for reducing pollution and carbon emissions and policy constraints on such emissions, develop green finance, and promote faster development of green ways of working and living.</li></ul>	<ul style="list-style-type: none"><li>The stricter environmental protection policies will gradually phase out industries with high pollution, including those MNCs which fail to meet certain standards. China's commitment to carbon neutrality will generate a new nation-wide wave of demand for new energy, NEVs, green finance, carbon capture and storage technologies. And the market returns in new growth sectors are expected to outweigh the losses in the phased-out sectors. The MNCs should ride the tide of this trend and make substantial reforms on their business in China. In the future, enterprises that are able to supply innovative and low-carbon solutions will enjoy greater development.</li></ul>

Data source: 1. MNCs in China: Seize opportunities in Market and Economic Growth by PwC



# Draw the blue print for high-quality development of the capital during the 14th Five-Year Plan period

- On 27th Jan 2021, the fourth session of the 15th People's Congress of Beijing Municipality approved the Outlines of the 14th Five-Year Plan for Beijing's Economic and Social Development and the 2035 Vision, which explicitly required Beijing to center on capital development, strengthen the capital's function as "four centers", and improve the ability to deliver "four services"; Beijing should theme on high-quality development, focus on "five key tasks", and take the lead in exploring effective pathways to integrate into the new development pattern.

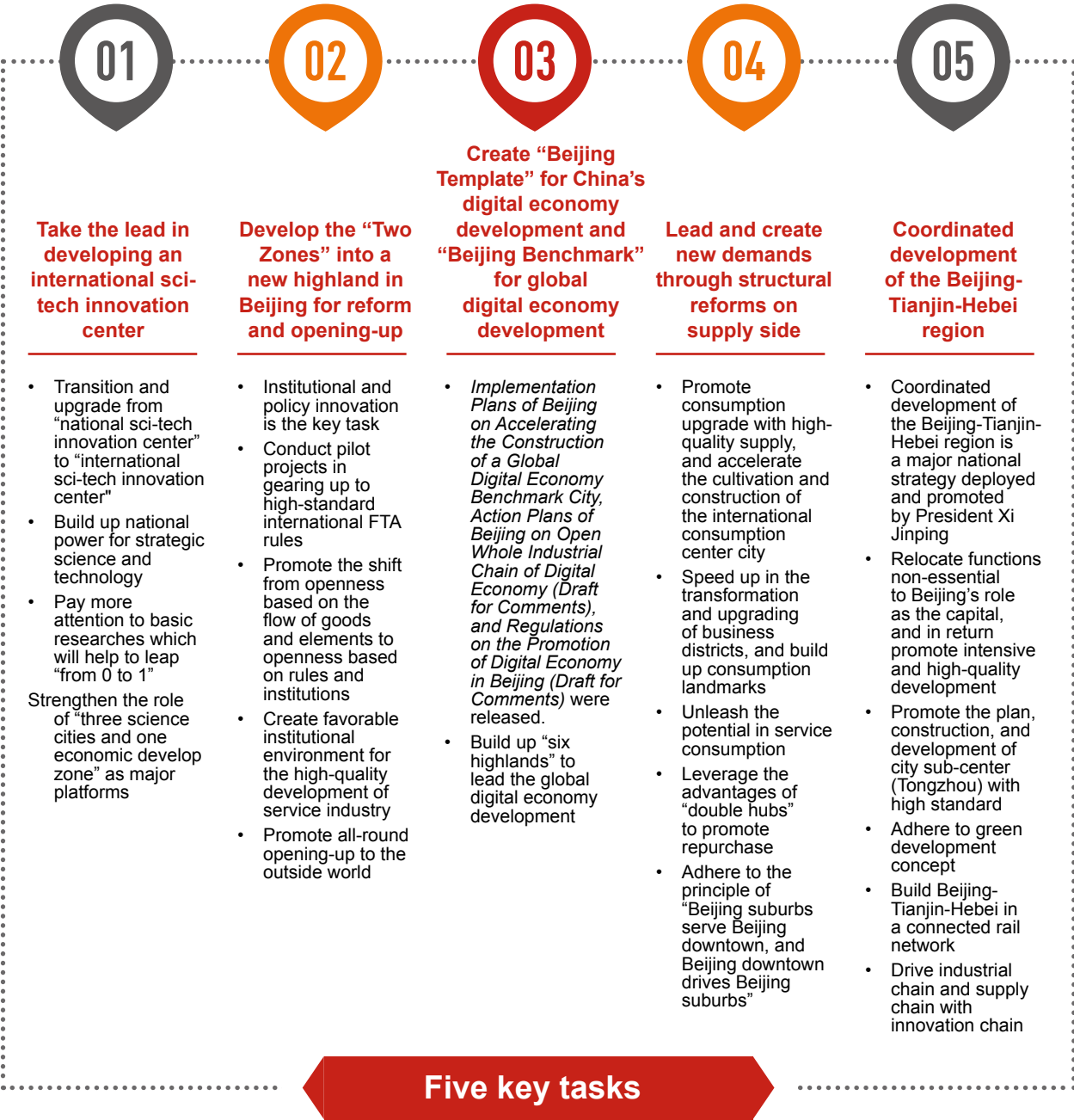
Beijing's 14th Five-Year Plan	Highlights
1. Comprehensive service guarantee for Beijing as the political center	Propose tasks related to political center for the first time
2. Solid promotion of constructing Beijing as the national cultural center	Propose the construction of demonstration zone and pilot zone
3. Continuous strengthening Beijing's function as an international communication center	Upgrade the importance
4. Accelerated development of Beijing as an international sci-tech innovation center	Upgrade the positioning to "international" level
5. In-depth promotion of coordinated development of Beijing, Tianjin, and Hebei	Propose support the development of Xiongan New Area for the first time; integrate into coordinated development in multiple aspects
6. Building a modern economic system with its characteristics and vitalities	Upgrade the importance
7. Build a high-quality and livable city	Propose city upgrade for the first time
8. Vigorous promotion of a Green Beijing	Deepen the promotion based on "dual carbon" targets
9. Join hands for a Healthy Beijing	Upgrade the importance
10. Concretely safeguard and improve people's wellbeing	Deepened
11. Build a safer city	Propose it for the first time



Data sources: 1. The 14th Five-Year Plan of Beijing; 2. Collated by PwC

# Integrate the "five key tasks" into new development pattern

- The "five key tasks" are important tools to implement Beijing's strategic positioning as "four centers", and significant measures to build up the capital's new development pattern.
- Based on the new stage of development, we should implement the new development concept, integrate into the new development pattern, and carry out the "five tasks" at critical points. The "five tasks" refer to: take the lead in developing an international sci-tech innovation center, focus on the construction of "Two Zones", build up an international benchmark city for digital economy, create new demands through structural reforms on the supply side, and deepen the coordinated development of Beijing, Tianjin, and Hebei.

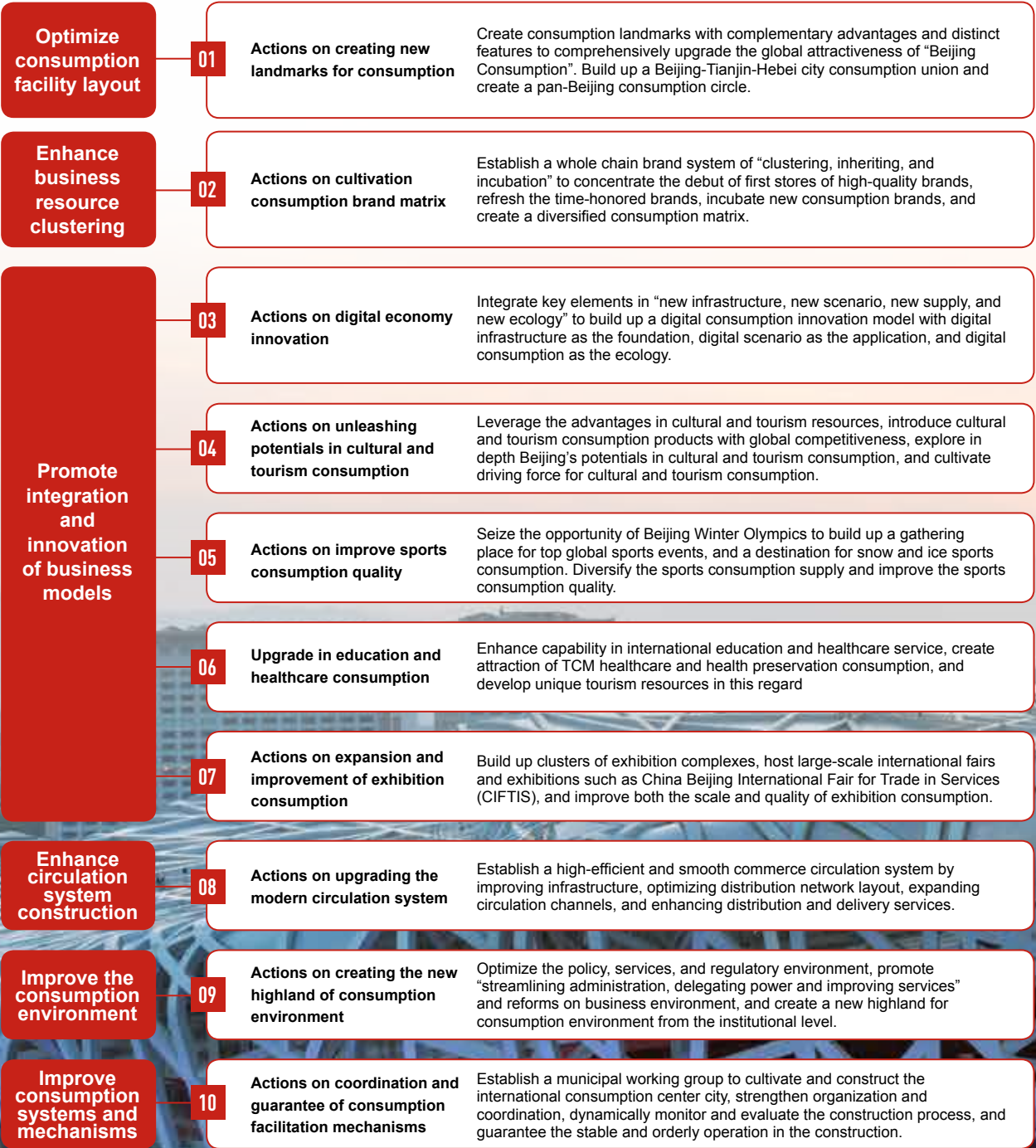


Data sources: 1. Beijing's 14th Five-Year Plan; 2. Report on the Work of Beijing Municipal Government 2022; 3. Collated by PwC



Accelerate the cultivation and construction of the international consumption center city

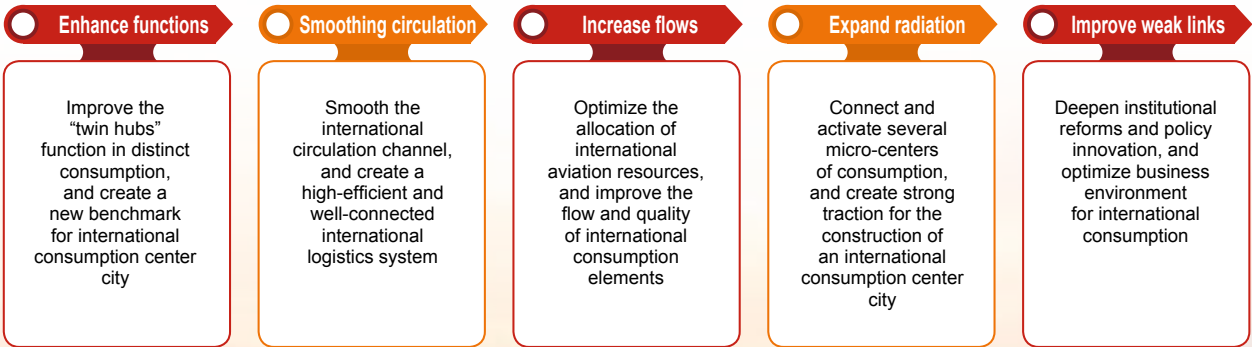
- Building an international consumption center city is the inevitable requirement to implement the strategic positioning of the capital and to promote high-quality development. It is also an important tool to carry out the strategy of expanding domestic demands and integrate into the new development pattern, and crucial to responding to the new trend of consumption development, and meeting people's pursuit for a better life.
- Beijing has proposed ten specific actions on cultivating and constructing an international consumption center city, intending to improve “six aspects” in facility layout, resource clustering, business model innovation, circulation system, environment construction, and institutional optimization, so as to set up a closed-loop ecosystem for consumption center cultivation and construction.



Data sources: 1. The Implementation Plans of Beijing on Cultivating and Construction an International Consumption Center City (2021-2025)  
2. Collated by PwC

Leverage advantages of “twin hubs”

- Leverage the advantages of “twin hubs”, and rely on “two airports + two zones”, i.e., the “twin hubs” airports and two airport economic zones. Focus on building functional area of international consumption, and create a bridgehead of international consumption.
- In Feb 2021, the Beijing Municipality released the Implementation Plans on Developing “Twin hubs” International Consumption Bridgehead (2021-2025), which innovatively expanded the model of functional arears to consumption sector. It proposed 24 tasks in five aspects, focusing on the major work in enhancing functions, smoothing circulation, increasing flows, expanding radiation, and improving weak links.



Data sources: 1. The Implementation Plans on Developing “Twin hubs” International Consumption Bridgehead (2021-2025)  
2. Beijing Municipal Commission of Development and Reform; 3. Beijing Municipal Commerce Bureau; 4. Collated by PwC



Plan and Construct Beijing Municipal Administrative Center with high starting point, high standards, and high level

- Create “high-quality Beijing Municipal Administrative Center”, and strive to promote higher-quality, more efficient, fairer, more sustainable, and safer development.



Beijing Urban Master Plan (2016-2035)  
Relationship of Beijing Municipal Administrative Center with Surrounding Regions



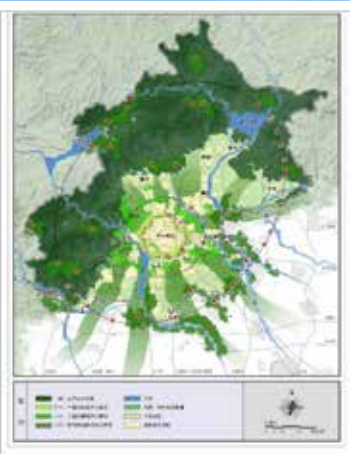
Beijing Urban Master Plan (2016-2035)  
Spatial Structure Plan of Beijing Municipal Administrative Center



Data sources: 1. Opinions on Supporting the High-quality Development of Beijing Municipal Administrative Center; 2. The Implementation Plan on Promoting the High-quality Development of Beijing Municipal Administrative Center; 3. Collated by PwC

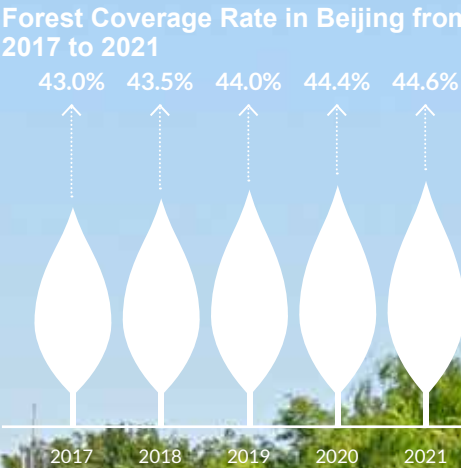
Ecology Frist and Green Development

- The Beijing Urban Master Plan (2016-2035) proposed to build an urban spatial structure with “one core (core functional area), one main (central city), one sub (MAC or sub-center), two axes, multiple points (5 new towns), and one area”. Among them, “one area” refers to ecological reserve, which is an important ecological shelter for the capital and a water source conservation area. It is like a “big oxygen bar” and the “back garden” of the city, and plays a crucial role in Beijing’s urban spatial layout.
- The ecological reserve includes: Mentougou District, Pinggu District, Huairou District, Miyun District, Yanqing District, and mountainous areas of Changping District and Fangshan District.
- Function positioning: an important ecological shelter for the capital and a water source conservation area



Beijing Urban Master Plan (2016-2035)  
Urban Green Space Structure Plan

- Mentougou:** a key ecological reserve and a regional ecological governance collaboration area in the west of the capital
- Pinggu:** a key ecological reserve and a regional ecological governance collaboration area in the east of the capital
- Huairou:** a key ecological reserve and a regional ecological governance collaboration area in the north of the capital
- Miyun:** the most important water source conservation area and a regional ecological governance collaboration area of the capital
- Yanqing:** a key ecological reserve and a regional ecological governance collaboration area in the northwest of the capital
- Mountainous areas of Changping and Fangshan:** strive to build ecological shelters in the northwest and southwest of the capital



Beijing Municipality Rules on Ecological Protection and Green Development in Ecological Reserves

**Ecological Protection**

- In response to the actual demands in the ecological protection of ecological reserves, basic ecological protection systems should be established and improved, for example, natural resources investigation and monitoring, property rights management of natural resources, quality assessment of ecological environment and so on.
- Set rules and regulations on the designation and management of ecological protection redlines, include areas with important functions in the ecological reserves into the protection redline; include natural reserves into ecological protection redlines in accordance with the national rules, and impose restrictions on the human activities within the scope of natural reserves.
- In response to the key areas of ecological protection and restoration which have been complained by many districts with serious problems, we should enhance institutional requirements in terms of biodiversity protection, forest resource and water source protection, water environment governance, ecological environment restoration, agricultural pollution source prevention and control, development activity management and control, as well as emergency management.
- Establish and improve compensation mechanisms for ecological protection, including special compensation, comprehensive compensation, and market-oriented diversified compensation, and enhance support for the ecological reserves.

**Green Development**

- With comprehensive green development in the ecological reserves as the goal, specific requirements are put forward in many aspects including coordinated policy making for the development of industries suitable for the ecological reserve, promoting the implementation of major events and major projects, advocating green agricultural production ways, establishing evaluation systems for green development in industrial parks, accelerating integrated development of cultural, tourism and ecological industries, and facilitating employment.
- Meanwhile, relevant government departments are required to enhance key infrastructure construction in ecological reserves, strengthen guidance and management of urban and rural landscape design, improve weak links in infrastructure, and increase guarantee level of education and healthcare services.

Data sources: 1. Beijing Municipality Rules on Ecological Protection and Green Development in Ecological Reserves  
2. Beijing Urban Master Plan (2016-2035)  
3. Website of the Standing Committee of Beijing Municipal People's Congress (www.bjrd.gov.cn)  
4. Beijing Municipal Forestry and Parks Bureau



## Build a pilot and demonstration city for high-standard construction of “Belt and Road”

- Beijing has been actively engaged in “Belt and Road” construction, fully leverage its resource advantages and trailblazer role as the capital city, deepening international cooperation in foreign exchanges, sci-tech innovation, people-to-people exchanges, investment and trade, etc., with fruitful results.
- In Dec 2021, Beijing Municipal Commission of Development and Reform issued the Beijing Action Plan on Promoting High-quality Development of “Belt and Road” (2021-2025), with a list of 89 tasks in six areas. In the five years, Beijing will focus on the construction of innovative, digital, green, and health Silk Road, build five functional platforms for international exchanges, sci-tech cooperation, economic and trade investment, people-to-people exchanges, and comprehensive services, and become a pilot and demonstration city for high-standard construction of “Belt and Road” so as to make Beijing Contribution to the high-quality “Belt and Road” cooperation.

### Based on the capital's functions and improve the international communication function of “Belt and Road”

Continue to deepen exchanges and cooperation with the “Belt and Road” countries, comprehensively improve software and hardware, and serve as an important carrier for developing the function of the international communication center. Beijing plans to build “Silk Road Living Room”, expand well-connected network of friends for “Belt and Road”, promote Beijing-Tianjin-Hebei coordinated opening-up, and establish the core hub of “Air Silk Road”.

### Integrate into global network, and create innovation and cooperation hub for “Belt and Road”

Beijing will continue to implement the strategy of innovation-driven development, improve multi-level innovation and cooperation systems, and build important node for “Belt and Road” technology innovation network. It will support the joint laboratories for “Belt and Road” cooperation, deepen co-construction and sharing of international sci-tech parks, accelerate technology transfer and commercialization of technology achievements, and conduct multi-level people-to-people exchanges in science and technology.

### Highlight openness-driven development, and boost “Belt and Road” economic and trade exchanges

Beijing will focus on the construction of the Integrated National Demonstration Zone for Opening up the Service Industry and the China (Beijing) Pilot Free Trade Zone, benchmark international economic and trade rules, create world-class business environment which is open, transparent, and predictable, and realize higher level opening up to the outside world. It will take the lead in the construction of “digital silk road”, integrate itself in the construction of “green silk road”, promote featured development of trade in services, and deepen bilateral investment and international cooperation on production capacity.

### Highlight openness-driven development, and boost “Belt and Road” economic and trade exchanges

Beijing will focus on the five major areas of culture, tourism, education, health care, and sports, and expand international people-to-people exchanges and cooperation. It will join hands with others to build “healthy silk road”, improve culture and sports exchange along “Belt and Road”, build an international tourism hub city of “Belt and Road”, and enhance educational talents exchanges and cooperation.

### Upgrade the platform capacity, and build a comprehensive service system for “Belt and Road”

Beijing will endeavor to build a comprehensive service system for “Belt and Road” enterprises, establish policy and service supporting systems for “Belt and Road” cooperation, and create more favorable conditions for enterprises in expanding overseas markets. It will build up a “1+N” legal service platform for international commercial affairs, enhance financial service for “Belt and Road”, improve service guarantee mechanism for overseas security, and optimize business environment for international investment and trade.

Innovative

Digital

Green

Healthy

## In-depth promotion of RCEP economic and trade exchange and cooperation

- In May 2022, Beijing Municipal Commerce Bureau issued the Action Plans on Seizing RCEP Opportunities to Boost the High-quality Development of “Two Zones”, aiming to promote Beijing’s economic and trade exchange and cooperation with RCEP members, boost the construction of “Two Zones”, cultivate new drivers for open economy, create new platforms for high-level opening-up to the outside world, and form new advantages in international economic cooperation and competition.



### 4 highlights

01

Balance binding and encouraging obligations, and further highlight Beijing's advantages in open economy

02

Balance “bringing in” and “going global”, and promote projects introduction and industries upgrading

03

Balance universality and differentiation, promote featured development of key industrial parks

04

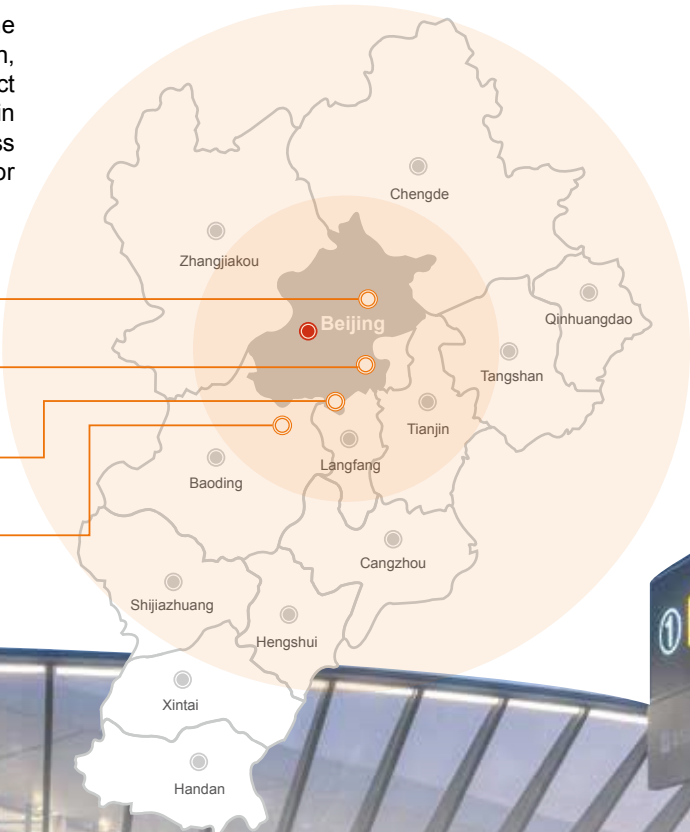
Balance openness and security, and provide high-level guidance and services for enterprises



Beijing-Tianjin-Hebei coordinated development makes for a modern metropolitan area around the capital

- Integrate Beijing’s development into the strategic consideration of Beijing, Tianjin, and Hebei, give play to the radiation effect of “one core”, enhance synergy with Tianjin and Hebei in jointly building a world-class city cluster and creating new drivers for China’s high-quality development.

- Beijing Capital International Airport
- Beijing Municipality Administrative Center (Tongzhou)
- Beijing Daxing International Airport
- Xiongan New Area, Hebei



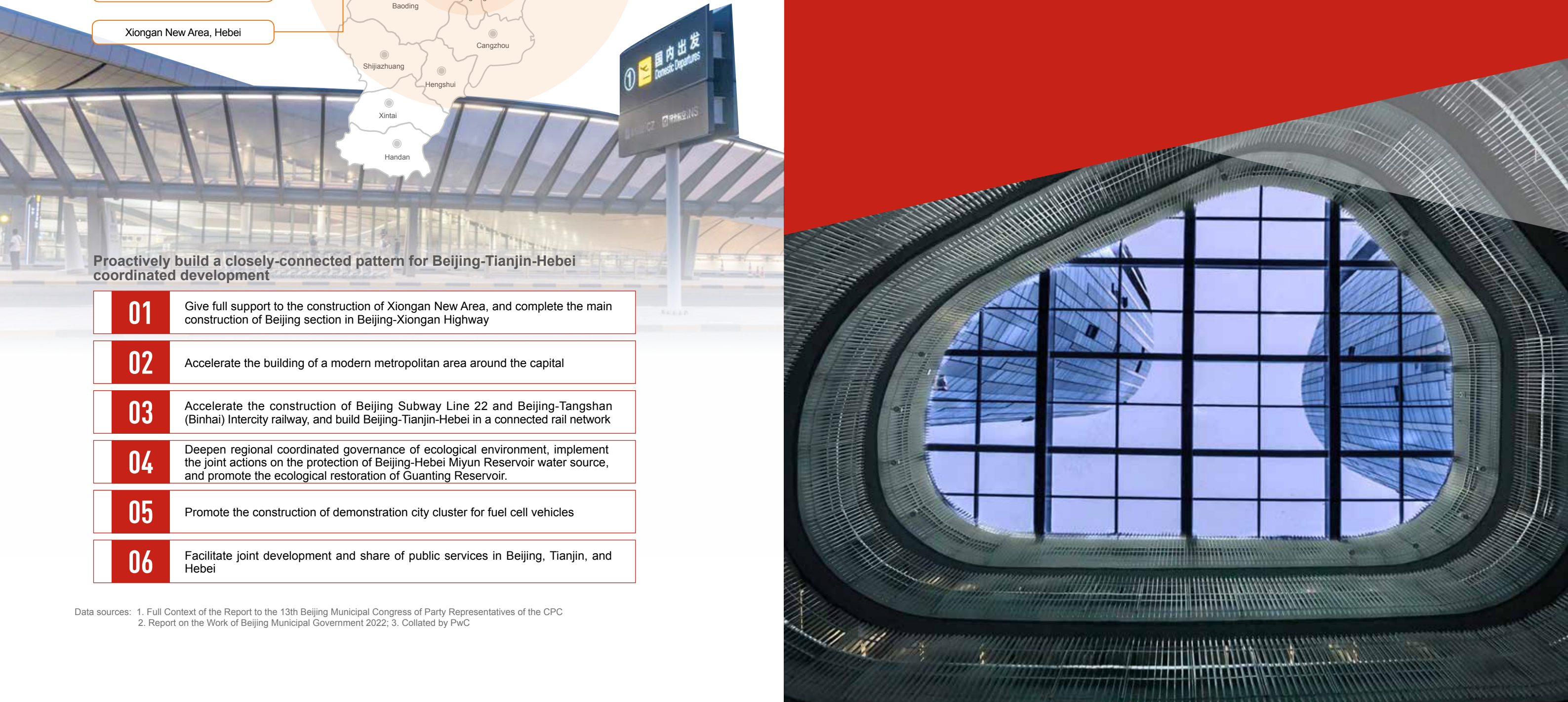
Proactively build a closely-connected pattern for Beijing-Tianjin-Hebei coordinated development

- |    |                                                                                                                                                                                                                              |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01 | Give full support to the construction of Xiongan New Area, and complete the main construction of Beijing section in Beijing-Xiongan Highway                                                                                  |
| 02 | Accelerate the building of a modern metropolitan area around the capital                                                                                                                                                     |
| 03 | Accelerate the construction of Beijing Subway Line 22 and Beijing-Tangshan (Binhai) Intercity railway, and build Beijing-Tianjin-Hebei in a connected rail network                                                           |
| 04 | Deepen regional coordinated governance of ecological environment, implement the joint actions on the protection of Beijing-Hebei Miyun Reservoir water source, and promote the ecological restoration of Guanting Reservoir. |
| 05 | Promote the construction of demonstration city cluster for fuel cell vehicles                                                                                                                                                |
| 06 | Facilitate joint development and share of public services in Beijing, Tianjin, and Hebei                                                                                                                                     |

Data sources: 1. Full Context of the Report to the 13th Beijing Municipal Congress of Party Representatives of the CPC  
2. Report on the Work of Beijing Municipal Government 2022; 3. Collated by PwC

Expand Opening-up and Innovate Reform

2





# New Achievements in Stabilizing Foreign Investment

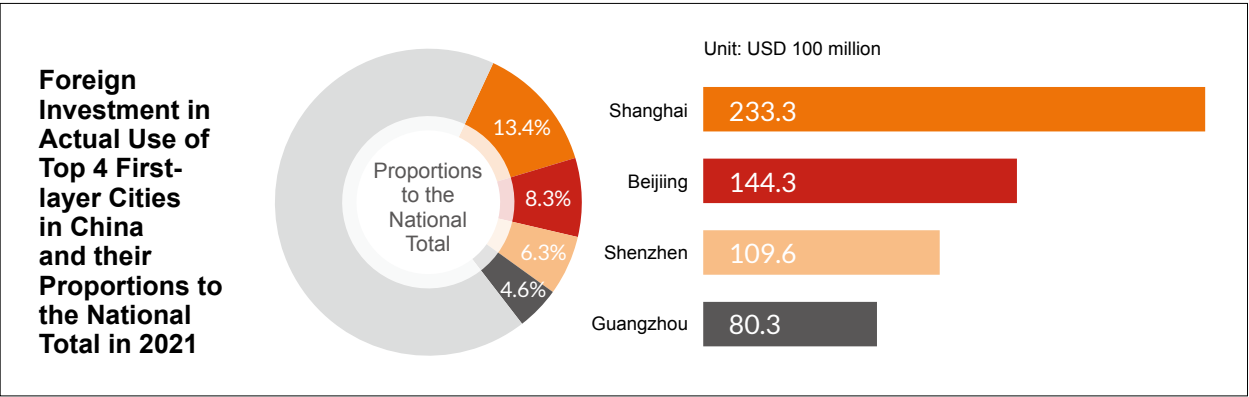
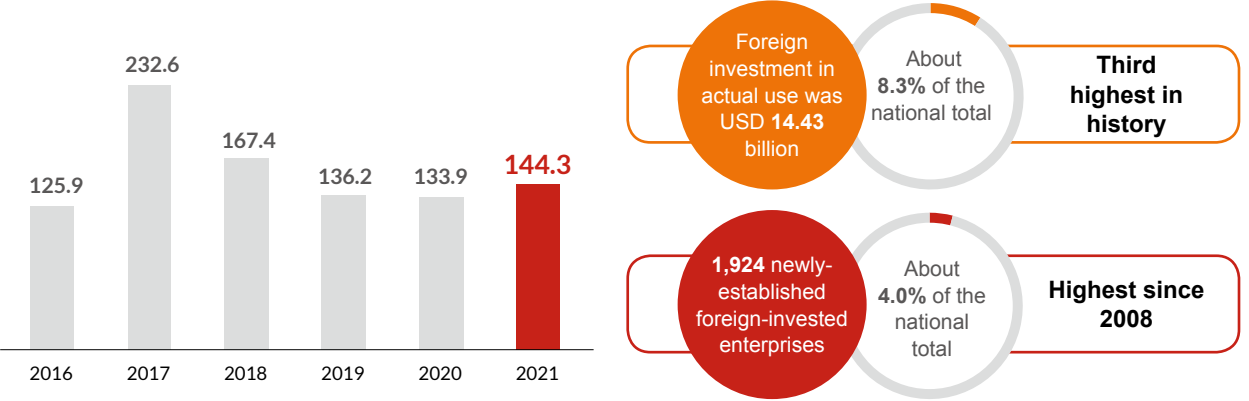
As an important window for China's opening up to the outside world, Beijing, in recent years, has capitalized on national opportunities in trials for opening up service industry and "Two Zone" construction, boldly explored new measures for institutional opening up, and achieved significant results in stabilizing foreign investment. During the 13th Five-Year Plan period, the accumulated amount of foreign investment in actual use was 2 times that of the 12th Five-Year Plan period. Based on that, Beijing stepped up for new achievements in attracting foreign investment and kicked off a good starting year for the 14th Five-Year Plan. High-tech industry continues to provide strong driving force in attracting investment, and the effect of opening up platforms represented by the China (Beijing) Pilot Free Trade Zone in investment invitation has been fully unleashed.

## Continuous release of "strong magnetism" for foreign investment

Beijing's attraction to foreign investment was prominent, kicking off a good start for the 14th Five-Year Plan. In 2021, Beijing's foreign investment in actual use reached USD 14.43 billion, a year-on-year increase of 7.8%, the third highest in history, and accounting for about 8.3% of the national actual use of foreign investment. The number of newly-established foreign-invested enterprises registered at 1,924, a year-on-year increase of 52.6%, a peak since 2008, and accounting for around 4.0% of all the new foreign-invested enterprises in China.

Beijing's foreign investment in actual use in 2021

Unit: USD 100 million

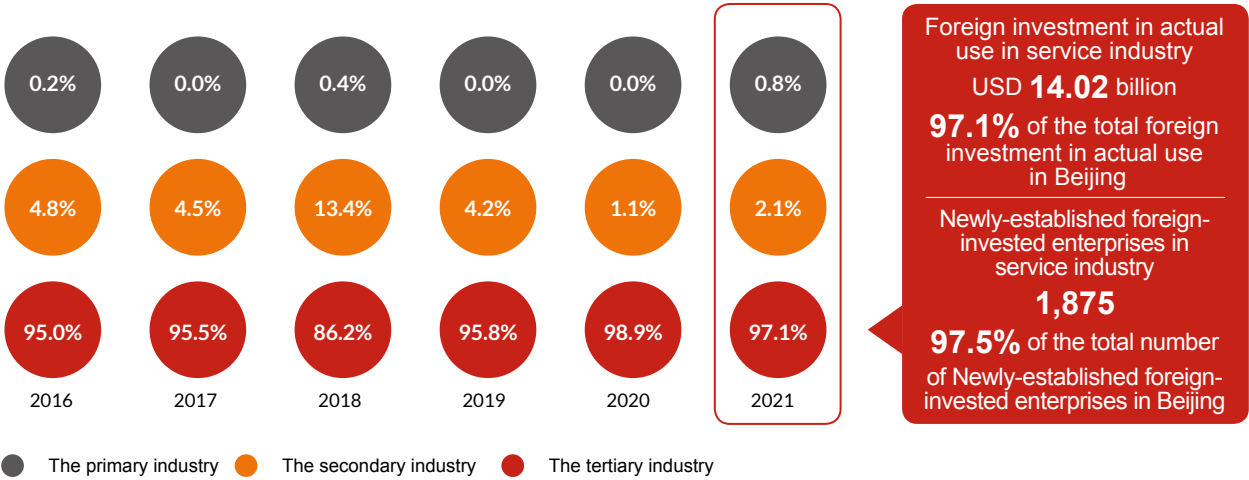


Data sources: 1. Beijing Municipal Commerce Bureau; 2. Collated by PwC

# Opening up in service industry benefits "stabilizing foreign investment"

- In 2021, Beijing's foreign investment in actual use reached USD 14.02 billion, a year-on-year increase of 5.9%, accounting for 97.1% of the total volume in the city. A total of 1,875 foreign-invested enterprises in service industry were newly established, a year-on-year increase of 52.2%, accounting for 97.5% of the total number in the city.

