



## **2011 Revision of *China's Foreign Investment Guidance Catalogue***

**General overview and trends in industry development**

March 2012

iGeo Investment & Consulting

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**2011 Revision of *China's***  
***Foreign Investment Guidance Catalogue***  
General overview and trends in industry development

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Delivering solutions in China

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Last January 30th the new “*Catalogue for the Guidance of Foreign Invested Industries*”, or Foreign Investment Guidance Catalogue came into effect. Jointly promulgated by China's Ministry of Commerce (MOFCOM) and China's National Development and Reform Commission (NDRC) at the end of 2011, the document's objective is to guide and direct foreign investment in China. The catalogue divides industries into three categories: encouraged, restricted and prohibited.

**Encouraged industries** are those industries which the central government considers need to be developed. **Compared to foreign industries these tend to present in China a lower level of technological, productive or industrial development.** Foreign investors in the encouraged industries may access advantageous conditions granted by public authorities when establishing in China.

In the case of **restricted industries**, the Catalogue defines **specific requirements to be imposed on the foreign investor** (obligations to invest jointly with a local partner and associated shareholding percentages, minimum investment requirements, required authorizations at different government levels, etc.). In some cases, industries categorised as restricted may include industries that the National Development and Reform Commission (NDRC) deems necessary to promote but which are strategic for the State and, consequently, need to be rigorously controlled.

**Prohibited industries** are those in which foreign investment is prohibited. It usually covers industries of strategic or cultural interest and which the government does not deem appropriate to open to foreign investment, either for national security reasons or for reasons of information control.

An additional category is formed by those industries not mentioned in the catalogue. These industries are deemed open to foreign investment, with no special conditions (either positive or negative) for foreign investors to meet.

The present report's objective is to summarise the structure of the newly approved revision of China's Foreign Investment Industrial Guidance Catalogue (containing more than 470 industries divided into sectors) and to highlight the main changes and trends. There are three types of changes that we point out: (1) **modifications** to already encouraged, restricted or prohibited industries; (2) industries that have been **removed** from any of the three main sections (encouraged, restricted and prohibited); (3) industries that have been **added** for the first time to any of the above mentioned sections.

We include in this presentation the English translation of most of the newly encouraged industries and of the restrictions that have been removed from the Catalogue. Finally, we mention some of the industries previously encouraged in the 2007 revision that have now been removed from that category. This translation is a preliminary reference and must not be considered a legal reference. The original Chinese text of the Catalogue is the only one that may be considered valid for this purpose.

# How is the Catalogue Structured?

<b>China's Foreign Investment Guide Catalogue, 2011 Amendment</b>
<b>Encouraged Foreign Investment Industries</b>
<b>I. Farming, Forestry, Animal Husbandry and Fishery Industries</b>
I.1 Planting, development and production of woody edible oil, spices ...
I.2 Planting technology, without social effects of pollution...
...
<b>II. Mining and Quarrying Industries</b>
<b>III. Manufacturing / Processing Industry</b>
<b>1. Farm Products Processing Industry</b>
III.1.1 Development and production of biology feeds...
III.1.2 Aquatic products processing...
III.1.3 Storage and processing of vegetables...
<b>2. Food Manufacturing Industry</b>
III.2.1 Development and production of infant food...
III.2.2 Development, production and processing of forest food...
...
<b>IV. Production and Supply of Power, Gas and Water</b>
<b>V. Communication and Transportation, Storage, Post and Telecommunication Services</b>
...
<b>XII. Culture, sports and entertainment</b>
<b>Restricted Industries</b>
<b>I. Farming, Forestry, Animal Husbandry and Fishery Industries</b>
...
<b>XIII. Other industries restricted by the State or international treaties that China has signed or taken part in</b>
<b>Prohibited Industries</b>
<b>I. Farming, Forestry, Animal Husbandry and Fishery Industries</b>
...
<b>XII. Other industries restricted by the State or international treaties that China has signed or taken part in</b>

The catalogue is divided into three sections: encouraged, restricted and prohibited industries.

Each section is divided into 12 (encouraged and prohibited industries) or 13 (restricted industries) "broad industries" .

Within each "broad industry", specific encouraged, restricted or prohibited industries are identified. With the exception of "manufacturing /processing industries", this is the minimum analysis level for all industries.

For the "manufacturing /processing industries" there is an additional breakdown into 23 manufacturing subsectors. Each of those includes manufacturing fields that are specifically encouraged, restricted or prohibited.

The structure described above is repeated in the "restricted industries" and "prohibited industries" sections (the number of sectors, subsectors and fields may vary).

"Restricted" and "prohibited" sections include an unspecified sector described as "other industries". This gives the Chinese authorities flexibility, if required, when enforcing legislation.

## How Can the Catalogue Affect an Industry? Aerospace Industry Example

One of the most common ways the Foreign Investment Catalogue guidelines affect potential investors is by imposing an obligation to have a local partner in order to be able to establish in the country. The catalogue can be very specific when pointing out what type of activity may be carried out alone and what type requires a minority or majority partner. As example, we present the aerospace industry:

Is a local partner required in order to establish legally in the aerospace industry?	No	Yes, but it may be a minority partner	Yes, and it must have control
Design, manufacturing and maintenance of civil aircraft, commercial aircraft			•
Design, manufacturing and maintenance of civil aircraft, general aircraft		•	
Production and maintenance of spare parts for civil aircraft	•		
Design and manufacturing of civil helicopters of three tons or more			•
Design and manufacturing of civil helicopters of less than three tons		•	
Production of spare parts for civil helicopters	•		
Manufacturing of ground and water effect aircraft			•
Design and manufacturing of unmanned aircraft and aerostat			•
Design, manufacturing and maintenance aircraft engines and spare parts as well as air power systems		•	
Design and manufacturing of civil airborne equipment		•	
Manufacturing of aviation ground equipment: civil airfield facilities, support equipment for civil airfield work, ground equipment for flight test, equipment for flight simulation and practice, equipment for aeronautic testing and measuring, equipment for aeronautic ground testing, comprehensive testing equipment for machines, special equipment for aeronautic manufacturing, equipment for pilot manufacturing aeronautic materials, ground receiving and applying equipment for civil aircraft, ground testing equipment for rocket launcher, equipment for dynamic and environmental experience for rocket launcher	•		
Manufacturing of mechanical and electrical products for aircraft, temperature control products for aircraft, test equipment for aviation products and structure and organisation products for aircraft	•		
Manufacturing of light gas-turbine engine	•		

## I. Drivers of Change in the Catalogue

The Catalogue's main objective is to facilitate China's industrial upgrade: from low cost industries to high value-added industries

Environment is another key element: Almost 50% of the new encouraged industries are directly related to environmentally-friendly product development, recycling, waste management, waste dumping and pollution management or renewable energies / new energies

## Examples of amendments made from the 2007 version to the 2011 version of China's Foreign Investment Guidance Catalogue

27 new specific mentions of environmentally-friendly product development, including recycling, waste management, dumping and pollution management, and renewable energies/new energies.

