



FDI in China: Making Sense of Mixed Messages

外商直接投资在中国： 如何在复杂形势下作出理性选择

Chinese President Xi Jinping aggressively encouraged FDI into China at his appearance at Davos this year. But many Swiss companies are experiencing an environment of increased regulation, restrictions and a perception that local companies are being favoured. Is it getting easier or harder to invest in China?

by **Mark Andrews**

Last year, China was the world's third largest recipient of foreign direct investment with an inflow of Rmb813 billion (US\$118 billion). This was despite the annual increase falling to 4.1% year on year compared with a 6.4% growth in 2015, but when measured in US dollar terms it actually fell. China anticipates strong FDI flows to continue, with President Xi saying earlier this year at the World Economic Forum in Davos that he expected 600 billion dollars of foreign investment over the coming five years. Does the experience of Swiss companies investing in China back up this optimism?

On the macro level there is a definite improvement. "There are obviously more sectors in China being opened to FDI now as the FDI is following China's shift of economy where the focus is moving from primary and secondary sectors to the tertiary sector," says Jason Lee an analyst at China Market Research, a consultancy. "Massive consumer industries, as well as finance, service and technology/innovation industries may turn

今年，中国国家主席习近平出席达沃斯论坛时，积极鼓励外商直接投资中国。但许多在华的瑞士企业正经历着监管加重、限制繁多和当地企业更受保护的种种困境。如今在中国投资是更容易还是更加艰难？

作者：**Mark Andrews**

去年，共计 8130 亿元人民币（合 1180 亿美元）的资金流入中国，使之成为世界第三大外国直接投资接受国。尽管年同比增幅降至 4.1%，而 2015 年的增幅为 6.4%，但以美元计算，实际是下降了。中国预计外国直接投资将继续增长，今年早些时候，习近平主席在达沃斯世界经济论坛上表示，他预计未来 5 年将有 6000 亿美元的外国投资。瑞士企业在中国投资的经验是否支持这种乐观预测？

中国宏观大环境的进步毋庸置疑。中国市场研究咨询公司 (China Market Research) 的分析师 Jason Lee 表示：“目前，中国的外商直接投资明显增多，因为外国直接投资正跟随中国经济的转变，而中国经济的重心正从初级和次要部门转移到第三产业。”李还认为，与传统的投资方式一样，如合

out to be more important now to attract foreign capital.” Lee also believes that along with the traditional ways of investing in China such as JVs, WFOEs and acquisitions there are also new channels opening up such as the BOT (Build Operate and Transfer) form of project financing.

Last year saw the State Council approved new guidelines for attracting FDI. This sees access granted in new sectors. “Accounting and auditing, architecture design and rating services will be open to foreign investment for the first time, says Andrew Guthrie, President of Syngenta China. “Foreign-funded firms will be cleared to join the national science and technology program on an equal basis to domestic firms, and enjoy favourable policies designed for the Made in China 2025 Strategy.”

One industry that has seen huge growth over the past decade is the automotive sector, which has also been targeted for fewer restrictions. When it came to car manufacturing foreign OEMs were restricted to joint ventures only where they could own a maximum of 50%. The latest plan for the industry from the Ministry of Industry and Information Technology (MIIT) suggests a relaxation of the rules which insiders anticipate could lead to an end to the restriction by as early as 2020.

Problems for SMEs

Still, for Swiss companies which are predominantly in the family-owned SME sector, things appear not to be so rosy in the current environment. “A few months ago I would have said it is getting easier or safer for Swiss companies to invest in China because we felt things were more stable,” says Pascal Savioz, Mageba’s Head of Asia-Pacific. “But in recent months there appears to be an emerging trend of bigger barriers such as new and stricter environmental laws enforcement, currency exchange issues and restrictions on repatriating investments. We feel there is more administration and more paperwork as well.” It used to be possible for multinationals to repatriate \$50 million using expediting measures, but this has now been cut to \$5 million.