Industrial Structure of FDI in Beijing from 2016 to 2021



Note: Calculation based on the amount of foreign investment in actual use



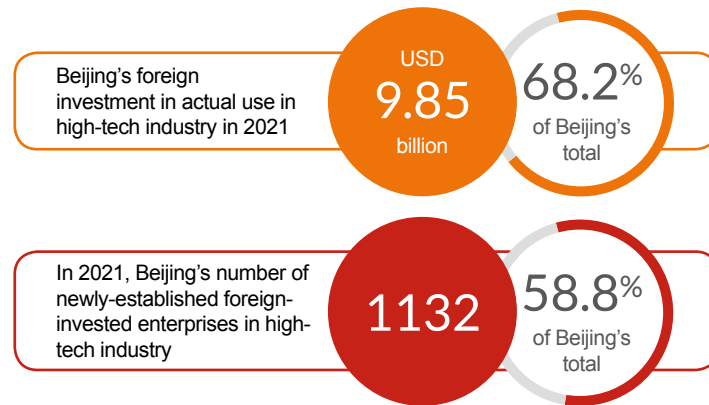
Data source: 1. Beijing Municipal Commerce Bureau



## Strong “magnetism” of high-tech industry in investment attraction

### Steady increase of foreign investment utilization in high-tech industry

- In 2021, Beijing's foreign investment in actual use in high-tech industry reached USD 9.85 billion, a year-on-year increase of 8.2%, accounting for 68.2% of the total foreign investment in actual use in the city.
- The number of newly-established foreign-invested enterprises in high-tech industry was 1,132, a year-on-year increase of 53.8%, accounting for 58.8% of all the newly-established foreign-invested enterprises in the city.



### Strong magnetism of high-tech service industry in foreign investment attraction

- In 2021, Beijing's foreign investment in actual use in high-tech service industry reached USD 9.8 billion, a year-on-year increase of 8%, accounting for 67.9% of the total foreign investment in actual use in high-tech industry in the city. The number of newly-established foreign-invested enterprises in high-tech service industry was 1,121, a year-on-year increase of 54.6%, accounting for 58.3% of all the newly-established foreign-invested enterprises in high-tech industry in the city.

#### Hi-tech Services

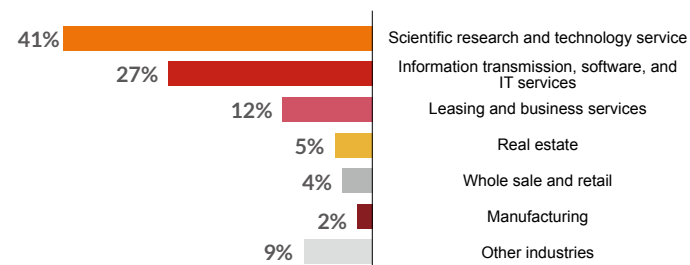
Foreign investment in actual use  
USD 9.8 billion

Newly-established foreign-invested enterprises  
1,121

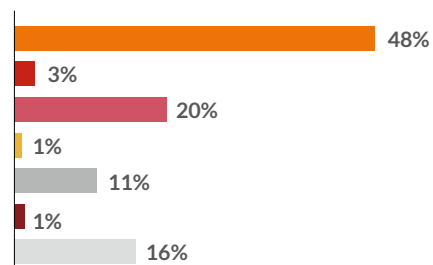
#### Key sectors of service

- In 2021, Beijing's foreign investment in actual use in scientific research and technology service industry, and information transmission, software, and IT service industry stood at USD 5.92 billion and USD 3.91 billion respectively, with a year-on-year increase of 26.9% in scientific research and technology service industry, showing great momentum in attracting investment. The scale of foreign investment in leasing and business service ranked 3rd, with its foreign investment in actual use reaching USD 1.78 billion, up by 28.5% year on year.
- The numbers of newly-established foreign-invested enterprises in scientific research and technology service industry, information transmission, software, and IT service industry, and leasing and business service industry were respectively 918, 50, and 389.

### Industrial structure of foreign investment in actual use in Beijing in 2021



### Industrial structure of newly-established foreign-invested enterprises in Beijing in 2021

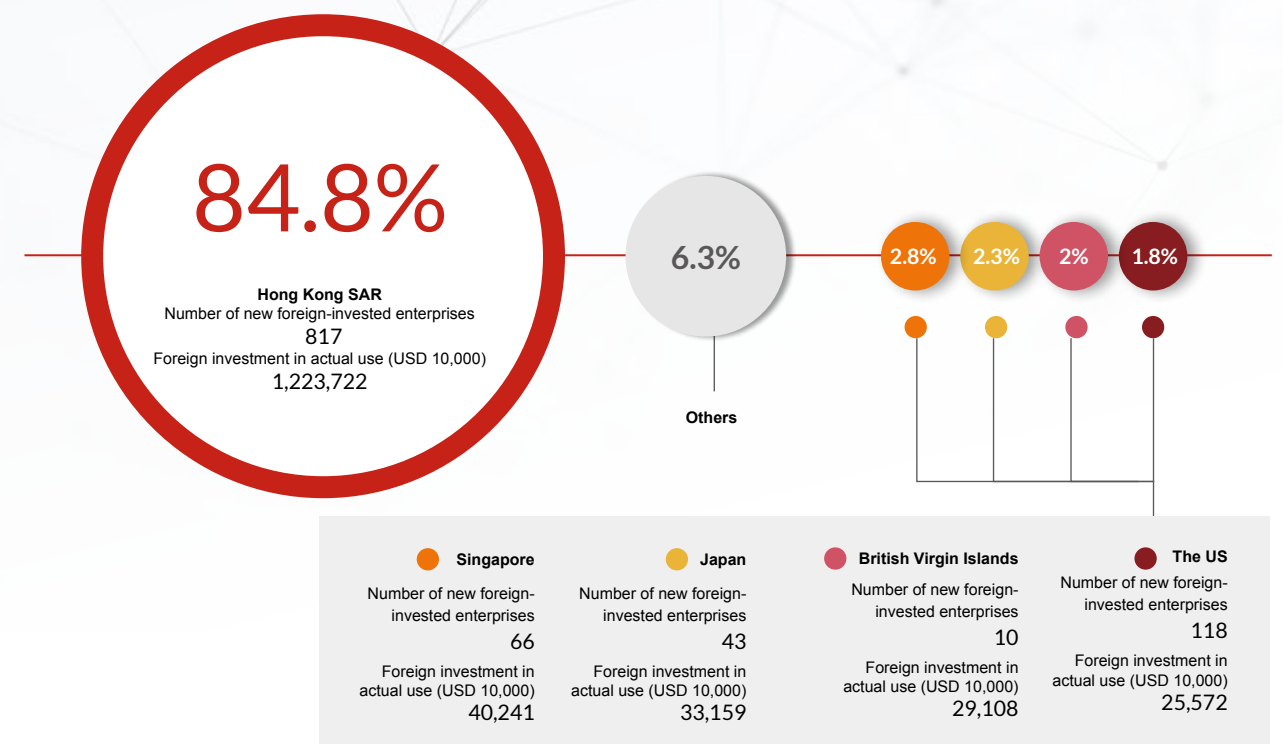


Note: Calculation based on the amount of foreign investment in actual use  
Data sources: 1. Beijing Municipal Commerce Bureau; 2. Collated by PwC

## Steady investment in Beijing from major sources

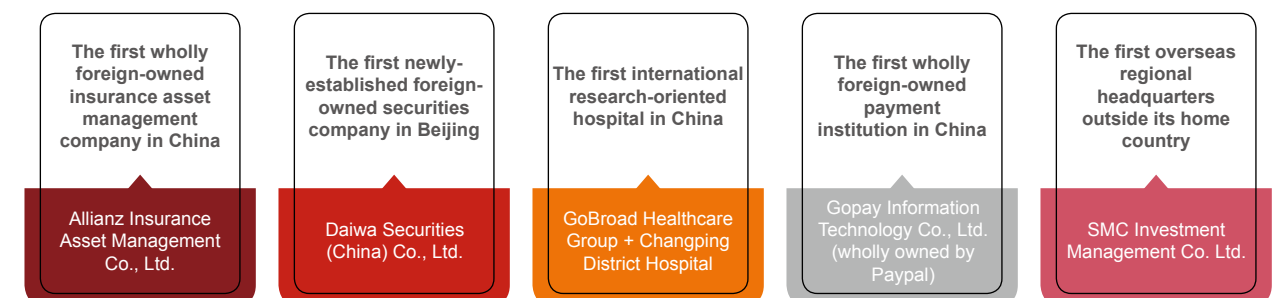
- In 2021, the Top 5 countries and regions investing in Beijing were HK SAR of China, Singapore, Japan, British Virgin Islands, and the US, with their actual investment accounting for 84.8%, 2.8%, 2.3%, 2.0%, 1.8% respectively, a total of 93.7%, showing high concentration of foreign investment sources. Among them, the investment in Beijing from HK SAR of China, Singapore, and Japan experienced a year-on-year increase of 23.6%, 83.3%, and 35.6% respectively.

### Origin of 2021 Beijing's Foreign Investment in Actual Use



### High-quality development of foreign investment led by remarkable projects

- Beijing has become a model city in foreign investment attraction and business invitation. By focusing on high-end industries such as pharmaceutical and health care, AI, business service, etc., its utilization of foreign investment is shifting from quantity-oriented to quality-oriented.
- In 2021, Beijing launched 410 projects of foreign investment with a total amount of USD 20.4 billion, and introduced major projects, including the first wholly foreign-owned insurance asset management company in China-Allianz Insurance Asset Management Co., Ltd., the first newly-established foreign-owned securities company in Beijing-Daiwa Securities (China) Co., Ltd., the first international research-oriented hospital in China-GoBroad Healthcare Group + Changping District Hospital, the first wholly foreign-owned payment institution in China-Gopay Information Technology Co., Ltd. (wholly owned by Paypal), and the first overseas regional headquarters outside its home country-SMC Investment Management Co. Ltd.



Data sources: 1. Beijing Municipal Commerce Bureau; 2. Collated by PwC



## The effect of opening up platforms in investment attraction fully released

- In 2021, the district where the China (Beijing) Pilot Free Trade Zone is located reached a foreign investment in actual use of USD 12.78 billion, accounting for 88.5% of the total in Beijing, showing prominent effect of opening up platforms represented by pilot FTZ in investment attraction.

Amount of Foreign Investment in Actual Use and Number of Newly-established Foreign-invested Enterprises in Districts of Beijing in 2021

Rank	District	Foreign Investment in Actual Use (USD 10,000)	YoY Increase of Foreign Investment in Actual Use	Newly-established Foreign-invested Enterprises	YoY Increase of Newly-established Foreign-invested Enterprises
1	Haidian District	624338	10.5%	343	37.8%
2	Chaoyang District	477916	5.3%	721	45.7%
3	Shunyi District	72691	19.7%	107	72.6%
4	Dongcheng District	62578	8.2%	61	17.3%
5	Tongzhou District	40685	-28.0%	125	30.2%
6	Beijing Economic-Technological Development Area	36440	17.7%	86	115.0%
7	Xicheng District	31151	39.2%	42	27.3%
8	Shijingshan District	23291	-40.4%	27	68.8%
9	Changping District	15028	-7.2%	74	111.4%
10	Fengtai District	13393	16.8%	44	51.7%
11	Daxing District	11049	131.3%	81	153.1%
12	Fangshan District	9702	352.3%	40	25.0%
13	Huairou District	7865	10.5%	79	125.7%
14	Mentougou District	7613	80.4%	23	91.7%
15	Pinggu District	5080	1.6%	35	288.9%
16	Miyun District	3665	120.8%	19	171.4%
17	Yanqing District	939	208.9%	17	112.5%
Total		1443424		1924	

Data sources:1. Beijing Municipal Commerce Bureau; 2. Collated by PwC

## Steady Development of Headquarters Economy

### Upgraded driving force from headquarters economy

- The number of headquarters enterprises accounted for 8% of the city's enterprises above designated size, and contributed over 80% to the municipal economic development.

#### Build up higher-level headquarters economy

- Encourage foreign investors to set up regional headquarters of MNCs and various functional organizations, and support them in business concentration and function expansion so as to upgrade the regional headquarters to Asian-Pacific headquarters and global headquarters.
- Provide financial incentives and facilitation measures in entry and exit of personnel and customs clearance of goods.
- Continue with the work in introduction of and service for regional headquarters of MNCs and various functional organizations.

#### Coordinate "1+N" policy system among the municipality and districts to support the high-quality development of headquarters enterprises

- Beijing's Regulations on Promoting the High-Quality Development of Headquarters Enterprises
- Opinions on the Implementation of the Notification and Compliance Requirement for the Recognition of MNCs' Beijing Headquarters (for trial implementation)
- Regulations of Beijing Municipality on Supporting the Establishment and Development of Foreign-Invested R&D Centers
- Opinions on the Implementation of the Notification and Compliance Requirement for the Recognition of Foreign-Invested R&D Headquarters (for trial implementation)
- Measures on the Implementation of Rules and Regulations on the Development of Headquarters Enterprises in Beijing

#### Encourage foreign investors to set up R&D centers

- Foreign investors are encouraged to set up R&D and innovation centers, foreign-funded R&D headquarters, and open innovation platforms in Beijing, and foreign-invested R&D institutions are supported to participate in the R&D of public service platforms of Beijing and the government's sci-tech projects.
- Foreign investors can enjoy a package of facilitation measures in R&D results commercialization, international and domestic patent application, R&D supplies import, entry and exit, etc.
- Eligible foreign-invested enterprises are entitled to preferential policies such as additional pre-tax deductions for R&D expenses, tax reduction or exemption for imported equipment, etc.





# High-quality Development in “Two Zones” Construction

## Beijing’s “accelerated velocity” in “Two Zones” development

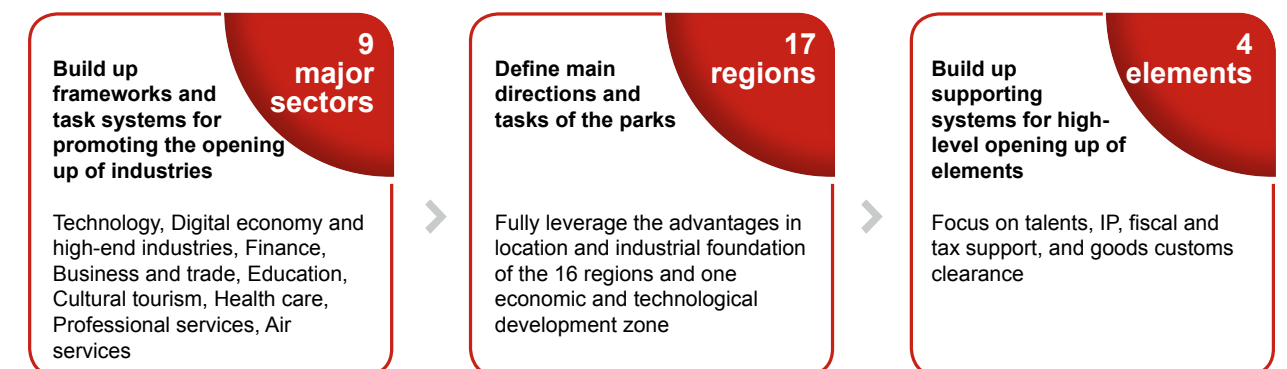
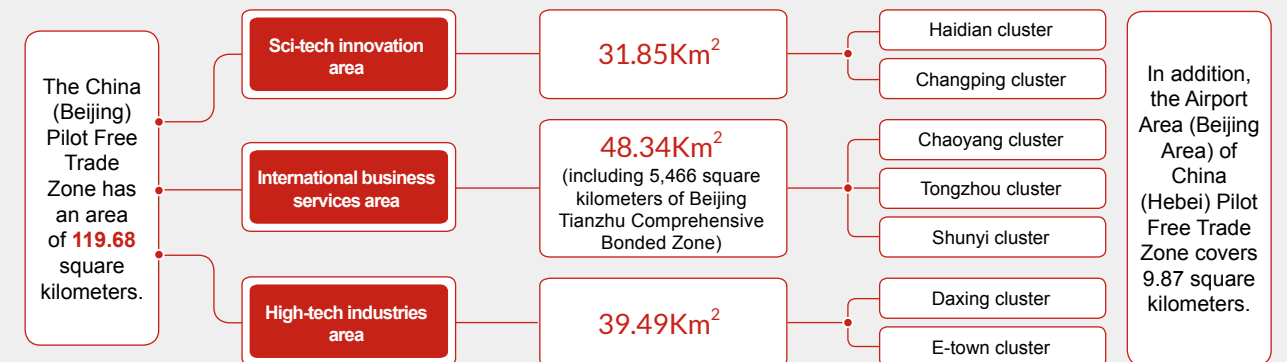
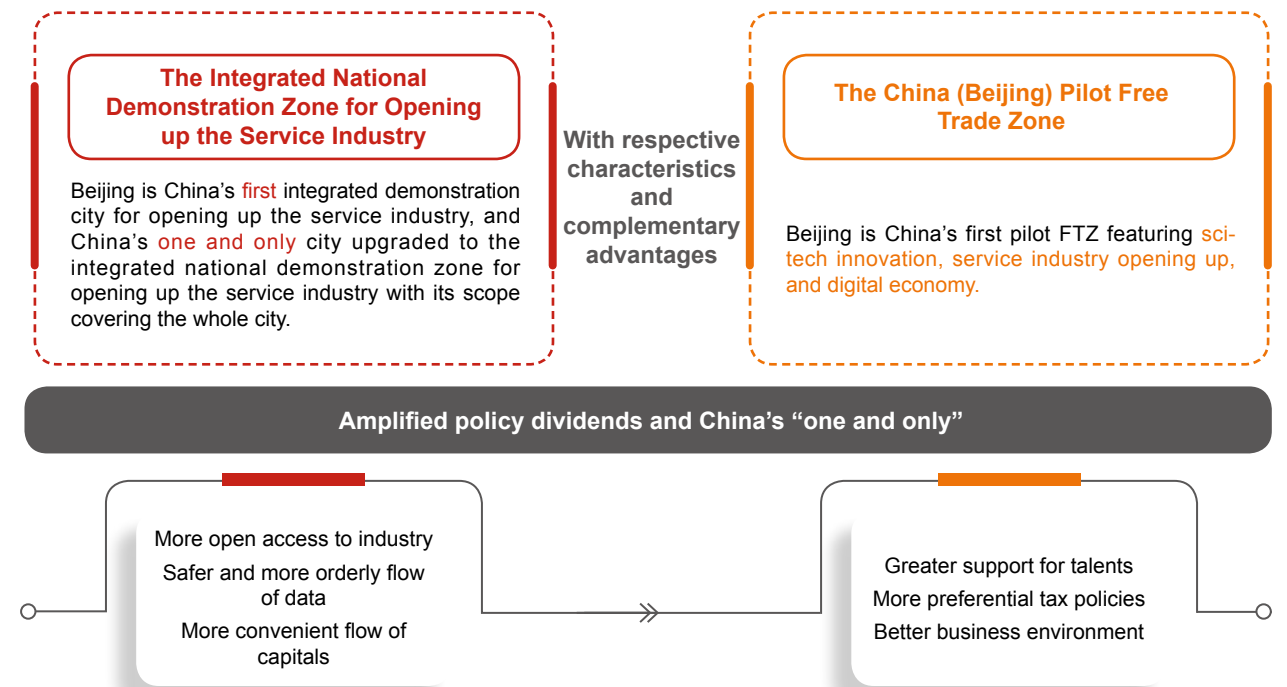
### Comprehensive establishment of an open system of “regions + industries + elements”

In Sep 2020, President Xi Jinping announced in China Beijing International Fair for Trade in Services (CIFTIS) that “we will support the municipality in developing a national integrated demonstration zone for greater openness in the services sector. It will enable Beijing to take bigger, bolder steps as a trailblazer and gain more experience that would be replicable and scalable. We will also support Beijing in setting up a pilot free trade zone characterizing scientific and technological innovation, opening-up of the services sector, and digital economy. It will serve as a platform of high-standard opening-up for the coordinated development of the Beijing-Tianjin-Hebei region, and open up new horizons for reform and opening-up at a higher level”.

- A work plan of “9 major sectors + 17 regions + 4 elements” has been formulated. With the opening up of whole industrial chain in key sector and the comprehensive reforms in all links as the breakthrough points, Beijing has put in place a work pattern where the municipal government focuses on policy innovation and the district governments focus on policy implementation in order to build up a new pattern of Beijing’s opening up, featuring higher level of rule-based opening up, stronger competitiveness in industrial international cooperation, and more balanced regional opening up layout.



Beijing promotes the construction of the Integrated National Demonstration Zone for Opening up the Service Industry and the China (Beijing) Pilot Free Trade Zone (Two Zones) with high standards





## Remarkable results in opening up innovation

### Enhanced effect in demonstration and leading

- 10 best practice cases were promoted and replicated in China
- 24 best practice cases were promoted and replicated in Beijing
- 40 plus initiated or first-approved policies of China or Beijing were implemented
- 20 plus institutional innovations were launched in Beijing
- 90 plus supporting documents were issued
- 38 function-and-service-oriented platforms were established

### Loosened threshold for foreign investment access

- Approval of the first wholly foreign-owned money broker in China - Ueda Yagi Tanshi
- Approval of the first wholly foreign-owned insurance asset management enterprise - Allianz Insurance
- Approval of the first wholly foreign-owned holding payment institution
- Groundbreaking of the first international research-oriented hospital
- Settlement of Schneider Electric Software R&D Centre
- Settlement of Apple Advertising (Beijing) Co.

### More facilitation for trade

- China's first pilot for connected policies in "duty free, bonded areas, and cross-border e-commerce"
- Initiated "Beijing Model" for medicine imports through cross-border e-commerce, expanded catalogues of pharmaceutical products, and obtained the first qualification in China of third-party service in warehousing and logistics for cross-border pharmaceutical e-commerce
- The first cargo transportation route with the Fifth Traffic Right
- Launched Beijing international trade "single window" blockchain intelligent document management system, built a data asset safe box with blockchain, and realized the sharing of logistics data on the blockchain at the ports in Beijing, Tianjin and Hebei.

### Improved data aggregation

- A data aggregation of 24.7 billion entries in 2,264 categories from 57 municipal-level departments supports 132 applications in pandemic prevention and control, etc.
- A social data aggregation of 89.8 billion entries in 107 categories supports 32 applications in urban space planning, etc.
- Beijing International Big Data Exchange and Beijing International Data Exchange Alliance were established, realizing connectivity with the resource network of Beijing government affairs, and verifying data exchange through multiple technical routes

### Smoother cross-border finance

- Initiated pilot for equity investment and venture capital investment share transfer
- Approved RMB international investment and loan funds, and approved the RMB business in overseas direct investment and overseas loan
- Initiated pilot of integrated capital pool for MNCs in domestic and foreign currencies, and pilot of integrated account for domestic and foreign currencies
- Deepened reforms on foreign debt facilitation, increased pilot quota to USD 10 million, and benefited enterprises with an average interest rate of only 0.51% in foreign debt borrowing
- QDLP quota increased to USD 10 billion
- Promoted pilot on facilitating foreign currencies earned through trade and capital accounts, with the pilot business exceeding USD 77 billion
- Upgraded facilitation pilot on cross-border RMB settlement business for high-quality and honest enterprises in foreign contracting projects

### Enhanced support for talents attraction

- Opened 35 occupational qualification examinations to people outside of mainland China, with around 100 people from Hongkong, Macao, Taiwan and foreign countries taking the exams
- Took the lead in establishing a mechanism to recognize the past qualifications of overseas professionals in features and securities, and issued the first batch of 82 recognized overseas occupational qualifications
- Explored the recommendation system for talents introduction
- Allowed foreigners to set up and hold shares in domestic enterprises with Foreign Permanent Resident ID Card
- Set up one-stop service windows for foreign talents, and implemented integrated application for Foreigner Work Permit and Foreigner Work and Residence Permit, thus reducing the application-to-approval time period by 1/3, and halving the application times
- Speeded up the development of international talent communities with 19 international schools under construction; and promoted the real-time settlement between international hospitals and international insurance companies

### Optimized business environment

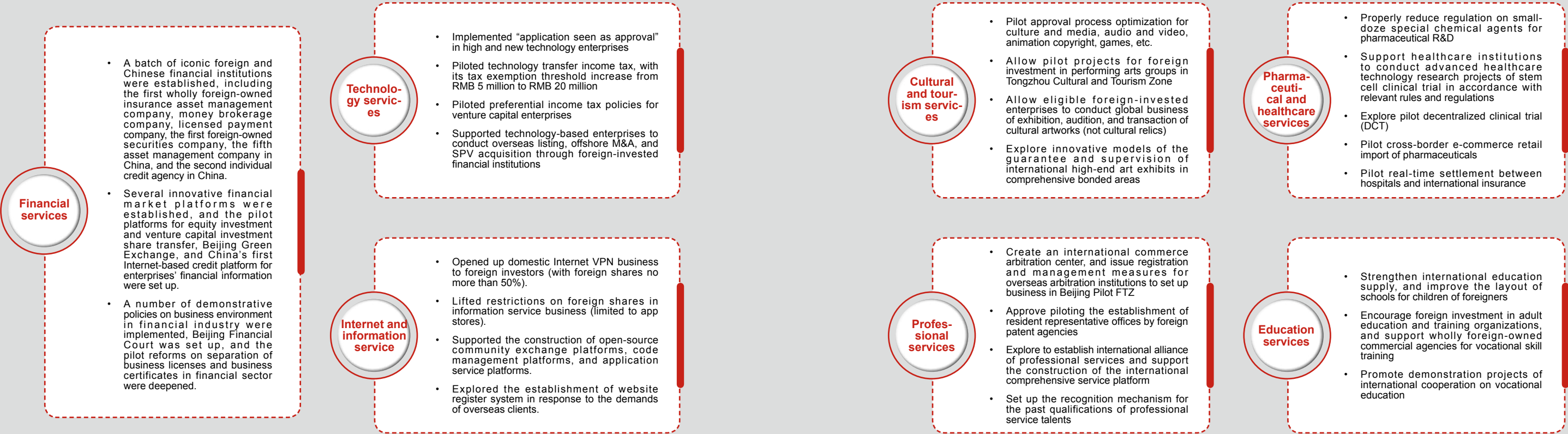
- The Supreme Court issued the Supreme Court's Opinions on Providing Judicial Services and Guarantee for the Construction of the Integrated National Demonstration Zone for Opening up the Service Industry and the China (Beijing) Pilot Free Trade Zone by People's Courts
- Introduced the Notification and Compliance Requirement for 28 items in two batches
- Explored the implementation of the new model of "Construction Permits upon Land Grant Contracts", and had successful pilots in Xiaomi Intelligent Plant Phase Two and S.F. North China Intelligent Logistics Headquarter
- Applied "same standards for same affairs" in 57 government affairs services in FTZs in Beijing, Tianjin, and Hebei
- The model of "blockchain + e-certificates" government affairs services and BTH standardized collaboration model were promoted and replicated nationwide as best practice cases



# Higher-quality development in seven major service industries



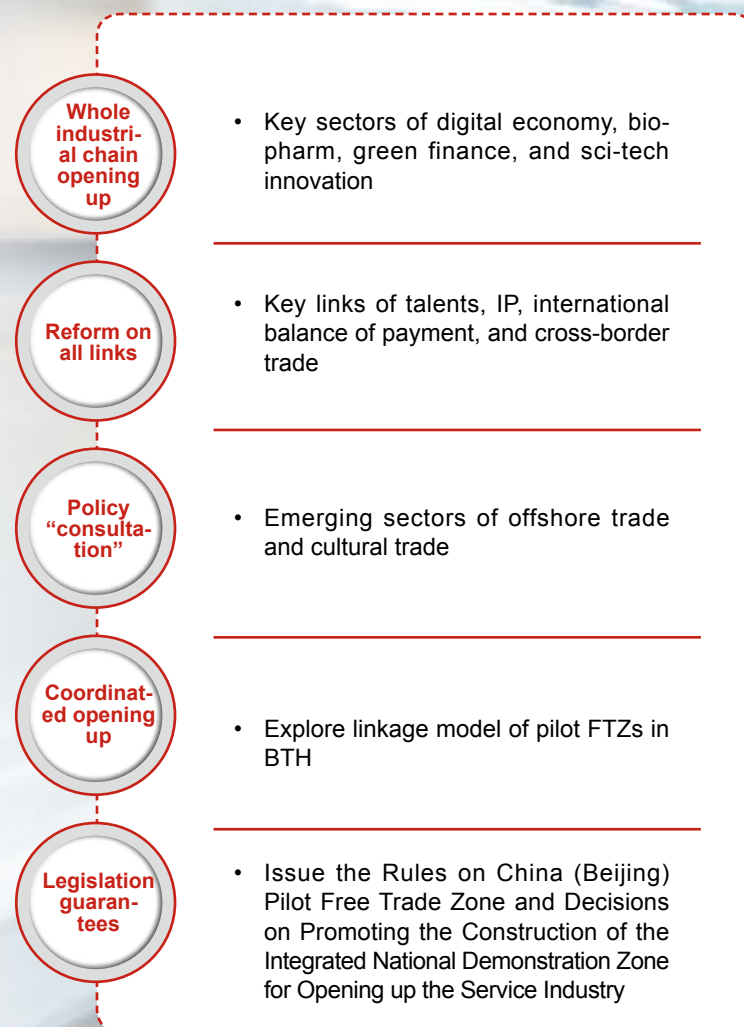
From Jan to Nov 2021, the revenue of enterprises above designated size in key sectors of service industry for expanded opening up had an average growth of 10%, and the revenue of industrial and service enterprises above designated size in pilot FTZ increased by an average of 11.4% over two years, both higher than the average of enterprises above designated size.





## New development of “Two Zone 2.0” driven by innovation

Enhanced integration of opening up and reform systems



- Facilitate cross-border flow of elements
- Remove policy barriers constraining the development of industries and enterprises

### Focus on the construction of “three demonstrations”

#### 01 Demonstration zone for innovative development of service trade

Explore multi-dimensional policy breakthrough and institutional innovation in element flow, platform construction, systems, and mechanisms for trade in services, and strive to be listed into the first batch of national demonstration zones.

#### 02 Demonstration zone for cooperation of high-standard international economic and trade rules

Improve the development of rules in service sector, integrate international rules alignment with demands of market entities in terms of trade and investment facilitation, cross-border service trade, digital economy, IP protection, dispute settlement, etc., and make explorations in rules, systems, and standards.

#### 03 Demonstration zone for digital trade

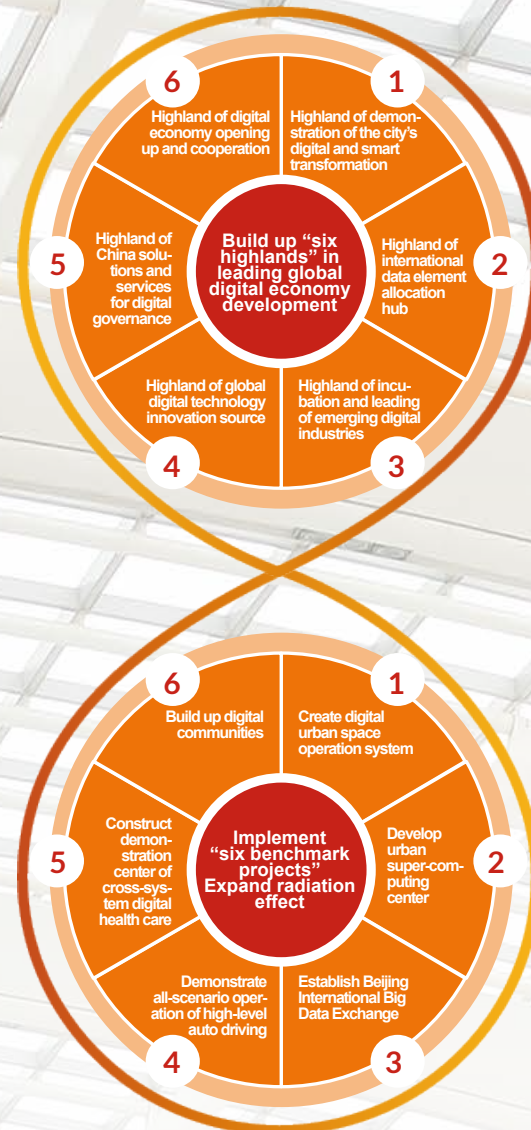
Coordinate with the construction of digital trade port, link with the demonstration zone for digital trade, and focus on promoting the development of digital trade in terms of industrial development, rules innovation, and international cooperation.



# Digital Economy Releasing New Momentum

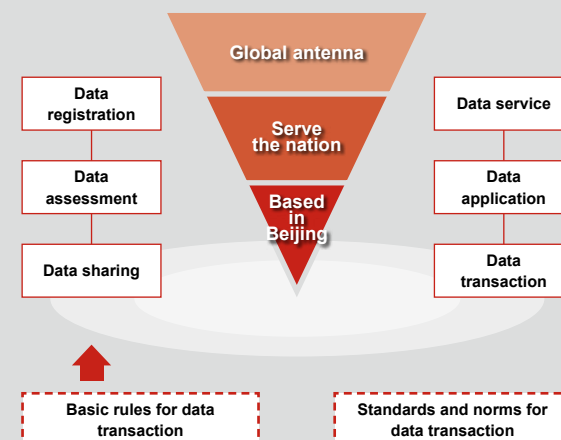
## Development visions

Aiming at the world's cutting edge technologies and the strategic needs of future development, Beijing will fully release the vitality of digital technology innovation, stimulate the potential of data resource elements, manifest the digital-empowered mega-city governance, and effectively enhance the radiation capacity of demonstration from the data-driven city.



## “Data beacon”: the Beijing International Big Data Exchange

- National leading data transaction infrastructure, and international important hub for data cross-border flow
- Issued the Beijing Guidelines on Data Transaction Services
- Established the Beijing International Data Transaction Alliance
- Signed the first digital transaction contract in China, and launched the innovative application for medical data algorithm.
- Pioneered in establishing international industrial system for digital economy intermediaries, and introduced the first batch of digital economy intermediary service providers



# Build up highland in leading global digital economy development

## New layout

### Unleashed momentum and clustered development in new digital industries

- Strengthened the whole industrial chain layout of IC and made Beijing the most important sci-tech innovation and industry cluster of semiconductor sector in China.
- The first to realize technology integration in the whole industrial chain of 5G + 8K, and the first to apply large-scale 8K technology for sports event coverage in the history of the Olympic Games.
- Approved the construction of the National AI Innovation and Application Pioneer Zone, and about 200 enterprises settled in the National Cyber Security Industrial Park.
- Regulated the development of platform enterprises, and guided them to strengthen “hard technology” R&D.
- Explored the construction of Internet 3.0 industrial cluster.
- Top 1 in China in terms of the number of industrial Internet platforms, the amount of access resources, the number of suppliers of national level smart manufacturing system solutions.
- Issued the implementation plan on guiding digital consumption innovation, and selected 21 projects as national demonstration projects for new information consumption.

### Innovate and improve new rules for digital economy

- Accelerated legislation to promote digital economy.
- Released policy guidelines such as management measures for public data in Beijing, guidelines for data classification and grading, guidelines for data transaction services, etc.
- Established and improved systems of standards and regulations for such vertical fields as smart city, intelligent network connection, and data transaction, introduced the evaluation system for digital economy benchmark city, and formulated policies on the whole industrial chain opening up of digital economy.

### New digital scenarios focus on serving enterprises and people's livelihood

- Data platforms in the city supported 181 application scenarios including pandemic prevention and control, work and production resumption, etc.
- 90.2% of municipal government affairs and 81.8% of district government affairs can be processed online with one integrated functional platform, and the financial data platform supported the loan service centers to provide RMB 11.45 billion loans for MSMEs.
- Demonstration of Digital RMB application scenarios.
- Launch Area of Shougang Sci-Fi Industrial Park was put into operation.
- “Smart Living Lab” settled in Zhangjiawan Design Town in Tongzhou.

### Cooperation and global integration in opening up digital economy

- The First Global Digital Economy Conference was held successfully, and the World Robot Conference, 5G Conference, and the World Intelligent Connected Vehicles Conference continued to lead the development of the industry.
- The Beijing Pilot FTZ featuring digital economy achieved fruitful results with over a hundred landmark projects settled in the zone, and the exploration in the supervision of cross-border data flow security was deepened, and steady progress has been made in the construction of digital trade demonstration zone and digital trade port.



# Sci-tech Innovation Leading New Development

With “Three Science Cities and Beijing Economic-Technological Development Area” as the major platform and Zhongguancun National Independent Innovation Demonstration Zone as the main base, Beijing is accelerating the construction of the international sci-tech innovation center, the world-leading sci-tech parks, and national labs. It has significantly enhanced the traction of innovative development, the originality in frontier areas, the new impetus for policy reforms, attraction for talents, and influence of cooperation on sci-tech opening up, which will facilitate China to realize independent and vigorous development of high-level science and technology.