Virtually the entire catalogue aims to promote industrial and technical development. In addition to the numerous high value-added industries encouraged in the catalogue, the establishment of professional training companies (vocational training) is also encouraged.

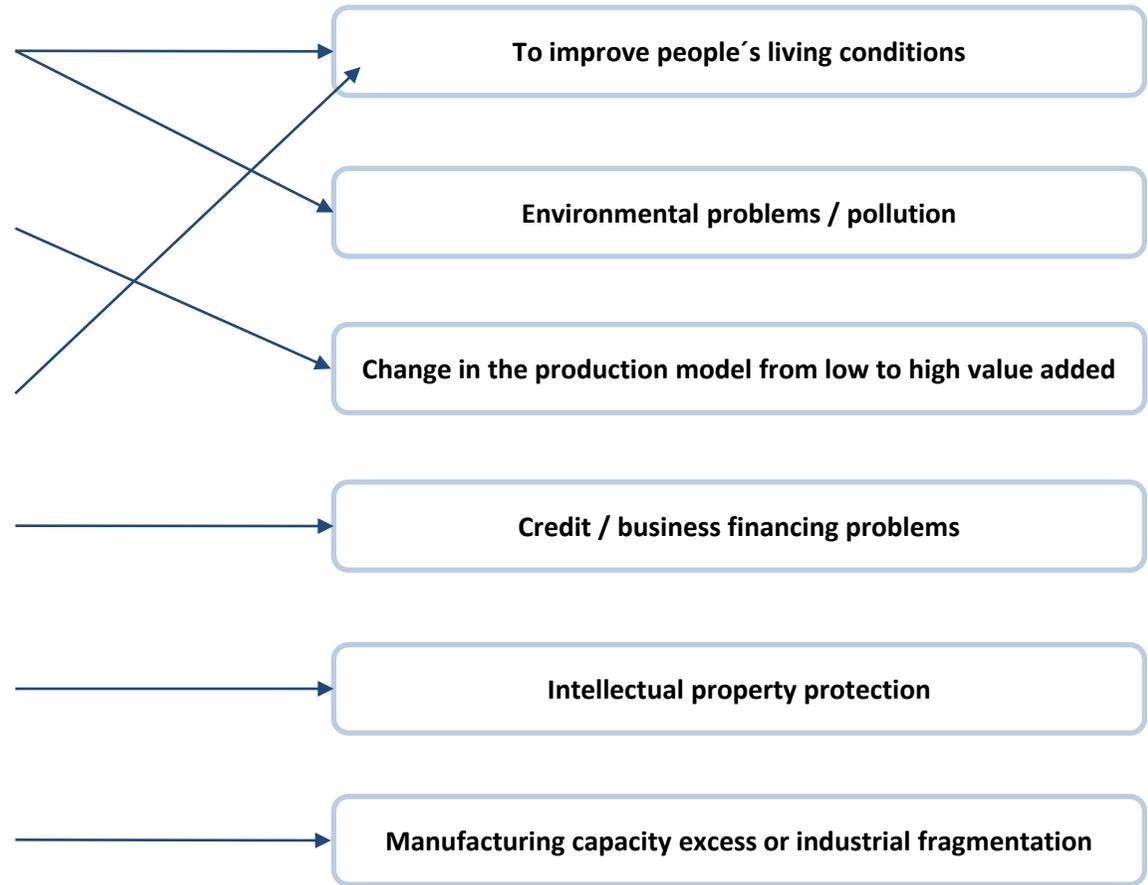
Restrictions on the establishment of medical treatment establishments, hospitals and similar facilities disappear.

Establishment of foreign venture capital firms is encouraged and restrictions on leasing companies are removed.

Establishment of foreign service companies oriented towards intellectual property protection is encouraged.

Incentives for the establishment of automobile manufacturing companies are removed. Restrictions are imposed on small scale manufacturing investments.

Some of the economic and social challenges the People's Republic of China currently faces.



**To improve people's living conditions**

**Environmental problems / pollution**

**Change in the production model from low to high value added**

**Credit / business financing problems**

**Intellectual property protection**

**Manufacturing capacity excess or industrial fragmentation**

# Encouraged Sectoral Activities Added or Removed in the 2011 Catalogue

China Foreign Investment Catalogue, 2011 (Encouraged Industries)	Removed	Added
I. Farming, forestry, animal husbandry and fishery Industries	1	0
II. Mining and quarrying industries	1	1
III. Manufacturing / processing industry	49	45
IV. Production and supply of power, gas and water	0	2
V. Communication and transportation, storage, post and telecommunication services	0	0
VI. Wholesale and retail	1	2
VII. Leasing and commercial service industry	0	3
VIII. Scientific research and technical services industries, geological prospecting	0	1
IX. Irrigation, environment and public utilities management	0	0
X. Education	0	1
XI. Health, social security and welfare	0	0
XII. Culture, sports and entertainment industries	0	0

Incentives for investments that increase low and medium agricultural yields have disappeared.

Incentives for prospecting and exploitation of submarine flammable ice (*methane hydrate*) have been eliminated, and unconventional natural gas exploration and development is encouraged.

Construction and operation of water recycling plants, motor vehicle charging stations and battery replacement stations is encouraged.

Distribution chain development in rural areas is encouraged as well as the construction and operation of pallet and container systems.

Venture capital enterprises, intellectual property services and domestic services are now encouraged.

Investments on technology for marine oil pollution clean up and ecological restoration is encouraged.

Check next slides.

Incentives to “modern logistics” companies are removed.

Vocational training companies are encouraged now.

