

Research Series on the Chinese Dream
and China's Development Path

Changhong Pei
Wen Zheng

China's Outbound Foreign Direct Investment Promotion System



 Springer

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Research Series on the Chinese Dream and China's Development Path

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Drawing on a large body of empirical studies done over the last two decades, the *Research Series on the Chinese Dream and China's Development Path* seeks to provide its readers with in-depth analyses of the past and present, and forecasts for the future course of China's development. Thanks to the adoption of Socialism with Chinese characteristics, and the implementation of comprehensive reform and opening, China has made tremendous achievements in areas such as political reform, economic development, and social construction, and is making great strides towards the realization of the Chinese dream of national rejuvenation. In addition to presenting a detailed account of many of these achievements, the authors also discuss what lessons other countries can learn from China's experience. This series will be an invaluable companion to every researcher who is trying to gain a deeper understanding of the development model, path and experience unique to China.

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Series Preface

Since China's reform and opening began in 1978, the country has come a long way on the path of socialism with Chinese Characteristics, under the leadership of the Communist Party of China. Over 30 years of reform efforts and sustained spectacular economic growth have turned China into the world's second largest economy and brought many profound changes in the Chinese society. These historically significant developments have been garnering increasing attention from scholars, governments, and the general public alike around the world since the 1990s, when the newest wave of China studies began to gather steam. Some of the hottest topics have included the so-called China miracle, Chinese phenomenon, Chinese experience, Chinese path, and Chinese model. Homegrown researchers have soon followed suit. Already hugely productive, this vibrant field is putting out a large number of books each year, with Social Sciences Academic Press alone having published hundreds of titles on a wide range of subjects.

Because most of these books have been written and published in Chinese, however, readership has been limited outside China – even among many who study Chinese – for whom English is still the lingua franca. This language barrier has been an impediment to efforts by academia, business communities, and policy makers in other countries to form a thorough understanding of contemporary China, of what is distinct about China's past and present may mean not only for her future but also for the future of the world. The need to remove such an impediment is both real and urgent, and the *Research Series on the Chinese Dream and China's Development Path* is my answer to the call.

This series features some of the most notable achievements from the last 20 years by scholars in China in a variety of research topics related to reform and opening. They include both theoretical explorations and empirical studies and cover economy, society, politics, law, culture, and ecology, the six areas in which reform and opening policies have had the deepest impact and farthest-reaching consequences for the country. Authors for the series have also tried to articulate their visions of the “Chinese Dream” and how the country can realize it in these fields and beyond.

All of the editors and authors for the *Research Series on the Chinese Dream and China's Development Path* are both longtime students of reform and opening and recognized authorities in their respective academic fields. Their credentials and expertise lend credibility to these books, each of which having been subject to a rigorous peer review process for inclusion in the series. As part of the Reform and Development Program under the State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China, the series is published by Springer, a Germany-based academic publisher of international repute, and distributed overseas. I am confident that it will help fill a lacuna in studies of China in the era of reform and opening.

Xie Shouguang

Acknowledgments

After a relatively short gestation period, the *Research Series on the Chinese Dream and China's Development Path* has started to bear fruits. We have, first and foremost, the books' authors and editors to thank for making this possible. And it was the hard work by many people at Social Sciences Academic Press and Springer, the two collaborating publishers, that made it a reality. We are deeply grateful to all of them.

Mr. Xie Shouguang, president of Social Sciences Academic Press (SSAP), is the mastermind behind the project. In addition to defining the key missions to be accomplished by it and setting down the basic parameters for the project's execution, as the work has unfolded, Mr. Xie has provided critical input pertaining to its every aspect and at every step of the way. Thanks to the deft coordination by Ms. Li Yanling, all the constantly moving parts of the project, especially those on the SSAP side, are securely held together and as well synchronized as is feasible for a project of this scale. Ms. Gao Jing, unfailingly diligent and meticulous, makes sure every aspect of each Chinese manuscript meets the highest standards for both publishers, something of critical importance to all subsequent steps in the publishing process. That high-quality, if also at times stylistically as well as technically challenging, scholarly writing in Chinese has turned into decent, readable English that readers see on these pages is largely thanks to Ms. Liang Fan, who oversees translator recruitment and translation quality control.