## Top design

### Beijing's Strategic Action Plan on the Construction of International Science and Technology Innovation Center during the 14th Five-Year Plan

- Layout national strategic sci-tech capability to create traction
- Conduct R&D of major basic and frontier areas to create originality
- Pioneer and pilot in reforms and policies to create new impetus
- Stimulate innovation and creativity of talents to create attraction
- Open up comprehensive sci-tech cooperation to create influence

### Beijing's Plan on the Construction of International Science and Technology Innovation Center during the 14th Five-Year Plan Period

- Build up strategic sci-tech capability led by the national laboratories
- Focus on “three chains” integration and accelerate cultivation of new impetus for high-end, precision, and sophisticated industries
- Create application scenarios of new technology in all fields and support the construction of a world-class capital of harmony and livability
- Deepen the reform on sci-tech systems and promote fundamental system construction which supports comprehensive innovation

The “Five New” mechanism of new R&D institutions in Beijing: commended by the General Office of the State Council

- Establish corporate governance structure; explore negative list in fiscal and financial support; innovate individualized performance evaluation mechanism; sci-tech achievements and IP rights belong to the institutions; open sharing of largescale instruments and equipment for scientific research





# International Consumption Improving City Quality

## Booming vitality in international consumption

01

### Increased supply in international consumption

- In 2021, 901 first stores (including flagship stores) were opened in Beijing, five times the number in 2020, with 3 global first stores, 7 Asian first stores, and 59 China first stores
- Approved the sixth batch of 9 Beijing Time-Honored Brands, with the total number reaching 206
- Approved 4 regional headquarters of MNCs of fashion brands
- Put into operation 6 incubation pilot bases for new consumption brands
- Pilot scale of medicine retail imports through cross-border e-commerce had a YoY increase of over 400%
- 717 stores with departure tax refund schemes, ranking No.1 in China

02

### Remarkable achievements in cultural and tourism consumption destinations

- The five administrative areas of Dongcheng District, Xicheng District, Chaoyang District, Miyun District, and Yanqing District became national pilot cities for cultural and tourism consumption.
- Several streets or districts including Qianmen Street and Sanlitun Taikoo Li became nation-level night cultural and tourism consumption clusters and nation-level tourism and leisure streets.
- 200 must-visit and Internet-famous destinations for cultural and tourism consumption covering 10 categories were launched.
- 45 key cultural tourism projects in 10 categories were launched, generating an investment intention of approximately RMB 10 billion.

03

### Mushrooming new consumption landmarks

- Awarded Wangfujing Street as nation-level demonstration pedestrian street
- Accelerated the upgrading and transforming of Qianmen Dashilan Business District
- Launched a new batch of characteristic scenarios in night consumption
- Universal Beijing Resort Phase I achieved an operation revenue of RMB 1.645 billion within the year since it opened in September

04

### Upgraded experience in service consumption

- Applied Digital RMB in 403,000 scenarios in the Winter Olympics
- Cultivated 15 information consumption experience center
- Newly certified 46 enterprises with 278 "Beijing Gifts"
- Released "2022 Beijing Map for Ice and Snow Consumption"
- Launched 22 routes for ice and snow touring in Beijing

05

### Iterative optimization of consumption environment

- Issued 28 policies on the first store of a brand, consumption season events, business district development, headquarters enterprises, encouraging private investment in setting up museums, promoting nationwide fitness and sports consumption, etc.
- Implemented pilot reform of "one industry, one license" in 10 industry scenes including supermarkets (convenient stores)

# BTH Coordinated Development Entering a New Era

## Further progress in BTH coordinated development

### Press the "accelerator button" for BTH cooperation park construction

- The Development Plan on Zhongguancun Science and Technology Park in Xiongan New Area was completed, which actively supported the deployment and development of innovation resources in line with the functions and positioning of Xiongan New Area. And over 1,000 organizations affiliated to enterprises in Beijing have registered in Xiongan.
- Tianjin Binhai-Zhongguancun Science and Technology Park built up the "3+1" industrial system with its focus on intelligent technology, life and health, new energy and new materials, and sci-tech service industry.
- Beijing-Tianjin Zhongguancun Science and Technology City established the first talent community, Tianjin Nankai High School signed agreement to set up its branch school in the sci-tech city, and the industrial complex of Zhongguancun Coordinated Development Center was put into trial operation.
- Baoding-Zhongguancun Innovation Center cultivated a number of high-end, precision, and sophisticated enterprises which led and facilitated the upgrading and transition of local industries, with a total occupied area of 100,000 square meters.
- Daxing Airport's Airport Economy Demonstration Zone was promoted.

### Amplified traction and driving effect of the Winter Olympics

- Fully implement the Strategic Plan on the Winter Olympics Legacy
- Vigorously develop and promote ice-and-snow sports and relevant competition and event
- Coordinately construct the belt of sports, culture and tourism in Beijing and Zhangjiakou
- Promote interactive development of the ice-and-snow stadium resources in Beijing, Yanqing, and Zhangjiakou

### Create new pattern of regional transportation for "BTH on connected rails"

- The extension of Beijing-Tianjin Intercity High-speed Railway, Beijing-Zhangjiakou Intercity Railway, Beijing-Xiongan Intercity Railway, and Beijing-Chengde section of Beijing-Harbin Railway were completed and opened to traffic.
- Construction of the integrated transportation hub of sub-center, Fengtai Railway Station, Chaoyang Railway Station, and supporting transportation hubs was accelerated.
- Coordinately advance the construction of Beijing-Tangshan Intercity Railway and Phase 1 of Intercity Rail Link in BTH, and accelerate the construction of Beijing Subway Line 22
- Pilot customized express coaches to the three counties in Hebei, and gradually promote the coaches among pan-Beijing regions.
- Adjacent cities are basically accessible within 1.5 hours by rail, and the "one-hour transportation circle" among Beijing, Xiongan, Tianjin, and Baoding has been formed.

### Accelerated cross-region element flow in BTH

BTH signed the Collaboration Agreement on Jointly Promoting BTH Basic Research (2021-2025) (Phase Three).

In 2021, Beijing-Hebei Langfang's Three Counties Project Promotion Fair was successfully held, with the agreement signing for 121 projects in Beijing and Hebei, and a total investment of RMB 112.4 billion.

The Zhongguancun enterprises have set up 9,032 branches in Tianjin and Hebei.

In 2021, there were 5,434 technology contracts flowing from Beijing to Tianjin and Hebei, with the amount reaching RMB 35.04 billion.

The three regions invested a total of RMB 50 million in the special program for BTH basic research cooperation, funding over 100 projects.

From Jan to Nov 2021, Tianjin attracted an investment volume of RMB 127.7 billion from Beijing, accounting for nearly 40% of all domestic investment introduced to Tianjin.



# “Three Platforms” Amplifying Dividends

## Boost international cooperation, opening up, and win-win results

### 01 China International Fair for Trade in Services (CIFTIS): share opportunities in the growth of trade in services, and promote world economic recovery and growth

- Create a never-ending CIFTIS and comprehensively upgrade the digital platforms of CIFTIS in order to provide immersive experience for the online exhibitors and visitor with online 2D booths, 3D booths, cloud conference, cloud negotiation, cloud contract signing and other functions.
- Establish the Global Alliance for Trade in Services (GATIS) and release the GATIS Initiative to strengthen international communication and cooperation, and promote liberalization and facilitation of trade in services. Join hands in seizing development opportunities, exploring sustainable development models, dealing with difficulties and challenges, and promoting the stability and prosperity of global economy.

### 02 ZGC Forum: high-end and frontier sci-tech leading, advocating communication, cooperation and sharing

- With “innovation and development” as its permanent theme, the Forum focuses on international frontiers of sci-tech innovation and hot issues, and has become a nation-level platform facing the global for high-tech innovation communication and cooperation.
- Integrated with China Beijing International High-Tech Expo, the Forum has put in place a platform for top-level exchange, global trade, and high-level exhibition, and provides comprehensive services in global technology transaction.
- In 2021, 140 representatives from international organizations and innovation institutions participated in events of the forum, over a thousand guests from 66 countries and regions had in-depth exchanges, and a total of 100,000 people had online or offline participation.

### 03 Financial Street Forum: an indicator of China's financial reform and development, and a new platform for in-depth international financial communication and cooperation

- Conduct high-level dialogues on key sectors and major issues in global finance
- Release important policies of financial reform and opening up
- Promote connectivity of China's financial industry and the international financial market

CIFTIS is the world's only nation-level, international and comprehensive platform for trade in services.

It has become a stage for the display of global high-quality and innovative services, a platform for service trade enterprises from different countries to meet and trade, and an important bridge for the “bringing in” of international advanced services and the “going global” of China Services.

Many authoritative reports released, including Report on the Development of China's Trade in Services 2020, and Report on the Development of China's Digital Trade 2020

Over 12,000 enterprises participated through online and offline

CIFTIS 2021 attracted 510 Fortune 500 and industrial leading enterprises to exhibit offline, accounting for 21% of the total exhibitors, and an increase of 12% compared with the previous year.

About 200 professional forums and industrial conferences

1,672 results achieved



# Industrial Strength and Distribution Upgrade

# 3

## Competitive Industries Continuously Releasing Vitality

### A modern industrial system with great competitiveness

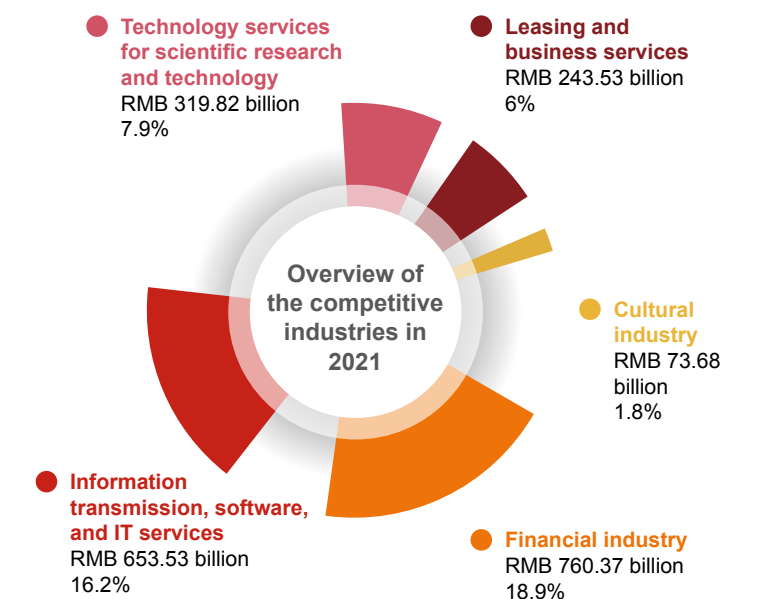
Beijing has put in place a modern industrial system with high global competitiveness, featuring comprehensive development of advantage industries such as finance, IT services, sci-tech services, leasing and business services, and culture.

Emerging of industrial clusters with a scale of “trillion” and “100 billion”



### Five competitive industries contribute over 50% to Beijing's GDP

- RMB 760.37 billion from financial industry, accounting for 18.9% of Beijing's GDP
- RMB 653.53 billion from information transmission, software, and IT services, accounting for 16.2% of Beijing's GDP
- RMB 319.82 billion from technology services for scientific research and technology, accounting for 7.9% of Beijing's GDP
- RMB 243.53 billion from leasing and business services, accounting for 6% of Beijing's GDP
- RMB 73.68 billion from cultural industry, accounting for 1.8% of Beijing's GDP



Data source: The Beijing 2021 National Economic and Social Development Statistical Report

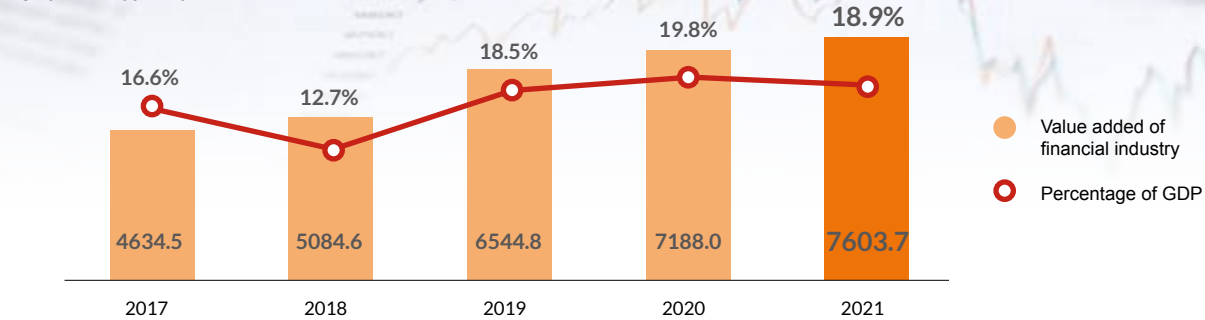


## A modern industrial system with great competitiveness

### Financial industry

#### Stable position as a pillar industry

Unit: RMB 100 million



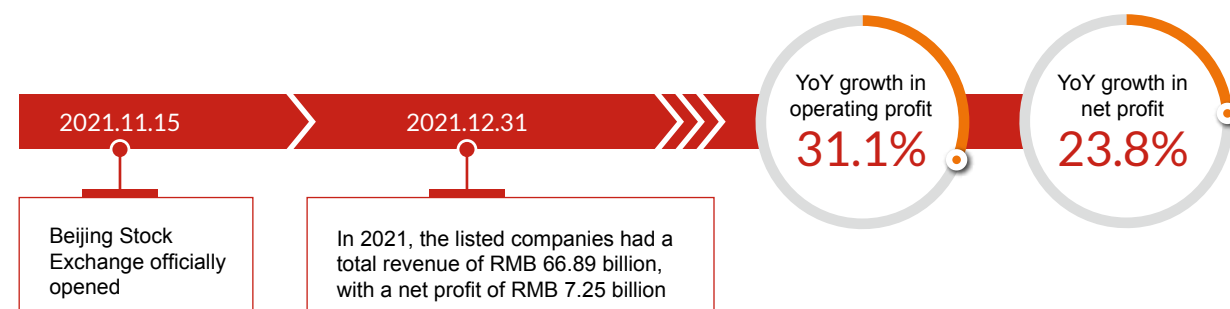
#### The construction of the national financial management center boosting financial reform and development

Beijing continues to strengthen the function of the national financial management center and is in the forefront in financial reform and development in China. It has gathered over 900 legal entities in the field of financial regulation, asset management, credit rating, financial information and standard setting, ranking No.1 in China. The amount of Beijing's financial assets exceeds RMB 170 trillion, over half of the national total.



#### Beijing Stock Exchange providing extra funding support for SMEs in innovative development

On 15th Nov 2021, Beijing Stock Exchange was officially put into operation. As of 30th Apr 2022, all the 89 companies listed in BSE have disclosed their 2021 annual reports. The total revenue of those listed companies registered at RMB 66.89 billion and the net profit at RMB 7.25 billion, a year-on-year increase of 31.1% and 23.8% respectively, with a median net profit of RMB 46.29 million. 88 listed companies were profitable in 2021, a profitability rate of 99%.

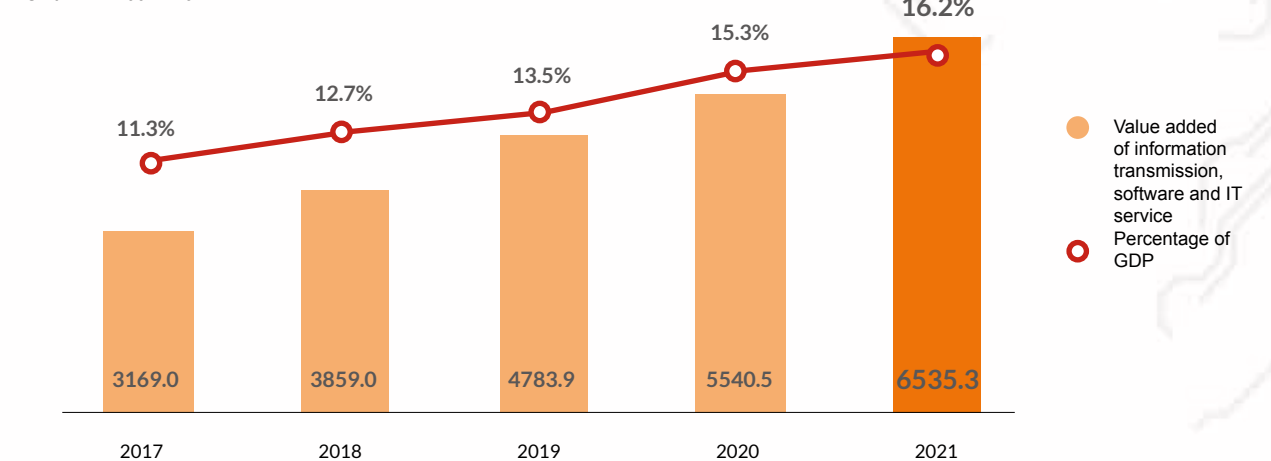


Data sources: 1. The Beijing 2021 National Economic and Social Development Statistical Report; 2. Beijing Exchange Stock announcement

### Information transmission, software and IT services

#### Rapid growth in scale

Unit: RMB 100 million



#### New technologies and new models contribute to core competitiveness

- 01** Built up the production line for 12-inch IC with the largest scale in China and demonstration line for 8-inch IC application in domestic equipment.
- 02** The number of nation-level specialized, refined, unique and innovative "small giants", champions in single sector of manufacturing, intelligent manufacturing demonstration projects, and integrated solution suppliers rank among the top in China. Industrial benchmarks like the "Beacon Factory" of Foton Cummins and "Dark Factory" of Xiaomi have emerged.
- 03** Pioneered the construction of the National Cybersecurity Industrial Park, gathering over half of the cybersecurity and IT application innovation enterprises in China.
- 04** Established a batch of major infrastructure platforms such as national top nodes for industrial Internet identifier resolution, the national industrial Internet big data center, and security situation awareness platform.



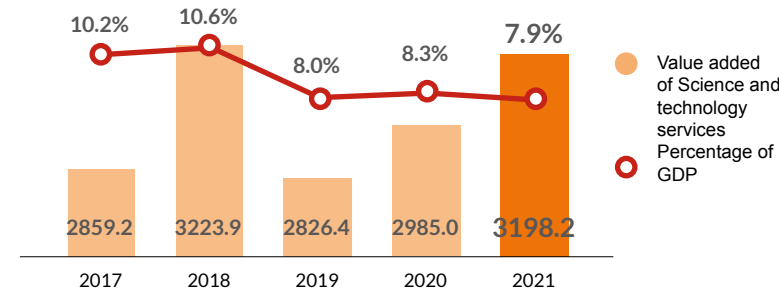
## A modern industrial system with great competitiveness

### Science and technology services



#### Scale expanded and gradually stabilized

Unit: RMB 100 million



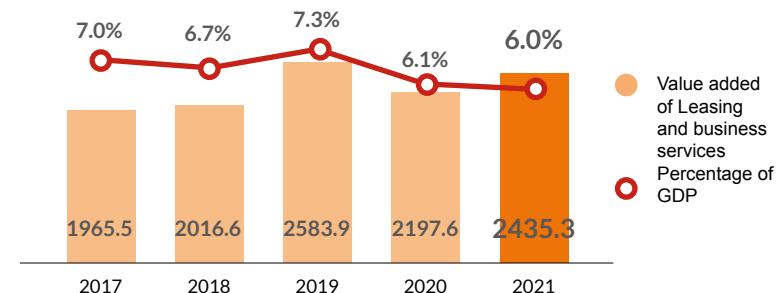
#### Growth in institutions strengthen the foundation for the construction of international sci-tech innovation center

- The number of sci-tech services institutions has reached over 730,000, taking up around 40% of the total institutions in various industries of Beijing.
- 8 new-type R&D institutions were established, including Beijing Academy of Quantum Information Sciences, Beijing Academy of Artificial Intelligence, and Beijing Academy of Blockchain and Edge Computing.
- Zhongguancun National Laboratory, Huairou National Laboratory, and Changping National Laboratory were established.

### Leasing and business services

#### Steady progress in scale

Unit: RMB 100 million



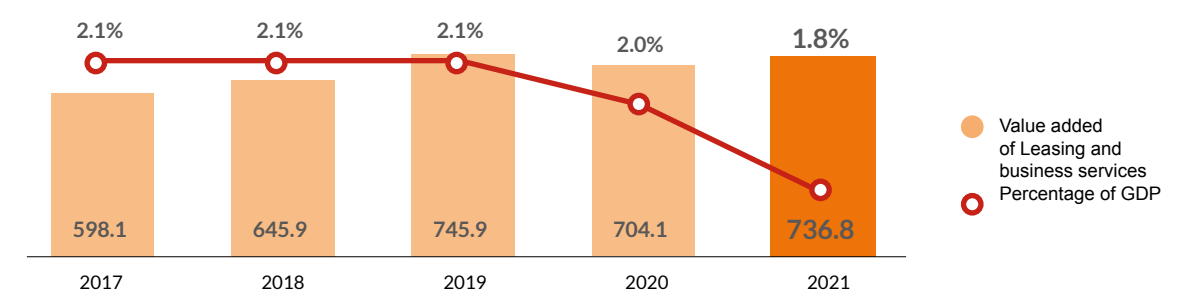
#### High-end business service elements gathered, and capacities improved

- Clusters of leading enterprises in the field of accounting and auditing, management consultation, credit rating, dispute settlement service, IP, architecture design, human resources, advertising, and exhibition.
- Launched integrated service platforms for Beijing enterprises to "going global", and established a professional service ecosystem for "going global".
- Built up industrial alliances for "going global" to promote cluster development of Beijing's overseas industries.

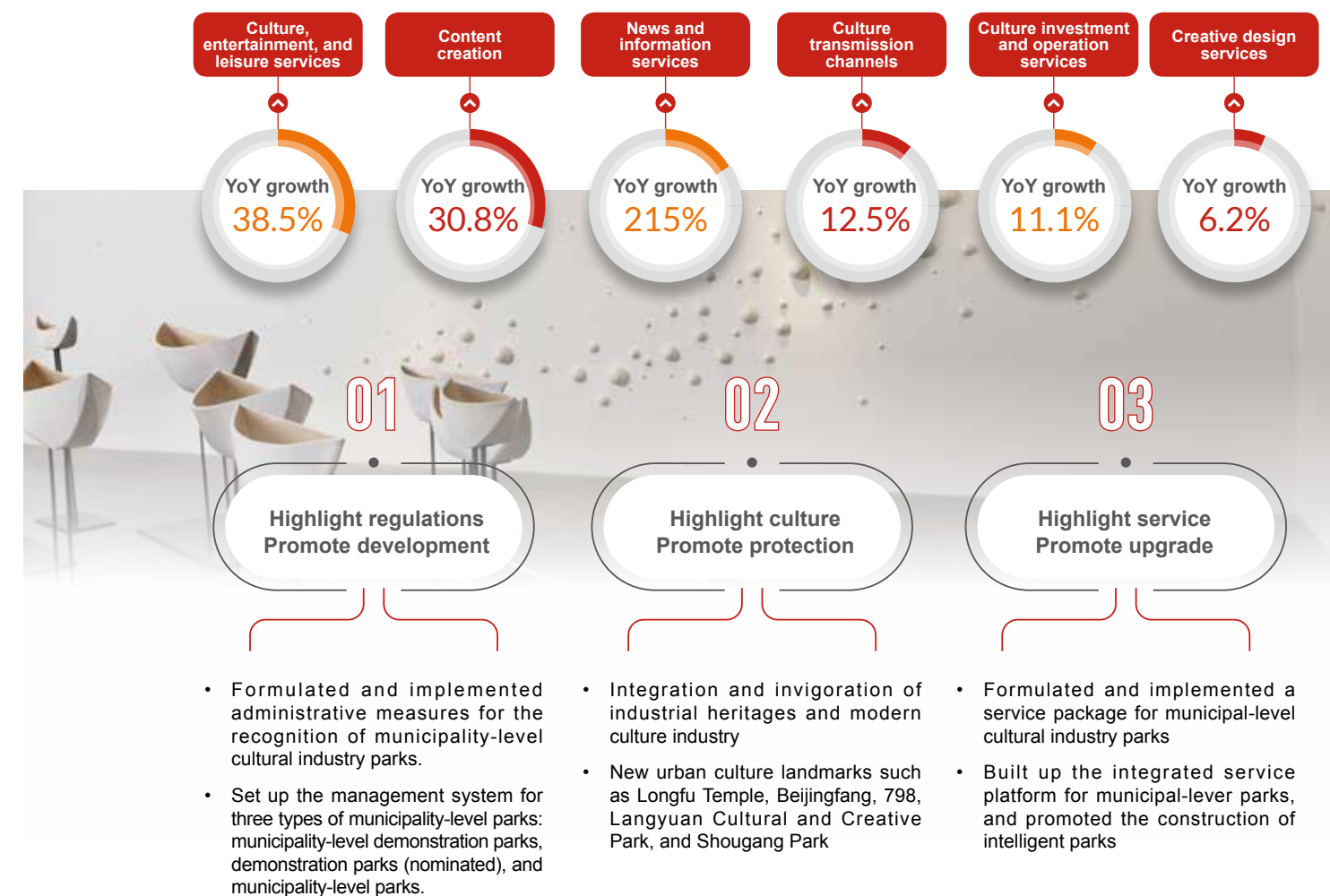
### Culture, sports, and entertainment industry

#### Improved quality and efficiency of culture, sports, and entertainment industry

Unit: RMB 100 million



- In 2021, cultural industry in Beijing above designated scale reached an operating revenue of RMB 1,756.38 billion, a year-on-year increase of 17.5%, and a total profit of RMB 142.94 billion, a year-on-year increase of 47.5%. The revenue from key sectors in cultural industry totaled RMB 1,584.83 billion, up by 17.8% year on year.





# High-end, Precision, and Sophisticated Industries 2.0 Upgrade

## Build up the “2441” system with greater vitality for high-end, precision, and sophisticated industries

During the 14th Five-Year Plan period, Beijing will spare no effort to promote the “2.0” upgrading in the construction of a high-end, precision, and sophisticated economic structure, actively cultivate two international-leading pillar industries, four characteristic and competitive “Intelligently Made in Beijing” industries, four innovation-linked “Beijing Service” industries, and deploy in advance a batch of future frontier industries, thus establishing the “2441” system for high-end, precision, and sophisticated industries.

**New-generation IT:** AI, advanced communication network, ultra-high-definition video and new display, industrial Internet, cybersecurity and IT application innovation, Beidou, and VR, with the key deployment in Haidian District, Chaoyang District, and Beijing Economic-Technological Development Area

**Pharmaceutical and health care:** innovative drugs, new instruments, new health services; with the key deployment in Changping District and Haidian District in the north, Daxing District and Beijing Economic-Technological Development Area in the south

**Integrated circuits:** create a highland for IC industry innovation which integrates design, manufacturing, equipment, and materials; with the key deployment in Beijing Economic-Technological Development Area, Haidian District, and Shunyi District.

**Intelligent connected vehicles:** ICV OEM, ICV facilities and key components, and smart mobility services; with the key deployment in Beijing Economic-Technological Development Area, Shunyi District, and Fangshan District.

**Intelligent manufacturing and equipment:** intelligent robots and automation complete equipment, intelligent special equipment, integrated solutions to intelligent manufacturing, intelligent terminals, aerospace, and rail transit; with the key deployment in Beijing Economic-Technological Development Area, Changping District, Fengtai District, Shunyi District, Daxing District, and Fangshan District.

**Green energy, energy conservation, and environment protection:** hydrogen energy, smart grid and advanced energy storage, integrated solutions to green manufacturing, and comprehensive services for intelligent energy conservation and environment protection; with the key deployment in Changping District, Fangshan District, and Daxing District.

Grow two international-leading pillar industries

Enhance four characteristic and competitive “Intelligently Made in Beijing” industries

“2441”

Pursue superior development of four innovation-linked “Beijing Service” industries

Deploy in advance a batch of future frontier industries

- Life technology and life science
- Carbon emission reduction and carbon neutrality
- Frontier new materials

- Quantum information
- Photoelectron
- New-type memorizers
- Brain science and brain-computer interface

**Blockchain and advanced computing:** advanced computing systems, blockchain open-source platforms, blockchain application, with the key deployment in Haidian District and Chaoyang District

**Sci-tech services:** R&D and design, inspection and testing and engineering technology services; start-up incubation, technology transfer and fin-tech services; IP rights services and sci-tech consultation services, with the key deployment in “three scientific cities and economic development area” and city sub-center

**Smart city:** underlying general technology, city perception system construction, city data integration services, city operation open platform; create smart city application scenarios all around Beijing and encourage scenario innovation in all aspects

**Information content consumption:** original and high-quality games and world-class competition platform for video games, information consumption experience services; with the key deployment in Haidian District, Chaoyang District, Shijingshan District, and Tongzhou District

# Increasingly Improved Development Layout of Key Industries

## Downtown districts

### Haidian District

**Development positioning:** a core area for national sci-tech innovation center, an important area to serve and guarantee the political function of the central government, a model area for the inheritance and development of history and culture, a demonstration area featuring ecological, livable, harmonious, and civilized, a practice area of pathways to high-level and new-type urbanization

**Key industries:** a modern industrial system with IT services as the base, big information as the pillar, comprehensive health as the breakthrough, and advanced manufacturing as the support; focus on the development of digital economy, pharmaceutical and health care industry, strategic emerging industries, and modern services

### Chaoyang District

**Development positioning:** with “internationalization, culture, and large-scale afforestation” as the focus, build it into a world-class business center area, an international communication area for science, technology, culture and sports, a carrier for international communicates; an innovation-driven window area for the capital’s culture, an integrated development area of cultural creativity and sci-tech innovation; a good image of opening up to the outside world, a demonstration area of large-scale ecological construction, and a pioneering area of comprehensive reforms on high-level urbanization

**Key industries:** international finance, whole sale and retail, leasing and business services, cultural creativity industry; focus on the development of headquarters economy, digital economy, and fashion economy

### Shijingshan District

**Development positioning:** a nation-level demonstration area for industrial transition, a comprehensive service area in the west of Beijing for green and low-carbon development, a demonstration area of ecology and livability featuring integration of natural landscape and culture

**Key industries:** science fiction industry, digital creativity, modern finance, VR, ice-and-snow sports; unleash the leading effect in opening up key areas like Beijing Banking and Insurance Industrial Park and New Shougang

### Dongcheng District

**Development positioning:** an important carrier for central government affairs services, a demonstration area for the inheritance and development of history and culture, an important base for high-end services in Beijing, a world-class harmonious and livable area

**Key industries:** three dominant industries of culture and related industries, financial industry, and IT services industry; cultivate international digital health industry

### Xicheng District

**Development positioning:** the national political and cultural center, the international communication center, and the core carrier for international financial management center

**Key industries:** with financial industry as the dominant one, promote the integrated development of new-generation IT and the industry

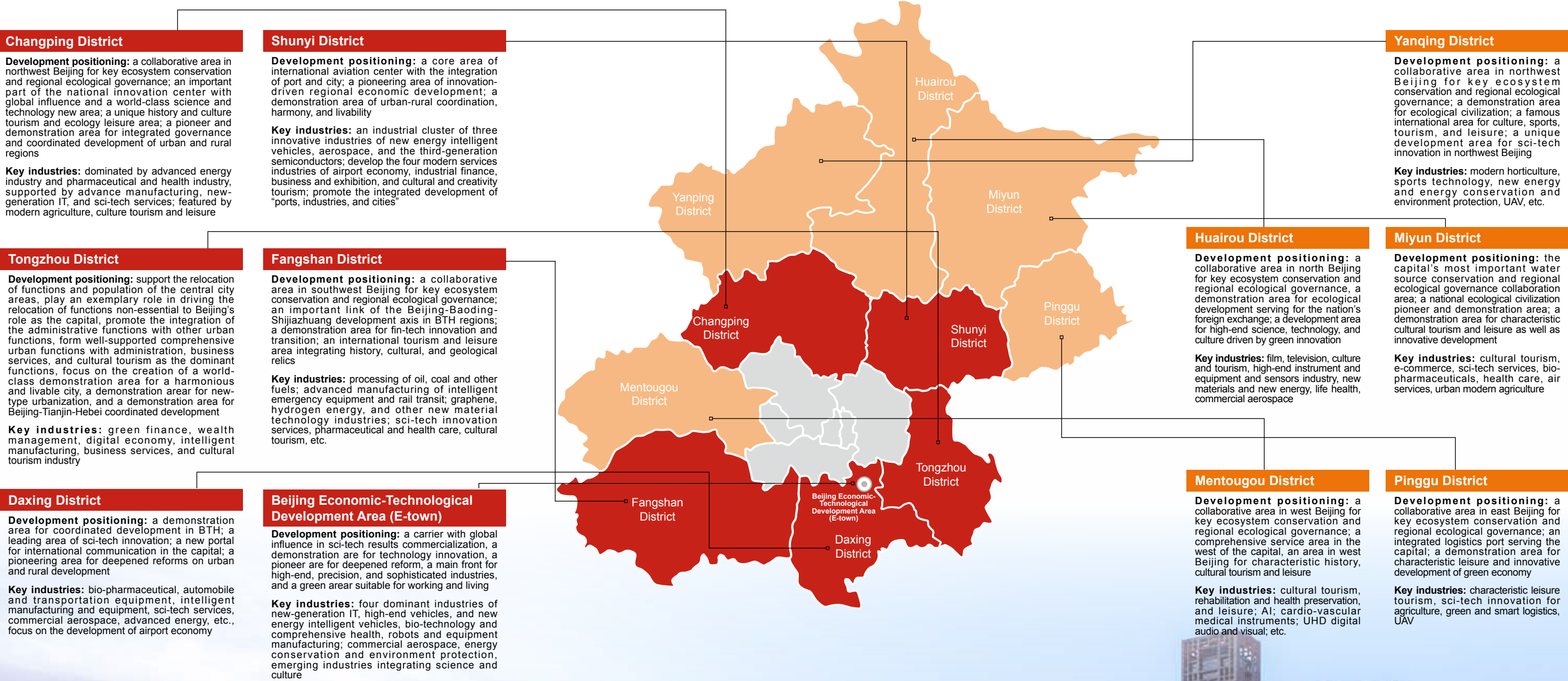
### Fengtai District

**Development positioning:** an important guarantee area for supplies of high-quality life services in the capital, a new business area in Beijing, an integrated development area for sci-tech innovation and financial services, a comprehensive transportation hub for high-level opening up; a new-type urbanization development area led by history, culture, and green ecology.