## Encouraged Industries Added or Removed in the 2011 Catalogue

III. Manufacturing / Processing Industries	Removed	Added
1. Farm products processing	0	0
2. Food	0	0
3. Drinks	0	0
4. Tobacco	2	0
5. Textile industry	1	2
6. Leather, coat and feather products	0	1
7. Lumber processing industry and wood bamboo, bine, palm, grass products	0	0
8. Paper making and paper products	0	0
9. Petroleum refining and coking	0	0
10. Chemical raw material and products manufacturing	8	1
11. Medical and pharmaceutical products	4	0
12. Chemical fiber manufacturing	2	1
13. Plastic products	1	1
14. Non-metal mineral products processing	4	7
15. Non-ferrous metallurgical smelting and rolling processing	0	0
16. Metal products	0	1
17. General equipment manufacturing	1	4
18. Special equipment manufacturing	8	14
19. Transportation and communication equipment	3	2
20. Electrical equipment	3	5
21. Communication equipment, computer and other electronic equipment manufacturing	5	2
22. Instruments for measuring and activities for culture and office	7	3
23. Handicraft and other manufacturing	0	1

Incentives for tobacco production and filter rods have been removed.

Incentives for production of special textiles with high and new technology have been removed. Production of multifunctional industrial textiles (lightweight, high strength, chemical resistant, high/low temperature resistant) and of functional, environmental protection and special clothing is encouraged

Investment in leather waste utilisation is now encouraged.

Incentives removed from production of ethylene and its derivatives, with the exception of ethylene-propylene rubber, engineering plastics and polyethylene vinyl acetate plastic alloys. Production of fluorine resin, fluorine membrane materials and environmentally-friendly refrigerants and cleaning agents is encouraged.

Incentives for highly effective and economical contraception medication, BCG, poliomyelitis vaccines and the production of biomedicine material have been removed.

The word "handicraft" has been added to the 2011 revision of the catalogue.

## Encouraged Industries Added or Removed in the 2011 Catalogue

III. Manufacturing / Processing Industries	Removed	Added
1. Farm products processing	0	0
2. Food	0	0
3. Drinks	0	0
4. Tobacco	2	0
5. Textile industry	1	2
6. Leather, coat and feather products	0	1
7. Lumber processing industry and wood bamboo, bine, palm, grass products	0	0
8. Paper making and paper products	0	0
9. Petroleum refining and coking	0	0
10. Chemical raw material and products manufacturing	8	1
11. Medical and pharmaceutical products	4	0
12. Chemical fiber manufacturing	2	1
13. Plastic products	1	1
14. Non-metal mineral products processing	4	7
15. Non-ferrous metallurgical smelting and rolling processing	0	0
16. Metal products	0	1
17. General equipment manufacturing	1	4
18. Special equipment manufacturing	8	14
19. Transportation and communication equipment	3	2
20. Electrical equipment	3	5
21. Communication equipment, computer and other electronic equipment manufacturing	5	2
22. Instruments for measuring and activities for culture and office	7	3
23. Handicraft and other manufacturing	0	1

Incentives for environmentally-friendly production of dissolvent cellulose fiber are removed, and there are some changes in the definition of encouraged environmentally-friendly manufactured fibers (PLA, PDO, PHA, Lyocell).

Incentives for production and development of agricultural film are now limited to those which are multi-function, ecological and optical high performing.

Production is encouraged for: (1) electric conductive glass film, (2) a variety of special glass fibers, (3) aluminium nitride (AlN) ceramic substrates and porous ceramic, (4) organic and inorganic composite foam insulation, (5) waste recycling, (6) use of industrial *gypsum*, and (7) new technology development for mine tailings utilisation and ecological restoration for mining.

Nickel-stainless steel product manufacturing

III. Manufacturing / Processing Industries	Removed	Added
1. Farm products processing	0	0
2. Food	0	0
3. Drinks	0	0
4. Tobacco	2	0
5. Textile industry	1	2
6. Leather, coat and feather products	0	1
7. Lumber processing industry and wood bamboo, bine, palm, grass products	0	0
8. Paper making and paper products	0	0
9. Petroleum refining and coking	0	0
10. Chemical raw material and products manufacturing	8	1
11. Medical and pharmaceutical products	4	0
12. Chemical fiber manufacturing	2	1
13. Plastic products	1	1
14. Non-metal mineral products processing	4	7
15. Non-ferrous metallurgical smelting and rolling processing	0	0
16. Metal products	0	1
17. General equipment manufacturing	1	4
18. Special equipment manufacturing	8	14
19. Transportation and communication equipment	3	2
20. Electrical equipment	3	5
21. Communication equipment, computer and other electronic equipment manufacturing	5	2
22. Instruments for measuring and activities for culture and office	7	3
23. Handicraft and other manufacturing	0	1

Production is encouraged for: (1) manufacturing of high-density and high precision metallurgical parts and chains for automotive and engineering applications,, (2) gear transmission system for wind power, high speed train, marine gear and large machinery, (3) micro-precision drive coupling parts, and (4) large scale manufacture of mill shaft connection.

14 investment areas in special equipment manufacturing have been added to the encouraged industries list: equipment for (1) automotive electric batteries, (2) multi-colour press (minimum speed required), (3) solid waste disposal, (4) red mud from aluminium industry utilisation, (5) automatic coating machines, (6) tailings utilisation, (7) textile waste recycling, (8) manufacturing of re-used electronic products, (9) mobile water purification, (10) water quality monitoring, reuse and treatment, (11) leak detection and water supply network, (12) marine oil spill recovery, (13) gas ventilation systems (VAM) in coal mines, and (14) non-PVC medical bags of water-cooled multi-layer blown film.

III. Manufacturing / Processing Industries	Removed	Added
1. Farm products processing	0	0
2. Food	0	0
3. Drinks	0	0
4. Tobacco	2	0
5. Textile industry	1	2
6. Leather, coat and feather products	0	1
7. Lumber processing industry and wood bamboo, bine, palm, grass products	0	0
8. Paper making and paper products	0	0
9. Petroleum refining and coking	0	0
10. Chemical raw material and products manufacturing	8	1
11. Medical and pharmaceutical products	4	0
12. Chemical fiber manufacturing	2	1
13. Plastic products	1	1
14. Non-metal mineral products processing	4	7
15. Non-ferrous metallurgical smelting and rolling processing	0	0
16. Metal products	0	1
17. General equipment manufacturing	1	4
18. Special equipment manufacturing	8	14
19. Transportation and communication equipment	3	2
20. Electrical equipment	3	5
21. Communication equipment, computer and other electronic equipment manufacturing	5	2
22. Instruments for measuring and activities for culture and office	7	3
23. Handicraft and other manufacturing	0	1

Encouraged: luxury cruise ships and deep marine engineering equipment (3000m), and design and production of diesel engines for low-medium speed ships, as well as their parts and spares.