Mageba, a Swiss company which produces bearings, joints and earthquake protection devices for bridges and building structures, has been manufacturing in China since 2005. At that time it only had 100 employees worldwide and this has now gone up to 900. Being such a small company it took a low investment, low risk approach in China. The company rented a factory in China and so didn’t need to invest too much in machines and infrastructure. “This made it possible to avoid making a big direct investment in China, and still build up the operation,” says Savioz. Last year Mageba opened a research laboratory and testing facility in China to complement the manufacturing base which serves the domestic as well as global markets.

Swiss company Belimo Automation is a producer and developer of actuator solutions for controlling heating ventilation and air conditioning systems, and it has been operating in China since 1997 when they first opened a representative office. Today



Andrew Guthrie
Syngenta China

资企业、竞争对手和收购，也有新的渠道如 BOT(建立运营和转让)形式的项目融资。“庞大的消费行业，以及金融、服务和技术/创新行业，现在可能变得更重要，以吸引外资。”

去年，国务院批准了吸引外国直接投资的新指导方针。这可以看到在新行业中获得的使用权。“会计和审计、建筑设计和评级服务将首次对外国资本开放，” Syngenta 中国总裁 Andrew Guthrie 表示。“外商投资企业将获准与国内企业平等地加入国家科技计划，并享受中国制定的《2025 年战略》的优惠政策。”

过去 10 年里，汽车行业经历了巨大的增长，汽车行业也因此被认为会放宽受限。当涉及到汽车制造业时，外国的原始设备制造商只局限于合资企业，

最多只能拥有 50% 的股份。工业和信息化部 (MIIT) 最新的产业规划建议放宽规定，业内人士预计最早在 2020 年就能结束限制。

中小企业的困境

不过，对于以中小型家族企业为主的瑞士企业来说，当前环境似乎并不乐观。“几个月前，我可能会说瑞士企业在中国投资变得越来越容易、也更安全了，因为我们觉得局势更稳定，” Mageba 亚太地区主管 Pascal Savioz 说。“但近几个月来，出现了越来越大的障碍，比如新的、更严格的环境执法、汇率问题以及对投资转移的限制。我们觉得管理和文书上的繁文缛节也愈加严重。过去，跨国公司可以加急单笔汇款 5000 万美元到国内，但现在已经限制每笔汇款最高额度只能 500 万美元。”

Mageba 是一家生产桥梁和建筑结构的轴承、关节和地震防护装置的瑞士公司，自 2005 年以来一直在中国进行生产。当时 Mageba 在全球只有 100 名员工，现在已经达到了 900 人。作为一家小公司，它在中国投资低，风险低。该公司在中国租了一家工厂，所以不需要在机器和基础设施方面投资太多。Savioz 说：“这使避免在中国进行大规模的直接投资成为可能，同时仍然可以推动公司在华运营。”

去年，Mageba 在中国开设了一个研究实验室和测试设施，作为生产基地的补充，同时为中国和海外市场服务。

瑞士公司搏力谋是提供控制加热通风和空调系统的执行器解决方案的制造商和开发商。自 1997 年首次在中国开设代表处以来，搏力谋一直在中国运营。如今，他们在中国雇佣了 100 多人。搏力谋中国的财务和商业服务主管 Lin Ling 表示：“我们经历了一些日益加重的挑战，如劳动力成本上升、知识产权侵权，特别是在打击侵权行为时缺乏法律和行政方面的支持，以及法律对表现欠佳的员工的过度保护。”



Pascal Savioz
Mageba

they employ more than 100 people in China. “We have experienced some increasing difficulties such as rising labour cost, intellectual property infringement, particularly the lack of legal and administrative support to combat infringers, and ridiculous legal protection for non-performing employees,” says Lin Ling, Head of Finance and Business Services, Belimo China.

Size does appear to be a significant factor. Givaudan a large Swiss company first opened a China office in 1990 and today operates four manufacturing plants plus a JV plant along with a fifth plant under construction. Although Givaudan recently laid the foundations of a new fragrance encapsulation centre in Singapore which is set to open in 2018, this does not reflect any refocus away from China. “While we are investing in Singapore we are investing a lot more in China, they are different markets,” says Georges Sanchez, Givaudan’s Country Head. “Over the next three to four years Asia and particularly China is where Givaudan is embarking on a very big investment programme.”