**Key industries:** rail transit; aerospace, IT, bio-pharmaceutical, advanced manufacturing, new materials, and digital finance



“Beijing Municipal Administrative Center” +  
“Five New Towns”



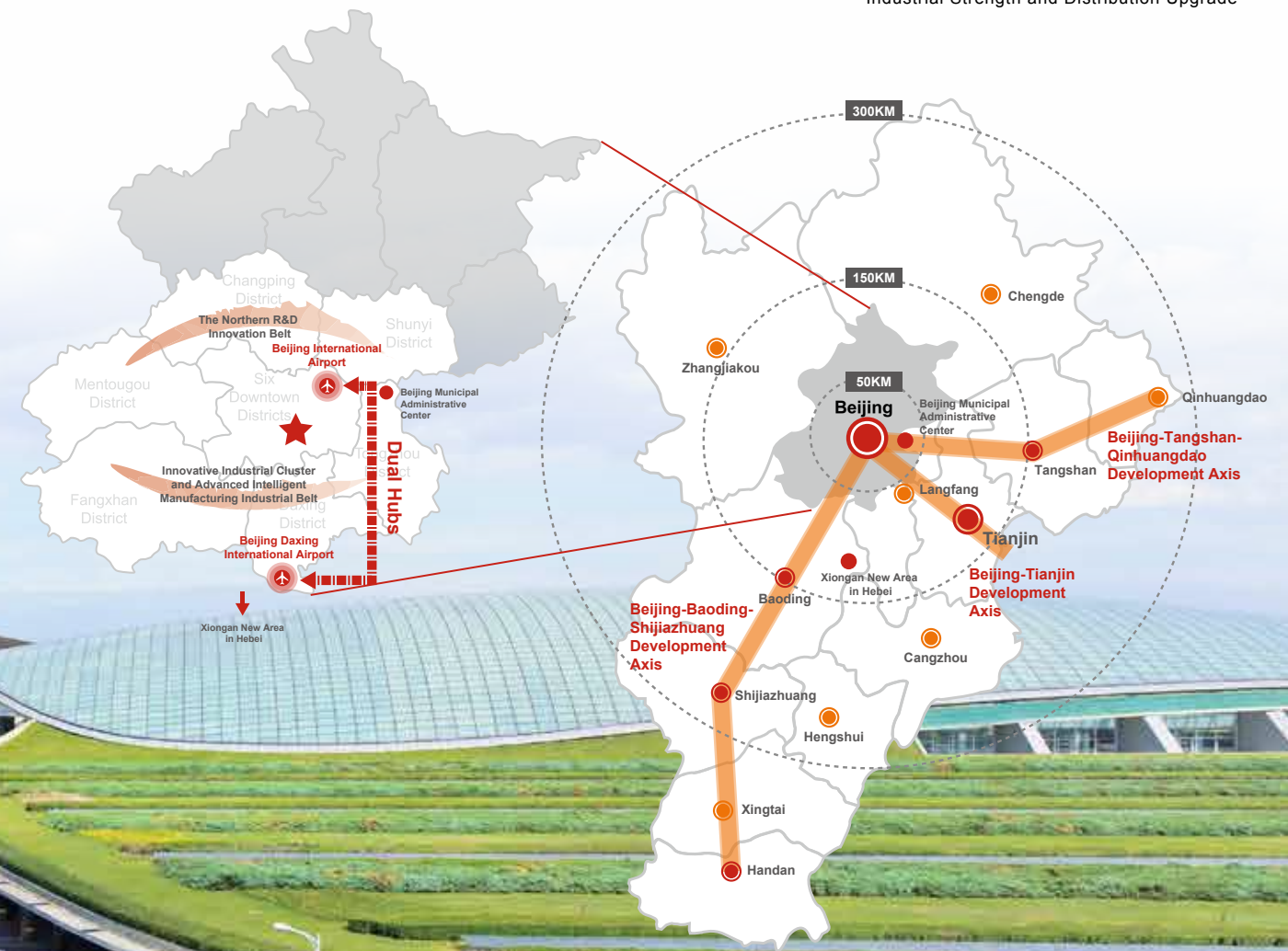
The Capital's Ecological Reserves





## A New Step in Industrial Space Coordination

**One Core, Two Wings, Three Circles and Three Axes, Two Zones, Two Belts, Five New Towns, and Dual Hubs**



### One Core

Giving full paly to the capital's functional positioning as the core

### Two Wings

Promoting the two wings of Beijing Municipal Administrative Center and Xiongan New Area in Hebei

### Three Circles and Three Axes

BTH integrated and coordinated development with three circles of convenient commuting, complementary functions, and supporting industries, led by the radiative effect of three axes of Beijing-Tianjin, Beijing-Baoding-Shijiazhuang, and Beijing-Tangshan-Qinhuangdao

### Two Zones

The Integrated National Demonstration Zone for Opening up the Service Industry and the China (Beijing) Pilot Free Trade Zone and Daxing International Airport Area (Beijing area)

### Two Belts

**The Northern R&D Innovation Belt:** with Zhongguancun Science City, Huairou Science City, and Future Science City as the main body, with Haidian (Xueyuan Road and Xueqing Road) as the major support, with science, scientists, and science city as the key elements, create a new demonstration of science and city integration, and establish key joints of the global innovation network

**Innovative Industrial Cluster and Advanced Intelligent Manufacturing Industrial Belt:** with the new towns of Yizhuang, Shunyi, Changping, Daxing, and Fangshan in the plain area as the carrier, focus on the systematic optimization and upgrading of the whole industrial chain

### Five New Towns

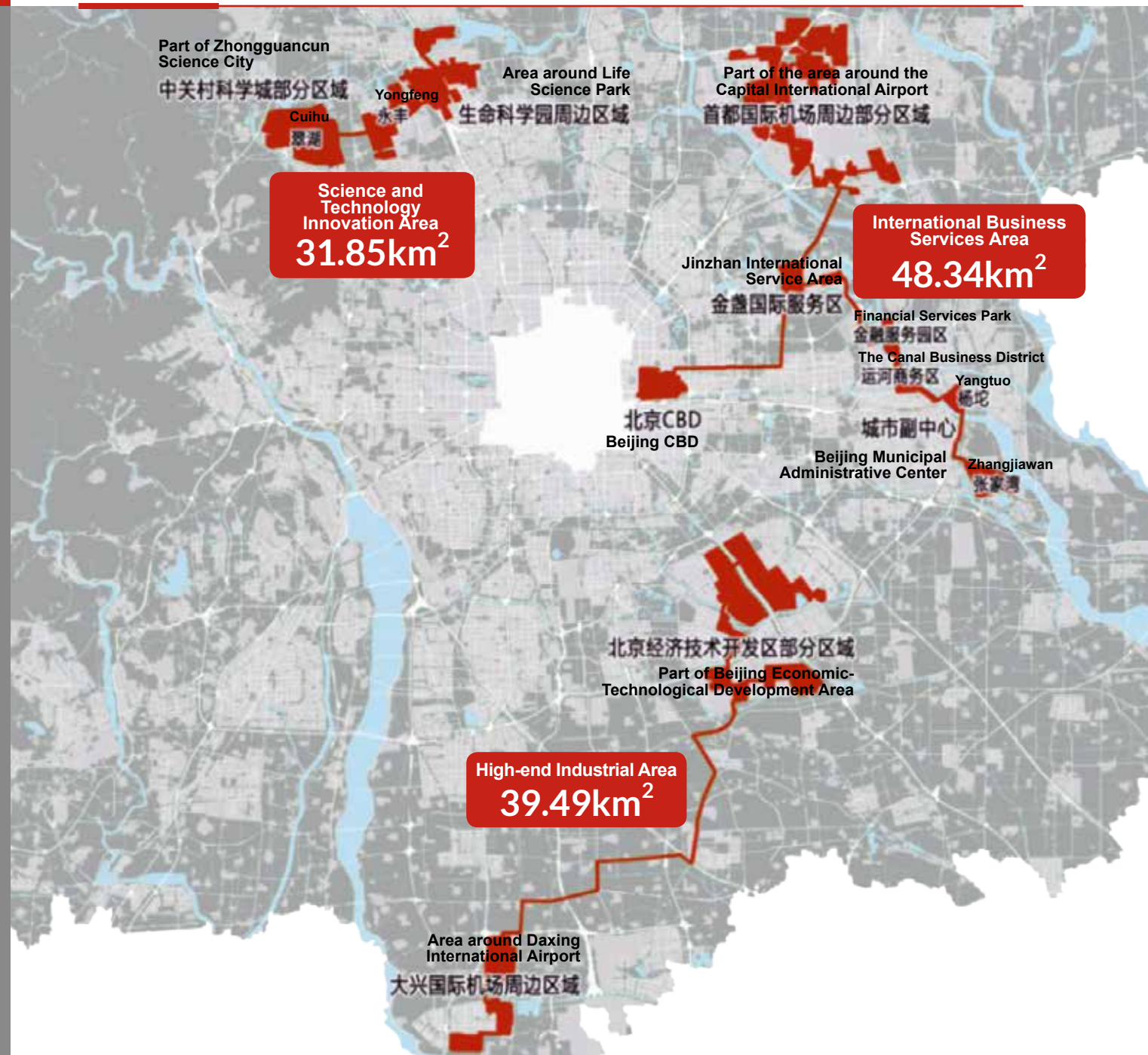
Improving the industrial carrying capacity of the five new towns of Yizhuang, Shunyi, Changping, Daxing, and Fangshan in the plain area

### Dual Hubs

Beijing International Airport and the Airport Economy Demonstration Area, Beijing Daxing International Airport and the Airport Economy



## Accelerated Development in Key Function Areas/Industrial Parks



## Pilot Free Trade Area

### 1 Science and Technology Innovation Area

#### Changping Cluster

Create a "ground zero" for the development of Beijing's pharmaceutical and health industry, accelerate the construction of world-leading "Life Valley"

#### Haidian Cluster

Assume the function as a strong engine for the high-end sci-tech innovation in Beijing, the cultivation of high-end, precision, and sophisticated industries, and the promotion of high-quality development in Beijing

### 2 High-end Industrial Area

#### Daxing Cluster

Build up a connection center for international innovation resources, accelerate the construction of a carrier for the commercialization of sci-tech achievements, a cluster of strategic emerging industries, and a highland of advanced manufacturing

#### Yizhuang Cluster

A highland for advanced manufacturing in Beijing, a major platform for innovation in "three science cities and one development area"

### 3 International Business Services Area

#### Chaoyang Cluster

Highlight internationalization. Attract the concentration of foreign-invested enterprises' headquarters to CBD, deepen the construction of a frontier area for international finance opening up, and a cluster of regional headquarters of MNCs and high-end business services

In Jinzhan International Cooperation Zone, build up a cluster of international organizations, a demonstration area of trade in services, a pilot area of digital trade, and a center for high-end cross-border consumption, so as to create "new highlights in the function as the international communication center"

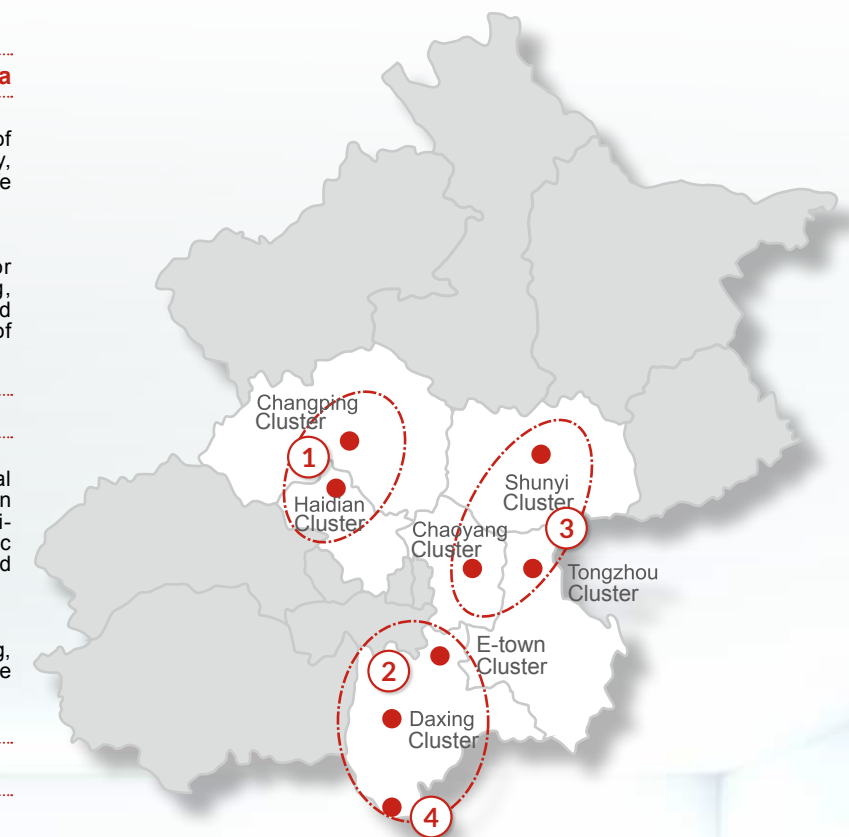
#### E-town Cluster

Build up a world-class aviation hub. Construct an innovation-driven demonstration area of the airport economy with global influence, and a globally competitive highland of the integrated development of ports, cities, and industries and opening up to the outside world

#### Tongzhou Cluster

The Canal Business District, based on the industrial and functional positioning of "finance + headquarters", concentrates on the financial and high-end business functions serving the BTH coordinated development, and creates a integrated function area with financial innovation, Internet industry, and high-end services as the key.

Zhangjiawan Design Town focuses on innovative design and city technology industries, and builds up an international highland for cultural creativity and design services, and a model for the development of high-end, precision, and sophisticated industries



### 4 China (Hebei) Pilot Free Trade Area Beijing Part

China (Hebei) Pilot Free Trade Area Daxing International Airport Area Beijing Part 9.97 square kilometers

Focus on the development of aviation logistics, aviation technology, aircraft maintenance, aviation training, international exhibition, international consumption, financing and leasing, etc.



# Zhongguancun National Independent Innovation Demonstration Zone

• **Zhongguancun National Independent Innovation Demonstration Zone** is a “golden business card” of reform and innovation in China. It has been developed into a cluster of new and high-tech enterprises, innovation resources, talents resources, and crowd innovation space, and is the key platform carrier and the engine for Beijing in building up the international sci-tech 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



Parks	The positioning and industrial characteristics of the 16 parks in ZGC Science Park
Haidian Park	The birthplace of ZGC Science Park, the key area of ZGC National Independent Innovation Demonstration Zone, and the key area of the National Sci-tech Innovation Center. Create a cluster of international original innovation and high-end services, a cluster of industrial innovation and achievements commercialization of cutting-edge technologies, an innovation center of new-generation IT and frontier technologies in intelligent manufacturing, and a cluster of international R&D innovation and incubation.
Changping Park	Focus on innovative drugs (R&D), high-end medical instruments, precision medicine, health services, intelligent equipment, next-generation communications, network, industrial Internet, and IOT, etc.; build up a center of original innovation and industrial innovation with distinctive features.
Shunyi Park	Focus on intelligent equipment, NEV, aerospace, navigation and positioning services, smart logistics, etc.; build up an international cluster of R&D incubators and new-type enterprises, and a cluster of high-end manufacturing industry with distinctive characteristics.
Yizhuang Park	Focus on robots, intelligent equipment, integrated circuits, network information security, innovative drugs, intelligent connected vehicles, and smart mobility, etc.; build up a major front for high-end, precision, and sophisticated industries, and a frontier area for innovative and coordinated development of BTH.
Fangshan Park	Focus on graphene, key strategic materials, advanced base materials, intelligent manufacturing, intelligent terminals, traditional Chinese medicine, high-end medical instruments, health services, cultural technologies, etc.; build up a base in the south for innovative achievements commercialization and the “Material Innovation Valley”.
Tongzhou Park	Focus on urban technologies, creative design, network information security, fin-tech, etc.; build up a cluster of design and creativity industry, a new highland of network information security industry, and key functional nodes for industrial transition of Beijing Municipal Administrative Center.
Dongcheng Park	Focus on big data, next-generation communications and network, cultural technologies, etc.; build up a demonstration base of integrated development of culture and technology.
Xicheng Park	Focus on fin-tech, R&D design, big data, cultural technologies, etc.; build up a demonstration area of fin-tech and professional services innovation.

Parks	The positioning and industrial characteristics of the 16 parks in ZGC Science Park
Chaoyang Park	Focus on AI, big data, cloud computing, next-generation communications and network, industrial Internet and IOT, integrated circuits, innovative drugs (R&D), sci-tech consultation services, cultural technologies, consumption technologies, etc.; build up an international cluster of R&D innovation and headquarters, and a base for the commercialization of the frontier technological achievements of CAS.
Fengtai Park	Focus on rail transit, intelligent equipment, aerospace, etc.; build up the national rail transit innovation center, and a cluster of advanced manufacturing industry.
Shijingshan Park	Focus on industrial Internet and IOT, VR, fin-tech, sports technologies, etc.; build up a demonstration area of international innovation, intelligent urban development, and green development transition.
Mentougou Park	Focus on intelligent equipment, innovative drugs, etc.; build up a demonstration area of innovation in high-end, precision, and sophisticated industries with distinctive features.
Pinggu Park	Focus on bio-agriculture, UAV, etc.; build up an industrial belt serving the agricultural technology innovation and development.
Huairou District	Focus on scientific instruments and sensors, high-performance nano materials, key strategic materials, R&D services, etc.; build up a key area for the commercialization of sci-tech results of Huairou Science City.
Miyun Park	Focus on high-efficiency energy conservation, advanced environment protection, health services, etc.; build up a carrier for the commercialization of sci-tech results of Huairou Science City.
Yanqing Park	Focus on clean energy, energy Internet, horticultural technologies, sports technologies, etc.; build up a characteristic innovative town of high-end, precision, and sophisticated industries.



## Beijing Central Business District

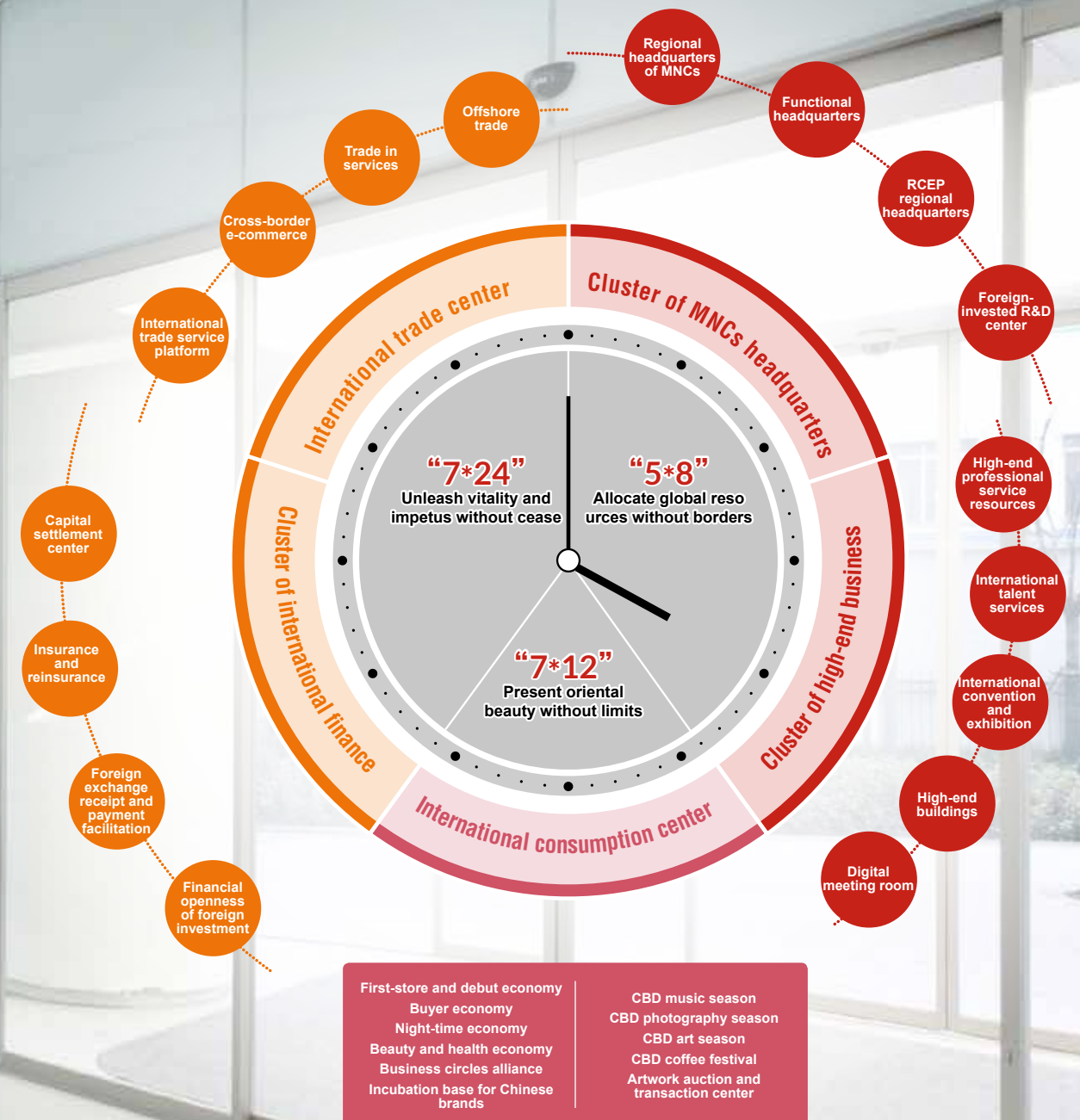
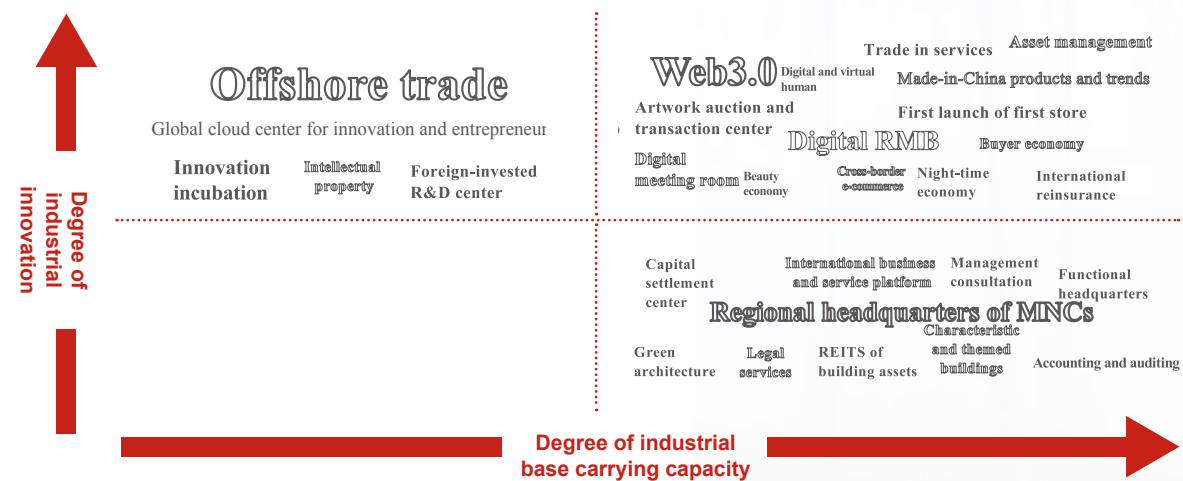
Beijing CBD is a benchmark area of the capital's export-oriented economy, with more than 10,000 foreign-invested enterprises within the functional area, accounting for almost 1/3 of Beijing's total. With Beijing's 90% of international financial institutions and 70% of regional headquarters of MNCs located in it, the CBD has become a frontier of the capital's opening up to the outside world, and an important window for international exchanges.

### Seven major actions

- |    |                                      |    |                        |
|----|--------------------------------------|----|------------------------|
| 01 | Business cultivation and development | 05 | Consumption boosting   |
| 02 | Service upgrading                    | 06 | Vitality strengthening |
| 03 | Industry concentration               | 07 | Demonstration driving  |
| 04 | Digital intelligence                 |    |                        |

### CBD with vitality

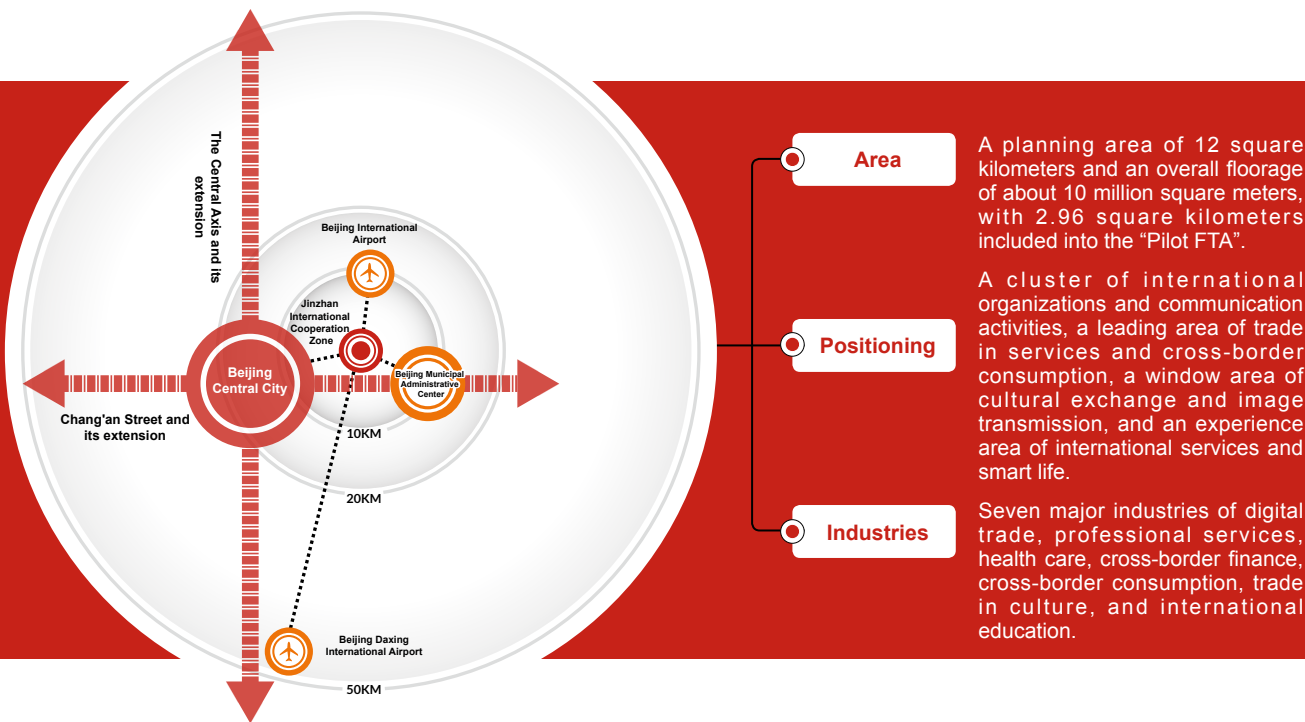
- Focus on the promotion of industrial innovation and service upgrading in key sectors such as headquarters, high-end business, international finance, international trade, international consumption, etc.
- Realize significant enhancement in global resource allocation capacity, in regional vitality, and in cultural charisma.





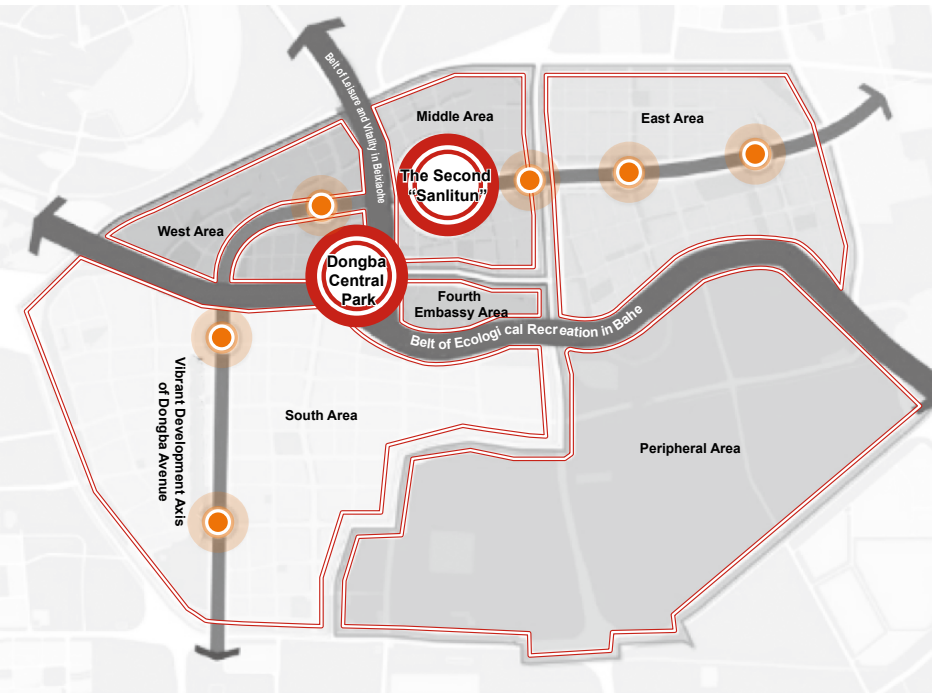
Jinzhan International Cooperation Zone

Jinzhan International Cooperation Zone is a transport corridor connecting the “city center” and “sub-center”, and the two airports, with Beijing Capital International Airport, CBD, the Ministry of Foreign Affairs, and the First, Second, and Third Embassy Areas all within a straight-line distance of 10km to 15km from it. It focuses on creating new highlights for the international communication center.



Prospective Space Layout

- One Axis**
- The Vibrant Development Axis of Dongba Avenue
- Two Belts**
- The Belt of Ecological Recreation in Bahe
  - The Belt of Leisure and Vitality in Beixiaohe
- Two Cores**
- Dongba Central Park—the Ecological Core
  - The Second “Sanlitun”—the Urban Vitality Core
- Six Areas**
- The Fourth Embassy Area—diplomatic function in state and foreign affairs
  - The Middle Area—key functions in international communication including international organizations, high-quality public consumption, and international trade cooperation, etc.
  - The East Area—reserved area for future development
  - The West and South Area—residential and comprehensive service supporting functions
  - The Peripheral Area—ecological space



Three Science Cities and One Area

Build a sci-tech innovation chain of “infrastructure-basic research-applied research-results commercialization-high-tech, precision, and sophisticated industries”

**Focus on Zhongguancun Science City**

**Positioning:** the starting point of sci-tech innovation, the source of original innovation, and the main front of independent innovation; strive to take the lead in building a world-class science city

Focus on AI, quantum information, blockchain, and other key sectors, realize more leap “from 0 to 1” in original innovation, concentrate global high-end innovation elements, and create a batch of leading innovation-based enterprises, technological innovation centers, original achievements, and international standards with global influence

**Make breakthrough in Huairou Science City**

**Positioning:** a world-class supporting area for original innovation; focus on the construction of century-old science city

Gather a number of great science devices, construct a cross-over research platform for national major sci-tech infrastructure and cutting-edge science and technology, and attract international top scientists

**Invigorate Future Science City**

**Positioning:** a highland for the world leading advanced technology innovation; a pioneering area for coordinated innovation, and a demonstration city for innovation and entrepreneurship

Open up scientific research, gather high-level enterprise R&D centers and R&D innovation platforms, attract talents of “one thousand talents plan”

**Improve the demonstration area for innovative industrial cluster**

**Positioning:** the main front for high-end, precision, and sophisticated industries with global influence

Support the commercialization of sci-tech achievements in the three science cities; Beijing Economic-Technological Area and Shunyi District focus on the high-end development demands in integrated circuits, pharmaceutical and health, new energy intelligent vehicles, new materials, and intelligent equipment, and facilitate the new growth poles for Beijing’s economic development.



## Airport Economy Demonstration Areas in “Dual Hubs”

Beijing is the only city with two nation-level airport economy demonstration areas approved

### 1 Airport Economy Demonstration Area in Beijing Capital International Airport

**Area:** a planned area of 115.7 square kilometers, with a space layout of “one airport and four areas”, i.e., the Capital Airport, aviation logistics and port trade area, integrated service area for airport industry and city, airport business and emerging industry area, and ecological functional area

**Positioning:** a national demonstration area for airport economy transformation and upgrading, an important portal area for the nation's opening up to the outside world, a core area for the function of international communication center, and a pioneering area for the capital's internationalization of ecology and livability

**Industries:** coordinated development in multiple industries, including aviation services, digital trade, trade in culture, business and exhibition, pharmaceutical and health, international delivery logistics, cross-border finance, etc.

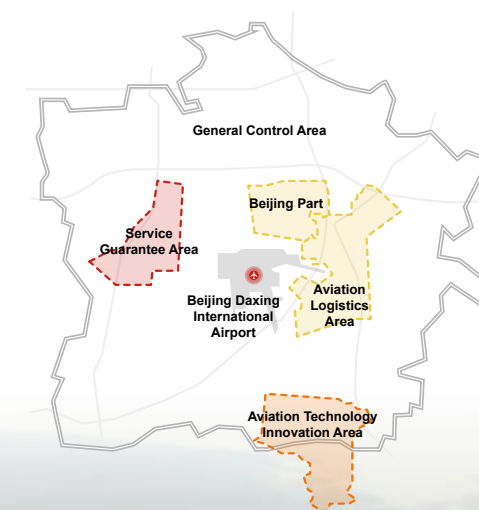


### 2 Airport Economy Demonstration Areas in Beijing Daxing International Airport (Beijing Part)

**Area:** the Beijing Part covers about 50 square kilometers with the East Zone and the West Zone

**Positioning:** a supporting area for the function of international communication center, a national aviation technology innovation area, a demonstration area for BTH coordinated development

**Industries:** the West Zone focuses on international life and health industry, international sci-tech innovation, international schools, international hospitals, and living facilities; the East Zone focuses on central ecological park, international convention and exhibition center, international conference center, international consumption hub, national business center, comprehensive bonded area, etc.



## Financial Street

The national financial management center, the carrier for financial regulatory authorities, key financial infrastructure, and headquarters of major financial institutions.

- **Location:** Beijing Financial Street is located in the north of Chang An Avenue, close to Tiananmen Square, the center of the capital. It covers the area among South Lishi Road in the west, east of Taiping Bridge Street in the east, Fuchengmen Inner Street in the north, and south of Chang An Avenue in the south.
- **Positioning:** the national financial management center and the main zone of financial industry in the capital which integrate the function of decision-making and supervision, standard setting, asset management, payment settlement, information exchange, and international operation.
- **Industries:** Beijing Financial Street has a cluster of approximately 1,900 financial institutions, 885 legal entities, and 175 headquarters organizations, with a comprehensive business scope covering banking, securities, insurance, bonds, funds, wealth management, trust, and disposal of non-performing assets. It also enjoys various financial infrastructures in securities trading, registration and custody, bonds issuance and transaction, payment settlement, etc.

## The National Cultural Industry Innovation Experiment Area

It is China's first national cultural industry innovation experiment area, China's first cultural industry functional area with over RMB 100 billion annual revenue from cultural and creativity enterprises above designated scale. It has a cluster of headquarters of leading cultural enterprises, and 1/3 of the listed film and television enterprises, listed advertising enterprises, and leading brand design enterprises in Beijing are settled here.

- **Location:** with an area of 78 square kilometers along “Beijing CBD-Dingfuzhuang” as the key carrying space
- **Positioning:** a national exploring area for cultural industry reforms, a pioneering area for cultural and economic policies, and a demonstration area for industrial integration and development
- **Industries:** to create a high-end industrial system supported by cultural media, digital content, creative design, cultural trade, and leisure and entertainment



## New demonstration parks expanding new space for the capital's development

### 1 Lize Financial and Business District

- **Plan:** establish an overall space structure of “one core, three belts, and multiple nodes”; “one core” refers to Lize Urban Living Room with Lize urban terminal, central park, and integrated construction area in the north as the core; “three belts” refer to three rings and Fengcao River Health and Life Belt, the Cultural Belt of Jinzhong Capital Relics, and the Riverside Vitality Belt of Lianhua River; “multiple nodes” refer to the important nodes for urban vitality, including the modern culture and art center, the ecology resort along two rivers, Lize Cultural Livat, etc.
- **Positioning:** a cluster of emerging financial industries, and a pilot zone for financial reforms in the capital
- **Industries:** Internet finance, digital finance, financial information, financial broker, financial culture, and other emerging models

### 2 Tongzhou Cultural Tourism Area

- **Plan:** integrate various entertaining functions including themed recreation, films and televisions, music, performance, experience, etc., build a high-end cultural tourism destination integrating Chinese elements with modern fashion and culture, a function area to improve the capital's cultural tourism quality, and an important space carrier to gather cultural functions and to improve consumption functions
- **Positioning:** a demonstration area for the integrated development of novel culture, sports, and tourism
- **Industries:** cultural tourism industry, business, hospitality, and sports

### 3 Longfu Temple

- **Plan:** create a “cultural triangle” together with the Forbidden City and Wangfujing, and build a national cultural consumption landmark
- **Positioning:** a demonstration area for the capital's cultural inheritance and innovative development
- **Industries:** antique and artwork transaction, business, and hospitality

### 4 Beijing Sino-German Industrial Park

- China's first nation-level cooperation park with Germany themed on “economic and technological” cooperation
- Focus on the development of key industries of new energy intelligent vehicles, intelligent equipment, digital economy, advanced manufacturing services, etc.
- Enjoy multiple policies for national “innovation and entrepreneurship” demonstration base, national pilot city for IP rights, national pilot city for industrial integration and cooperation, Beijing demonstration area for industrial cluster, etc.
- The South Area is a cluster of German hidden champion enterprises and sci-tech service industries such as R&D design, post-lab experiment and pilot scale experiment, system integration, industrial Internet, etc.
- The North Area is a cluster of intelligent manufacturing of German new energy intelligent vehicles and advanced equipment

### 5 Beijing Sino-Japan Innovation Cooperation Demonstration Zone

- Positioned as a demonstration area for international coordinated sci-tech innovation and industrial cooperation and development
- Create a new carrier for international communication and cooperation, a new model for innovative development and cooperation, a new cluster of high-end industrial development, a new highland for the capital's reform and opening up
- Form an industrial development pattern featuring “three cores, five chains, and one support”
  - “Three cores” of life and health, advanced intelligent manufacturing, and future mobility as the pioneer
  - Expand the “five chains” in biochemical engineering, material science, modern techniques, AI, and energy application
  - An industrial system with modern services as the “support”

### 6 Pinggu National Agricultural Science and Technology Demonstration Zone

- Build a “Zhongguancun” in agriculture: focus on six key sectors of modern seed industry, intelligent agriculture, agricultural intelligent equipment, biotechnology, nutrition and health, and food security, gradually promote the national agricultural technology innovation center and the national agricultural high-tech demonstration area

### 7 Beijing Banking and Insurance Business Park

- A nation-level financial industry demonstration area located in Shijingshan. The Park has introduced over 30 financial institutions or organizations represented by China Insurance IT Management Co., Ltd, Aixin Life Insurance Co., Ltd, Union Property Insurance Co., Ltd, Sun Life Everbright Asset Management Co., Ltd, Beijing SMEs Integrated Financial Service Company, China Financial Computerization Corp., Founder CIFCO Futures, etc., covering many financial sectors such as financial infrastructure, insurance, features, financial brokers, fin-tech, etc.