Incentives for automobile research and development for manufacture of complete automobiles are now removed.

Five encouraged areas: (1) sintering and denitrification equipment manufacturing for coal-fired power plants, iron and steel industries, (2) key hydroelectric equipment, (3) pumped-storage unit manufacturing – power 350MW and above, (4) high-tech green battery manufacturing, and (5), refrigeration and airconditioning compressors using DC motor speed control technology, natural refrigerant CO2 cooling, and applying renewable energy resources

III. Manufacturing / Processing Industries	Removed	Added
1. Farm products processing	0	0
2. Food	0	0
3. Drinks	0	0
4. Tobacco	2	0
5. Textile industry	1	2
6. Leather, coat and feather products	0	1
7. Lumber processing industry and wood bamboo, bine, palm, grass products	0	0
8. Paper making and paper products	0	0
9. Petroleum refining and coking	0	0
10. Chemical raw material and products manufacturing	8	1
11. Medical and pharmaceutical products	4	0
12. Chemical fiber manufacturing	2	1
13. Plastic products	1	1
14. Non-metal mineral products processing	4	7
15. Non-ferrous metallurgical smelting and rolling processing	0	0
16. Metal products	0	1
17. General equipment manufacturing	1	4
18. Special equipment manufacturing	8	14
19. Transportation and communication equipment	3	2
20. Electrical equipment	3	5
21. Communication equipment, computer and other electronic equipment manufacturing	5	2
22. Instruments for measuring and activities for culture and office	7	3
23. Handicraft and other manufacturing	0	1

Manufacturing of touch control systems and IPv6 based next-generation internet system equipment are added to the encouraged category.

Three new encouraged areas: (1) digital camera manufacturing (+ 10<sup>7</sup> pixels), (2) multifunctional office machinery (copying, printing, facsimile, scanning), colour printing and high resolution equipment, and (3) digital cinema projector (2K and 4K), digital movie camera, digital image production and editing service.

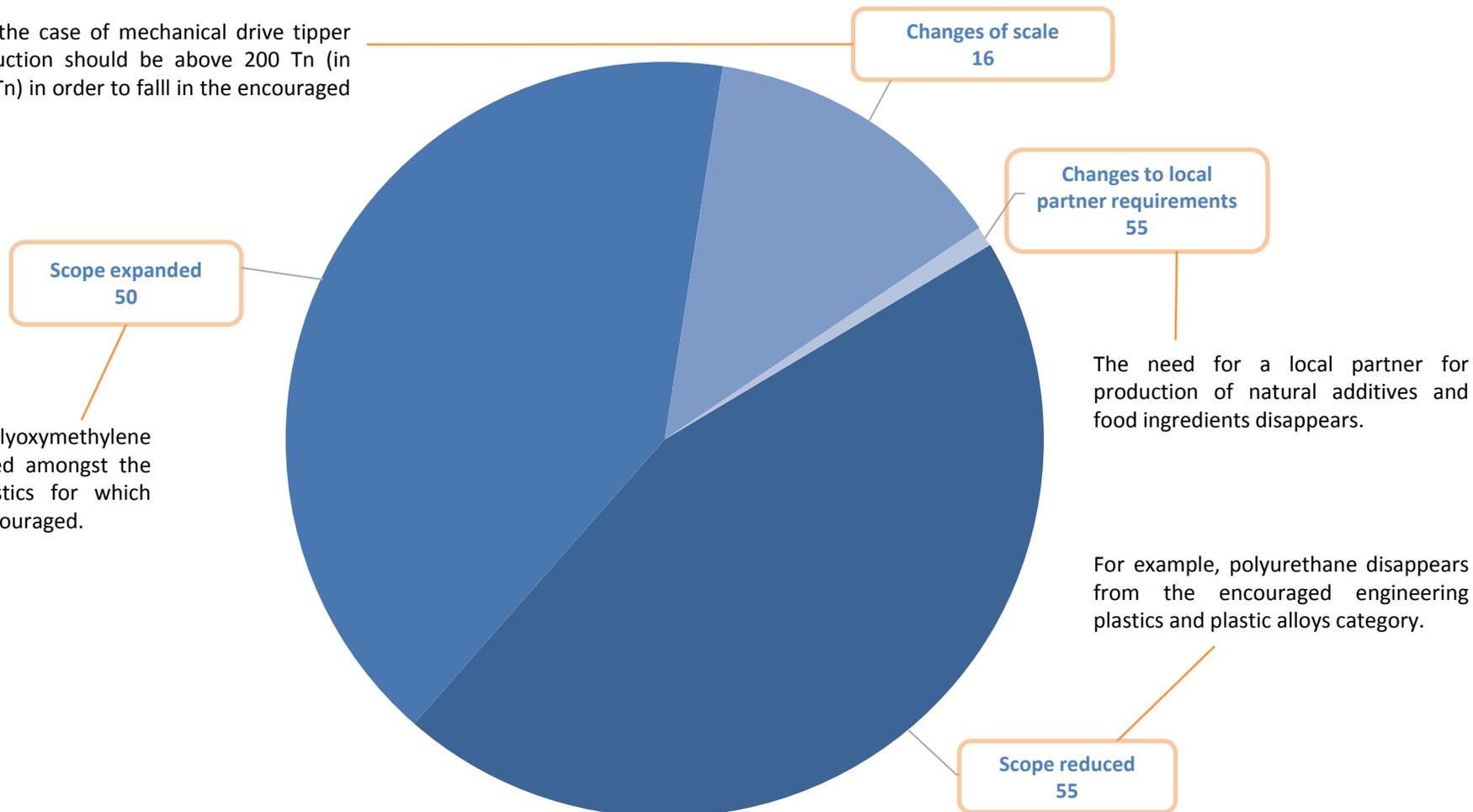
Handicraft, recovery and treatment of waste electrical appliances and electronic product, automobiles, electrical and mechanical equipment, rubber, metal and battery.