Ten other members of the SSAP staff have been intimately involved, primarily in the capacity of in-house editor, in the preparation process for all the Chinese manuscripts. It is time-consuming work that requires attention to details, and each of them has done this and is continuing to do this well. They are, in alphabetical order of their surname, Mr. Cai Jihui, Ms. Liu Xiaojun, Mr. Ren Wenwu, Ms. Shi Xiaolin, Ms. Song Yuehua, Mr. Tong Genxing, Ms. Wu Dan, Ms. Yao Dongmei, Ms. Yun Wei, and Ms. Zhou Qiong. In addition, Xie Shouguang and Li Yanling have also taken part in this process.

Ms. Shi Xiaolin is the SSAP in-house editor for the current volume.

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Contents

1	China's Outbound Foreign Direct Investment Promotion System:	
	Overall Design	1
1.1	History of China's Outbound Foreign Investment.....	1
1.1.1	China's Outbound Foreign Investment: Fundamentally Keeping Pace with Reform and Opening Up.....	1
1.1.2	Main Characteristics of China's Outbound Foreign Investment.....	12
1.2	Main Problems with China's Outbound Foreign Investment	15
1.2.1	Lack of a Top-Down Design	16
1.2.2	A Market Mechanism for China's Outbound Foreign Investment Has Yet to Be Established	16
1.2.3	China Lacks a Complete Set of Laws and Policies Regarding Outbound Foreign Investment.....	19
1.2.4	Chinese Foreign Investors Are Frequent Victims of Investment Protectionism	26
1.2.5	China's Poor Outbound Foreign Investment Structure and Returns.....	28
1.3	Restructuring of China's Foreign Investment Promotion System	31
1.3.1	The Legal Subsystem.....	31
1.3.2	The Supervision/Administration Subsystem.....	32
1.3.3	The Tax/Financial Subsystem	33
1.3.4	The IP/Standards Subsystem.....	34
1.3.5	The Risk Prevention and Control Subsystem	34
1.3.6	The Overseas Economic and Trade Cooperation Zone Promotion Subsystem	35
1.3.7	The Overseas Securities Investment Promotion System.....	35
1.3.8	The Service Subsystem.....	36
2	The Legal Subsystem	37
2.1	Accelerating Domestic Legislation for Investment	37
2.1.1	The Legislative Framework	37

2.1.2	Legislative Points	38
2.1.3	Others	53
2.2	Improving Relevant International Treaties	53
2.2.1	BITs.....	54
2.2.2	International Tax Treaties.....	64
2.2.3	FTAs.....	70
2.2.4	Other Issues.....	74
3	The Supervision/Administration Subsystem	77
3.1	Optimizing Institutional Setup	77
3.1.1	Overview of Current Chinese Outbound Investment Regulatory Authorities	77
3.1.2	Main Problems with Chinese Authorities Regulating Outbound Investment	80
3.1.3	Set Up a Single Authority Managing the Outbound Investment Strategy	81
3.2	Improving Supervision/Administration	83
3.2.1	Simplify the Approval of Outbound Investment Projects	83
3.2.2	Improve Foreign Exchange Management	89
3.2.3	Environmental Monitoring in Investment Destinations	98
3.2.4	Others.....	100
4	The Fiscal/Taxation/Financial Subsystem	105
4.1	The Fiscal/Taxation System.....	105
4.1.1	Current Fiscal/Tax Incentives for Overseas Investment.....	105
4.1.2	Increase Fiscal/Tax Support for China's Outbound Investment	107
4.2	The Financial System	114
4.2.1	Current Financial Policies for China's Outbound Investment	114
4.2.2	Improve the Financial Support System for China's Outbound Investment	117
5	The IP/Standards Subsystem	121
5.1	Enhancing International IP Protection.....	122
5.1.1	Enhance the IP Management System.....	122
5.1.2	Improve the IP Support System	125
5.1.3	Strengthen International IP Protection.....	129
5.2	Engaging in International Competition in the Field of Standards	135
5.2.1	The Competitive Strategy	136
5.2.2	Policies and Measures.....	145
6	The Risk Prevention and Control Subsystem.....	153
6.1	The Prevention and Control System at the Government Level	153
6.1.1	Improving Information Services	154
6.1.2	Enhance Security Regulation.....	161
6.1.3	Improve the Security Risk Response Mechanism.....	162