### 8 Beijing High-end Manufacturing Base

- Located in Fangshan District, it focuses on the development of high-end manufacturing and cultivates medical-industrial cross-over life science and technology industry. 45 enterprises have settled in the Base, including CCAG, BWI, BOE, Tianrendaohe, etc., achieving a total industrial output value of over RMB 100 billion
- At present, the Base has launched the construction of “a national third-party inspection and testing platform for autonomous driving” to build a new highland with national influence for intelligent transportation technology innovation



# Business Environment and City Resilience

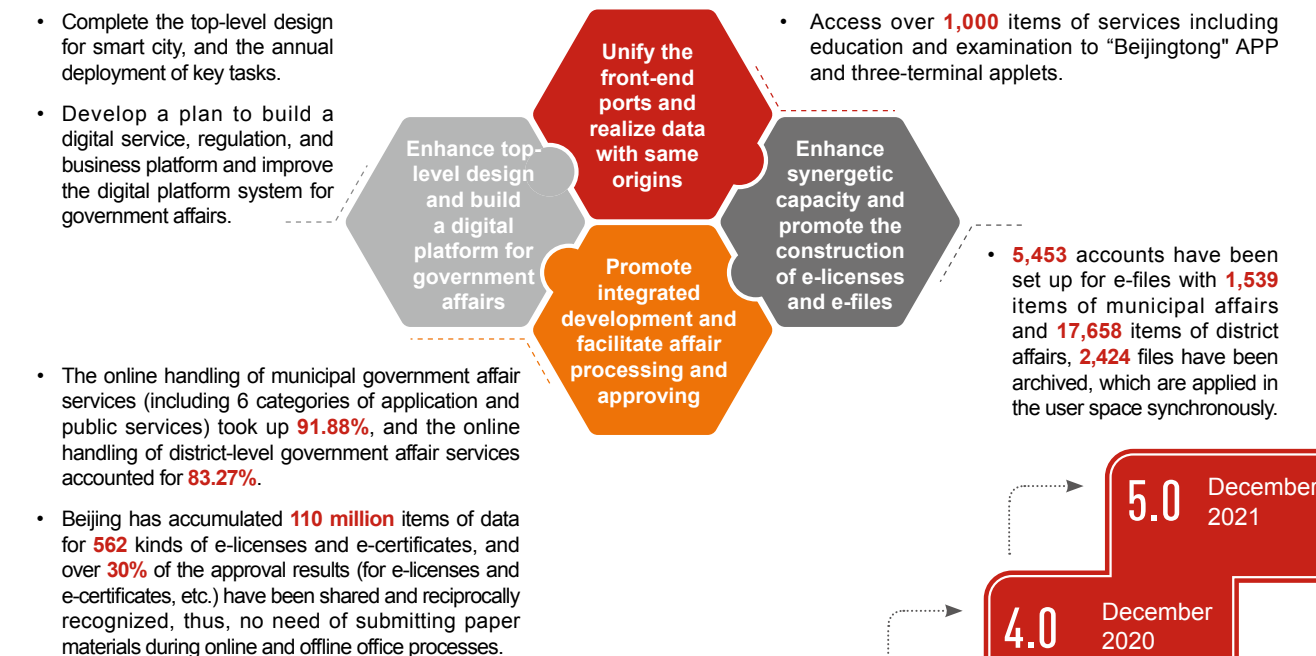
## 4

## Perfect the Business Environment Unceasingly

### 4.0 Reform Drives Service Efficiency Upgrading

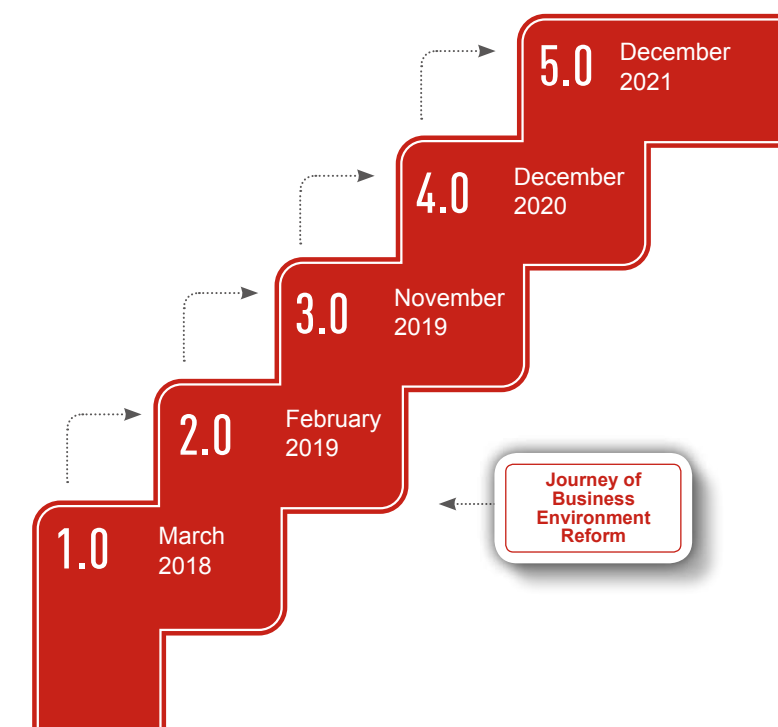
#### Perfect completion of 4.0 reform

- Beijing has completed its 4.0 reform on business environment, deepened the reform of “streamlining administration, delegating power, and improving services”, improved the efficiency of service enterprises, accelerated the creation of digital government, and supported MSMEs in a well-targeted way.
- Beijing has increased 52 new matters for approval under the notification and commitment mechanism, deepened the reform of “separation of licenses and certificates” and “one industry, one license”, realized integrated services on government affairs on a larger scale, including “one network for all services”, “cross-province integrated services”, and “whole city integrated services”, and conducted scenarized regulation in 9 fields including restaurants, supermarkets (convenient stores), etc., so as to provide more transparent, more efficient, and more convenient services for enterprises and people.



#### Launch of 5.0 reform

- 5.0 reform adheres to the principle of dealing with “each affair” well, and build a “6+4” Integrated and comprehensive supervision system to ensure that “oversight is ubiquitous but leaves the compliant market entities undisturbed”. By enhancing supervision in-process supervision and ex-post supervision, it will promote a broader reform of the notification and commitment approval system. 5.0 reform will facilitate digital government services, promote more affairs to shift from “can be handled online” to “easy and convenient to be handled online”, so that the enterprises and people can enjoy online, integrated, and convenient government services any time.





Resonance Effect of 5.0+ Innovative Pilot Reform

Innovative pilot reform to promote full-chain and closed-loop reforms

- In Nov 2021, the State Council released Opinions of the State Council on Innovative Pilot Programs for Business Environment, which planned to conduct business environment innovation pilots in the 6 cities of **Beijing**, Shanghai, Chongqing, Hangzhou, Guangzhou, and Shenzhen, and defined **101** reform measures in **10** aspects of the innovation pilot.
- In Jan 2022, the Beijing Municipality issued Implementation Plan of Beijing Municipality for Innovative Pilot Programs of Business Environment, which, together with 5.0 reform, created a new momentum of reform in Beijing featuring “innovation + vitality”.
- It covered **ten** areas in the full lifecycle of enterprises, and introduced **115** original reform measures which would help to solve **the “last mile”** problem in policy implementation.



“Innovation + vitality” 5.0 reform moves towards marketization, law-based and internationalization

- 12 aspects, 362 tasks



Continuous improvement in business service efficiency

Whole process accelerated and efficiency-enhanced

Areas	5.0 Reform Measures	Before Reform	After Reform
Real estate registration	<ul style="list-style-type: none"><li>• Make efforts in the whole process of real estate registration</li></ul>	<ul style="list-style-type: none"><li>• Online registration of stock housing transaction done by individuals had been launched</li><li>• "Full-process online office" has been realized, such as the registration of stock non-residential transactions between enterprises and the registration of stock house transactions between individuals</li><li>• Separate payment of registration fee and taxes</li></ul>	<ul style="list-style-type: none"><li>• Real-time search for the results of house-purchasing qualification</li><li>• Cover various services including the sale and purchase of stock housing between individuals and enterprises, registration transfer in accordance with legal document in effect, etc</li><li>• "Deliver the property ownership certificate upon handing over the house"; develop the function of "online processing of registration transfer of new commercial housing" to shorten the time interval between handing over of the house and delivery of the certificate</li><li>• Combined payment of registration fee and taxes</li></ul>
Import and export customs clearance	<ul style="list-style-type: none"><li>• Further reduce time and cost of customs clearance</li></ul>	<ul style="list-style-type: none"><li>• Reduced comprehensive cost of customs clearance by over 20%</li><li>• "Full-process online office" export rebates with averaging processing time reduced to within 6 working days</li></ul>	<ul style="list-style-type: none"><li>• The overall customs clearance time for imports and exports will be reduced to less than <b>30 hours</b> and less than <b>one hour</b> respectively</li><li>• Promote <b>integrated</b> supervision of BTH cross-border trade in goods, and take the lead in exploring express customs clearance mode of "<b>one-port connectivity</b>" among land and port in BTH</li></ul>
Government affairs services	<ul style="list-style-type: none"><li>• Continuously improve the level of "full-process online office"</li></ul>	<ul style="list-style-type: none"><li>• Regional limitation in services and information isolated island</li></ul>	<ul style="list-style-type: none"><li>• "Full-process online office" affairs will account for <b>95%</b>, and the services regarding real estate registration will be integrated "around the city"</li><li>• Government service centers at all levels will add <b>74</b> "cross-provincial affairs"</li></ul>

- 01

Ten taxes in one declaration form

  - Beijing has been implementing combined declaration of property tax and act tax since 1st June, 2021, covering ten taxes including urban land using tax, house property tax, etc.
- 02

Taxation services optimized

  - “Green channel”, “bilingual taxation services” and other measures served the Winter Olympics, and realized full online processing of tax refund
  - Aligned with world-class standards, and released MOU of Reform on Optimizing the Capital's Taxation and Business Environment 2020
  - Optimized the application of big data in taxation, and developed valuable taxation analysis products
- 03

Smart taxation policies launched

  - Promoted the reform on electronic VAT special invoices, consolidated “1+1+5” mechanism, and facilitated the eletronization of all areas, all links, and all elements of e-invoice.
  - Initiated 10 highlight projects for intelligent taxation in Beijing, including “AI cloud approval”, “online guidance”, “intelligent refund”, “electronic payment of tax in other places”, “intelligent tax calculation of second-hand houses”, etc.
  - Promote the application of the big data platform, establish a data sharing mechanism for the municipal bureau, and improve the big data platform covering 17 businesses and 340 query and statistical analysis functions.



## Constantly improved of financial business environment

A national leader in “credit approved”



### Policy features of 5.0 reform in financial sector

#### Task launched

- The growth rate of micro and small loans in 2022 is over 10 percentage higher than that of all loans
- Offered start-up loans no less than RMB 200 million
- Intellectual property pledge financing no less than 20% of the previous year

#### Government funds

- Give full play to the leading role of government funds
- Promote the reduction of comprehensive guarantee rate
- Improve the risk-sharing and compensation mechanism

#### Optimize experience for enterprises

- Achieve precision in integrated services and matchmaking
- Establish a consulting system of micro and small financial services
- Improve the system of enterprise financing services

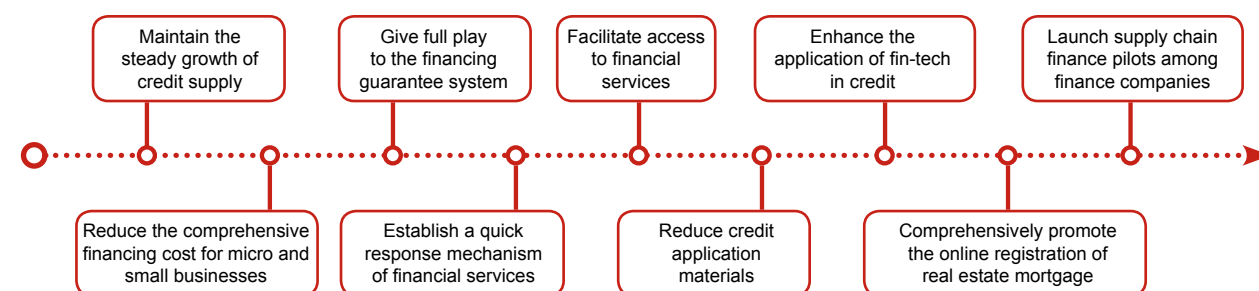
#### Task promoted

- Focus on coordinated construction with “Two Zones”
- Support Beijing Green Exchange to establish a trade center for voluntary emissions reduction
- Sound “one-stop, integrated, whole chain” diversified mechanism for financial disputes

#### Leverage policy-based insurance

- Guide China Credit Insurance's Beijing business institutions to cooperate with banking institutions within its jurisdiction

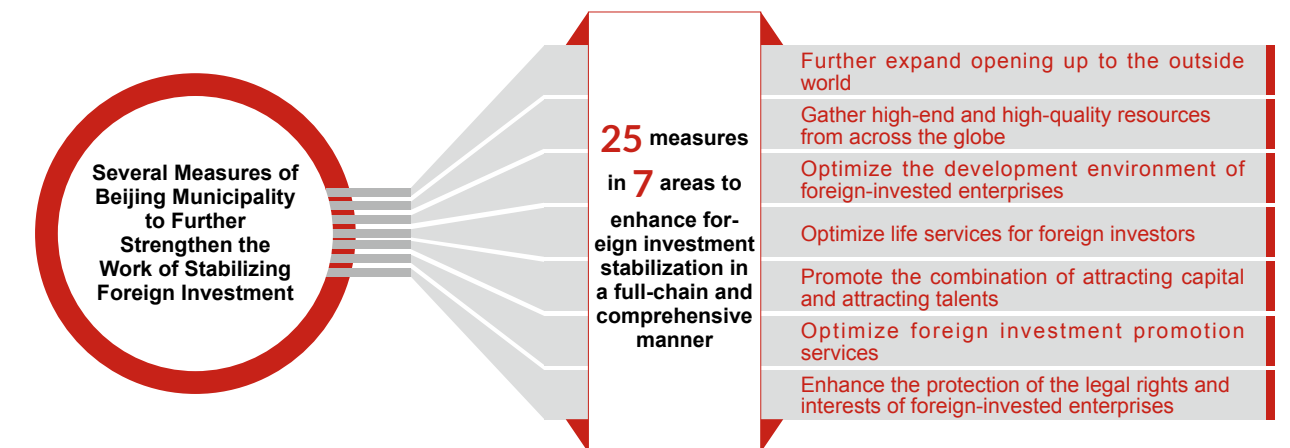
### Green development of financial business environment



## Optimize the Foreign Investment Environment Continuously

### Strengthen the stabilization of foreign investment in a chain-wide manner

In December 2021, the Beijing Municipal Bureau of Commerce issued the "Several Measures of Beijing Municipality to Further Strengthen the Work of Stabilizing Foreign Investment", which aims to further promote a higher level of opening to the outside world, improve the level of investment facilitation, strengthen the protection of the legal rights and interests of foreign investment, actively promote foreign investment, promote reform and development by opening up, and promote the formation of a new pattern of high-level opening in the city.

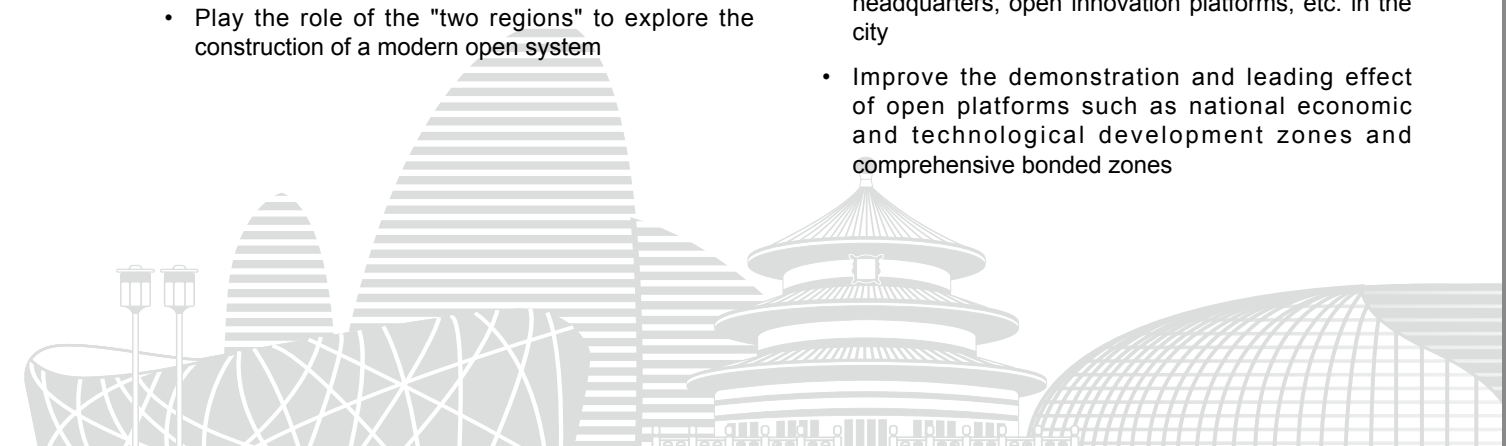


#### Further expand opening up to the outside world

- Implement a series of national opening-up policies such as the national version and the pilot FTZ version of special management measures for foreign investment access
- Deepen the opening of key areas such as value-added telecommunications business, digital economy, digital trade and medical care
- Play the role of the “two regions” to explore the construction of a modern open system

#### Gather high-end and high-quality resources from across the globe

- Implement the “Regulations on Promoting High-Quality Development of Headquarters Enterprises in Beijing” and related supporting measures to build a higher-performance headquarters economy
- Encourage foreign investors to set up R&D and innovation centers, foreign-funded R&D headquarters, open innovation platforms, etc. in the city
- Improve the demonstration and leading effect of open platforms such as national economic and technological development zones and comprehensive bonded zones



Data source: 1. Several Measures of Beijing Municipality to Further Strengthen the Work of Stabilizing Foreign Investment



## Improve foreign investment and protection system

### Development environment of foreign-invested enterprises

#### Optimize the development environment of foreign-invested enterprises

- **Promote the facilitation of trade investment and financing:** launch a pilot program of capital pool with integration of RMB and foreign currencies; steadily promote the pilot trade foreign exchange balance facilitation; Promote banks to adopt documentary consolidation, online processing and other methods; Upgrade foreign debt facilitation policy in Zhongguancun Haidian Park, etc.
- **Optimize investment promotion system:** Optimize investment promotion system: integrate "municipal unification + districts specific" service package in key areas, further compress customs clearance time and improve customs clearance efficiency; simultaneously disclosure the list of charges for airport and port operation services online and offline, etc.

### The attraction of capitals, intelligence, and talents

#### Promote the combination of attracting capital and attracting talents

- **Optimize the talent service system:** Promote the talent service system of "approval upon entry, approval before entry, and commissioned application in whole process", allow qualified Chinese employees in foreign-funded enterprises to apply for APEC business travel card; optimize the examination and approval procedures for foreign talents coming to Beijing for employment, etc.
- **Promote talents with international occupational qualifications to Beijing for employment:** Establish a positive list to encourage foreigners with high-calibre occupational qualifications to work in Beijing; dynamically issue the catalogue of occupational qualification examinations for which the foreigners can apply, explore the pilot work of mutual recognition of work permits for foreigners from BTH, etc.

### Life services for foreign investors

#### Optimize life services for foreign investors

##### Improve the facilitation of daily life service

- Promote the comprehensive application of Foreign Permanent Resident ID Card in various systems
- Apply for Residence Permits for Personal Affairs for the foreign domestic service staff employed by foreign high-level talents
- Launch pilot program of facilitation of personal foreign exchange business of foreign talents in China

##### Optimize education services

- Increase high-quality educational resource supply
- Decentralize the right of approval and management of schools for children of foreigners
- Encourage primary and secondary schools to enroll children of foreigners according to the national and municipal rules

##### Enrich the supply of international consumption

- Build a world-class business district
- Attract domestic and overseas first-line brand institutions to develop in Beijing
- Enhance the international influence of consumer activities
- Optimize consumption supporting services

##### Enhance medical security

- Plan to build several international hospitals
- Support qualified medical institutions to provide international medical service
- Enhance the health services of communities where foreign-funded enterprises and employees are located
- Foreign employees can participate in the city's basic medical insurance and enjoy equal medical benefits

### Protection of foreign enterprises

#### Enhance the protection of rights and interests of foreign-funded Enterprises

- Implement foreign investment laws and regulations
  - Enhance promotion and interpretation of Foreign Investment Law and its supporting rules and regulations, as well as policies related to foreign investment
  - Implement the foreign investment information reporting system
  - District governments should strictly honor their policy commitments to investors and foreign-funded enterprises in accordance with laws
  - Constantly improve the complaint mechanism for foreign-invested enterprises
- Improve the work mechanism of IP protection
- Support foreign enterprises to participate in standardization work
- Guarantee foreign-invested enterprises to participate in standardization work
- Improve the system of in-process supervision and ex-post supervision of foreign investment (improve the foreign investment regulation in process and afterwards)

### Window of the Capital "foreign-related services area"

- Create "one-stop" services for foreign investment by setting up a "foreign-related service area" on the Window of the Capital which integrates service portals and guides for high-frequent affairs of foreign-funded enterprises such as enterprise establishment, foreign exchange registration, etc., and gradually providing bilingual online service in the whole process in Chinese and English.



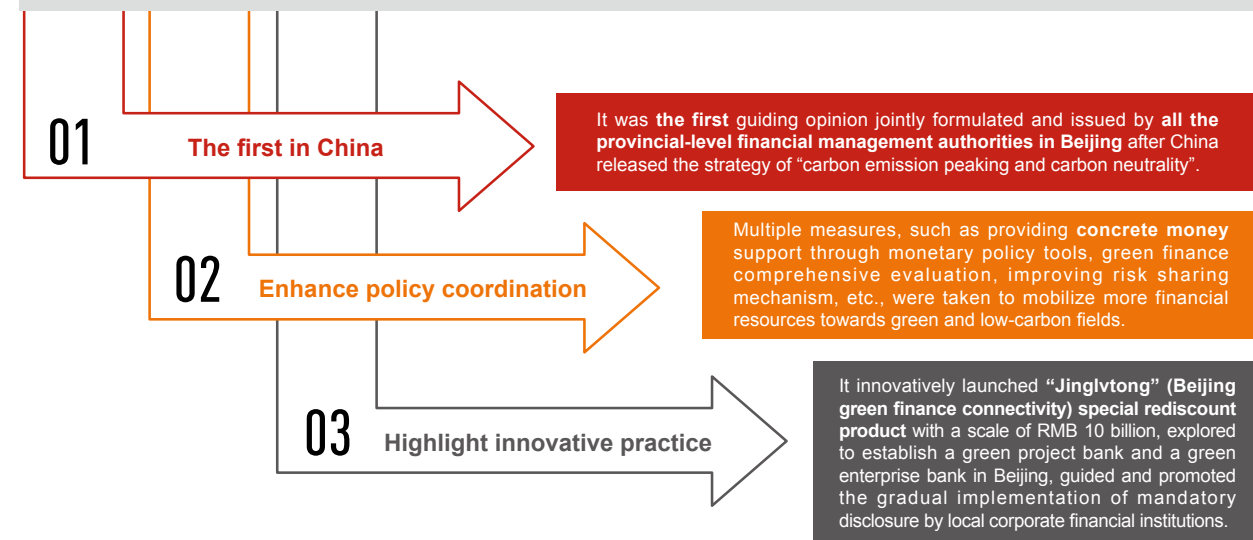
# Empower Sustainable Development with Capitals

## Financial institutions support green development

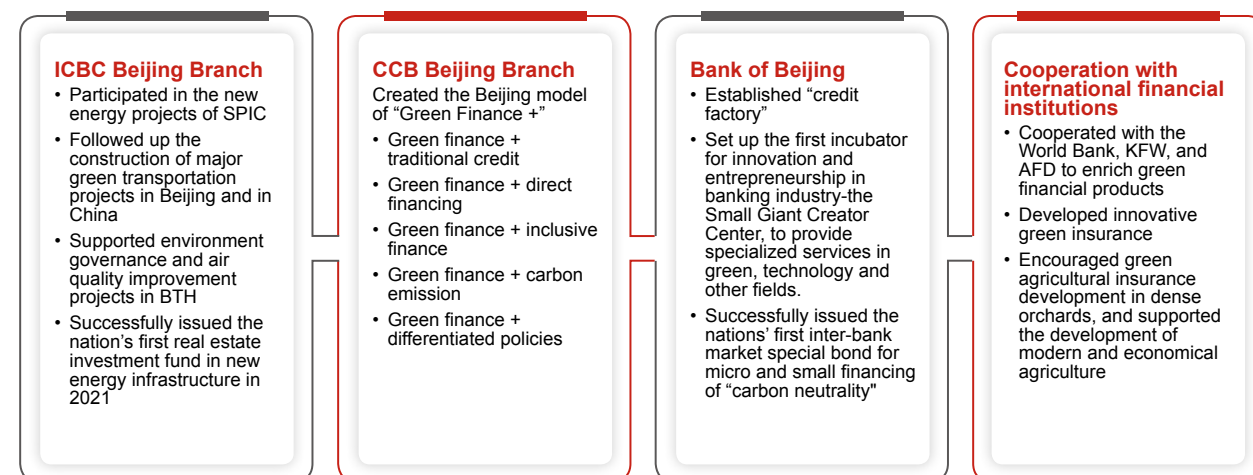
### Financial innovation empowers the capital's high-quality development

Back in 2015, Beijing established "the Green Finance Specialized Committee", making itself the cradle for China's green finance. By the end of 2021, the balance of green loans in Beijing accounted for approximately 10% of the nation's total green loans. Beijing has its unique resources and advantages in green industries and green technologies supported by finance.

- On 25th Aug 2021, the Operation Office of the People's Bank of China issued the **Opinions on Financial Support for Beijing's Green, Low-carbon, and High-quality Development** to promote the green and low-carbon development in Beijing.
- It proposed 32 measures in 8 major areas, including monetary and credit guidance, a direct financing system, promotion of the insurance market, and establishment of financial institutions and product and service systems.



### Financial institutions continuously innovate financial models



Data sources: 1. Central University of Finance and Economics; 2. Beijing Local Financial Supervision and Administration; 3. Beijing Daily; 4. 2021 Report on Green Finance Development in the Context of Dual Carbon Targets

## Capitals Empower Sustainable Development

### Beijing Stock Exchange empowers capital to focus on sustainable development

01

The establishment of the Beijing Stock Exchange is an important decision made by the CPC Central Committee. It is not only an important measure to deepen supply-side structural reform of finance, but also a significant strategic deployment to promote the high-quality economic development.

02

On 15th Nov 2021, BSE was officially put into operation. As the main front for serving innovative SMEs, BSE gives full play to the market function, strengthens financial support for SMEs, promotes SMEs to practice ESG development concept, and drives technological innovation of listed companies in order to achieve the dual carbon goals.

### BSE supported key development strategies in green and low carbon

BSE supports the listing financing of enterprises in key sectors such as science and technology, green, manufacturing, etc., as well as that of private enterprises and SMEs, so as to better serve major development strategies including innovation-driven, green and low-carbon, rural revitalization, etc. It also promotes the expansion of pilot projects of public placement REITs for infrastructure.

Some enterprises have achieved rapid development in green industries

- BTR, a company specializing in new energy materials researcher and manufacturer, has raised a fund of RMB 144.4 billion to develop the enrichment projects for lithium battery and the projects of lithium-ion battery.
- Linton Technologies GROUP, a PV equipment manufacturer, invests RMB 394 million to develop the expansion of R&D projects for single crystal recording and slicer.

#### More inclusive and precise market access

Focus on earlier, smaller, and newer, optimize access mechanisms, and support more convenient and smooth listing of qualified high-quality enterprises. Gather a number of listed companies featuring green and low-carbon development.

#### More innovative and science-based institutional systems

With market-wide registration system reform as the traction, optimize systems in line with the characteristics of innovative SMEs, guide enterprises to fulfill environment protection obligations and shoulder social responsibilities, and improve the governance system. Optimize ESG information disclosure requirements in line with the characteristics of SMEs.

#### More active and diversified financing trade

Enrich the variety of financing such as securities and bonds, build a financing and M&A system which is rich in tools, diversified in mechanism and which balances market efficiency and risk control. Encourage institutional investors to take active part in market trade and to invest in green industries.

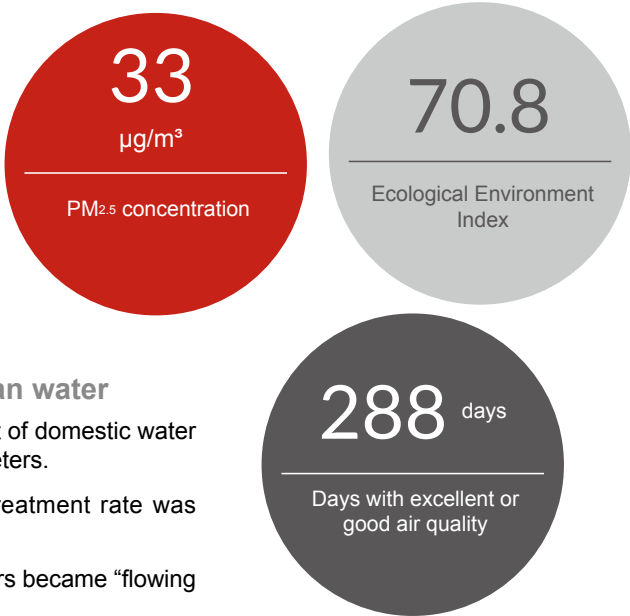


# Lead the Transformation with Green and Low Carbon

## The “Beijing Miracle” of environment improvement

Air quality in full compliance with relevant standards for the first time

- In 2021, Beijing's air quality was at its best level in history with the annual average concentration of PM<sub>2.5</sub> and O<sub>3</sub> both meeting the national Level 2 standards, and synergistic improvement in various air pollutants.



### Significant results in the battle to safeguard clean water

- Give priority to water conservation: In 2021, the total amount of domestic water and production water was controlled within 3 billion cubic meters.
- Speed up water environment governance: The sewage treatment rate was increased to 95.8%
- Carry out ecological water supply project: The five major rivers became “flowing rivers” again after 26 years and ran into the sea.

### Ever-enriching biodiversity

- In 2021, according to a survey on biodiversity of Beijing, there are 65 natural & seminatural ecosystems, with 94 species were recorded during 2020-2021.
- Field outcome of the survey period recorded 3702 species, while the total amount during 2020-2021 reached 6283. Among the 17 newly recorded species in Beijing, 6 are new in China, which all fall into the category of macrofungi.

### Build a more beautiful Beijing with harmony between human and nature during the 14th Five-Year period

Ecological and Environmental Protection Plan for Beijing during the 14th Five-Year Period Vital goals to reach until 2025				
Low carbon development	Fresher air	Cleaner water	Safer soil	Liveable eco-environment
<ul style="list-style-type: none"><li>• Carbon emission reduces <b>by 10%</b> compared to peak value (excluding air passenger &amp; cargo transport related emission)</li><li>• Carbon emission by regional GDP per unit lowers <b>by 18%</b></li><li>• Renewable energy consumption takes <b>up about 14%</b></li><li>• Oxynitride emission reduction related to key projects <b>surpasses 13,800 tons</b></li><li>• VOCs reduction reaches <b>9900 tons</b></li><li>• COD reduction is <b>more than 17,000 tons</b></li><li>• Ammonia Nitrogen emission reduction related to key projects reaches <b>1200 tons</b></li></ul>	<ul style="list-style-type: none"><li>• The annual PM<sub>2.5</sub> concentration <b>lowers to 35µg/m<sup>3</sup></b></li><li>• <b>Steady increase</b> of days with excellent air quality</li><li>• <b>Basically eliminate</b> heavily polluted weather</li></ul>	<ul style="list-style-type: none"><li>• <b>Elimination</b> of water below Class V</li><li>• <b>Steadily increase</b> the proportion of nationally controlled sections with surface water quality reaching or better than Grade III</li></ul>	<ul style="list-style-type: none"><li>• Safe utilization rate of contaminated arable land to <b>more than 95%</b></li><li>• Safe utilization rate of contaminated land to <b>more than 95%</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Steady improvement</b> of EQI</li><li>• Ecological Conservation Redline area takes <b>no less than 26.1%</b> of the city</li></ul>

Six major measures to protect eco-environment

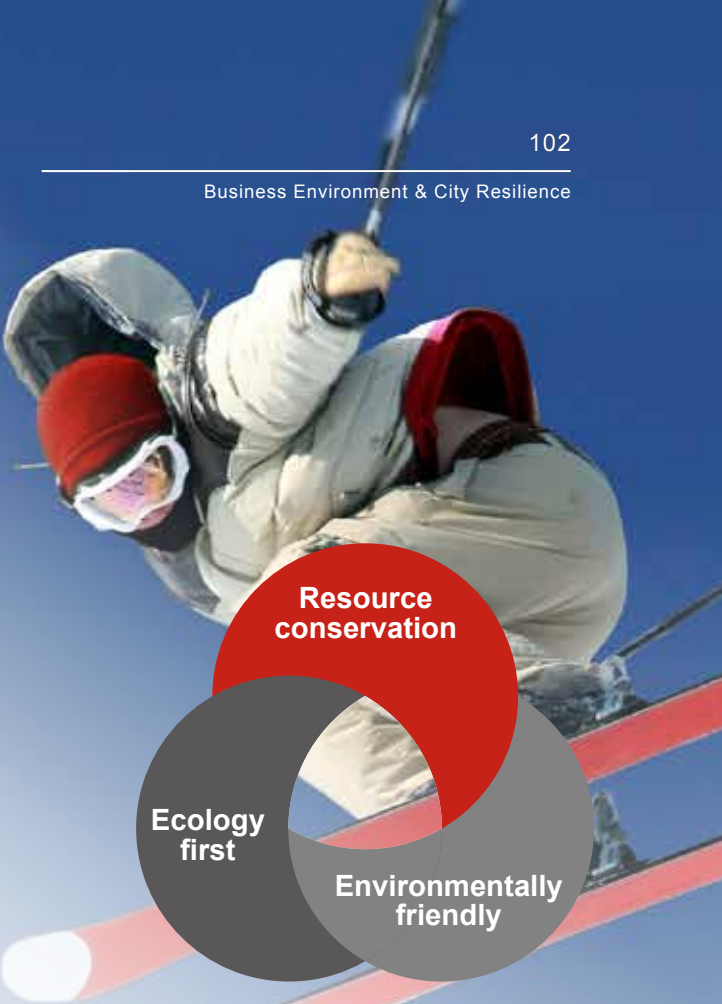


Data sources: 1. 2021Beijing Ecological Environment Report; 2. Plan of Beijing Municipality to Protect Ecosystem during the 14th Five-Year Plan Period

## Green Olympics with “Chinese Wisdom”

Honor solemn commitments with concrete actions

- “Sustainability” is the key philosophy and mission in the Olympic Agenda 2020, the IOC’s reform roadmap. “Green Olympics” ranks first in the four concepts for the Winter Olympics and Winter Paralympics 2022 in Beijing, which is also China’s solemn commitment to the world.
- The Beijing Olympics realized multiple “first times” in the history of the Olympic Games: the first time to use 100% green power in all stadiums, the first time to adopt environmentally friendly technology of ice making with CO<sub>2</sub>, the first time to reuse the heat energy in the stadiums...



### Green Energy

- By the end of the Winter Paralympics, the stadiums in three competition areas consumed a total green power of 400 million kilowatt hours, which helped to reduce the burning of 128,000 tons of standard coal and 320,000 tons of CO<sub>2</sub> emission.
- The world’s first direct-current power grid project which integrated wind energy, solar energy, and energy storage was put into operation, providing clean energy.
- Fengning Pumped Storage Power Station, the world’s largest installed capacity, generates electricity.

### Green Stadiums

- The membrane structure of National Aquatics Center (the Ice Cube) helped the stadium to preserve heat in winter and dissipate heat in summer, which can save over 30% of electricity.
- The pavilion uses the integrated design of heat and cooling to recycle the waste heat of refrigeration, increasing energy efficiency by 30% to 40%.

### Green Mobility

- Almost 100% of the passenger cars are fuel-efficient and clean energy vehicles, accounting for over 80% of all the vehicles.
- “135” green and low-carbon mobility: 1km, walk; 3km, cycle; and 5km, public transportation.