## Amendments to Sectoral Areas Already Encouraged in the 2007 Version

In addition to those sectors which were either added for the first time or completely removed, a total of 122 “encouraged” sectors have been modified in some form compared to the 2007 version. These amendments may imply an expansion or a limitation of that industry coverage in the catalogue, an expanded or reduced investment scale requirement, changes to the product characteristics or production process, or a change in the requirements for a local partner in order to establish in China.

For example, in the case of mechanical drive tipper for mines, production should be above 200 Tn (in 2007 it was 100 Tn) in order to fall in the encouraged category.

For example, polyoxymethylene (POM) is included amongst the engineering plastics for which production is encouraged.



## Restricted Industries Added or Removed from the 2011 Version of the Catalogue

China Foreign Investment Catalogue, 2011 (Restricted Industries)	Removed	Added
I. Farming, forestry, animal husbandry and fishery Industries	0	0
II. Mining and quarrying industries	0	0
III. Manufacturing / processing Industry	9	3
IV. Production and supply of power, gas and water	0	1
V. Communication and transportation, storage, post and telecommunication services	0	0
VI. Wholesale and retail	1	0
VII. Insurance and banking	0	0
VIII. Real Estate	0	0
IX. Leasing and business services	0	0
X. Scientific research, technical services and geological prospecting	0	0
XI. Irrigation, environment and public utilities management	1	0
XII. Education	0	0
XIII. Health, social security and welfare	1	0
XIV. Culture, sports and entertainment industries	0	0

Investment is restricted for (1) small-scale production of PVC with acetylene process, ethylene and post-processed products, (2) small-scale production of paint with obsolete process or hazardous substances, and (3) production of inorganic salts where there is a heavy resource consumption, outdated process and serious environmental pollution.

The restriction on foreign investment in commodity auctions is removed.

The restriction on the establishment of foreign leasing companies is removed.

Apparently, restrictions on investment in construction and management of water, gas and heating supply networks in large cities are removed. In reality, it is just transferred to point IV, where for cities of 500 000 people and over, a local majority shareholder is required.

One of the major changes is the 2011 revision is the elimination of restrictions on investment in medical treatment establishments. In this new version a local partner is no longer required.

Restrictions have been lifted on foreign investment in the manufacture of (1) carbonic acid beverages, (2) chloromethane (except CH<sub>3</sub>Cl) and PVC via calcium carbide, (3) sulfate process titanium dioxide and open hearth process permanganate, (4) barium salt, (5) disposable syringes, blood transfusion systems and blood bags, (6) containers, (7) ultrasound displays (low or medium level), (8) fiscal cash registers.

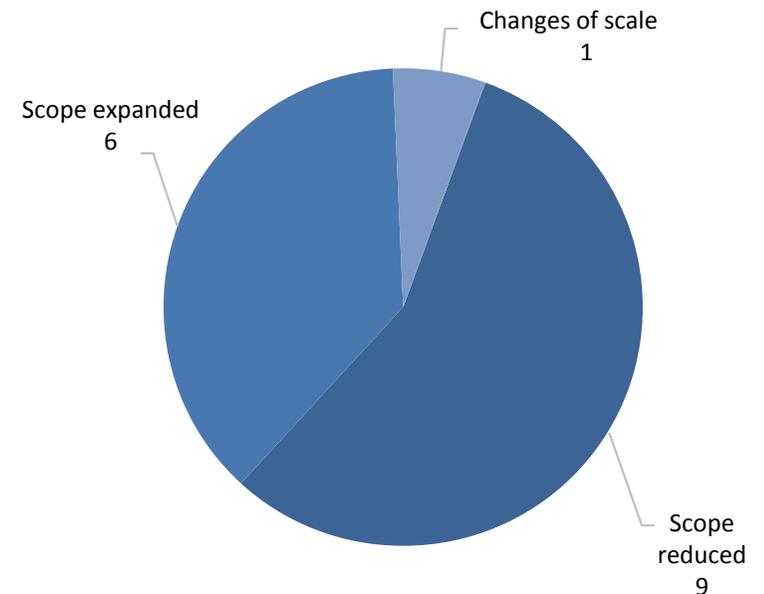
## Restricted Industries Added or Removed from the 2011 Version of the Catalogue

China Foreign Investment Catalogue, 2011 (Restricted Industries)	Removed	Added
I. Farming, forestry, animal husbandry and fishery industries	0	0
II. Mining and quarrying industries	0	0
III. Manufacturing / processing industry	9	3
IV. Production and supply of power, gas and water	0	1
V. Communication and transportation, storage, post and telecommunication services	0	0
VI. Wholesale and retail	1	0
VII. Insurance and banking	0	0
VIII. Real Estate	0	0
IX. <i>Leasing</i> and business services	0	0
X. Scientific research, technical services and geological prospecting	0	0
XI. Irrigation, environment and public utilities management	1	0
XII. Education	0	0
XIII. Health, social security and welfare	1	0
XIV. Culture, sports and entertainment industries	0	0

In addition to the changes to sectoral areas mentioned in the previous section, some restrictions on complete subsectors existing in the 2007 version have been removed, both in the manufacturing /processing Industry ( like rubber products and metal manufacturing) and in the irrigation, environment and public utilities management industry on its entirety.

China Foreign Investment Catalogue, 2011 (Restricted Industries)
I. Farming, forestry, animal husbandry and fishery Industries
II. Mining and quarrying industries
III. Manufacturing / processing industry
IV. Production and supply of power, gas and water
V. Communication and transportation, storage, post and telecommunication services
VI. Wholesale and retail
VII. Insurance and banking
VIII. Real Estate
IX. <i>Leasing</i> and business services
X. Scientific research, technical services and geological prospecting
XI. Irrigation, environment and public utilities management
XII. Education
XIII. Health, social security and welfare
XIV. Culture, sports and entertainment industries

In addition to the sectoral areas added for the first time or completely removed, 16 restricted sectoral areas have undergone some type of modification. As in the case of the encouraged industries, these modifications may involve an extension or reduction in the catalogue's scope of coverage for that specific area, expanded or reduced investment scale requirements, changes in the product characteristics or the production process, or a change in the requirements (scale or shareholding) for a local partner in order to establish in China.



