New Era in China ushering in new business opportunities

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Overview

In his keynote speech at the opening ceremony of the Boao Forum for Asia 2018 (BFA) on April 10, President Xi Jinping described economic globalisation as an irreversible trend, and noted that China would continue on its course of opening-up. This is positive news for enterprise, as extended opening-up will bolster investor confidence globally, while leading to a wide range of new business opportunities.

Against the backdrop of the 40th anniversary of China's reform and opening-up, President Xi announced steps would be taken to widen market access significantly, create a more attractive investment environment, strengthen protection of intellectual property rights (IPR) and expand imports.

The *Government Work Report* released earlier this year had touched on most of these measures, but the current trade environment has given them new significance. Measures for enhancing alignment with international economic and trading rules, along with increasing transparency were specified, being regarded as particularly important for China's development at this stage. The adjustments should also help ease recent trade disputes.

Focus for China's further opening-up currently pivot on the two key sectors of finance and automobiles. Yi Gang, the new governor of the People's Bank of China, outlined the central bank's stance on major issues such as opening-up of the financial sector, monetary policy, interest rate liberalisation, foreign exchange rate mechanism and capital account convertibility at the BFA 2018 on April 11. This was followed by an announcement from the National Development and Reform Commission on April 17, of a timetable to open up the auto market to foreign businesses, underpinned by relevant policies.

Subsequently, a number of relevant government departments have reaffirmed their commitment to further improving the business environment for foreign investors, pledging that revision of the "negative list" for foreign investment will be completed within the first half of 2018. Departments also reiterated that Chinese and foreign companies would be treated equally with regard to the "Made in China 2025" policy and listing. Consequently, the efforts to further open up will increase opportunities for foreign investors. They also indicate that China is taking strides towards a more inclusive development model.

Over the past 40 years, China's opening-up has brought opportunities for the rest of the world, with balance between interests of foreign and domestic entities. China attracted $144 billion in foreign direct investment (FDI) in 2017, second only to the United States, according to the *Investment Trends Monitor* report[1], released by the United Nations Conference on Trade and Development. Looking ahead, China will remain among the most attractive destinations for FDI in the coming years.

Overall, China's efforts to continue opening-up should have a positive impact on the domestic economy. While some of the related measures may expose certain Chinese companies to more competition initially, over the longer-term, successful companies will be motivated to advance, including through improved research and development capabilities. Further, as a growing number of Chinese enterprises expand abroad, they will need to ramp up their R&D and proprietary technology development as they strive to gain a strong foothold in overseas markets.

President Xi stressed that "the Belt and Road Initiative (BRI) may be China's idea, but its opportunities and outcomes are going to benefit the world". Both further opening-up and the BRI are intended to facilitate globalisation as well as trade and investment liberalisation. Companies and countries across the world stand to gain from the new round of "high-quality reforms" in the world's second largest economy.

1. *Investment Trends Monitor*, http://unctad.org/en/PublicationsLibrary/diaeia2018d1_en.pdf

New measures on the further opening-up and business implications

Further opening-up in the financial sector

The People's Bank of China unveiled policy details as well as a timeline on 11 April, that focus on expanding market access and lifting ownership restrictions.

The precise timing for the opening-up of the financial sector indicates that decision-makers are aware of the risks to the domestic financial system. After a period of strong supervision in 2017, the systematic risks in the financial sector have lessened to some extent and China's financial industry is maturing.

This series of deeper financial measures to open-up are beneficial to both China and the global financial industry, as they will create new opportunities for domestic and foreign players, adding market competition, and leading to new channels, products and services, with improved customer experience, and operations.

> *"On services, financial services in particular, an important announcement was made at the end of last year on measures to raise foreign equity caps in the banking, securities and insurance industries. We will ensure that these measures are materialized and at the same time make more moves toward further opening, including accelerating the opening-up of the insurance industry, easing restrictions on the establishment of foreign financial institutions in China and expanding their business scope, and opening-up more areas of cooperation between Chinese and foreign financial markets."*

(Xi Jinping's Keynote Speech on BFA 2018)