### Fully practicing "low-carbon management + ecological protection

### Low-carbon administration

- Low-carbon stadiums, low-carbon energy, low-carbon transportation, low-carbon office
- Repeated use, comprehensives use, enduring use
- Industrial transformation, renewable materials, environmentally-friendly construction
- Prefabricated buildings, levelling dynamic monitoring techniques
- Trans-critical CO<sub>2</sub> evaporation refrigeration technology

### Ecological Protection

- Mountains and forests, eco-friendly Olympics
- Create eco-friendly competition zones
- Three protective measures of in-situ, near-situ, and ex-situ conservation
- Channels for animals, artificial bird nests, and ecology restoration
- Collect, store, and recycle rainfall and snowmelt

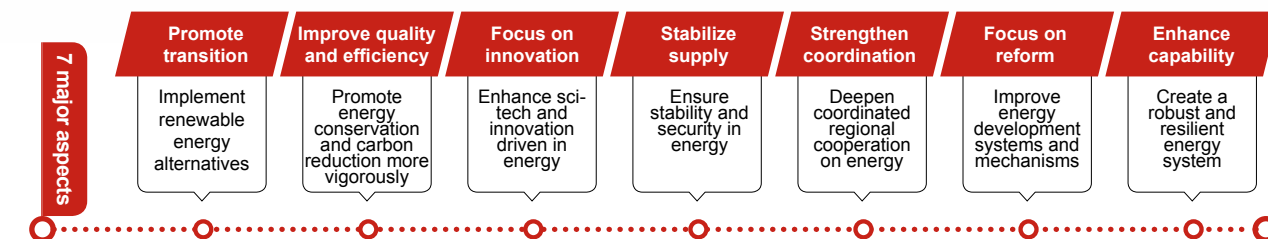
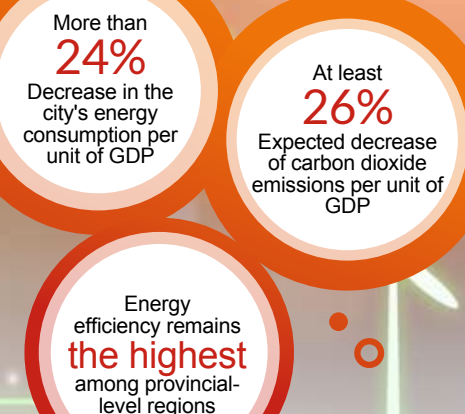


## New steps taken in green and low-carbon transformation

### Further breakthroughs in energy structure adjusting

- During the 13th Five-Year Plan period, Beijing has achieved positive results in energy development. The energy structure was optimized, the proportion of clean energy was increased steadily, and an urban energy system featuring multi-source and multi-direction, clean and efficient, covering rural and urban areas was put in place.
- During the four years from 2016 to 2019, the average annual growth rate of energy consumption stood at **2%**, which supported the city in its **6.6%** average annual economic growth rate and supported the high-quality economic development in Beijing.
- During the 14th Five-Year Plan period, Beijing has established a "1+3+7" system of targets and tasks, attached equal importance to improving energy security capabilities and speeding up green and low-carbon transformation. It will construct a robust, resilient, green, low carbon, and intelligent energy system for the capital and make it as the key principle in the development.

The end of the 13th Five-Year Plan compared with the end of the 12th Five-Year Plan



### Further improving of green development of manufacturing

- During the 14th Five-Year Plan period, Beijing will build a modern industrial pattern where industries' green and low-carbon development and the development of green and low-carbon industries promote each other and integrate deeply, and create "Beijing Experience" in promoting the green, low-carbon, and high-quality development of manufacturing.

#### 01 Actions on optimizing and upgrading industrial structure

- Promote the relocation and withdrawal of general production and manufacturing processes
- Optimize the high-end, precision, and sophisticated industry system

#### 02 Actions on energy conservation and carbon reduction in manufacturing enterprises

- Promote low-carbon energy consumption structure
- Increase energy utilization efficiency
- Enhance the dual control of energy consumption and carbon emission

#### 03 Actions on improving resource utilization efficiency

- Promote water conservation transformation in key industries
- Strengthen non-conventional water utilization
- Promote high-efficient recycling and reusing of resources

#### 04 Actions on cleaning and optimizing of production process

- Promote green design
- Promote clean production
- Deepen governance of VOC
- Strengthen emission control of other pollutants

#### 05 Actions of digital transition of production ways

- Build green and low-carbon supply chain management system
- Realize the green and low-carbon life cycle of digital enabling products
- Implement "industrial Internet + green manufacturing"

#### 06 Actions on innovative development of green industries

- Stimulate innovation vitalities of market entities
- Promote breakthroughs in and innovative application of key low-carbon technologies
- Create an industrial cluster of green and intelligent energy
- Promote the development of energy-conserving and environmentally-friendly industries

#### 07 Actions on enhancing administrative services

- Improve the local standard systems for green development of manufacturing
- Enhance service supply for green manufacturing
- Give play to the exemplary role of benchmark enterprises

Data sources: 1. Plans of Beijing on Energy Development during the 14th Five-Year Plan Period;  
2. Action Plans of Beijing for the Green Development of Manufacturing Industry during the 14th Five-Year Plan Period;  
3. Press Conference on Beijing's Energy Development Plan During the 14th Five-Year Plan Period

## Manifest the City Resilience

### Solid foundation for city resilience

#### Form Beijing experience with evaluation and standard construction

- Beijing is the first city in China to incorporate the task of infrastructure construction resilience indicator into the city's master plan.
- During the 14th Five-Year Plan period, Beijing will basically establish an evaluation indicators system and standard system for resilient city, and build 50 resilient communities, resilient neighborhoods, or resilient projects to create scalable and replicable experience in the construction of a resilient city.



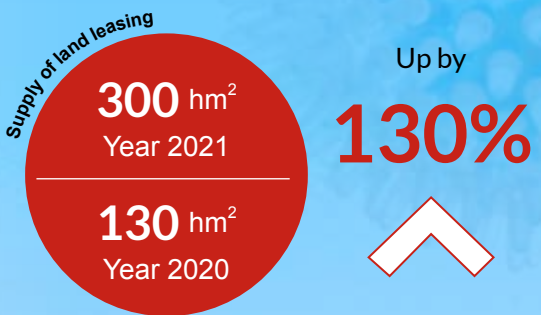
Data sources: 1. Guiding Opinions on Promoting the Construction of a Resilient City; 2. Beijing Daily;  
3. The Beijing 2021 National Economic and Social Development Statistical Report; 4. Beijing Customs;  
5. 2022 Report on the Work of the Government of Beijing Municipality



A proactive government boosts the city’s resilience

Social resilience: focus on the livelihood protection

- **Basic social security benefited people’s well being and employment maintained stable.** In 2021, a total of 260,000 people were newly employed in cities and towns of Beijing, and the quarterly survey showed that the unemployment in cities and towns was controlled within the targeted 5%. People’s income kept growing, with Beijing’s per capita disposable income standing at RMB 75,002, a year-on-year increase of 8%, with rural residents’ income growing faster than that of urban residents.
- **The government performed its function in a comprehensive and efficient way, promoting high-quality development of the capital’s medical security.** In 2021, the number of people insured for medical treatment increased steadily, with 14.86 million urban employees having medical insurance 167.3 billion yuan income from basic medical insurance system for urban employee, 135.9 billion yuan expenditure of basic medical insurance for urban employee.
- **Supply of houses for renting continued to increase, and new construction and renovation of buildings were promoted simultaneously.** In 2021, the supply of land leasing surged, doubling from 2020. In addition, government-subsidized housing construction was accelerated while the stock housing was revitalized and renovated. And the Notice on Submitting the 2022 Real Estate Investment Plan calls for increasing the supply of rental housing.



Data sources: 1. Interpretation of Beijing's Economic Operation in 2021;  
2. Report on the Work of Performance Management 2021 of Beijing Municipal Medical Insurance Bureau;  
3. Information Table of Planned Land Projects for Leasing Houses

System resilience: take the initiative to relieve the enterprises’ difficulties

Municipal level

Department	Policy documents	Key measures
The People's Government of Beijing Municipality	Implementation Plan of Beijing Municipality on Coordinating Covid-19 Prevention and Control and Stabilizing Economic Growth	45 supporting measures were introduced, covering various subsidies, fee reduction and exemption, business environment optimization, supply chain support, etc., to facilitate the recovery and development of enterprises.
The General Office of the People's Government of Beijing Municipality	Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties	To relieve the burdens on MSMEs, strengthen financial support and enhance support for industries stricken hard by Covid-19, and ensure the implementation.
The General Office of the People's Government of Beijing Municipality	Measures of Beijing Municipality to Relieve Difficulties of Enterprises and Optimize the Business Environment	34 reform measures were introduced in 5 aspects, including enterprise-related services, online services, access to entry and operation, expansion of business, etc. to promote the well-targeted implementation of policies, optimize business environment, and boost the confidence of enterprises.
Beijing Municipal Finance Bureau; State Administration of Taxation, Beijing Municipal Taxation Bureau	Notice of Reduction Ratio of "Six Local Taxes and Two Fees" for Micro and Small Enterprises in Beijing	For VAT small-scale taxpayers, small-sized enterprises with low profits, and individual businesses, the levy of resource tax, urban maintenance and construction tax, real estate tax, urban and township land use tax, stamp tax (excluding securities trading stamp tax), farmland occupation tax, education surcharge and local education surcharge will be reduced by 50%.
Beijing Municipal Bureau of Economy and Information Technology and 5 other departments	Implementation Rules of Beijing Municipality of Subsidies for Interest and Guarantee on MSMEs' Initial Loans	The "initial loans" of eligible MSMEs that are registered on-site at the Beijing Loan Service Center can enjoy subsidies for interests of bank loans or subsidies for guarantee fees.
State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality and 7 other departments	Notice of Reduction and Exemption of Housing Rent for Micro and Small Enterprises in Service Industries and Individual Businesses	Beijing Municipality will reduce or waive rent for MSEs registered or paying taxes in Beijing for renting state-owned properties. Meanwhile, the Instructions on Reduction and Exemption is attached to the Notice to facilitate the relevant work.
Beijing Local Financial Supervision and Administration People's Bank of China Business Administration, People's Bank of China Sales Management Department, Beijing Supervision Bureau of China Banking and Insurance Regulatory Commission	Notice of Further Strengthening Financial Support for MSMEs and Establishing the Working Mechanism of "Direct Response to Financing and Difficulty Relieving"	The working mechanism of "Direct Response to Financing and Difficulty Relieving" was established with relevant implementation plans.

District level

Department	Policy documents
State-owned Assets Supervision and Administration Commission of Dongcheng District	Operation Guidelines on the Reduction and Exemption of Housing Rent for Micro and Small Enterprises in Service Industries and Small Businesses by Enterprises of the State-owned Assets Supervision and Administration Commission System in Dongcheng District
Xicheng District People's Government	Implementation Guidelines on Several Measures to Further Strengthen Support for MSMEs and Accelerate the Recovery and Development of Enterprises in Difficulties
Chaoyang District Bureau of Sci-Tech and Information Technology	Implementation Rules of Chaoyang District on Matters Supporting the Policy of Encouraging Incubators to Reduce and Exempt Rents
Chaoyang District Commission of Development and Reform	Implementation Rules of Chaoyang District on Matters Supporting the Policy of Encouraging Office Buildings to Reduce and Exempt Rents
Chaoyang District Commission of Development and Reform	Several Measures to Further Strengthen Support for MSMEs and Accelerate the Recovery and Development of Enterprises in Difficulties
Haidian District Development and Reform Commission	Work Plan of Haidian District on Promoting the Recovery and Development of MSMEs
State-owned Assets Supervision and Administration Commission of Fengtai District People's Government	Notice of Transmitting the Notice of Reduction and Exemption of Housing Rent for Micro and Small Enterprises in Service Industries and Small Businesses
Government Office of Shijingshan District People's Government	Measures of Shijingshan District for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Mentougou District Commission of Development and Reform	Implementation Guidelines of Mentougou District on Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Prevention and Control Panel for Work and Operation Resumption of Fangshan Covid-19 Prevention and Control Leading Group	Service Guidelines of Fangshan District on Policies of Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Tongzhou District People's Government	Implementation Guidelines of Tongzhou District on Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Shunyi District Commission of Development and Reform	Implementation Guidelines of Shunyi District on Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Changping District Commission of Development and Reform	Guidelines of Changping District for Enterprises under District Supervision to Reduce and Exempt Housing Rent in 2022 for Micro and Small Enterprises in Service Industries and Small Businesses Renting State-Owned Properties
Changping District People's Government Office	Implementation Measures of Changping District for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Daxing District Commission of Development and Reform	Implementation Guidelines of Daxing District on Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Huairou District Commission of Development and Reform	Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Government Office of Pinggu District People's Government	Measures of Pinggu District for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Yanqing District Commission of Development and Reform	Guidelines of Yanqing District on Implementing Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties
Administration Committee of Beijing Economic-Technological Development Area	Several Measures of Beijing Economic-Technological Development Area for Strengthening the Support for Enterprises and Supporting the High-Quality Development of Enterprises
Economic Development Bureau of Beijing Economic-Technological Development Area	Measures for Further Strengthening Support for MSMEs and Accelerating the Recovery and Development of Enterprises with Special Difficulties

Data source: 1. Collated by PwC



# Coordinate the Development of Capital and City

## Mission as the “capital” + construction of the “city”

The coordination of “capital” and “city” is the capital’s contribution to the national governance system

- The starting point and key point of Beijing’s urban governance is strengthening the construction of functions as “four centers”, improving “four services”, focusing on service guarantee as the political center, highlighting the people-oriented development philosophy, constantly improving refined governance, common governance, and law-based governance, so as to better fulfill Beijing’s duties and responsibilities as the capital.

Refined governance

Focus on system development and sci-tech innovation

- Enhance system construction of accountability
- The government should take the lead and be the facilitator and user of sci-tech innovation.

Common governance

Form the consensus for the whole

- Listen to the public opinions
- Rely on people, mobilize people, and enhance people’s sense of ownership

Law-based governance

Vigorously strengthen the rule of law

- Focus on key areas and challenges to make legislative breakthroughs and improvement
- Create an open, transparent, and predictable rule of law environment for urban governance

Base on the functions of the “capital” to plan the development of the “city”

- Adhere to the principle of political development, deepen the results of party history learning and education, comprehensively promote the modernization of governance system and governance capability of the government, forge ahead with high spirit, and strive to deliver satisfactory achievements to the Party and people.
- Bear in mind that Beijing is judged first and foremost by its political stance, adhere to and safeguard the “two establishes”, boost the “four consciousness”, be firm in “four confidences”, and carry out “two upholds”, concretely implement the key decisions and deployment by the CPC and the spirit in General Secretary Xi Jinping’s important speeches.

Digital government construction

- Provide the 12345 hotline service for citizens and deepen working mechanism such as “one topic each month” and “service package” to improve efficiency and quality of services benefiting the enterprises and people

Adhere to government on a tight budget

- Deepen the reform on total cost budget performance management and strictly control the operation cost of government departments

Build a learning government

- Strengthen training and education of government staff to constantly improve their comprehensive qualities and professional capabilities

Data sources: 1. The Beijing News; 2. The 5th Session of the 15th People’s Congress of Beijing Municipality

Develop the “city” at higher level to secure the functions of the “capital”

- Relocating the functions non-essential to the capital is the key in the planning and construction of Beijing, whose aim is to identify the city’s strategic positioning, adhere to and strengthen the capital’s key functions and positioning as the “four centers” in China.
- Relocating the functions non-essential to the capital was proposed since 2017. Since then, Beijing has been optimizing its high-quality development structure, which has laid a solid foundation for the capital’s future development. In the past five years, Beijing has been determined in streamlining and improving, and has realized development with reduced input. The phased targets of 102 key tasks for the first phase of the implementation of its Master Plan have been completed.

01

Reduced inputs and improved quality

- By the end of 2021, land use for urban and rural development reduced by about 110 square kilometers.
- In terms of green development, energy consumption of per unit of GDP reduced by a quarter.

02

Ecology and environment

- The city’s forest coverage rate was increased to 44.6% and the per capita public green area was 16.6 square meters.

03

Actions on the development of a smart city

- Build three intelligent terminals, namely “Jingtong”, “Jingban”, and “Jingzhi”, expand the coverage of “one network for all services”, “one network for integrated management”, and “one network for intelligent governance”.
- Promote the development of smart transportation, smart health care, smart city management, etc.



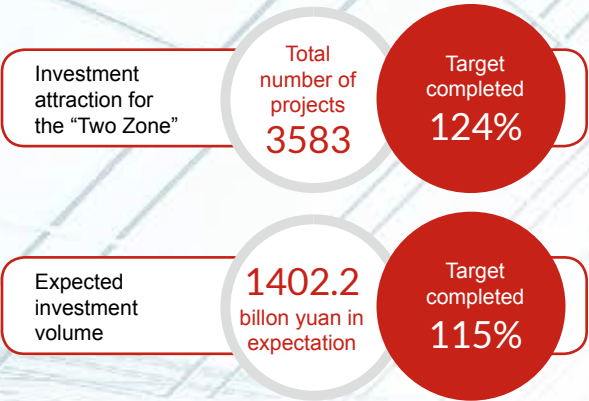


# Synchronize the Investment Promotion and Protection

## Ever-increasing Investment Attractiveness

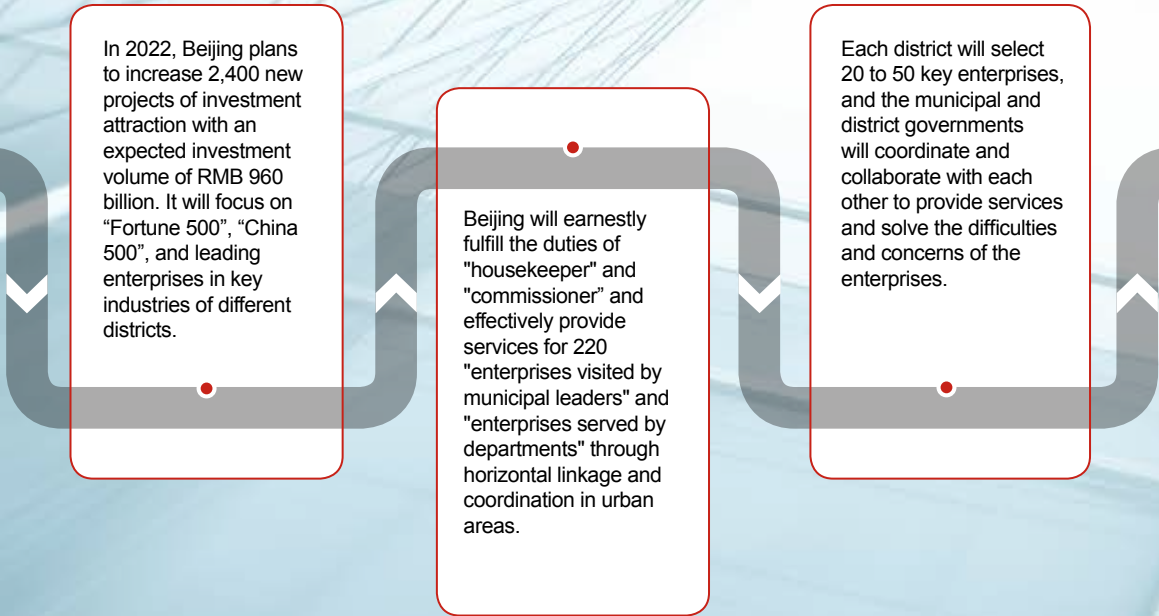
### Business invitation and investment attraction overfulfilled target

• In 2021, focusing on the new pattern of “five key tasks”, Beijing achieved fruitful results in investment promotion, in business invitation and investment attraction for the “Two Zone”, and in stabilizing foreign investment. A total of 3,583 projects of investment attraction were registered in the “Two Zone”, completing 124% of the scheduled target, with an expected investment volume of RMB 1402.2 billion, 115% of the target indicator.



### Investment promotion towards higher quality

#### 2022 tasks



### Optimize services for foreign investment promotion

#### Improve investment promotion system

- Strengthen the guidance of the city's investment promotion work
- Establish an investment promotion working mechanism for urban planning and horizontal linkage
- Explore new paths for social investment promotion services and improve the level of market-oriented operation of investment promotion activities
- Promote the combination of investment promotion and business trips abroad
- Integrate and establish a service package for investment promotion policies for "city-level unification + characteristics of each district"
- Provide precise policy inquiries and advisory services to foreign companies
- Build a high-level and professional talent team for investment attraction

#### Further improve investment facilitation

- Build a one-stop online service platform
- Regularly compile and publish foreign investment guidelines, annual foreign investment reports and other guidelines
- Regularly compile and publish guidelines for foreign investment in the regions
- Improve the promotion and interpretation of policies of common interests to foreign-invested enterprises
- Promote decentralization of administrative approval powers to FTZs

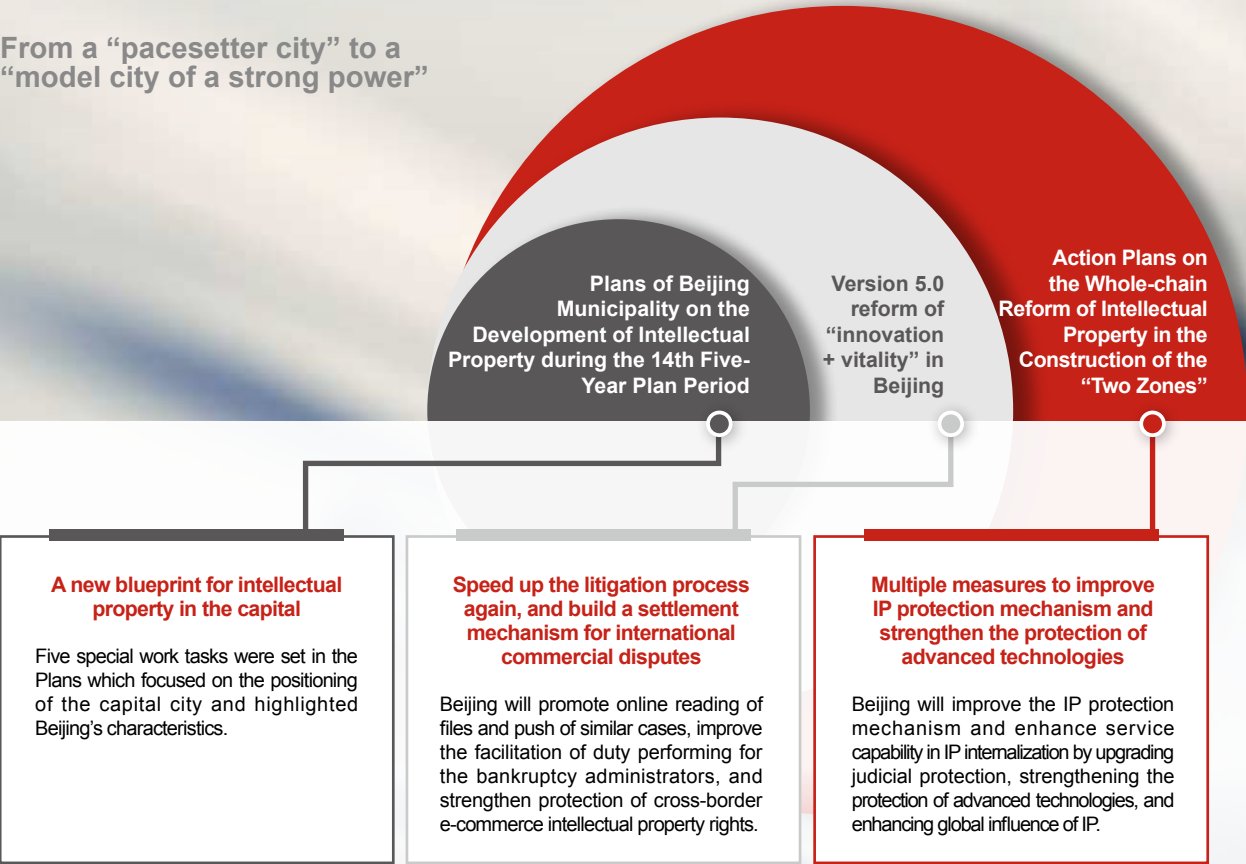
#### Provide efficient services to key projects

- Give full play to service manager and service package mechanism, government-enterprise connection mechanism, coordination and scheduling mechanism, project promotion specialist mechanism, etc
- For new foreign investment or capital increase projects that conform to the regional function positioning, each district and Beijing Economic-Technological Development Area may give rewards based on their contribution to the economy and society of the region



Lift the complete IP protection to a new level

From a “pacesetter city” to a “model city of a strong power”



New achievements in IP protection

- 01 Pilot of IP insurance**

  - Beijing supported **20** single champion enterprises in manufacturing and **312** SMEs in key industries to insure **3,366** patents, with a total insured amount of RMB **3.3** billion.
  - “Insure IP through ‘Five Integrations’” was rewarded as one of the best practice cases.
- 02 Public services for IP**

  - Beijing Municipal Intellectual Property Protection Center set up its branch centers in Beijing Economical-Technological Development Area and Daxing District.
  - Beijing has provided over **1,000** times of consultation on patent pre-examination, over **150** times of consultation on rapid safeguarding of IPR, and held over **20** rounds of promotions and trainings related to IPR.
- 03 Explore the development of an international IPR protection system**

  - Beijing explored the development of IPR protection system for the patents, copyrights, and business secrets of international digital products.
  - Beijing formulated and released Guidelines on IPR Protection of International Digital Products in the “Two Zones” (for trial implementation) and Guidelines on the Work of Digital Trade Intellectual Property.
- 04 Open up patent agencies**

  - China National Intellectual Property Administration approved the pilot program in Beijing for the opening up of patent agencies.
  - The pilot allows foreigners to take the qualification examination of patent agent, and foreign patent agencies to establish resident representative offices in China.
- 05 Beijing Intellectual Property Transaction Center**

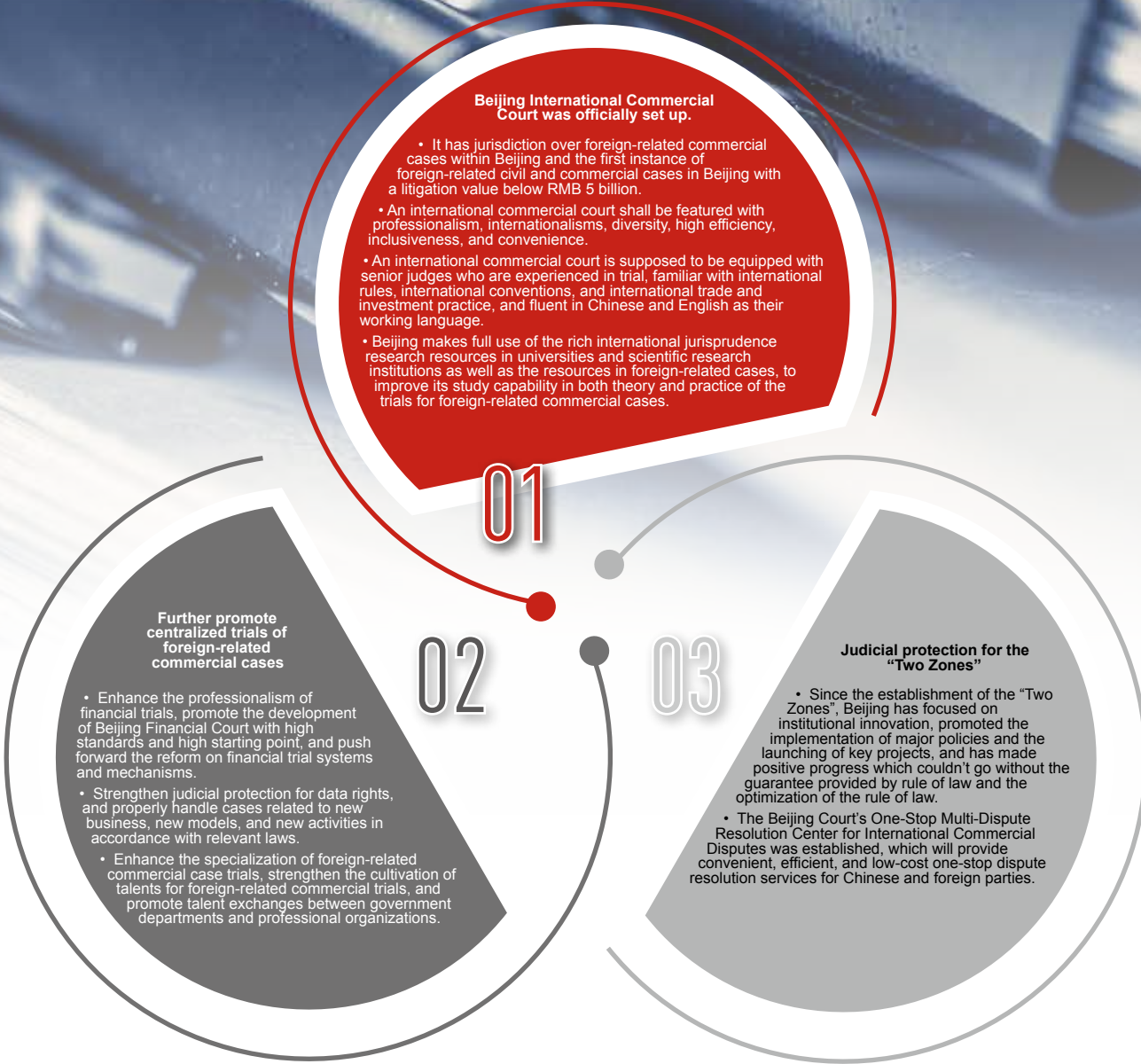
  - The online registration window for digital copyright transaction provides services by focusing on four functions including registration.
  - The first patent licensed intellectual property securitization product has been sealed, and 58 patents held by 15 high-tech enterprises in Haidian District have been pooled, raising more than 300 million yuan.
- 06 IP pledge financing center**

  - The center has set up registration window for patent and trademark pledge.
  - It has handled 11 pledge registrations of patent rights involving 28 patents, with a total pledge amount of RMB 102.95 million. All the 11 patent rights pledge registration were completed within 1 working day.

Data source: 1. Press Conference for the Construction of the “Two Zones” in Beijing held by 2022 Beijing Media Center

Upgraded guarantee for rule of law

Elevate legal supervision, civil & commercial litigation to next level





# Cultural and International Visions

# 5

## A City with Historical & Modern Charm

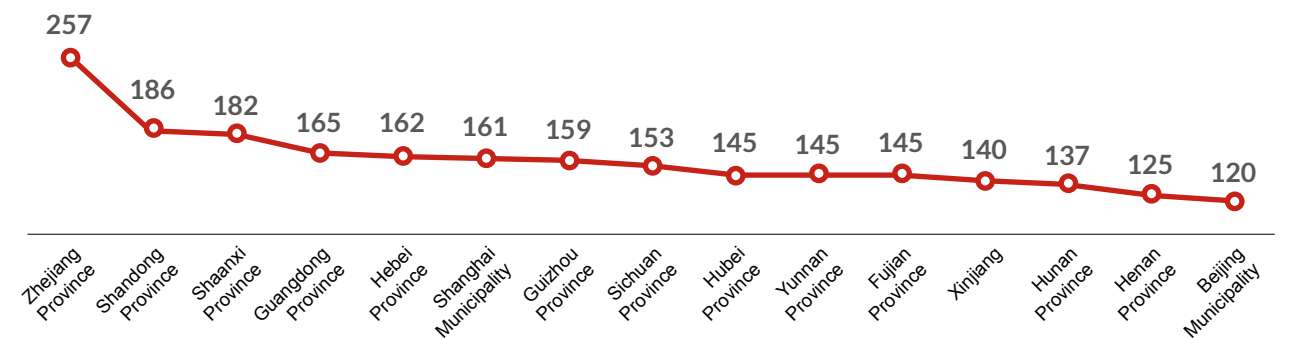
With over 3,000 years of history as a city and over 800 years as a capital, Beijing is deeply rooted in its unique and profound historical and cultural heritage, meanwhile it benefits from the vigorous civilization of the new era. The ancient capital of five dynasties and the capital of contemporary China are the name cards of the city endowed by history and modern times, which together create the cultural genes, urban background and development foundation of Beijing that are different from other international metropolises. Here in Beijing, there's the convergence of ancient and modern, the blending of Chinese and foreign, and the integration of diversified culture, which creates the distinctive charisma and development advantages for the capital city.

### Capital's Advantage in Culture

#### Splendid historic sites and cultural tourism resources

- In Beijing, there are over 7,000 cultural relics and historic sites, 138 national key cultural relics sites under protection, 197 municipal key cultural relics sites under protection, 9 underground cultural relics burial areas, 2 national wetland parks, 5 national geological parks, and 15 national forest parks.
- Beijing ranks No.1 in China in the number of museums as well as the number of annual visits, which is over one million. The Palace Museum is the most visited museum in China.
- The abundant resources in culture and museums have attracted numerous domestic and overseas tourists. In 2021, the total number of tourists in Beijing reached 260 million, achieving an increase of 38.8% over the previous year. Tourism revenue reached 416.62 billion yuan, which increased 43.0%.

#### Number of Representative Projects of National Intangible Cultural Heritage TOP15 Provincial-level Administrative Regions



#### Number of Museums on Record of Major Cities in China

Beijing	167
Shanghai	128
Xi'an	126
Chongqing	121
Chengdu	115
Hangzhou	70
Guangzhou	66
Nanjing	63
Shenzhen	59
Suzhou	43

#### Distribution of Museum with over 1 million Annual Visitors

Beijing	6
Nanjing	6
Chengdu	5
Shanghai	4
Xi'an	4
Chongqing	4
Guangzhou	2
Shenzhen	2
Hangzhou	1
Suzhou	1

#### TOP10 Museums in Terms of Annual Visitors

Unit: 10,000 person-times

The Palace Museum	587
Emperor Qinshi-Huang's Mausoleum Site Museum	403
Guangdong Museum	383
Yuhuatai Martyrs Memorial Hall	343
Geleshan Revolutionary Martyrs Memorial Hall in Chongqing	306
Memorial Hall to Dr. Sun Yat-sen	256
Nanshan Museum	243
Prince Kung's Palace Museum	243
National Museum of China	238
Shanghai Science and Technology Museum	237

Data sources: 1. Ministry of Culture and Tourism of the People's Republic of China; 2. 2021 National Economic and Social Development Statistical Report of different cities; 3. National Information System for Museum Annual Report



# Capital's Advantage in Science and Education

Rich resources in education and scientific research, gathering of top talents



## "Combo tools" for international talent introduction services

- **"Replace evaluation with competition"**. Beijing entrusts Beijing Overseas Talents Association to hold HICCOOL Global Entrepreneur Summit and the 2022 Summit attracted 6,672 outstanding overseas talents from 91 countries and regions.
- **Set up specially-appointed government positions to attract overseas talents**. The government releases job requirements in a market-oriented way to the world to attract overseas talents to serve as specially-appointed experts for municipal-level government departments or "three science cities and one area".
- **Innovate overseas talent introduction model**. The government has launched "online recruitment" of high-level talents from around the globe, developed "Easy Beijing" APP for overseas talents, and built a "one-stop" service platform for foreign talents.

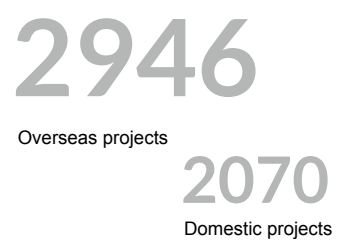
## Number of Events of the HICCOOL Competitions in Recent Three Years



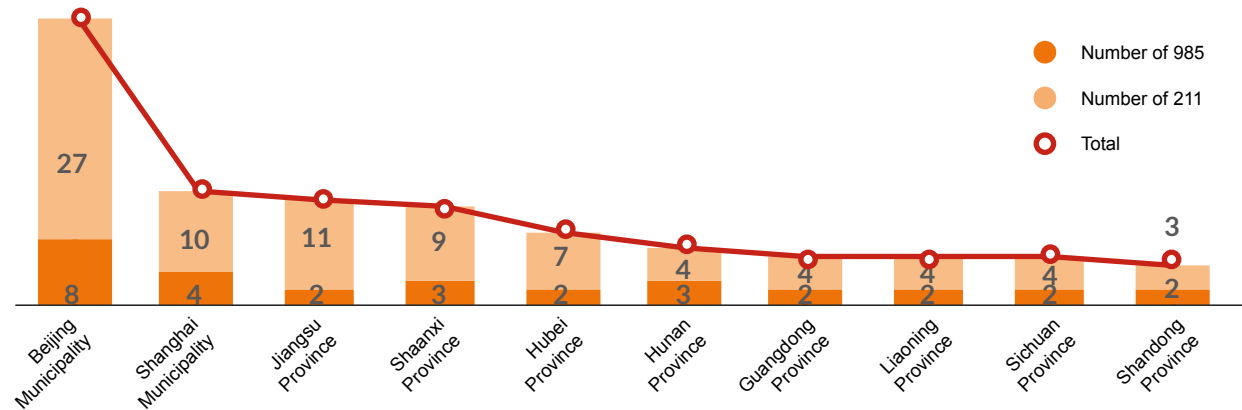
## Participants Composition of Year 2022



## Project Composition in the Competition of Year 2022

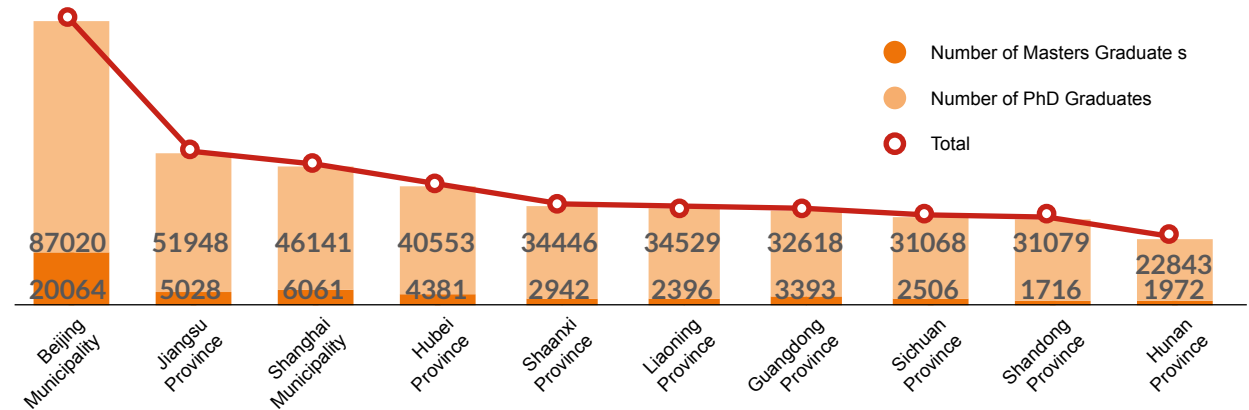


China's TOP10 Cities in the Number of 985, 211 Universities



Data source: 1. Ministry of Education of the People's Republic of China

China's Top10 Cities in the Number of Postgraduates from 985 and 211 Universities



Data sources: 1. Ministry of Education of the People's Republic of China; 2. China Economic Net



## Capital's Advantage in International Communication Platforms

### “Internationalization” in foreign communication and cooperation

- Since the 18th Congress of the CPC, about 10 major home field diplomatic events have been held in Beijing, hosting an average of over 50 foreign leaders each year.
- Beijing ranks No.1 in China in hosting international conventions, and No.7 in Asian-Pacific region before the pandemic. In 2018, Beijing hosted 94 international conventions.