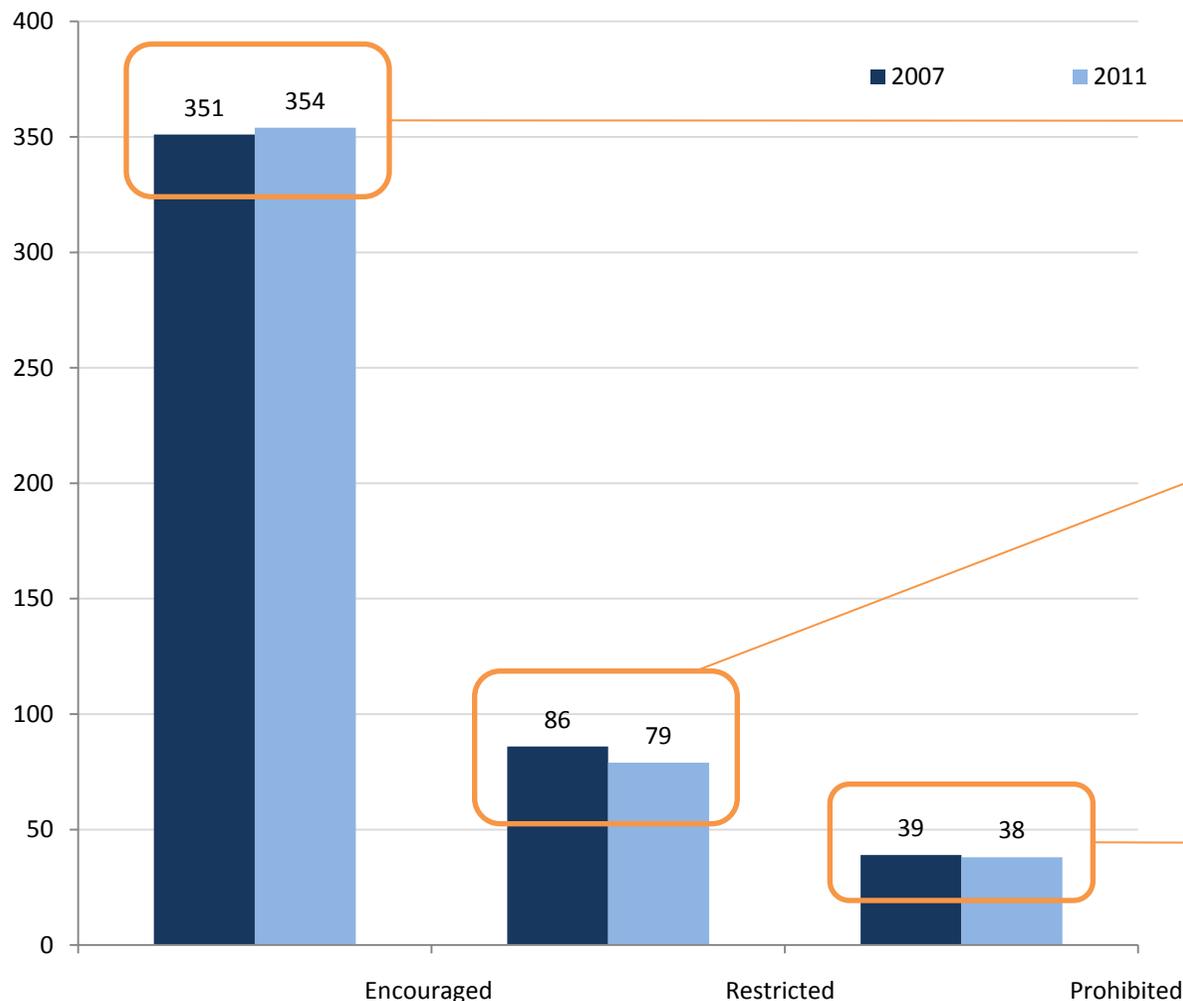
# Changes to the Prohibited Industries Section in the 2011 Version of the Catalogue

China Foreign Investment Catalogue, 2007 (Prohibited industries)	China Foreign Investment Catalogue, 2011 (Prohibited industries)	
I. Farming, forestry, animal husbandry and fishery	I. Farming, forestry, animal husbandry and fishery	
2. Production <del>and development</del> of genetically modified plants' seed	2. Production of genetically modified plants' seed	The prohibition on foreign investment to develop genetically modified plant seeds is removed.
...	...	
IV. Production and supply of power, water and gas	IV. Production and supply of power, water and gas	
1. Construction and management of conventional coal-fired power of condensing steam plants whose unit installed capacity is less than 300,000kW <del>in the provinces of Xizang, Xinjiang and Hainan</del> , and those with dual use unit cogeneration	1. Construction and management of conventional coal-fired power of condensing steam plants whose unit installed capacity is less than 300 000kW, and those with dual use unit cogeneration	Extension to the whole of China of the prohibition on foreign investment to construct and manage conventional condensing steam coal-fired power plants of less than 300,000 kW units installed capacity (previously limited to three provinces)
V. Communication and transportation, storage, post and telecommunication service	V. Communication and transportation, storage, post and telecommunication service	
2. Postal service	2. Postal service and <b>express business courier</b>	Foreign companies are banned from the express business courier sector.
...	...	
X. Culture, sports and entertainment	X. Culture, sports and entertainment	
7. News, audiovisual, online service location, art management- websites/ internet portals	7. News, audiovisual, online service location, art management- websites/ internet portals( <b>except music</b> )	The prohibition on foreign investment in internet websites with music content is removed (as an exception to the general prohibition on foreign investment in this sector).
<del>8. Video screening companies</del>	-	The prohibition on foreign investment in video screening companies is removed.
...	...	

