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Foreign retailers accelerate their expansion in China

Xinhuanet, April 3— China Business Alliance and the National Commercial Information Center announced on April 3 in Beijing that tempted by the enormous potential of China's retail market, foreign retailers have quickened their pace of expansion in China. Some foreign retailers, while continuing their expansion in first-class cities, are also intensifying expansion efforts into second and third-class cities.

On December 11, 2004, China lifted its restrictions on the quantity, location and shareholding of foreign invested retail companies. Statistics show by the end of 2004, China had approved 302 foreign-invested commercial enterprises and 3,903 outlets. The number of foreign invested retailers increased by 38 compared with September 2003.

Among the top 100 Chinese retailers rated in 2004, 10 were such foreign invested retailers as Carrefour, Hoyo, Wal-Mart and Lotus. Four each had a sale of over 10 billion RMB. In particular, Carrefour and Sugu Supermarket were in the top 10. In 2004, the 10 foreign invested retailers in the top 100 registered a total sale of 82.1 billion RMB, up 26.56% and accounting for 14.9% of the total sale by the top 100 retailers.

Foreign investment in actual use tops US\$570 billion

Xinhuanet, April 4— By the end of February, China has approved the setting up of 510,000 foreign-invested companies with contract foreign investment reaching US\$1.1 trillion and foreign investment in actual use reaching \$570 billion, said Wang Jinzhen, Deputy Secretary-General of China Council for the Promotion of International Trade (CCPIT), on the sideline of the China International Investment and Financing Forum held on April 7 in Xi'an.

According to Wang Jinzhen since the 1990s China has moved into a fast lane in terms of foreign investment attraction. In the three years from 1992 to 1994 China attracted respectively more than \$10 billion, \$20 billion and \$30 billion FDI. In the past 10 years China has been the country that attracts the most foreign investment among developing countries.

In 2003 actually introduced foreign investment for the first time surpassed that in the US and became the first investment choice for global multinationals.

INDUSTRY NEWS

China's foreign trade volume to reach US\$295.2 billion, up 23.1%, in the 1st quarter of 2005

Xinhuanet, April 11— China's foreign trade volume in the first quarter of 2005 reached US\$295.2 billion, up 23.1% year-on-year, according to the statistics released by the General Administration of Customs (GAC) on April 11. Exports totaled US\$155.9 billion, up 34.9 %, imports US\$139.3 billion, up 12.2% year-on-year. The accumulated trade surplus was US\$16.6 billion.

The total foreign trade volume of March achieved US\$116 billion. In March, the value of China's exports amounted to US\$60.87 billion, up 32.8%, 3.4 percentage points less than the growth rate in the first two months. That of Imports were US\$55.14 billion, up 18.6%, 10.3 percentage points more than the growth rate of the first two months. The accumulated trade surplus of the month was US\$5.7 billion.

In the first quarter, exports and imports of processing goods maintained good growth. Trade volume between China and its major partners, the European Union and the United States, grew fast in the first quarter. The EU remained the largest trade partner with China with a trade volume of US\$47.11 billion, up 26% year-on-year. The United States remained the second with a trade volume of US\$43.62 billion, up 24.3%. Japan was the third with a trade volume of US\$41.24 billion, up 12% year-on-year. Guangdong, Jiangsu and Shanghai were the mainland's top trade regions, according to the statistics of the GAC.

China's franchise chains topped 2000, ranked first around the world

Xinhuanet, April 11— By the end of 2004, China had had over 2,000 franchise enterprises and become the No.1 country around the world in terms of the number of franchising chains.

According to the Blue Book Concerning the Development of China's Franchise Business in 2005 released by China Chain Store and Franchise Association (CCSFA) on April 11, China's franchise business was started since the late 1990s and rapidly developed after 2000. By the end of 2004, there were 120,000 franchised stores, which had 1.8 million employees and created more than 600,000 job opportunities. China has become the largest market with the fastest growth and the most attention paid by investors and overseas franchisers.

In 2004, the growth rate of franchise stores slowed down by 38%. This means having as many outlets as possible was not as paramount as it used to be. Most Chinese franchise store owners have turned to seek a more solid and sustained development, such as defending the value of their brand names, optimizing internal management and improving the efficiency of distribution, according to the Blue Book.

The franchised companies have covered nearly 50 business fields ranging from catering to retail business, from education to service sectors. At present, convenience stores, car maintenance, home decoration, estate agents, education and training, beauty and fitness,

catering, laundry, costume, and book and audio-visual products distribution are the top 10 businesses favoured by franchise investors, based upon the Blue Book.

However, the Blue Book shown that the market needed to be further regulated. Problems such as the weak management system and relatively poor marketing concepts were waiting to be tackled.

Japan-Sino trade is hopeful to top US\$200 billion in 2005

People's daily, April 12— As China overtook the United States to be Japan's second largest trading partner in 2004, it is very hopeful that the trade volume between Japan and China will top US\$200 billion in 2005, said Mr. Yoshio Nakata, the Board Chairman of Japan Association for the Promotion of International Trade (JAPIT) in an interview with People's Daily during his visit in Beijing.

Mr. Nakata introduced three major principles of the Association's work this year: first of all, to push forward the mutually reciprocal and beneficial economic and trade cooperation between the two countries and promote their common development; secondly, to boost the improvement of the cross-border political relations; thirdly, to promote the regional economic cooperation in East Asia.

Mr. Nakata said, Japan and China had made much headway in their economic and trade cooperation as the bilateral trade has taken up 20% of Japan's total. China's development and economy had started to have direct impacts on Japan and its enterprises. Nearly 33 years had passed since the normalization of Japan-Sino relations, now under new circumstances and structural changes, obstacles had arisen in the politics and diplomatic relations between the two countries, particularly major ones such as Japanese Prime Minister's visits to the Yasukuni Shrine.

He added that it was the responsibility and obligation of Japan, China and the Republic of Korea to advance the economic cooperation in Asia, which was hard to be materialized should there be no sincere collaboration between Japan and China. Therefore the two countries should make concerted efforts to deepen the trust between their peoples.