Expanding market access	Expected timeline	Lifting ownership restrictions	Expected timeline
To allow foreign banks to set up branches and subsidiaries	End of June 2018	To remove the foreign ownership cap for banks and asset management companies, treating domestic and foreign players equally	End of June 2018
To further improve the stock market connectivity between the mainland and Hong Kong by increasing the daily quota threefold	1 May 2018	No longer require jointly funded securities companies to have at least one local securities company as a shareholder	End of June 2018
To allow eligible foreign investors to provide insurance agent and loss adjuster services	End of June 2018	To raise the foreign ownership cap to 51% for securities companies, fund managers, futures companies, and life insurers, and remove the cap in three years	End of June 2018
To lift restrictions on the business scope of foreign-invested insurance brokerage companies, treating foreign and domestic companies equally	End of June 2018	To encourage foreign ownership in trust, financial leasing, auto finance, currency brokerage and consumer finance	End of December 2018
To substantially expand the business scope of foreign banks	End of December 2018	Apply no cap on foreign ownership in financial asset investment companies and wealth management companies newly established by commercial banks	End of December 2018
To remove restrictions on the business scope of jointly funded securities companies, treating domestic and foreign institutions equally	End of December 2018	Foreign insurance companies will no longer need to have a representative office in China for two consecutive years prior to establishing a subsidiary	
To launch the Shanghai-London Stock Connect	End of December 2018		

Boosting market competition. The easing or lifting of restrictions on the business scope of foreign financial institutions will ensure fair competition and likely improve bottom lines, while encouraging participation in wider fields such as trusts, financial leasing, auto finance, money broking and consumer finance. The changes will also enable foreign companies to acquire stakes in newly established financial asset investment companies and wealth management companies initiated by banks. It is expected that the expansion of market access will be challenging for domestic small and medium-sized financial institutions such as joint-stock commercial banks, city commercial banks, rural commercial banks and smaller securities firms. These small players need to become more competitive, improving their market positioning, business model differentiation, risk management and internal control systems. Large banks, insurance companies and securities companies are less directly affected by this opening-up.

Accelerating channel transformation. The expansion of business scope has the potential to incentivise foreign financial institutions to increase their investment in the country using digital technologies. By investing in digital technologies or introducing products in China that have proven successful in their home markets, companies can increase their market offering in China while sidestepping the substantial time and cost commitments involved in expanding physical outlets. Domestic financial institutions have undergone digital disruption in recent years and are already responding through branch network transformation—either through redeployment or digital innovation. As a result, the further opening-up could act as a catalyst for digital channel transformation in China.

Driving the upgrade of products and services. Expanding the business scope of foreign financial institutions is beneficial to facilitating the upgrade of products and services in areas in which they were previously not permitted to engage. Domestic institutions can learn from foreign peers in areas such as risk pricing, cross-border financing and global asset allocation. The opening-up to foreign financial institutions will also enable their tighter integration into China's economy and bigger contribution to the country's development priorities, such as "Made in China 2025", poverty alleviation, the Beijing-Tianjin-Hebei coordinated development plan, and the Guangdong-Hong Kong-Macao Great Bay Area initiative. In addition, the global network of foreign financial institutions, together with their experience in risk management, can be leveraged for financing "Belt and Road" related projects.

Optimising customer experience. The growth of the middle class and affluent sections of the population, along with the call to deepen financial service penetration with rural populations and the agricultural sector are all factors contributing to increased demand for diversification of financial services. Lifting the limits on ownership is likely to encourage foreign investors to further increase their capital in existing domestic partners or lead to a new round of equity investment in domestic financial institutions, especially in small and medium-sized banks, as well as securities, futures, trusts, leasing, and asset management companies. The increasing stakes in domestic financial institutions will boost the presence of foreign investors, and in turn drive service quality improvements. Last, but not least, the afore-mentioned digital innovation will also optimise the customer experience and channel transformation.

Enhancing operational efficiencies. In light of a tighter supervisory environment, financial institutions in China have, over recent years, been facing the dilemma of balancing increases to risk control and compliance resources while containing costs. Leveraging technology may be one solution. Both domestic and foreign financial institutions are advised to revamp their front desk system and channels, and also upgrade core systems in their middle and back offices to accommodate changing customer expectations in the digital era. Neither domestic nor foreign financial institutions can ignore the value of human factors, namely the building of a compliance culture and fostering an interdisciplinary talent pool that effectively blends technology and people. Foreign financial institutions have been pioneers in this area to date, so their domestic counterparts will need to catch up.