## **II. Catalogue Overview and Distribution of Encouraged, Restricted and Prohibited Industries**

**Manufacturing and processing industries account for almost 80% of encouraged industries**

# Number of Industries in the 2007 and 2011 Versions of the Catalogue



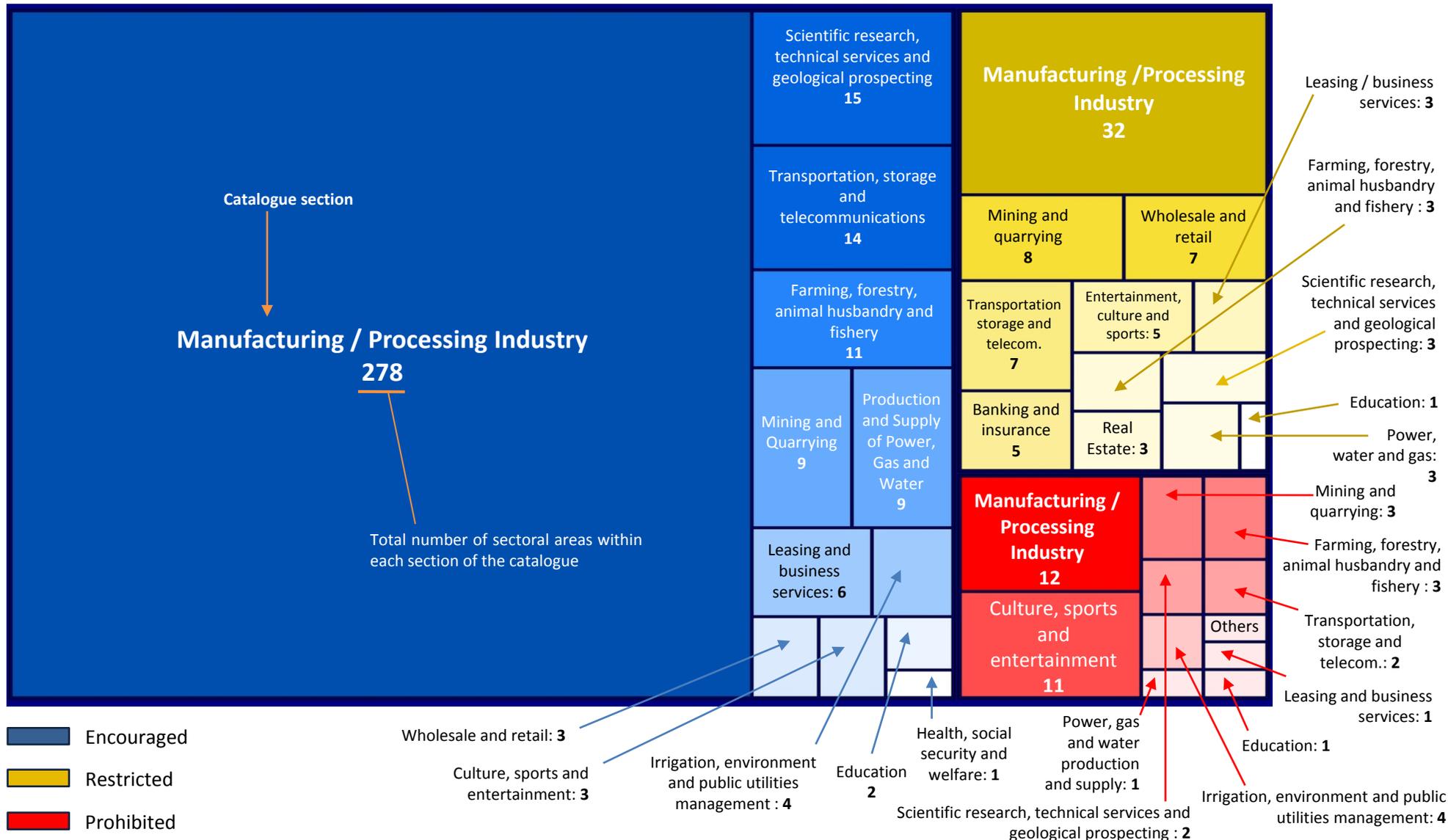
Of the total 472 industries included in the 2011 Catalogue for the Guidance of Foreign Investment in China, 354 fall into the encouraged industries category. Although changes to the 2007 version may seem minimal (from 351 to 354 encouraged industries) a total of 52 industries have been removed from the encouraged category, while 55 new industries have been added.

The number of restricted industries has been reduced from 86 to 79.

Few changes in the prohibited industries category.

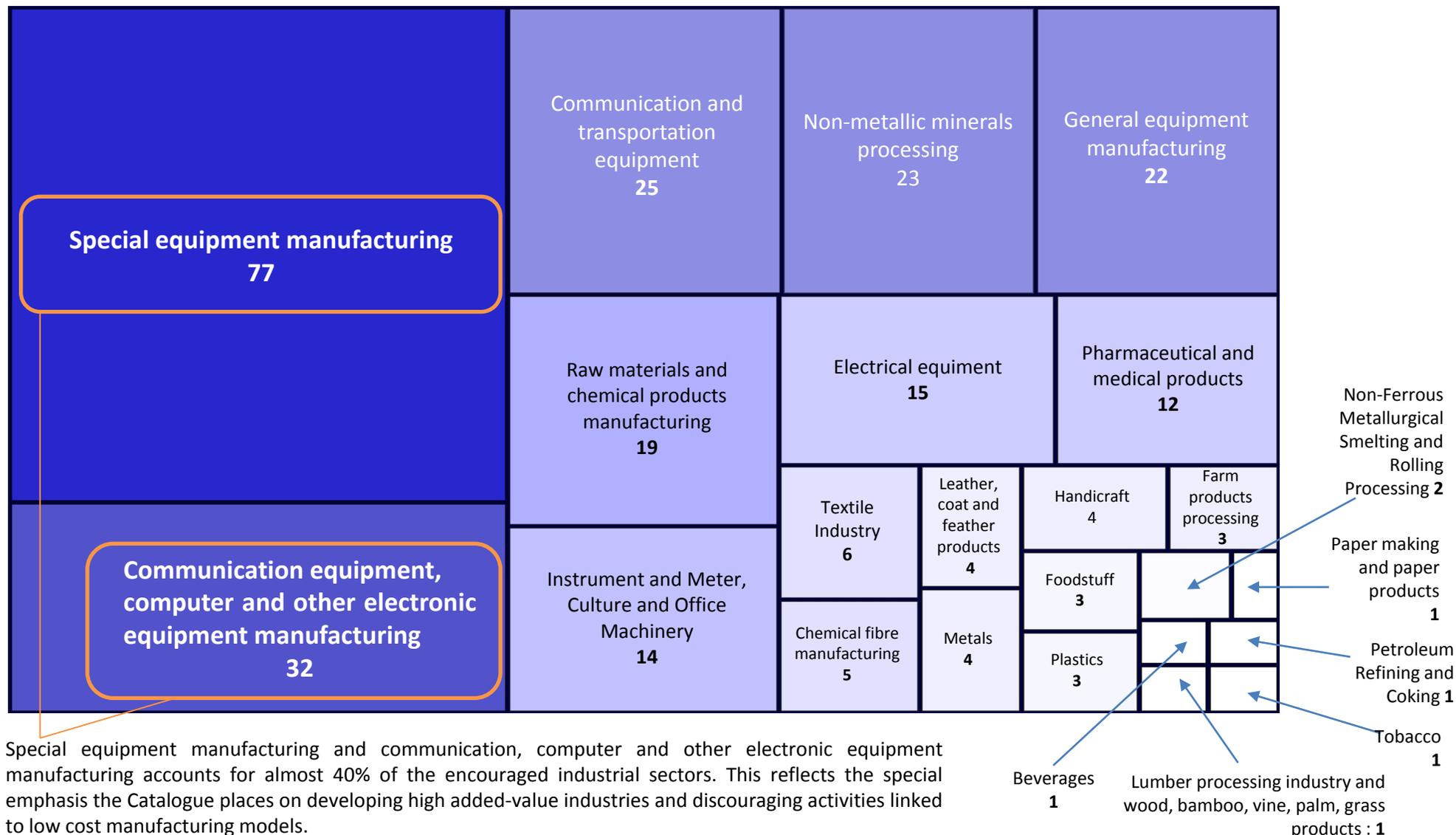
\* We must note that the scope of coverage varies in each section of the Catalogue. The increase in the number of encouraged areas, and the reduction in restricted and prohibited areas, does not necessarily imply a corresponding degree of economic liberalisation.