6.2	The Prevention and Control System at the Enterprise Level.....	168
6.2.1	Improve Risk Cost Accounting.....	168
6.2.2	Optimize the Mechanism for Making Risk Prevention Decisions.....	171
6.2.3	Effectively Integrate into the Society of the Host Country.....	173
7	The Overseas Economic and Trade Cooperation Zone Promotion Subsystem.....	177
7.1	Promote the Development of Cooperation Zones	177
7.1.1	Overview of Overseas Economic and Trade Cooperation Zones	177
7.1.2	Main Problems with Overseas Economic and Trade Cooperation Zones	179
7.1.3	Recommendations for Furthering the Growth of Overseas Economic and Trade Cooperation Zones	181
7.2	Assist Private Companies in the Cooperation Zones.....	187
7.2.1	Overview of Private Companies in the Overseas Economic and Trade Cooperation Zones	187
7.2.2	Main Problems Facing Chinese Private Companies That Implement Overseas Economic and Trade Cooperation Zones	187
7.2.3	Recommendations on How to Support Chinese Private Companies in Overseas Economic and Trade Cooperation Zones	191
8	The Overseas Securities Investment Promotion Subsystem	193
8.1	Improve Main Systems in the Field of Overseas Securities Investment.....	193
8.1.1	Flaws in China's QDII System	195
8.1.2	Improve China's QDII System.....	199
8.2	Standardize Sovereign Wealth Funds (SWFs).....	201
8.2.1	Organizational Governance: Pay Equal Attention to Standardization and Professionalism	202
8.2.2	Clear Positioning: A Commercial Organization that Acts Under Market Rules.....	203
8.2.3	Institutional Improvements: Fund Legislation and International Cooperation.....	204
8.2.4	Obey Certain Practices: Become More Transparent and Seek Win-Win Situations	205
9	The Service Subsystem	207
9.1	Encourage Industry Associations to Develop on Their Own.....	207
9.1.1	Enhance Relevant Systems	208
9.1.2	Reduce Administrative Control.....	209
9.1.3	Enhance the Capacity of Self-Governance	210
9.1.4	Assisting the Industry in Going Global	211

- 9.2 Build a Credit Rating System..... 216
 - 9.2.1 Problems with Credit Rating in China..... 217
 - 9.2.2 Build a Good Credit Rating System in China..... 220
- References..... 231**

Abstract

The global financial crisis has provided a historic opportunity for outbound foreign direct investment (FDI) by Chinese enterprises. China should grasp this opportunity by prioritizing and accelerating outbound FDI while continuing to open up. As part of this effort, the Chinese government should take the lead in planning, regulating and guiding – from a macroeconomic development strategy perspective – outbound FDI made by companies. Furthermore, it should make, change and implement relevant laws, regulations and policies in a timely manner to suit the latest outbound FDI trends, while encouraging, guiding and protecting outbound FDI by Chinese companies through a combination of support and regulation. This will ensure sustainable and healthy development of outbound FDI, allowing Chinese companies to profit while also accomplishing national economic strategy objectives.

Improving China’s outbound FDI promotion system will facilitate the implementation of China’s “go global” strategy, the acceleration of China’s modernization process, and the achievement of long-term, stable and sustainable socioeconomic development in the context of globalization. This is a significant issue in terms of practical value and theoretical innovation. In this book, we design and build an outbound FDI promotion system for China in the new era based on extensive research of China’s history, basic situation, and major challenges related to outbound FDI. The system presented in this book is comprised of eight subsystems, including the legal, supervision/management, taxation/financial, intellectual property (IP)/standards, risk prevention and control, overseas economic and trade cooperation zone promotion, outward securities investment promotion and service subsystems.

Keywords Investment • Outbound foreign direct investment • Promotion system