



Chinese government's policy of Favoured, Restricted and Prohibited Industries for Foreign Investors

The Chinese government at all levels is hungry for foreign investment, and there are specialised government departments whose role is to attract foreign investors. There are also specialised departments to assist overseas Chinese in visiting, working and investing in China.

There are as many as 349 categories in 12 industries that have been listed as favoured investments. This means that investment in these areas will enjoy simplified approval procedures, national and international funding and loans, land leasing, taxation deduction, social publicity and so on.

Favoured industries

New agricultural technology; Comprehensive agricultural development; Renewable energy; Transportation; Raw material industrial projects; High-tech projects; Exporting; Comprehensive utilization of resources and renewable resources; Pollution preventing projects; Industrial transformation; projects that can bring socio-economic benefits to inner China (especially central and western region), and labour-intensive projects.

Restricted industries

These include agriculture, forestry, livestock, fisheries, mining, manufacturing, energy and water, information, software, wholesale and retail, finance, leasing and business services, science research and technology services, health care and social services, education, culture, sport and entertainment,

Prohibited industries

Research and development, breeding and cultivation of China's listed precious breeds; Transgenic breeding and seeding; Aquatic fishing; exploration and mining of tungsten, molybdenum, tin, antimony, fluorite, rare earth and radioactive minerals, listed Chinese traditional medicine production; radioactive minerals, nuclear fuel and weapon processing; ivory carving, tiger bone processing; Xuan paper and ink ingot production; Within large power grid, construction and operation of stand-alone



capacity of 300,000 kilowatts or below coal-fired condensing thermal power station, stand-alone capacity of 200,000 kilowatts coal-fired condensing steam extraction and dual-use cogeneration power plant; Air Traffic Control; Post and domestic express mail service; Wholesale or retail in tobacco, cigarettes and other tobacco products; Social survey; Chinese Legal Advisory; Human stem cells, gene diagnosis and treatment technology development and applications; Geodesy, mapping and geological survey; Nature reserves and wetlands construction and operation; Protected wildlife's development; Compulsory education; Military, police and political institutions and other special educational organisations; News agency; Publications (books, newspaper, magazine, audio and video products and electronic publications); Broadcasting, TV station and channels; Radio and television program production company; Film production and distribution companies, cinema companies; News sites, online publishing, internet audio-visual program services, Internet access service and the internet cultural business (except music); Auction business involves in cultural relics, and antique shops; Golf course and villa construction; Endanger the safety and performance of military facilities projects, Gambling industry and Porn industry.

References:

Ministry of Commerce of the People's Republic of China - <http://www.mofcom.gov.cn>
<http://english.mofcom.gov.cn>