# Catalogue Structure Sectoral Area Level: *Tree-map overview*



# Detail of the Encouraged Sectors within the Manufacturing /Processing Industry

This graph represents the split of the subsectors within the 278 encouraged sectoral areas in the Manufacturing / Processing Industry



Special equipment manufacturing and communication, computer and other electronic equipment manufacturing accounts for almost 40% of the encouraged industrial sectors. This reflects the special emphasis the Catalogue places on developing high added-value industries and discouraging activities linked to low cost manufacturing models.



iGeo Investment & Consulting

iGeo is a consulting firm specialized in providing strategic advice and operational support to companies seeking to develop business in China.

Over 20 years managing and advising companies in this market allow us to add value in each stage of any project: from entry strategy, to market access, to consolidation and growth of the business.

We offer a wide range of personalized services with the objective of delivering practical solutions in different areas:

## **iGeo Consulting**

**Establishment and business development**

**Market intelligence and analysis**

**Procurement consulting**

**Financial consulting**

iGeo managing partners have years working both in company establishment, management, and development of projects in China.

Our Shanghai office is staffed with a multidisciplinary team of 20 professionals with expertise in different functional areas and project management in China.

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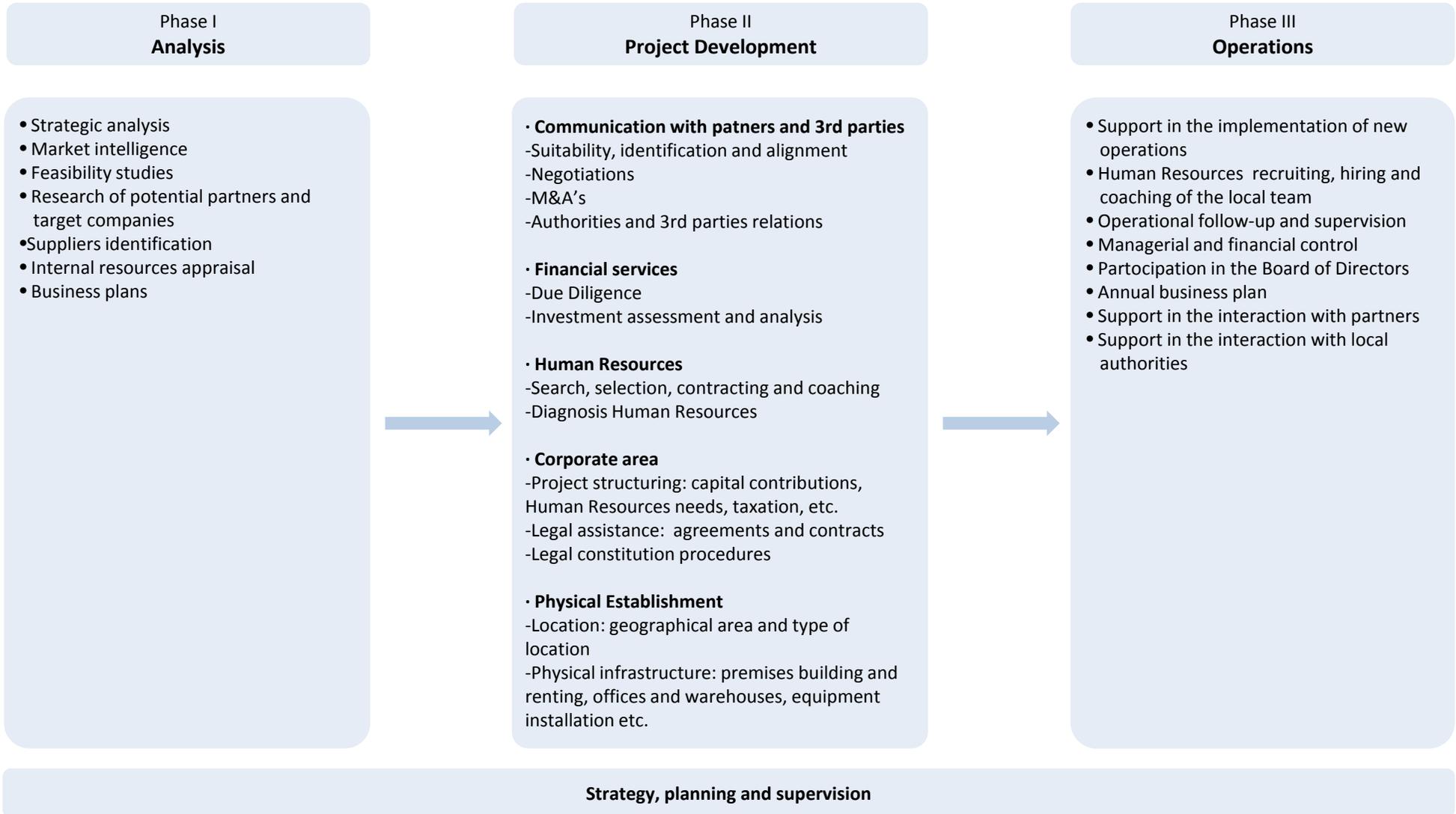
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## **iGeo HR**

**Executive Search**

**Strategic Consultancy in Human Resources**





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