### Cultural infrastructure

- Beijing has accelerated the overall **functional improvement of Yanqi Lake International Conference Resort** to build a comprehensive carrier for home field diplomatic events and improve the capability in regular, professional, and international reception and services.
- Beijing has seized the opportunities in urban renewal, heritage application and protection of the Central Axis, and the construction of “a city of museums” to develop several distinctive “**national meeting rooms**”.
- Beijing will support the three major cultural facilities in the sub-center of the city, Phase Two of China National Convention Center, Phase Two and Three of Beijing New International Exhibition Center, the International Exhibition Center in Daxing International Airport Economic Zone, and other large-scale convention and exhibition venues to reserve the service function for major state affairs.

### Hosting large-scale international competitions

- In 2022, Beijing successfully hosted the Winter Olympics and the Winter Paralympics, becoming the first city in the world that has hosted both the Summer and Winter Olympics.

- NOCs from 91 countries and regions participated in the Games
- Videos on TikTok with the hashtag of #OlympicSpirit# received a page view of over 210 million

### Cultural service

- Beijing will strengthen **high-end conference services** and provide high-quality “Beijing Services”.
- Beijing will make full use of its ancient capital resources and “red resources (related to the history of Communist Party of China)”, its advantages in science and technologies, and legacies of the Summer and Winter Olympics, and enhance reception environment development in key areas to create a specialized, warm, and international reception atmosphere.
- Beijing will optimize the regular working mechanism of service and support for major state affairs and events and build a platform for providing services that are quickly connected, efficient and orderly.

### High-level international conferences, events, and celebrations

- In Sept 2021, CIFTIS was held in Beijing. It is the world's largest comprehensive exhibition of trade in services, also an important window and platform to display “China Services”.

- It attracted **116 foreign countries and regions and 21 international organizations** to hold exhibitions, respectively 12 and 4 more than the previous year.

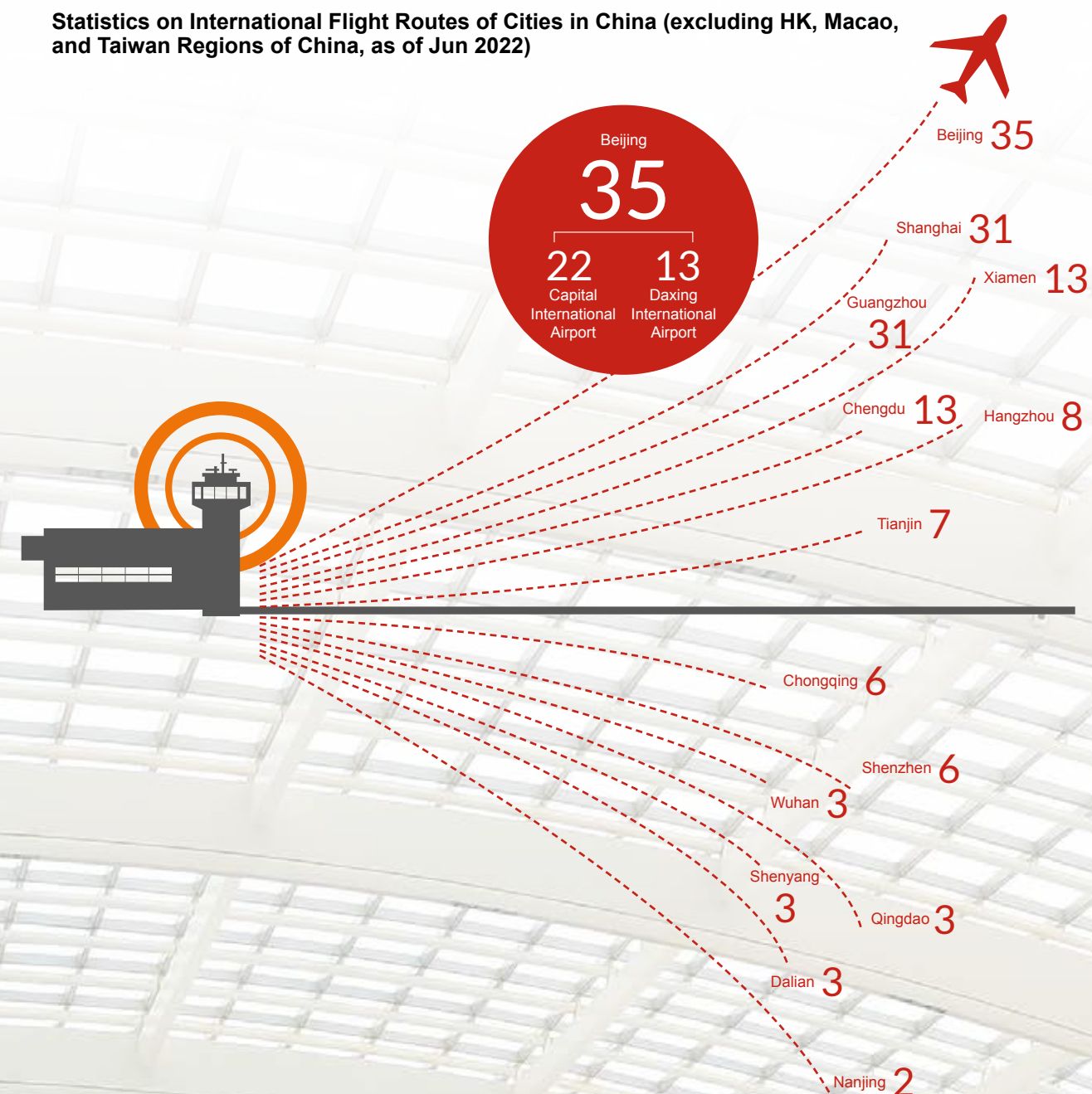
Data sources: 1. The International Olympic Committee; 2. Beijing Municipal Bureau of Sport; 3. Beijing Daily

## Capital's Advantage in Aviation Hubs

The two airports have continuously enhanced the distribution capacity of international aviation hubs and strongly supported the development of international exchanges centers.

- Since Beijing Daxing International Airport officially launched international flights and flights to Hong Kong, Macao and Taiwan in Oct 2019, Beijing has become a hub city with two international airports, which further consolidated its position as an international aviation hub.
- According to VariFlight, by Jun 2022, Beijing Capital International Airport and Beijing Daxing International Airport have had a total of 35 international routes.

Statistics on International Flight Routes of Cities in China (excluding HK, Macao, and Taiwan Regions of China, as of Jun 2022)



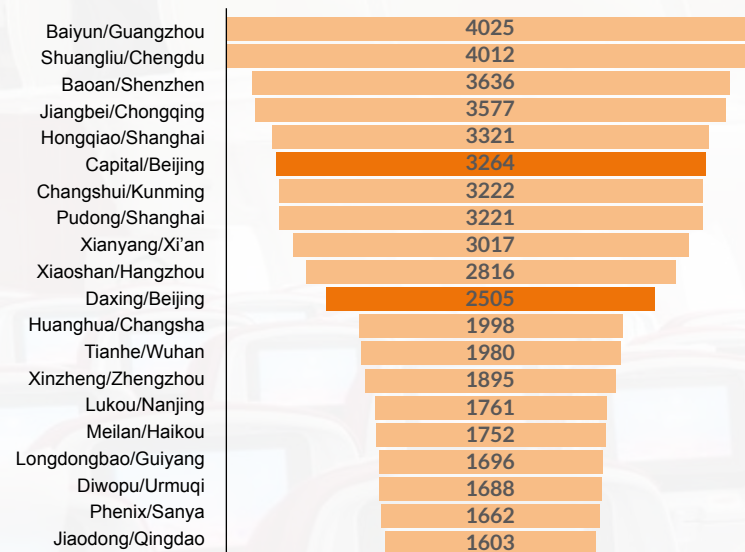
Data sources: VariFlight



- In 2021, the annual passenger throughput of Beijing Capital International Airport and Beijing Daxing International Airport was respectively 32.64 million and 25.05 million, ranking No.6 and No.11 among China's civil transportation airports; and their respective annual cargo throughput was 140,000 tons and 190,000 tons, ranking the 4th and 18th among China's civil transportation airport.
- In Jun 2021, Beijing launched a new cargo transportation route with the Fifth Traffic Right among "Osaka, Japan-Beijing Capital International Airport-Osaka, Japan-Anchorage, USA". By the end of 2021, the cargo throughput of that route was 8,340.4 tons, and it has significantly expanded Beijing's international cargo route network and promoted the trade between Asian-Pacific and North American markets.

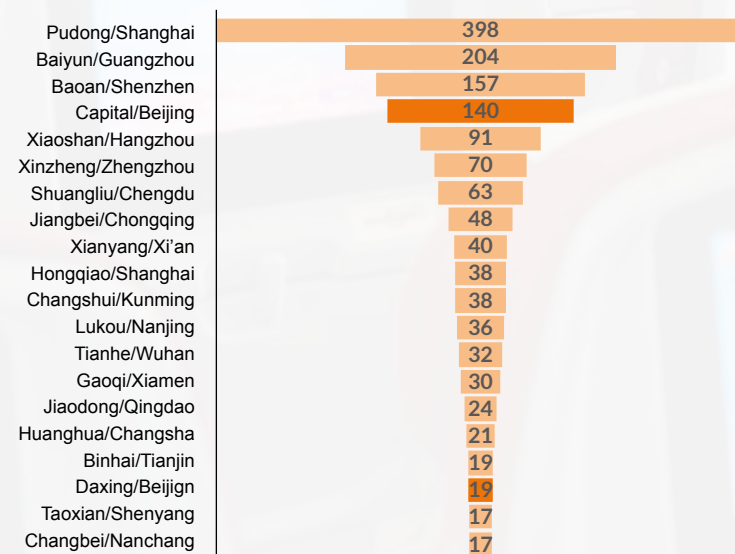
### China's TOP20 Civil Airports in Passenger Throughput in 2021

Unit: 10,000 people



### China's TOP20 Civil Airports in Cargo Throughput in 2021

Unit: 10,000 tons



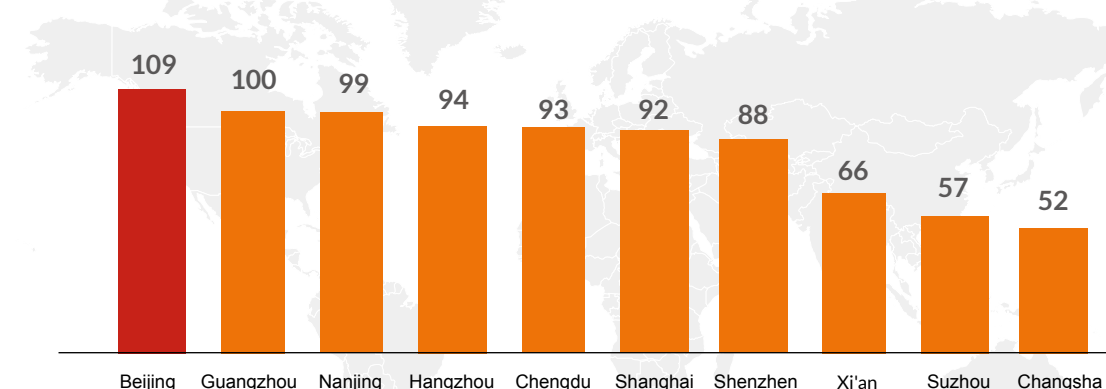
Data sources: National Civil Airport Operation Report 2021 released by Civil Aviation Administration of China

## Capital's Advantage in Sister Cities Relationships

### International sister cities support each other for common development

- On 14th Mar 1979, Beijing established sister-city relationship with Tokyo Metropolis which was the first international sister city with Beijing. Since then, Beijing has had a total of 109 international sister cities (regions) and friendly exchange cities.
- **Active support for the development of sister cities.** Beijing offers timely help and keeps sincere and close partnership with its sister cities. Take foreign aid as an example, Beijing has, in recent years, provided in-kind donations or funded the engineering projects in Ethiopia in Africa, Laos, Indonesia, and Myanmar in Asia, and Albania and Belarus in Europe, and Costa Rica in Latin America, etc.
- **Mutual promotion for common development.** In the past four decades, Beijing and its sister cities have been exchanging development experience and drawing lessons from each other. In recent years, Beijing has kept close communication with the planning departments of such international metropolitan cities as Seoul, Paris, Moscow, etc. to conduct in-depth discussion on topic like urban planning for large cities. Beijing has also sent civil servants to London, Dublin, and Seoul for short-term or long-term work so that they can have a deep understanding of government operation in those cities and provide lessons for the refined governance and high-quality development in Beijing. Beijing has exchanged with Nordic sister cities on the building of non-motorized traffic system for pedestrians and cyclists.

### Number of International Sister Cities (Regions) and Friendly Exchange Cities



### Districts in Beijing hold booming "cloud" events with sister cities in the context of COVID-19



Data sources: 1. Gmw.cn; 2. Beijing Branch of China News Service; 3. Official website of Foreign Affairs Committee of Beijing Municipal Party Committee



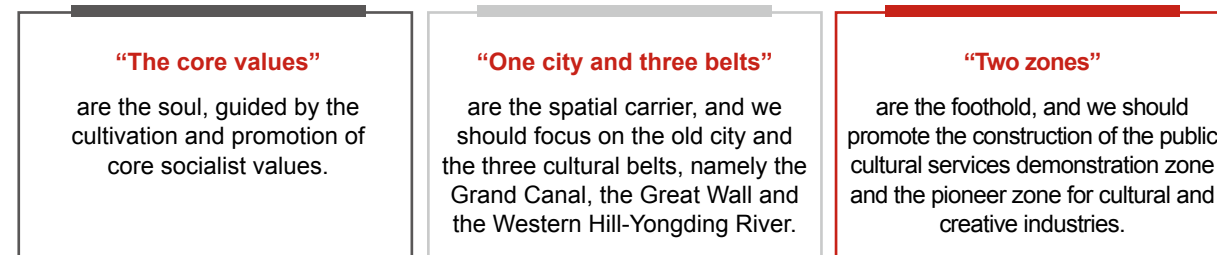
# Beijing – a City with Cultural Essence and Charisma

## Push Forward with the Construction of the National Cultural Center

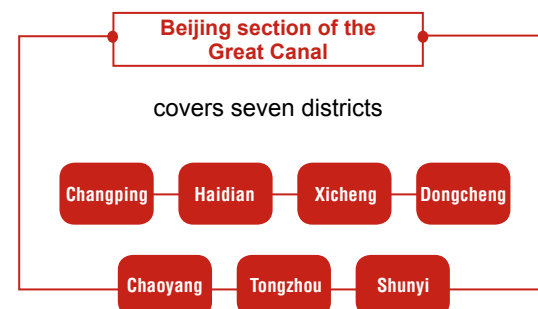
By 2035, Beijing will fully establish itself into a capital of advanced culture of socialism with Chinese characteristics and its functions as the national cultural center will be more systematic and comprehensive. Cultural construction will have stronger driving force on the capital's economic and social development and its international cultural influence as the capital of a large country will be improved significantly, becoming a world-famous historic and cultural city manifesting its cultural confidence as well as diverse and inclusive charisma.

—Mid and Long-Term Plans of Beijing Municipality on Promoting the Construction of the National Cultural Center (2019-2035)

### The layout of core values, one city, three belts and two zones



### The Great Canal Cultural Belt, the time-honored waterways for canal transportation



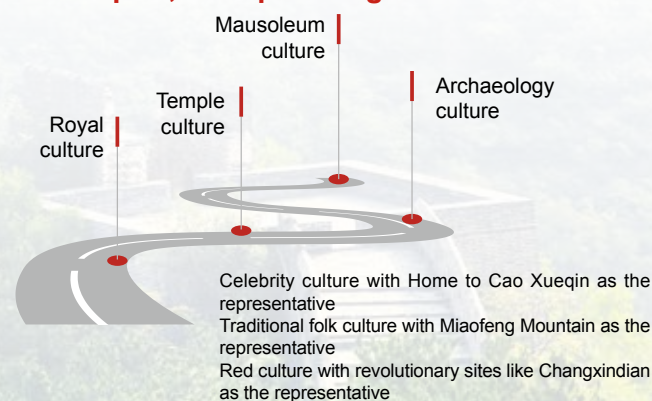
Highlights of the ancient sites: Tonghui River which was the important waterway for canal transportation in the capital, the Great Wall which has changed names for five times since the Liao Dynasty, Nanxincang which had been transformed from a granary to an arsenal, and Shichahai which had been described by Marco Polo in his book.

In 2022, Beijing section and Hebei section realized full connection

### The Great Wall Cultural Belt with 800 beacon towers and famous strategic passes



### The Western Hill-Yongding River Cultural Belt with grotesque mountains, tranquil temples, and splendid gardens



## Tap into the Capital's Cultural Resources

### 1 Ancient-capital Culture with a long history

- Ancient-capital Culture is a cultural treasure accumulated, integrated, and inherited by Beijing as the nation's capital and a famous historical and cultural city. It not only includes the royal palaces, temples and gardens represented by the Forbidden City, the Summer Palace, and Temple of Heaven, but also the legacy of decrees, rules, rituals, and other institutions accumulated in the history.
- In 2021, Huangshicheng, the royal archive center of Ming and Qing Dynasties, was reopened to the public. The conservation and application for the list of world heritage of Beijing's Central Axis has speeded up. The revised Rules of Protecting Beijing as a Famous City of Culture and History was released and implemented.

### 2 Abundant and dignified Red Culture

- As the cradle to the CPC, the political center for the new China, Beijing witnessed and experienced major historical events such as the May Fourth Movement, the conception of the Party, the Great War of Resistance against Japanese Invasion, and the founding of the new China, contributing to abundant and dignified Red Culture.
- In 2021, the Museum of the Communist Party of China completed construction and was opened to the public, and 31 sites of the early revolutionary activities of the CPC in Beijing, including the Peking University Red Building, were also opened to the public.

### 3 Unique Beijing Culture

- Beijing Culture is the customs, rituals and etiquettes, and moral norms developed by the people in Beijing in their work and life over a long period of time, which are conducive to the social progress. It represents people's nostalgic complex and includes Beijing dialect, Beijing Hutong, and folkways of Old Peking, etc.
- In 2021, South and North Dongsu Avenue completed the environment upgrading; Moshikou Historical and Cultural Street was put into operation with the thousand-year-old camel bell road reappearing; the research results of routes to Beijing for the imperial examination were released; Ping'An Avenue was renovated; and the picturesque scenery observed from Yinding Bridge was recreated.

### 4 Flourishing Innovation Culture

- Beijing has cultivated a pioneering and striving-for-the-best innovation atmosphere, nurtured innovation opportunities for all people to tap their potentials, shaped creative and enterprising innovation spirit, and formed thriving innovation culture. Zhongguancun Science City in Haidian District, Beijing Economic-Technological Development Area, and other places are bursting with innovation vitalities.
- In 2021, the Beijing Winter Olympics Park was officially created in Shougang Park.



## Continuous Vitalities in Cultural Industry



### Comprehensive cultural facilities

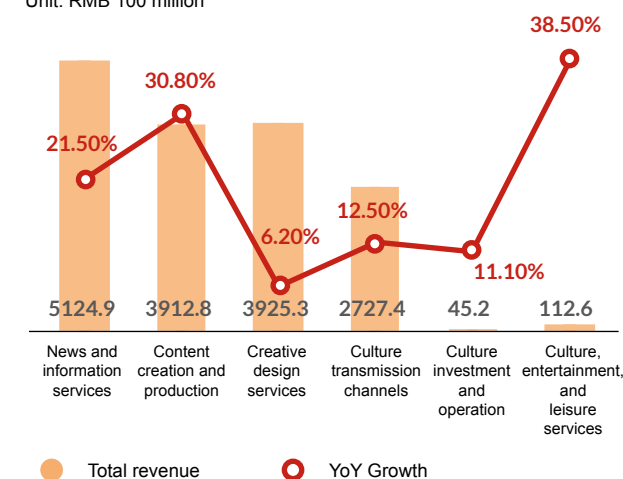
- At present in Beijing, there are 18 archive centers, 19 public art galleries and cultural centers, over 1,300 physical book stores, more than 5,800 public libraries, over 7,000 centers, institutions, and stations for modern civilization, and more than 10,000 cultural stations.
- In addition, Beijing is building in the urban area a cinema circle with 2-km radius, a reading circle of 15 minutes, and HD interactive digital televisions covering the whole city, and focuses on improving people's sense of fulfillment and happiness.

### Prosperous cultural industry

- The cultural industry is an important pillar industry of Beijing. In 2021, the revenue of the cultural industry above designated scale reached a total of RMB 1,756.38 billion, a year-on-year increase of 17.5%.
- The revenue of core cultural sectors registered at RMB 1,584.83 billion, a year-on-year increase of 17.8%, accounting for 24% of the national operation revenue from core cultural sectors; and revenue generated by culture-related sectors stood at RMB 171.56 billion, up by 14.4% year on year.

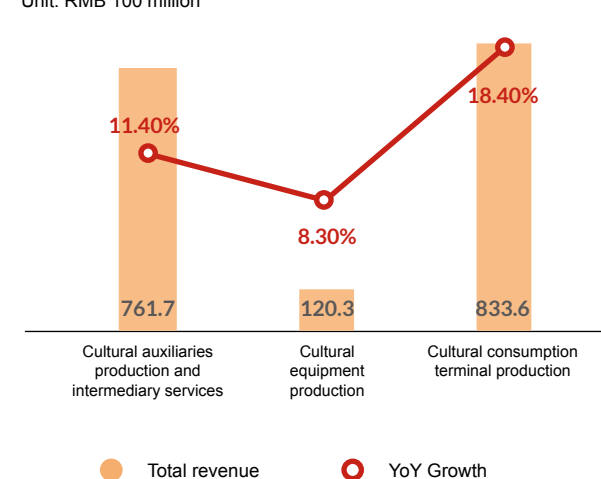
### Total revenue from core cultural sectors in Beijing and its growth in 2021

Unit: RMB 100 million



### Total revenue from culture-related sectors in Beijing and its growth in 2021

Unit: RMB 100 million



Data source: 1. Beijing Municipal Bureau of Culture and Tourism

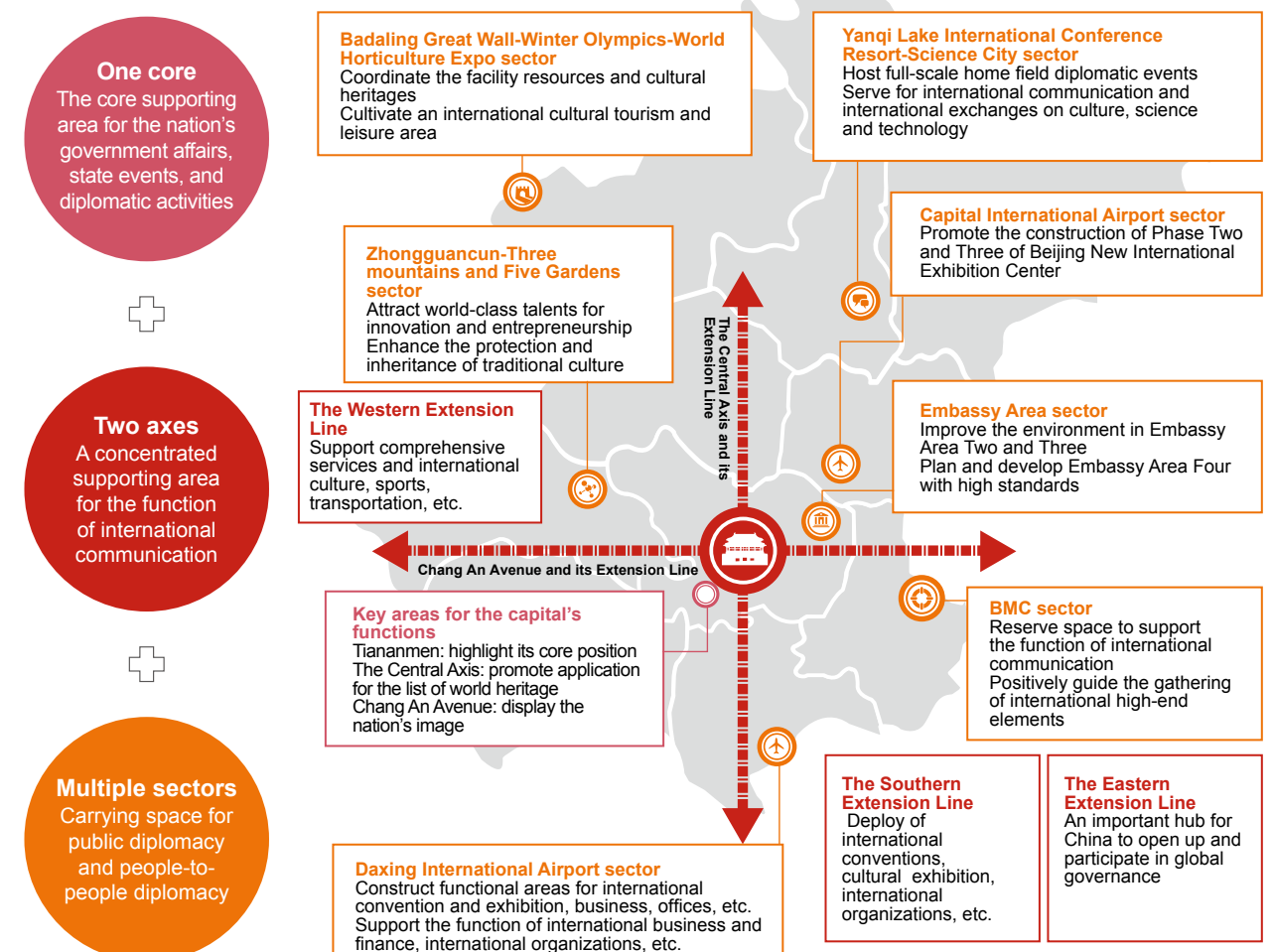
## Beijing – a City of International Exchanges

### Accelerate the development of the function as an international exchange center

#### A spatial layout of “one core, two axes, and multiple sectors”

- According to the Special Plan of Beijing on Promoting the Development of the Function as an International Exchange Center, in the next 15 years, Beijing will focus on the two principal guidelines of serving for the nation's overall diplomacy and the capital's high-quality development, and build an international communication center based on the functional system and spatial layout of “one core, two axes, and multiple sectors”.

Goals for the international exchange center	01	The premier stage for China's major diplomatic and foreign affair events	03	A central hub to lead international sci-tech innovation, communication, and cooperation
	02	An important window to demonstrate China's cultural confidence and inclusive charisma	04	A capital of exchanges to highlight China's capability in global governance





## Focus on the development of four functions

- Beijing focuses on the four functions of serving and supporting major state events, gathering international high-end elements, enhancing momentum for opening up and development, and demonstrating and leading foreign communication, so as to make new progress and achieve new results in developing the functions of international exchanges centers.

### Strive to serve and support major events, integrate deeply into the global governance

- In the past five years since 2017, Beijing has received over 100 foreign heads of states and governments, over 700 visiting delegations of foreign party members and state guests, a total of more than 9,000 people.
- Beijing successfully fulfilled its tasks of **serving and supporting major home field diplomatic events**, including two Belt and Road Forum for International Cooperation, Beijing summit of the Forum on China-Africa Cooperation, Beijing International Horticultural Exhibition, Conference on Dialogue of Asian Civilizations and Beijing Winter Olympics, etc.
- Up to now, a total of 99 **international organizations** have been attracted to settle and register in Beijing, and Asian Infrastructure Investment Bank and International Center for Creativity and Sustainable Development under the auspices of UNESCO also settled here.
- Beijing actively cooperates with **inter-city international organizations** such as The World Organization of United Cities and Local Governments, Cities Climate Leadership Group, ICLEI, etc.



# 01

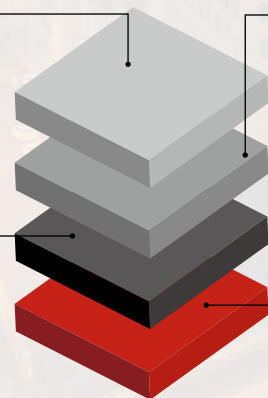
### Upgrade international services environment, enhance momentum for opening up and development

#### International education resources supply

- As of Sep 2021, in Three-year Action Plan issued by Beijing Municipal Education Commission, 10 out of the 23 international schools have been put into operation.

#### International language environment

- Beijing has conducted the special project "embrace the Winter Olympics, enhance language capabilities" to improve international language environment.
- In Nov 2021, Promotion Rules of Beijing Municipality on Developing an International Language Environment was approved.
- Revisions of local standards of Guidelines of English Translations of Public Signs were completed.



#### International medical services

- During the 13th Five-Year Plan period, 127,000 foreign patients were treated.
- Pilot medical institutions such as The Peking Union Medical College Hospital, China-Japan Friendship Hospital and Beijing Friendship Hospital will be promoted to bring their procedures, services and environment in line with international standards.

#### International talent communities

- Guided by Guidelines of Construction of International Talent Communities, the construction of 8 international talent communities, including Chaoyang Wangjing and Zhongguancun Science City is promoted.

# 02

Serving and supporting major state events



Gathering international high-end elements



Enhancing momentum for opening up and development



Demonstrating and leading foreign communication

### Gather high-end international elements, upgrade comprehensive carrying capacity

#### Plan and construction of major projects

- Yanqi Lake International Convention and Exhibition Center, Phase Two of China National Convention Center, Embassy Area Four, Phase Two and Three of Beijing New International Exhibition Center, the International Exhibition Center in Daxing International Airport Economic Zone, etc.

#### International research and development institutions and scientific and technological service institutions

- Taking the construction of new research and development institutions as a starting point to strengthen the construction of a high-level talent pool.
- Successively arranging and cultivating Beijing Academy of Quantum Information Science, Chinese Institution for Brain Research, Beijing, and other high-level international research and development institutions.

#### International cooperation platforms

- China International Fair for Trade in Services, Zhongguancun Forum, Financial Street Forum, etc.

#### Foreign-funded multinational enterprise

- Beijing was listed on the Fortune Global 500 with 57 companies, topping the list of global cities.

#### International talents

- Promoting the facilitation and internationalization of entry and exit, stay and living services for foreign talents.
- Attracting overseas entrepreneurial talents through platforms such as "Future Forum" and "Global Entrepreneurs Summit".



### Pragmatically promote the of international communication and cooperation, demonstrate and lead foreign communication for the function of opening up to the outside world

- Platforms for inter-city exchanges and cooperation**, such as the Beijing and Seoul Mixed Committee and the China-CEEC Mayors' Forum, are improving.
- By September 2021, more than 60 brand-name **international cultural festivals** have been cultivated, such as Beijing International Film Festival, Beijing International Design Week, world Leisure Conference, etc. We successfully held 94 **international sports events**.





# Beijing in the Eyes of the Outside World

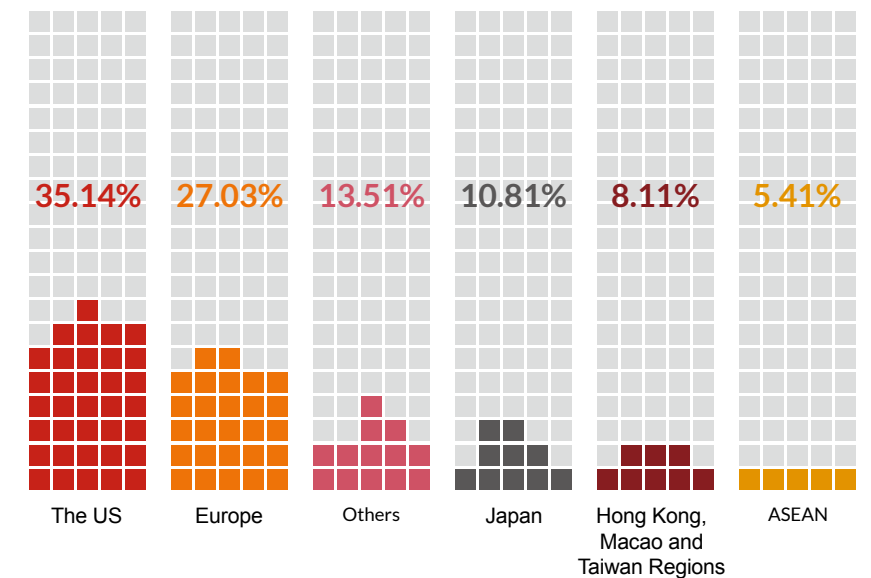
## 6

### Foreign Enterprises Investment Confidence

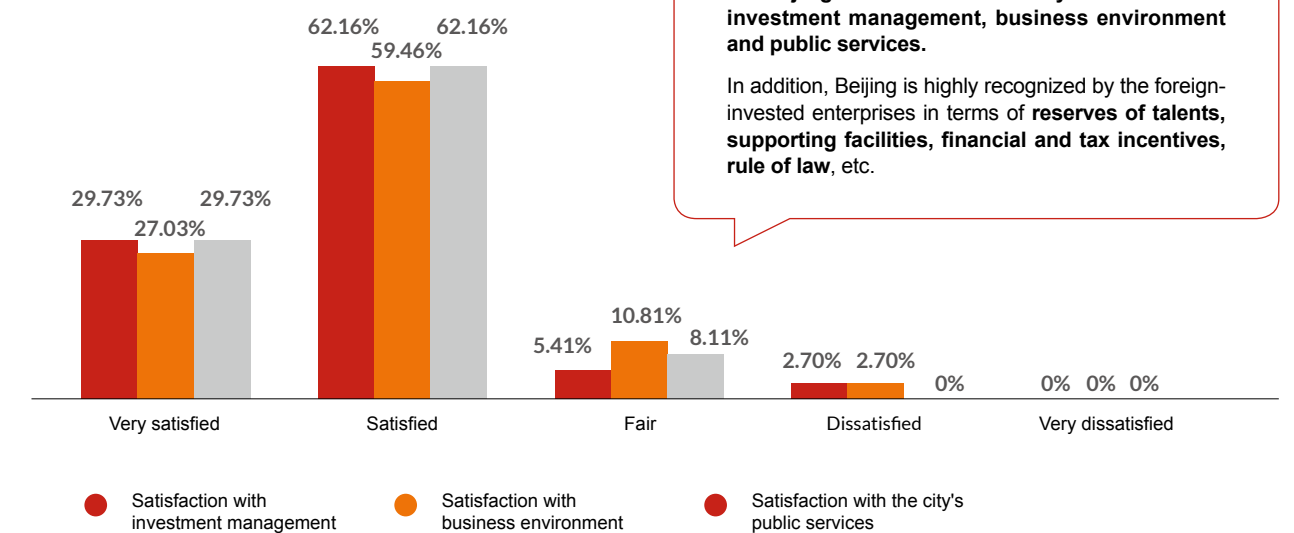
#### Positive survey results on investment confidence and satisfaction

PwC conducted a survey to listen to the voice of foreign-invested enterprises in Beijing regarding the investment satisfaction, attractiveness of investment, and prospects of investment in Beijing. The survey involved enterprises from Europe, the US, Japan, Hong Kong, Macao and Taiwan Regions of China, ASEAN countries, and other regions.