Further opening-up in the auto sector

> *On manufacturing, we have basically opened up this sector with a small number of exceptions on automobiles, ships and aircraft. Now these industries are also in a position to open up. Going forward, we will ease as soon as possible foreign equity restrictions in these industries, automobiles in particular.*

(Xi Jinping's Keynote Speech on BFA 2018)

On April 17, the National Development and Reform Commission (NDRC) announced that market entry restrictions for the auto industry would be phased out over the next five years.

Restrictions to be lifted	Expected timeline
Remove foreign ownership restrictions of auto JVs for specialty vehicles and NEVs	End of 2018
Abolish foreign limits for commercial vehicle JVs	End of 2020
Eliminate foreign ownership of passenger vehicle JVs	End of 2022

Auto-making forms an integral part of China's traditional manufacturing industry and has been identified as one of the 10 priority sectors under the "Made in China 2025" initiative. China has remained the world's largest car producer and consumer for nine consecutive years. Accelerating opening-up has important implications for sustainable, long-term development of the domestic auto industry. Gradually lifting the market entry barriers for new energy vehicles (NEVs), as well as commercial and passenger vehicles will help home-grown brands optimise their production capacity structure as well as ramp up investments in research & development and production operations, thereby improving their competitive edge in international markets.

Impact on foreign automakers: With the removal of foreign ownership limits, global brands will be able to invest in Chinese joint ventures more effectively, bring more competitive models to market and adapt their products to the needs of Chinese consumers. Furthermore, cars made in China will become more popular in overseas markets, benefiting from the country's growing recognition as a global auto manufacturing base.

The ownership restriction will be lifted in five years. After collaborating with Chinese partners for several decades, most foreign automakers have formed mature supplier and dealer networks in China, and most of them will retain the existing cooperation relationships, but the new policy will give them greater flexibility in long-term business planning. It can be anticipated that some automakers may choose to maintain or change the current equity contribution ratios, set up new joint ventures or wholly-owned subsidiaries.

Impact on Chinese automakers: Chinese carmakers will create new types of partnerships that will span both competitive and cooperative arrangements. The redefined cooperation will come about as foreign companies reorganise, and while domestic companies explore new opportunities in China and abroad. Local automakers will double down on independent R&D efforts to build up their core competitive advantages, especially in developing proprietary NEV models and importing cutting-edge technologies from the West. Concurrently, they will also enhance innovation in business to further align their operations with the enormous demand for mobility services from Chinese consumers. Opening-up the market will accelerate the elimination of less competitive Chinese auto brands, to the benefit of the most competitive enterprises.

Opportunities brought to new entrants: A more open auto market will provide existing players and new entrants with greater potential for growth. New technologies such as telematics and autonomous driving will become commercially available through collaboration between companies from different countries and industries, fueling a boom for new energy, new materials and other emerging businesses. New business models such as car-sharing and time-sharing will gain popularity among consumers. We believe that the opening-up of the market will usher in a new era for the Chinese automobile industry.

Taking the initiative to expand imports

> *This year, we will significantly lower the import tariffs for automobiles and reduce import tariffs for some other products. We will import more products that are competitive and needed by our people. We will seek faster progress toward joining the WTO Government Procurement Agreement.*

(Xi Jinping's Keynote Speech on BFA 2018)

China's import tariffs on automobiles have been continuously declining since joining the WTO. Auto tariffs on imported cars in China have fallen from around 80% before entry, to the current 25%. Compared with auto tariffs on imported cars in other major regions, such as 0% in Japan, 2.5% in the United States and 10% in the European Union, there is still considerable scope for adjusting China's auto tariffs. However, given that consumption tax (up to 40%) and import VAT account for a large proportion of the taxes payable for imported vehicles, the effect of lowered tariffs on the price may vary for domestic consumers depending on the types of imported vehicle purchased.

Impact on domestic automobile manufacturers: The reduction of auto tariffs will allow foreign models to be introduced to the country at a lower price. This may bring pressure to Chinese domestic automakers initially, but it will also motivate Chinese automakers to enhance their capabilities and adjust to the competitiveness of the international market.

Impact on pharmaceutical companies: In addition to auto tariff cuts, China has also lowered tariffs on imports of anti-cancer drugs. On April 12th, the executive meeting of the State Council led to the announcement that there would be no tariffs on imported anti-cancer drugs, while imports of innovative drugs would be encouraged, both effective from 1 May.

