

China

An overview on economy and business environment



China is the world's most populous country. It also has the longest continuous history of any country in the world, more than 3,500 years of written history and originated many of the foundations of the modern world. The People's Republic of China was founded in 1949. Since 1979, when the country opened up to foreign trade and investment and implemented free-market reforms, China has been among the world's fastest-growing economies, with real annual gross domestic product (GDP) growth averaging 9.5% through 2018. This powerful growth, has been described by the World Bank as "the fastest sustained expansion by a major economy in history."

China is now one of the biggest investors overseas and is pursuing an increasingly forceful foreign and defense policy.

A lot of the complex development challenges that China faces affect other countries, like transitioning to a new growth model, building a cost-effective health system, and promoting a lower carbon energy path. China has a very big influence on other emerging economies thanks to trade and investment.



2021 was a significant and critical year in China, with new regulations marking crucially important changes to key industries and areas of society. At the same time, the economic pressure due to the occasional Covid-19 outbreaks, the supply chain crisis, high commodity prices, and natural disasters had an impact on the second half of 2021.

China's economic outlook for 2022 is predicted to be relatively favourable with GDP growth higher than the global average. However, sustained pressure from possible Covid-19 outbreaks and supply chain obstructions will continue to have an impact. To fight the economic pressures, China will place particular importance on economic stability and recovery, adopting fiscal and monetary policies to push growth in strategic economy sectors. China is also expected to continue its 'zero-Covid' strategy during all 2022 and even with possible economic slowdown and closed borders, international trade is reaching record peaks and foreign companies maintain an optimistic outlook and when compared to the economic outlook of the rest of the world, China is still in a relatively strong position.

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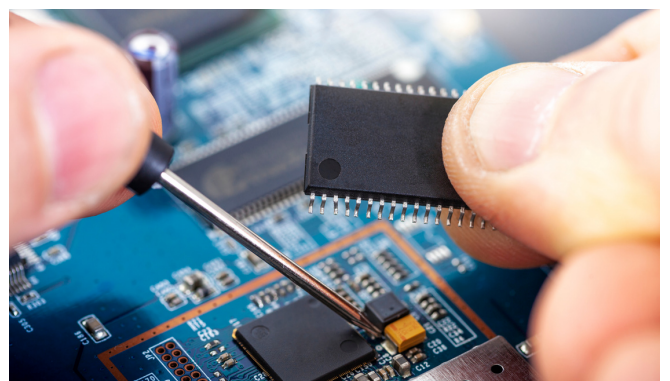


The first quarter of 2022 is also important for China thanks to the Beijing 2022 Olympic Winter Games which presents not just top sports performance. It's also a futuristic tech event and an appealing call to winter sports, which helps drive the economic growth. The popularity of winter sports have also promoted the sports and tourism market, even in places with a warm climate. People is also spending more on winter sports shopping and tourism. Statistics on e-commerce platforms, showed a big increase from previous years in skiing and skating equipment sales during the Spring Festival holiday.

A general overview on the Chinese industries, sees the country as a world leader in gross value of industrial output; mining and ore processing, iron, steel, aluminum, and other metals, coal; machine building; armaments; textiles and apparel; petroleum; cement; chemicals; fertilizer; consumer products (including footwear, toys, and electronics); food processing; transportation equipment, including automobiles, railcars and locomotives, ships, aircraft; telecommunications equipment, commercial space launch vehicles, satellites.

In the last year, the fastest growing industries have been cafés bars and other drinking establishments, online shopping, medical device manufacturing, couriers, alternative fuel cars and automobile manufacturing and internet services.

The biggest exporting industries are: Electrical machinery, equipment; Machinery including computers; Furniture, bedding, lighting, signs, prefabricated buildings; Plastics, plastic articles; Optical, technical, medical apparatus; Vehicles; Miscellaneous textiles, worn clothing; Toys, games; Articles of iron or steel; Clothing, accessories (not knit or crochet).



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Concerning the countries China exports to, the top ones are the United States, Hong Kong, Japan, Korea Rep, Germany, Netherlands, United Kingdom, India, Singapore and Malaysia.



The top imported commodities are Electrical machinery, equipment, Mineral fuels including oil, Machinery including computers, Ores, slag, ash, Optical, technical, medical apparatus, Vehicles, Plastics, plastic articles, Copper, Organic chemicals, Oil seeds. While the top import countries: Japan, South Korea, United States, Australia, Germany, Brazil, Vietnam, Malaysia, Russia, Thailand.

With such a huge and complex industry and economical structure, when approaching Chinese companies it is important to have a complete and in-depth overview of the businesses and their environment. Despite the complex regulatory environment, it is possible to build profitable business partnership thanks to an in-depth knowledge of the Chinese companies. Only the most trusted and expert local business information providers are able to collect in depth and exhaustive information on Chinese companies.

Thanks to CRIF Hong Kong, through SkyMinder you can get an updated and complete full business report on all 34 million registered Chinese companies .

All Chinese companies must register at the State Administration for Industry and Commerce (SAIC) which assigns registration procedures to the local AIC offices. The SAIC has a centralized search system, however each provincial AIC office has its own website so there might be some differences based on the AIC offices regarding the company information disclosed to the public.

All SAIC websites can be searched only in Chinese, that is why, for non-Chinese companies it is important to rely on high expertise business providers, able to properly match the Latin alphabet company data with the Chinese ones like CRIF Shanghai's qualified analysts. CRIF Hong Kong reports available through SkyMinder, include all information available at the AIC translated in English.



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The most comprehensive report available on SkyMinder is the Full Report, an updated comprehensive report including all available details to evaluate a company situation, including the rating and the credit limit:

- Firmographic information including registered Chinese name
- Credit Rating
- Risk Index
- Registered Capital
- Key Financial Figures
- Date of Registration and Legal Form
- Legal Representative
- Registered Capital
- Shareholders
- Business Scope
- Change of registrations
- Principles
- Staff number & property
- Trademark & patent Section
- Purchase and Sales Section
- Import and export Section
- Financial Information
- Bank Information and Lawsuit/ Negative Records

CRIF Hong Kong also offers the Slim report, a shorter report with reasonable information to appraise a company situation. Finally, for a very quick check on a Chinese company in order to confirm the registration of the same, on SkyMinder it is possible to purchase the Verification Report, a document which includes basic information on a company.

Sources: ibisworld.com; bbc.com; <https://www.china-briefing.com/>;
<https://www.eastwestbank.com/>; <https://wits.worldbank.org/>; <https://tradingeconomics.com/>;
<https://www.worldstopexports.com/>; <https://www.cia.gov/the-world-factbook/>; CRIF Hong Kong Ltd.