Country or region of the surveyed enterprises



#### High investment satisfaction among surveyed enterprises in Beijing

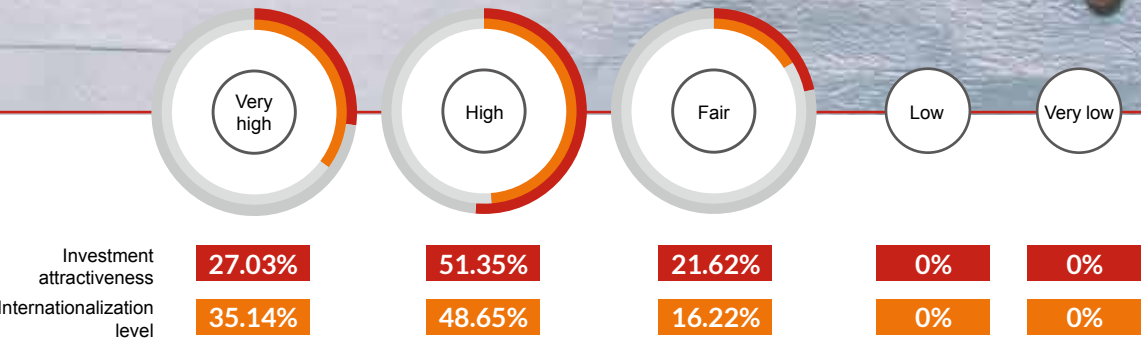




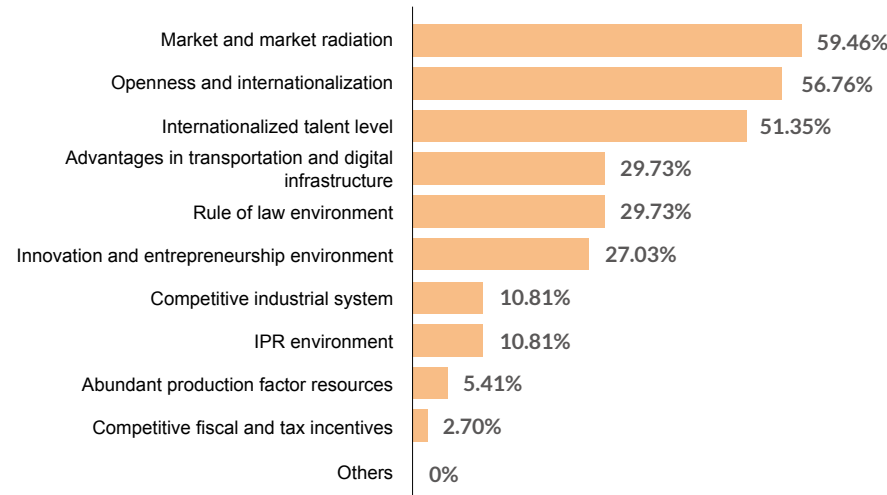
Widely recognized investment attractiveness and internationalization

According to the survey, foreign-invested enterprises in Beijing have high recognition of the overall **attractiveness and internationalization level of investment**, with approximately 80% of them rating Beijing's attractiveness to investment as "very high" and "high". And over 80% of the survey enterprises consider Beijing to be "very high" and "high" in internationalization.

Analysis of investment attractiveness and internationalization



Core investment attractiveness

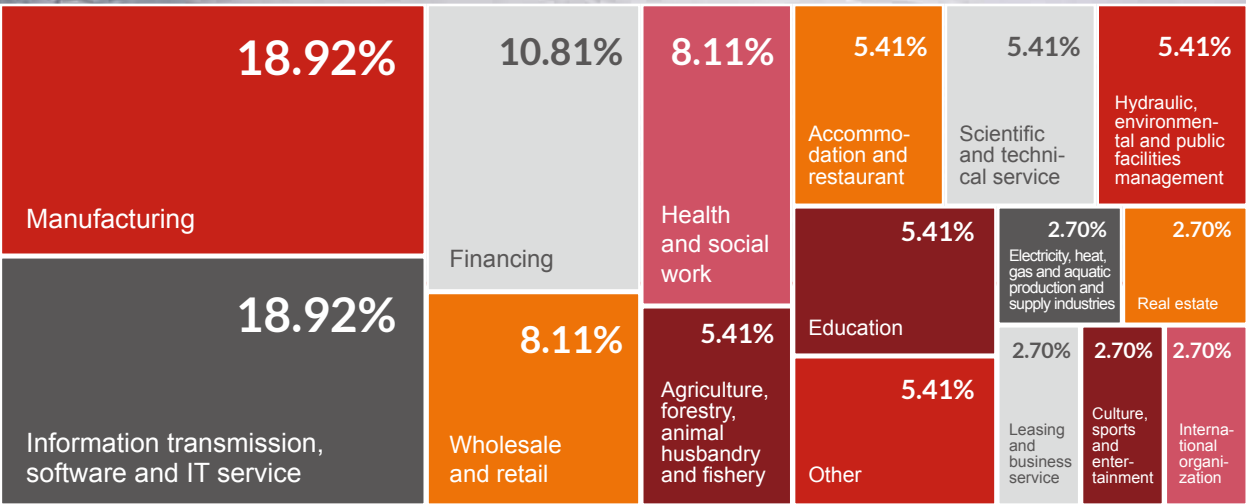


Beijing has leading advantages in such aspects as **market scale, market radiation, openness, internationalization, and talent reserves, etc.**, which are key elements for Beijing to attract enterprises and talents. In addition, Beijing has competitive edges in infrastructure and legislation for the development of industries.

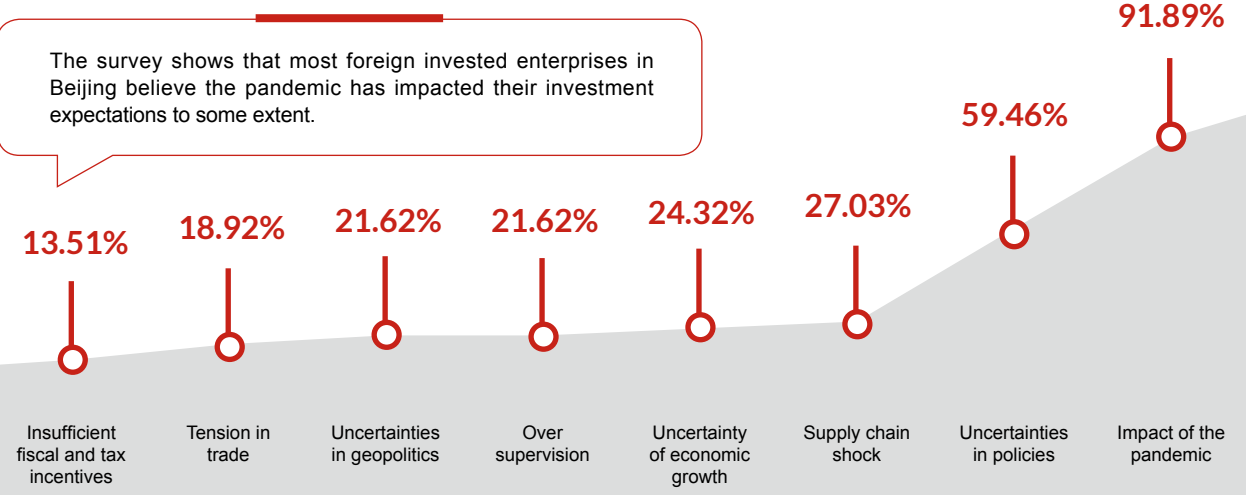
Service industry as the front-land of investment

In the future, the **service industry** will be a key area of focus for foreign-invested enterprises in Beijing to invest in, so will **manufacturing and IT industries**.

Key areas for future investment in Beijing



Major factors impacting investment in Beijing





# Beijing in the Eyes of International Business Associations

01



As the headquarter location of AmCham China, Beijing has advantages in attracting foreign investment that are unique from most other cities in China. From the perspective of the Chamber and our member companies, Beijing's attractiveness is mainly reflected in: 1) As China's political center, it is easier for business circles to interact with both national and local government departments, better participate in policy formulation and implementation, and reflecting business demands in time; 2) As a talent gathering center, it can provide foreign companies with highly qualified international personnel; 3) As an international transportation hub, the convenient transportation is conducive to business activities.

Overall, Beijing is still one of the most preferred investment destinations for foreign companies in China. However, many foreign enterprises are facing some urgent problems in terms of personnel and business during the Covid-19 period. It is suggested that Beijing could consider the following four aspects to further optimize local business environment, including further optimizing the process of visa application for foreign personnel and unifying the management, increasing the number of direct domestic and international flights to Beijing to facilitate business travel, further improving the Covid-19 prevention policy and unifying the relevant requirements, and simplifying the rent reduction and exemption policy to facilitate enterprises to enjoy the policy dividends.

——AmCham China

02



Beijing is not only the political heartland of China, but also the centre of the Beijing-Tianjin-Hebei economic cluster with a thriving international business community. This has led to CBBC championing opportunities to a wave of new industries across advanced manufacturing, technology and innovation, financial and professional services, and the creative industries in recent years.

What we have experienced is that the authorities in Beijing have been continually evolving the investment environment. Since the construction of the "Two Zones", Beijing has continued to offer an increasingly open and friendly platform for foreign-invested enterprises and in doing so has introduced a series of incentives including tax incentives and subsidies addressing key areas such as the tech sector and R&D, foreign talent, and venture capital. The city has taken progressive steps to further safeguard intellectual property for foreign enterprises here, improved the air quality and has also boosted the vitality of the consumer market. These are all positive developments which will be beneficial to attract British companies to continue investing and developing in Beijing.

We cannot ignore that the Covid-19 pandemic has had a negative impact on UK companies' decisions to invest and do business in China. Inward investment business enquiries have declined throughout the past two years. However, CBBC continue to take the view that Beijing and other cities can and will promote business openness, resolve the challenges related with Covid-19 in a pragmatic manner, and recover UK investors' confidence. In sum, there is still great attractiveness and potential within Beijing for foreign investors and particularly UK enterprises to explore in line with the outputs from the 14th Five Year Plan with particular attention on green transition and industrial upgrading – including across the digital economy.

——China-Britain Business Council (CBBC)

03



Being located in Beijing allows our members to address a population with a really high purchasing power. Besides, choosing Beijing allows companies to be really close to the central government, reaching the entire north of China, and benefit from the last updated of policies. Beijing is also the home to many top universities and headquarters of fortune 500, being in the city allows companies to reach a hub with well-developed communication network.

CCI FRANCE CHINE works closely with Beijing Municipal Government, collecting and delivering important information and policies to French companies. For instance, during the COVID period, some French SME received tax reduction or rental exemption, which are vital to maintain business. CCI FRANCE CHINE looks forward to a more open and welcoming business environment of Beijing.

——CCI FRANCE CHINE

04



Japan-China Investment Promotion Office has kept good and close communication with local governments in Beijing. Beijing has a clear development positioning and the flourishing service industry is quite attractive to Japanese enterprises. CIFTIS held in Beijing each year is the focus of attention for Japanese companies and an important indicator for the market.

During the pandemic, the Beijing Municipal Government assisted our staff in Japan to come to China by offering business invitation letter, which helped us solving a major problem. In the future, we hope that Beijing will continue to increase service windows for foreign enterprises and provide support for enterprises to come to China for business activities. We look forward to more preferential policies for foreign talents.

——Japan-China Investment Promotion Office

05



Beijing is a very attractive city with outstanding advantages in resources, large market size, and huge market stock and potential for development, which are solid foundations for the enterprises in terms of investment and development. Beijing has gathered a large number of talents with strong professional competence, which is a clear advantage over other regions in terms of recruitment.

Currently, the large-sized HK-funded enterprises in Beijing enjoy stable development and smooth policy channels. In comparison, more attention and policy support should be given to HK-funded SMEs with strength and development potential, which is also a focus of HKACB to play our role as a bridge. We hope that Beijing will support associations to fully exercise their functions, and strengthen effective mutual interactions so as to help associations to better serve their member enterprises, and promote the HK-funded SMEs to be more active to invest and develop in Beijing.

——Hong Kong Association of China Business



## Beijing in the Eyes of Local Business Associations

01

The most fundamental fact of Beijing is that it's the capital city of China. It was established as the capital and thrives because of its position as the capital. It gathers various high-quality resources at home and abroad, and hence becomes a popular place for investment from domestic and foreign enterprises and for talents' development. In recent years, Beijing has been strengthening the functional development as the national political center, cultural center, international communication center, and the science and technology innovation center, meanwhile exploring the "Beijing Model" for global megacity governance, the city also substantially improved its own business environment.

The continuous stimulation of the economic vitalities and investment potentials depends on sufficient mobilization among all stakeholders. It is suggested that investment promotion departments at all levels in Beijing fortify their roles as platforms, actively bridge government side and market entities, integrate social responsibilities with cultural and creative activities, enhance interaction with foreign-funded enterprises in Beijing and cooperate with them in seeking development, so to contribute to the society as a role model. In addition, Beijing should strengthen integration with international resources with a well-connected network. When convenient, officials should actively "go global" to visit the headquarters of foreign invested companies, having dialogues with executives to better serve the development of foreign investment in Beijing.

——Beijing Association of Enterprises with Foreign Investment

02

In recent years, Beijing has been improving the investment environment and optimizing the business environment, which is reflected in two aspects. First, the relationship between government and enterprises has become closer, more transparent, and more harmonious. As a bridge for the communication between the government and enterprises, Chamber of Commerce has witnessed ever increasing smooth communication, close relationship, and frequent cooperation between the two sides. Second, the roles of business associations have been highly valued. As "the spokesperson for enterprises", Chamber of Commerce has got great support from Beijing Government. Measures such as "purchasing professional social worker positions" and "government purchase of services" help associations to effectively reduce cost, which in return makes them better serve the enterprises.

——Haidian District Chamber of Commerce, Beijing

## Beijing in the Eyes of Well-Known Enterprises

### Panasonic

In Apr. 2019, Panasonic Group established a regional business company, the China & Northeast Asia Company, which combines business and regional functions into one for the first time, with the headquarters in Beijing. This is the first time for Panasonic Group to give the decision-making right to its company out of Japan. For Panasonic, the greatest attractiveness of Beijing lies in its market, the comprehensive and high-quality supply chain system, and the ever optimising business environment and innovation environment.

Beijing is the world's first city to host both the Summer and the Winter Olympics. As a global partner for the Olympics, Panasonic renewed its relation with Beijing in 2022 Winter Olympics and Paralympics 14 years after it supported the Beijing Olympics in 2008. During the Winter Games, about 200 excellent engineers selected by Panasonic around China provided over two months of devoted technical service, which contributed to smooth running of the events.

In the future, Panasonic will remain headquartered in Beijing and develop since China is an important global market for the Group. Panasonic particularly pays attention to the protection of intellectual property rights and has great expectations on Beijing's further enhancing IPR. Meanwhile, we also hope the municipal governments will provide more support for the company's operation in the context of the pandemic.

——China & Northeast Asia Company, Panasonic Group



PwC was never absent on almost every important occasion of Beijing's development. In April 2021, PwC Consultants (Beijing) was registered and established in BMC, which is the first domestically-funded legal entity of PwC in China with its major business in line with the development of BMC and the Canal Business District. As the official financial accounting service supplier for the 2022 Beijing Winter Olympics and Paralympics, PwC China made positive contributions to the Games with its profound expertise and innovative concepts.

PwC is deeply engaged in the construction of the "Two Zones" in Beijing, actively promoting policy implementation and government services optimization, striving to bridge the government and enterprises, promoting the two-way investment, and serving the regional development. In the future, PwC will, based on its professionalism and international visions, continue to join hands with Beijing to write a new chapter in greater openness, innovation, and prosperity.

——Thomas Leung, Markets Leader of PwC Mainland China and Hong Kong



## Beijing in the Eyes of Well-Known Enterprises

Beijing is a city with great investment value and overall excellent investment environment. It has a cluster of China's top universities, and the quantity and quality of talent resources are next to none in China. In terms of business environment, the Beijing Municipal Government provides high-standard services with its staff equipped with great awareness of service. Beijing's advantages in resources and business environment have laid a unique foundation for its internationalized development.

Take biopharmaceutical industry as an example. Beijing enjoys advantageous clinical resources with a concentration of top hospitals in clinical trials. Still, more comprehensive supporting policies are expected to facilitate the development of the industry and strengthen its domestic competitiveness. In the future, Beijing can optimize policies on household registration and daily life facilities for talents and loosen restrictions on access of innovative drugs so as to provide more support for talents in innovation and entrepreneurship, so to attract more innovative industries to Beijing for development.

——Yu Wenxin, Chief Analyst of Pharmaceutical Industry,  
Assistant to Dean, Managing Director, Research Institution of  
Haitong Securities Co., Ltd.

The overall investment environment in Beijing is excellent. With significant advantages in public service resources in education, talent, financing, sci-tech development, high overall economic development level and market activeness, Beijing is one of the most attractive investment destinations in China with the greatest business environment. In addition, compared with other cities, Beijing provides more opportunities for entrepreneurship and investment, and has a solid foundation in high-tech industry, biopharmaceutical, Internet, and big data, with comprehensive supporting policies in place. In recent years, the development scale of industrial parks in Beijing is also very attractive to the enterprises. Therefore, in the medium to long run, Beijing will remain one of China's most attractive cities for investment.

According to my observation, it is suggested that Beijing should further improve public services, enhance international cooperation in new materials, high-end manufacturing, and electronics R&D, expand accessibility in business services and health care, and strengthen tax incentives and supporting measures

——Luan Jianhai, Commerce and Finance Law Offices





# Outlook

The new era endows us with new missions which call for new actions. In the next five years, Beijing will continue to pursue its development as the nation's capital in the new era, and advance cultural, technological and green development, promote Beijing-Tianjin-Hebei coordinated development, and incorporate the Five Key Initiatives into the new development dynamics, take solid steps toward high-quality development and take the lead in the new journey towards the second centenary goal".

**Beijing will stay committed to its core role as the four centers that delivers four services and significantly improve its functions as China's capital.** We will take solid steps to build Beijing into China's cultural center, and better preserve the revolutionary heritage of Beijing, keep the heritage of the central axis well preserved to apply for its inclusion in UNESCO World Cultural Heritage Site List. We will take coordinated steps to advance the development of the Grand Canal Cultural Belt, the Great Wall Cultural Belt, and the Western Hill-Yongding River Cultural Belt, and will step up efforts to build the three hills and five gardens into a demonstration area of cultural heritage protection and utilization. We will improve the network of public cultural facilities, encourage reading among Beijing's residents and make the capital a city of museums, and we will adopt new approaches in developing public cultural programs. We will promote digital development of the cultural sector, and foster new types and forms of cultural businesses. Beijing will strengthen its role as a center for international exchanges, and upgrade and expand the Beijing Yanqi Lake International Conference Resort, and designate an area for hosting international organizations. Beijing, a city with two international airports, will be turned into a global consumption center and a venue of major conferences and exhibitions. It will be built into an international innovation center with the system of key national laboratories. Intensified efforts will be made to develop Beijing Huairou Comprehensive National Science Center, along with Zhongguancun Science City, the Beijing Future Science Park, the Beijing Economic-Technological Development Area and Beijing Shunyi Innovative Industrial Cluster Demonstration Zone. Effort will be made to deliver quality four services, and strengthen the scheme and mechanisms.

**Beijing will embrace China's new development dynamics and facilitate them to pursue high-quality economic development.** Beijing will further strengthen and improve sectors of high-end, sophisticated and cutting-edge technologies and speed up efforts to build a modern economic system with distinctive features of the capital. The "two zones", CIFTIS, the Zhongguancun Forum and the Financial Street Forum will be built to high standards. A digital trade port and a digital trade demonstration zone will be built, and the building of a national demonstration zone for the innovative development of trade in services will be advanced. Beijing will be built into a global pacesetter of digital economy. We will work faster to build new types of infrastructure including 5G, artificial intelligence and blockchain, and promote digital transformation of traditional infrastructure. Super-computing centers for the city will be established and data centers will be turned into smart computing centers. Breakthroughs in core technologies will be made in such fields as high-end chips and fundamental algorithms. We will pilot reforms to advance market-based allocation of data as a factor of production. The Beijing International Big Data Exchange will be developed to a high standard. The city brain, namely, a smart municipal management system will be built as well. We will create new demand through supply-side structural reform and build a number of consumption landmarks with global appeal, upgrade service consumption in sectors such as culture, sports, healthcare and elderly care, and increase investment in high-end, precision and cutting-edge industries.

**Beijing will make more breakthroughs in reforms of major sectors and key areas, and elevate the open economy to a new stage.** We will advance the reform to streamline administration and delegate power, improve regulation, and upgrade services. We will improve the policy of "service packages" and "steward services" for companies and build a cordial and integrity-based relationship between government and business. We will be steadfast in encouraging, supporting and guiding the development of the non-public sector, improve systems supporting the growth of private businesses and small-and medium-sized enterprises, and implement policy measures such as tax and fee cuts to assist businesses

——Continue to forge ahead for the second centenary goal

and keep employment stable. We will pilot the negative list management for cross-border trade in services to further liberalize and facilitate investment and trade. We will speed up upgrading the infrastructure of the Beijing Capital International Airport, and start construction of the second phase of the Beijing Daxing International Airport and its supporting facilities to increase the two airports' passenger and freight carrying capacity and build them into world-class aviation hubs. We will upgrade the airport economic zones and build integrated bonded zones with distinctive features. We will actively support and participate in the Belt and Road Initiative and encourage Chinese companies to go global. We will deepen all-dimensional cooperation with Hong Kong and Macao, and promote exchanges and cooperation with Taiwan.

**Beijing will strive to become a global science center and a pacesetter in innovation, to better promote the major national strategies such as pursuing innovation-driven development.** We will continue to develop global frontier technologies and use research outcomes to serve the economy, promote national development and improve the life and health of our people. We will make breakthroughs in addressing bottleneck issues in core technologies, develop disruptive technologies, and make original innovations. Beijing-based institutions of higher learning, research institutes, enterprises and hospitals will play a major role in innovation, and a number of frontier science centers, innovation consortia, and platforms for generic technology will be built. They will form an innovation mechanism featuring coordination between central and local governments, cooperation between government and enterprises, integration of research and production and international cooperation. We will deepen reform in the science and technology management system, facilitate the marketing and application of advances in science and technology, energize innovators, strengthen intellectual property protection, and foster a sound environment for innovation and business start-ups.

**Beijing will make greater efforts to relocate the functions non-essential to its role as the capital, and strive for significant improvement in BTH coordinated development.** We will pursue high-standard development

of the BMC. We will strive to complete the basic framework of the BMC with an annual investment of over 100 billion yuan. Construction of Phase II of the BMC administrative office area will be completed and the second group of municipal-level government bodies will move in. We will vigorously develop a modern metropolitan area for greater Beijing. We will strengthen Beijing's commuting connectivity with its adjacent areas and enhance connection with them through the development of rapid regional transit systems. We will promote differentiated and coordinated development of Beijing, Tianjin and Xiongan, Hebei by fully leveraging their respective strengths. The business structure layout of key cities in the region will be upgraded to improve the supply chains and foster closer business collaboration. The function of the Sixth Ring Road as a state expressway will be moved outward. We will strengthen coordinated development of maritime, road, rail and air transport in the region, and build a world-class airport and port cluster. We will take coordinated steps to build pilot free trade zones in Beijing, Tianjin and Hebei and explore diversified approaches to business cooperation. We will fully tap the Olympic legacy. We will hold major sports events in these venues and open them to the public to ensure that the plans for post-Olympic use of the facilities and venues are followed through. We will develop winter sports sector to encourage public participation in ice and snow sports. We will open the Beijing Olympic Museum and Beijing Institute for International Olympic Studies. We will advance the transformation of the new Shougang area and turn it into a landmark for urban renewal that symbolizes the vision of embracing a shared future together.

Well-considered plans before action enable steady progress towards destination. Beijing has blazed a trail of high-quality development of a megacity through development with reduced input. In the future, it will deal with the dialectic relationship between its role as the "capital" and as a "city" with more open stance, more vigorous reforms, and more perspective measures. Beijing will inherit its historical legacies and ride the tide of the times to create infinite business opportunities for global investors.



# Appendix 1

## Compilation of key investment policies

### National policies

	Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition)		Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zone (2021 Edition)
	Market Access Negative List (2022)		Catalogue of Industries Encouraging Foreign Investment (2022) (Soliciting public opinion)
	Opinions of the State Council on Innovative Pilot Programs for Business Environment		Measures to Promote the Innovation of Reforms on Investment Facilitation in Pilot Free Trade Zones
	A Package of Policy Measures to Stabilize the Economy		Opinions of the General Office of the State Council on Further Tapping the Idle Assets and Expanding Effective Investment
	Interim Provisions on the Management of Foreign Investment Talent Intermediary Agencies		Opinions of National Development and Reform Commission on Further Promoting the Reform on Approval of Investment Projects
	Guiding Opinions on Strengthening Investment Data Resources Sharing and Continuing to Deepen Integrated Online Processing of Investment Approval		

### Municipal policies

	Regulations on the China (Beijing) Pilot Free Trade Zone		Overall Plan of the China (Beijing) Pilot Free Trade Zone
	Plans for Beijing Municipal on Innovative Pilot Programs for Business Environment		Implementation Plan of Beijing Municipality for Cultivating and Invigorating Market Entities and Continuously Improving Business Environment
	Measures for Beijing Municipality on Further Stabilizing Foreign Investment		Measures of Beijing Municipality for the Management of Foreign-Invested Enterprises' Complaints (revised)
	Relevant Regulations of Beijing Municipality on the High-Quality Development of Headquarters Enterprises		Regulations of Beijing Municipality on Supporting the Establishment and Development of Foreign-Funded R&D Centers
	Notice on the Work Related to Examination and Approval of Tax Exemption Qualification for Imported Equipment Purchased by Foreign-Funded R&D Centers		Catalogue of Recognized Overseas Professional Qualifications in the Integrated National Demonstration Zone for Opening up the Service Industry and the China (Beijing) Pilot Free Trade Zone (Version 1.0)
	Catalogue of Recognized Overseas Professional Qualifications of Beijing Municipality (Version 2.0)		Measures on Optimizing Talent Services, Facilitating Science and Technology Innovation, and Promoting the Development of High-end, Precision, and Sophisticated Industries
	Measures on Promoting Zhongguancun Accelerating the Construction of World leading Technology Parks		Action Plans of BMC to Promote High Quality Development
	Opinions on Promoting Pilot Programs of Equity Investment and Venture Capital Share Transfer		Measures on Accelerating the Construction of High-quality Cluster of Entrepreneurship and Investment



Policies related to Beijing's 14th Five-Year Plan

	Outline of the 14th Five-Year Plan for National Economic and Social Development and Vision 2035 of Beijing Municipality		Plan of Beijing Municipality for Constructing the International Science and Technology Innovation Center during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for the Development of High-End, Precision, and Sophisticated Industries		Plans of Beijing Municipality for Optimizing Business Environment during the 14th Five-Year Plan Period
	Implementation Plans of Beijing Municipality for the Strategy of Rural Revitalization during the 14th Five-Year Plan Period		Development Plan of Beijing Municipality for Major Infrastructure during the 14th Five-Year Plan Period
	Plans of Beijing Municipality for the Development of Transportation during the 14th Five-Year Plan Period		Development Plan of Beijing Municipality for Energy during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Urban Management during the 14th Five-Year Plan Period		Plan of Beijing Municipality Eco-Environment Protection during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Urban Revitalization during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Constructing Healthy Beijing during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Developing Modern Service Industry during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Developing Culture and Tourism during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Developing Culture Industry during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Developing Radio, Television and Online Audiovisuals during the 14th Five-Year Plan Period

	Plan of Beijing Municipality for Developing Big-Data Industry during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Developing Robots Industry during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Developing Exposition Industry during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Modernization of Market Regulation during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Developing Intellectual Property during the 14th Five-Year Plan Period		Plan for Constructing Beijing Economic-Technological Development Area and Vision 2035 during the 14th Five-Year Plan
	Plan for Developing Zhongguancun National Independent Innovation Demonstration Zone during the 14th Five-Year Plan		Plans of Beijing Municipality on Education Reform and Development during the 14th Five-Year Plan Period (2021-2025)
	Plans of Beijing Municipality for Developing Human Resources and Social Security (including Medical Insurance) during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Pharmaceutical Safety and High Quality Development during the 14th Five-Year Plan Period
	Plans of Beijing Municipality for Developing Cultural Relics Museums during the 14th Five-Year Plan Period		Plan of Beijing Municipality for Business Service during the 14th Five-Year Plan Period
	Plans of Beijing Municipality for Developing Information and Communications Industry during the 14th Five-Year Plan Period		Plans of Beijing Municipality for Developing New Energy Vehicles during the 14th Five-Year Plan Period
	Plan of Beijing Municipality for Emergency Response Management during the 14th Five-Year Plan Period		











Note: including some municipal specific plans



Municipal policies related to the "Two Zones"

	Work Plans for Business Area in Constructing the "Two Zones"		Work Plans for Financial Area in Constructing the "Two Zones"
	Work Plans for Education Area in Constructing the "Two Zones"		Work Plans for Professional Service Area in Constructing the "Two Zones"
	Work Plans for Culture and Tourism Area in Constructing the "Two Zones"		Work Plans for Science and Technology Area in Constructing the "Two Zones"
	Work Plans for Digital Economy Area in Constructing the "Two Zones"		Work Plans for Healthcare Area in Constructing the "Two Zones"
	Work Plans for Aviation Services Area in Constructing the "Two Zones"		Work Measures of Beijing Customs to Promote the Development of the "Two Zones"
	Work Measures of Beijing Municipal Talent Service Office to Promote the Development of the "Two Zones"		Work Measures of Beijing Municipal Intellectual Property Office to Promote the Development of the "Two Zones"
	Work Measures of Beijing Municipal Finance Bureau to Promote the Development of the "Two Zones"		

Industry and sector-specific policies (partial)

	Measures of Beijing Municipality on Promoting Investment in High-End, Precision, and Sophisticated Industries and Promoting the High-End, Intelligent, and Green Development of Manufacturing Industry		Measures of Beijing Municipality on Promoting the High-Quality Development of "Specialized, Precision, Unique, and Innovative" SMEs
	Plan for Opening Development of Digital Economy Supply Chain in Beijing		Measures of Beijing Municipality on Promoting High Quality development of Digital Trade
	Plan for Constructing International Consumption Center with Two Airport Economic Zones (2021-2025)		Measures to Promote the High-Quality Development of First-Store and Debut Economy
	Measures on Supporting the Development of High-End Equipment and Sensor Industry		Plan for Promoting Sensor Industry Innovative development in Beijing
	Implementation Rules of Beijing Municipality on the Policy of "Investment, Loan, and Reward" in Cultural Industry		Plan of Beijing Municipality on Accelerating Pharmaceutical and Healthcare Industries (2021-2023)



# Appendix 2

## Investment service bureaus in Beijing

Organization	Address	Tele Number (8610)
Beijing Investment Promotion Service Center	F3, F4, Building F, Fuhua Building, No. 8 North Street, Chaoyangmeng, Dongcheng District, Beijing	65541880
Dongcheng District Investment Promotion Service Center	F2, Huiquan Building, East Damochang Street, Dongcheng District, Beijing	87160616
Dongcheng District Public Service Center	No. 52 Jinbao Road, Dongcheng District, Beijing	65258800
Xicheng District Commerce Bureau	No. 9 North Binhe Road, Xicheng District, Beijing	68012353
Xicheng District Public Service Administration Bureau	No. 275, Xizhimennei Street, Xicheng District, Beijing	82141607
Chaoyang District Investment Promotion Service Center	F4 Building A, Wangjing Science and Technology Park, No. 108 Number Two Middle Lize Road, Chaoyang District, Beijing	84681251
Chaoyang District Administrative Service Center	No. 1 Yunxiao Road, Yunxiaoli, Chaoyang District, Beijing	84681178
Service System Development Division of the Administrative Committee of ZGC Science City	F4 Haidian Investment Promotion Building, No. 6 Sijiqing Road, Hadian District, Beijing	88499599
Haidian District Public Service Administration Bureau	No. 67 Fucheng Road, Haidian District, Beijing	68466210
Fengtai District Investment Promotion Service Center	Room 2015, Lize Exhibition Center, Building 3, Compound 1, Dongguantou, Fengtai District, Beijing	63860065
Fengtai District Public Service Center	Yi, Southwest of Caihuying Bridge, South Caihuying Road, Fengtai District, Beijing	63397070
Shijingshan District Investment Promotion Service Center68607245	349, South Building, District Government Compound, No. 18, Shijingshan Road, Beijing	68607245
Shijignshan Public Service Bureau	Building 17, Compound 30, Shixing Street, Shijingshan District, Beijing	68860607
Mentougou District Investment Promotion Service Center	F3, Building 3, Shilong Gaoke Building, No. 20, Yong'an Road, Shilong Development Area, Mentougou District, Beijing	69803404
Mentougou District Administrative Service Center	No. 72, Binhe Road, Mentougou District, Beijing	69530219
Fangshan District Investment Promotion Service Center	Building A, No. 38, North Haotian Street, Changyang Town, Fangshan District, Beijing	81312898
Fangshan District Integrated Administrative Service Center	No. 38, North Haotian Street, Changyang Town, Fangshan District, Beijing	81312718
Tongzhou District Investment Promotion Service Center	Room 212, South Building, No. 256, East Xinhua Road, Tongzhou District, Beijing	69554111
Tongzhou District Administrative Service Center	No. 5 Number Two North Binhui Street, Yongshun Town, Tongzhou District, Beijing	69528132
Shunyi District Investment Promotion Service Center	F9, Zone C, Building 1, Compound 3, East Fuxing Road, Shunyi District, Beijing	89498830
Shunyi District Investment Service Center	No. 6 West Fuqian Street, Shunyi District, Beijing	81492202
Daxing District Emerging Industries Promotion Service Center	Room 1613, Section 3, Xinghua Street, Daxing District, Beijing	81296872
Daxing District Integrated Administrative Service Center	No. 15 Section 3, Xinghua Street, Daxing District, Beijing	81296088
Changping District Investment Promotion Service Center	No. 9 Chaoqian Road, Changping District, Beijing	69726240
Changping District Integrated Administrative Service Center	Building 4, Compound 22, Longshui Road, Changping District, Beijing	60718118
Pinggu District Investment Promotion Service Center	Room 502, Information Building, No. 13 North Linyin Street, Pinggu District, Beijing	89994859
Pingu District Integrated Administrative Service Center	No. 13 North Linyin Street, Pinggu District, Beijing	89999570
Huairou District Investment Promotion Service Center	No. 7 North Yingbing Road, Huairou District, Beijing	69632620
Huairou District Public Service Administration Bureau	No. 33 Kaifang Road, Huairou District, Beijing	69685930
Miyun District Investment Promotion Service Center	F11, F12, Building B, No. 358 East Shuiyuan Road, Miyun District, Beijing	69098188
Miyun District Public Service Center	No. 285 Xindong Road, Miyun District, Beijing	69021234
Yanqing District Investment Promotion Bureau	No. 1 East Ziguang Road, Yanqing District, Beijign	61164927
Yanqing District Administrative Service Center	No. 2 Xincheng Street, Yanqing District, Beijing	69146200
Business Cooperation Office of BETDA	905, Chaolin Building, No. 15 Middle Ronghua Road, BETDA	67881316

## Postscript

In 2022, Beijing Municipal Commerce Bureau and Beijing Investment Promotion Service Center, together with PwC, released for the first time Beijing Investment Development Report (hereafter referred to as the Report). The Report is an expansion of Beijing Foreign Investment Development Report 2019 to 2021, and aims to provide more detailed information on economic, industrial, spatial, cultural, and international development, and display investment opportunities in Beijing to the global investors in a comprehensive and multi-dimensional manner.

The Report includes six chapters, i.e., economic strength and investment prospects; expand opening up and innovate reform; industrial strength and distribution upgrade; business environment and city resilience; cultural and international visions, and Beijing in the eyes of foreigners. It will comprehensively present the fruitful results Beijing has achieved in headquarters economy, industrial structure, driving force for investment and consumption, driving force for innovative development, open economic development, key functional areas construction, cultural development, etc., and analyze the huge investment opportunities generated by the transition from "Development of Beijing" to "Development of the Capital". The Report comes with both Chinese and English versions with its content design in line with the investors' demands, and aims to provide guidance for investors with practical policy information, industry information, and location information.

We would like to extend sincere gratitude to the leaders of Beijing Municipality, Beijing Municipal Commerce Bureau, and Beijing Investment Promotion Service Center, as well as other relevant government authorities, for their guidance and support in the preparation of the Report. If you have any questions or valuable comments and suggestions while reading the Report, please feel free to contact us.

Beijing, the first and the only city in the world that has hosted both the Summer and Winter Olympics , and a city with charm, will join hands with you for a shared future!







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All the information and data in this report is as of 30th June 2022, excluding that disclosed to the public after this date. Unless otherwise indicated, all the information and data are from public official data resources, survey results or provided by Beijing Municipal Commerce Bureau.

The content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. PwC recommends investors consult with Beijing Municipal Commerce Bureau or professional consultants for tailor-made professional advice before making investment decisions.





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