The measures will ease the economic burden for patients in China. Zero tariffs on anti-cancer drugs also indicates the government's intention to provide more benefits for the population, which may pave the way for a series of reforms in drug approval, production and sales in the future.

The implementation of this policy, to a certain extent, puts domestic drugs in closer competition with imported drugs in the domestic market. This move will spur local pharmaceutical companies to seek competitive advantage, with research and innovation key areas for development. At the same time, market forces will play a more significant role in determining which businesses survive.

Impact of GPA accession on businesses: The government will also expedite China's accession to the WTO Agreement on Government Procurement, a trade agreement introduced under the framework of the World Trade Organization that requires member states to reciprocally open their respective government procurement markets and offer enterprises from other countries the same treatment as domestic companies in relevant trade activities. According to statistics from MOFCOM, government procurement trade (including trade in goods and services and construction) between the current member states accounts for 10 to 20 percent of their respective gross domestic product (GDP), while total market volume is approximately USD 1.7 trillion[2]. China's bid to join the international convention means that foreign companies will have more opportunities to take part in Chinese government procurement projects.

2. *Accelerating accession to GPA will support "going out" strategy*, http://www.china.com.cn/opinion/think/2018-04/12/content_50867926.htm

Creating a more attractive investment environment

> *Investment environment is like air, and only fresh air attracts more investment from the outside. China relied mainly on providing favorable policies for foreign investors in the past, but now we will have to rely more on improving the investment environment...we will finish the revision of the negative list on foreign investment and implement across the board the management system based on pre-establishment national treatment and negative list.*

(Xi Jinping's Keynote Speech on BFA 2018)

A favorable business environment is necessary for the healthy growth of enterprises. It is also a crucial factor for building up a country's core competitiveness. According to the annual Paying Taxes report released by the Word Bank, a favorable business environment is measured against 11 indicators which cover aspects of starting a business, getting credit, paying taxes, etc. In recent years, China has been committed to creating a favorable business environment and has achieved positive progress.

Facilitating paying taxes: According to the Paying Taxes 2018 report jointly released by PwC and the World Bank[3], China has made extraordinary improvement in "compliance hours", which has decreased by 52 hours (i.e. by 20%) compared to last year and shows the result of the Chinese tax authority's persistent efforts in implementing the reform to facilitate taxpayers.

Reducing the tax burden: China has launched a series of reforms focusing on a B2V program. The result so far has been a tax cut of more than RMB2 trillion since the reform started in 2012. In 2018, China has stepped up its efforts in deepening VAT reform. As a result, 1) the two brackets of VAT rates have been reduced from 17% and 11% to 16% and 10% respectively, effective from May, 1st. 2) the threshold of annual sales revenue for small-scale taxpayers in manufacturing and business industries has been raised to RMB 5 million, 3) excess VAT paid can be refunded in certain industries. It is estimated that these measures will reduce tax burdens by more than RMB 400 billion a year.

Taxation institution system overhaul: According to the State Council's Plan on Institutional Reform, state taxation and local taxation institutions at and under provincial level will be merged. After which, a dual leadership system will be set up, wherein tax authorities will be led by the State Administration of Tax and provincial (district or municipal) people's government.

The merger of the two taxation institutions will further facilitate tax compliance for taxpayers. A unified way of law enforcement will also help resolve disputes in tax administration and reduce tax compliance costs. Moreover, the integration of tax administrative reconsideration organs will improve the efficiency of tax dispute resolution between taxation authorities and enterprises. Concurrently, the merger will lead to taxation institutions getting a better grasp of taxpayers' information and imposes higher requirements on taxpayers' abilities to manage tax risks across the board.

It can be anticipated that in the future, China will create a more fair and stable tax and business environment for taxpayers by focusing on both "reducing tax burdens" and "facilitating tax compliance".

The world economy is currently experiencing a new round of adjustment, while China's economy has also entered a new era. The Chinese Government can no long rely solely on tax incentives to attract foreign capital. The evolving tax and business environment are crucial for enhancing a country's soft competitive power.

A package of policies: Following President Xi's speech at the BFA 2018, the Ministry of Commerce announced on April 12, that it would unveil a package of policies to create a business environment that will be more attractive to foreign investors. Amending the negative list for foreign investments is expected to be completed within the first half of 2018. On April 18, the NDRC affirmed its decision to equalise policies between Chinese and foreign enterprises with respect to the "Made in China 2025" policy and listing, in line with the government's commitment to creating a more favorable environment for foreign investors.

3. *Paying Taxes 2018* https://www.pwccn.com/zh/press-room/press-releases/pr-211117.html

Strengthening the protection of intellectual property rights (IPR)

> *This is the centerpiece of the system for improving property rights protection, and it would provide the biggest boost to enhancing the competitiveness of the Chinese economy. Stronger IPR protection is the requirement of foreign enterprises, and even more so of Chinese enterprises. This year, we are re-instituting the State Intellectual Property Office ... We encourage normal technological exchanges and cooperation between Chinese and foreign enterprises and protect the lawful IPR owned by foreign enterprises in China. At the same time, we hope foreign governments will also improve protection of Chinese IPR.*

(Xi Jinping's Keynote Speech on BFA 2018)

The issue of IPR has attracted wide attention under the current trade environment. In his recent speech delivered at the BFA, President Xi Jinping emphasised the country's resolve "to strengthen the protection of intellectual property rights". This not only demonstrates China's respect for technological innovation and IPR protection, but also indicates a transition in IPR strategy, namely a gradual shift from simple protection of IPR within the territory of China to protecting Chinese enterprises' corresponding rights on a global scale. It is a declaration of China's open-mindedness and firm support for scientific and technological innovation. China's endeavours to improve IPR protection will help ease concerns from foreign enterprises and expand their exports of high-tech products to China.

China is gearing up to be a strong power on IPR protection. According to data released by the World Intellectual Property Organization (WIPO), China accounted for 42.8 percent of the world's patent and trademark applications in 2017, up 4.8 percent year on year[4]. The United States stood in second place, accounting for 19.4 percent of the worldwide total. As a result, China is already a global leader in patent and trademark applications. In the future, China's economy will undoubtedly shift towards the services and innovation industries, the core of which is human capital, driven by professional knowledge accumulation. Therefore, it is of great importance to protect IPR to accelerate the transformation and upgrading of China's industry and improve its economic competitiveness worldwide.

Actions taken at the national level: This year, China will restructure and strengthen the State Intellectual Property Office to bolster law enforcement in the area of intellectual property rights, encourage Chinese and foreign enterprises to carry out technological exchange and cooperation, and continually protect the legal intellectual property of foreign companies in China. Chinese enterprises abroad have not received effective protection for their IPR for quite some time. Now, as more Chinese enterprises go overseas, China is strengthening the protection of IPR for foreign investment in China and calling on foreign governments to provide sufficient IPR protection for Chinese enterprises abroad based on the principle of reciprocity. This serves the interests of major multinational corporations (MNCs), and Chinese companies that are leaders of innovation in their respective fields.

Actions taken by enterprises: In the future, Chinese enterprises themselves need to strengthen the protection of their IPR, investing more in enhancing their awareness and ability to innovate, and continually attract and cultivate innovative talent. By doing so, together with the Chinese government, they could effectively push IPR progress to a higher level.

Recent trade disputes between China and the US have extended to the technology sector. On 22 March, US President Donald Trump announced plans to impose tariffs of up to $60 billion on imports from China and to restrict investment from Chinese enterprises in the US. The US Department of Commerce announced on 16 April that it would impose a seven-year ban on the sale of crucial US technologies, including chips[5], to a major Chinese telecommunications equipment company. China is a major consumer of semiconductors, but has relatively low mastery of its core technologies. According to data from the General Administration of Customs, imports of integrated circuits (ICs) in China increased to $260.1 billion in 2017, exceeding total oil imports[6]. With more and more Chinese companies going overseas at present, investing more on research and development to master core technologies and own their IPR is the key to success for these enterprises in international markets.

Opportunities for IPR suppliers in China: The establishment and completion of the IPR database has lowered management costs for various enterprises and society as a whole. With the development of information technology, some enterprising start-ups have built their own IPR database to facilitate companies and legal professionals in checking, searching and managing (applications and extensions) relevant intellectual property rights.

In addition, the diversification of the IPR trading model and the establishment of a trading platform have propelled the capitalisation of IPR, and greatly enhanced the initiative of individuals and enterprises to innovate.

4. *World Intellectual Property Indicators 2017*, http://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2017.pdf

5. *Secretary Ross Announces Activation of ZTE Denial Order in Response to Repeated False Statements to the U.S. Government*,https://www.commerce.gov/news/press-releases/2018/04/secretary-ross-announces-activation-zte-denial-order-response-repeated

6. General Administration of Customs of China, "Import Statistics for Major Goods in 2017", http://www.customs.gov.cn/customs/302249/302274/302275/1416420/index.html

Benefiting from the Belt and Road Initiative (BRI)

> *"The BRI may be China's idea, but its opportunities and outcomes are going to benefit the world. ... We can make the BRI the broadest platform for international cooperation in keeping with the trend of economic globalization and to the greater benefit of all our peoples."*
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> *(Xi Jinping's Keynote Speech on BFA 2018)*

As President Xi highlighted, the BRI is open and inclusive to all. Further, President Xi stated that "China has no geopolitical calculations, seeks no exclusionary blocs and imposes no business deals on others" in promoting the BRI. Thus, although the BRI is currently mainly composed of developing countries, we anticipate a greater effort will be made to involve developed countries in due course. Similarly, the current scope of the BRI mainly revolves around countries geographically located in Asia, Africa and Europe, with a lack of participation from countries located in the regions of North and South America. Notably, however, Panama joined the BRI in November 2017, signaling that this situation is about to change.

President Xi also reiterated that the core of the BRI is founded on "the principles of extensive consultation, joint contribution and shared benefits." Indeed, recent BRI projects have been inaccurately characterised as only benefitting Chinese interests, leading to significant misunderstandings. In fact, the BRI is an inclusive initiative that aims to benefit both foreign investors and the host country, with many countries seeking to align their own development plans with the larger framework of the BRI. For example, Kazakhstan has embraced the BRI in tandem with its own "Bright Path" initiative and Thailand has sought to tie the BRI with the country's "Eastern Economic Corridor". Moving forward, we predict an increasing amount of market efficient and essential projects will be initiated by various host countries, demonstrating the dual-win nature of the BRI.

Likewise, future BRI projects will also likely pay closer attention to effects on the environment and seek to minimise environmental impacts in order to achieve the goal of "shared benefits" for all. We already can see this trend becoming more prominent across the BRI, as a large number of renewable energy projects get underway. There has also been more attention paid to corporate social responsibility, with Chinese investors making a conscious effort to gain social support for their projects. This movement towards sustainable development will also hopefully have a catalysing effect on the entire world, taking us closer to addressing the wide-ranging and potentially destructive effects of climate change.

Finally, the BRI is not just about Chinese outbound projects, but also concerns foreign investment into China. President Xi repeatedly addressed the need to open up the country's financial services and other industries in his speech, and the BRI will serve as the perfect platform for such developments. Consequently, we anticipate China will seek to continue existing bilateral agreements and develop new frameworks for cooperation, especially amongst the BRI countries. In doing so, exciting opportunities will emerge, enabling companies to access new markets.

Overall, these three major trends will help develop the BRI into one of the "broadest platforms for international cooperation in keeping with the trend of economic globalization and to the greater benefit of all our peoples," as President Xi said.

As of today, more than 80 countries and international organisations have signed B&R cooperation agreements with China. Trade volume among China and countries along the Belt and Road amounted to 7.4 trillion yuan (about $1.2 trillion) in 2017, surging 17.8 percent year on year. China's non-financial outbound direct investment in the countries along the Belt and Road stood at $14.4 billion in 2017[7].

7. Ministry of Commerce, http://www.mofcom.gov.cn/article/ae/ah/diaocd/201801/20180102704476.shtml

Conclusions

Against the backdrop of rising trade protectionism, China's top decision-makers have unveiled a host of new reforms focusing on "openness", pledging to accelerate and double down on market deregulation initiatives at the 2018 Boao Forum for Asia. They attest to China's positivity and determination to push ahead with economic reforms. The further opening of the financial and automotive sectors will prove conducive to healthy economic development, despite the inevitable adverse effects on domestic enterprises in the short-term. These measures indicate that China's growth model has become increasingly inclusive. Chinese companies and their foreign counterparts have achieved mutual successes since the introduction of economic reforms 40 years ago, leading to win-win outcomes. Both market deregulation and the Belt and Road Initiative are aimed at facilitating economic globalisation and trade and investment liberalisation, creating more opportunities for businesses all around the globe.

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