Although the regulatory environment is becoming tougher and that makes it more difficult to invest, Sanchez generally welcomes the changes. “As a result, it has become more difficult for the lower quality players, who we are competing against, to operate in China. The changes do also make it fairer and better for the long term environment. However, the authorities have gone rather from one extreme to the other, and some of the constraints we now have in China on investing and operating, are even more stringent than those we have in Europe.”

The need for enforcement

Although Chinese regulations have for many years been quite developed and are often modelled on the equivalent ones in Europe or the US, the problem has always been with their enforcement. Many foreign companies complained that while they were forced to abide by them, local competitors could often circumvent them. “Two or three years ago we were treated differently, but I see that less and less,” says Sanchez. “A lot of Chinese competitors who operated plants under very poor conditions are now being forced to close down or relocate. The gap still exists, but it is becoming less of a problem.”

One of the big ongoing stories of the past year for the Swiss corporate sector was the US\$43 billion takeover of Syngenta by ChemChina. But such M&A activity is generally seen as only going in one direction and that it is nigh impossible for foreign companies to undertake similar investments in China by buying local companies. Swiss firm Bystronic, however, last year successfully acquired a 51% controlling stake in Shenzhen-based DNE Laser for an undisclosed sum. “It is not easy,” says Song You, President Bystronic China. “You need to do a lot of research, analysis, due diligence, negotiations etc., but it is absolutely worth the time and effort for a good target in China. I don’t see it becoming easier than before, it really is case by case in different cities and industries.”

Another policy of the government to attract FDI in a number of local areas has been to set up development zones. Typically these have various financial incentives and preferential land prices. The Jiaying Port Economic Development Zone, for example, offers varying awards on completion of investment,



Georges Sanchez
Givaudan

公司规模确实是一个重要的因素。Givaudan 是一家大型瑞士公司，于 1990 年首次在中国设立办事处，目前有四家制造工厂和一家合资工厂在建。尽管 Givaudan 最近在新加坡建立了一个新的香水封装中心，该中心将于 2018 年开业，但这并没有反映出任何远离中国的趋势。“当我们在新加坡投资时，我们在中国追加了更多的投资，它们是不同的市场，” Givaudan 的国家主管乔治 Georges Sanchez 说。“在接下来的三到四年间，亚洲特别是中国是 Givaudan 开启一展宏图的地方。

尽管监管环境变得更加严峻，而且这使得投资变得更加困难，但 Sanchez 总体上欢迎这些变化。“我们打低质量牌的竞争对手在中国的运营变得更加困难。”这些变化更有利于形成更公平、更可持续的生态环境。然而，当局已经从一个极端转向另一个极端，我们如今在中国投资和运营受到了很多限制，甚至比欧洲的更为严格。

呼吁执法

尽管中国的法律规定经过多年的发展已经愈加成熟，而且往往以欧洲或美国的同类法规为模板，但问题在于执法。许多外国公司抱怨说他们被迫遵守这些规定，但当地的竞争对手却能规避。Sanchez 说：“与两三年前相比，我们受到的待遇不公越来越少了。我们很多的中国竞争对手，在非常恶劣的环境下运营的工厂现在被迫关闭或搬迁。差距仍然存在，但正变得越来越小。”

过去一年里，瑞士企业界里发生了一个重大事件，中国化工 (ChemChina) 以 430 亿美元收购了先正达 (Syngenta)。但这种并购活动通常被视为单方面的，而外国公司几乎不可能通过收购本土企业在中国进行类似的投资。然而，瑞士公司 Bystronic 去年成功收购了总部位于深圳的 DNE 激光器 51% 的控股权。“这挺不容易的，”宋先生说。“你需要做大量的研究、分析、尽职调查、谈判等等，但为了一个好的中国公司付出这些时间和努力绝对值得。”我并不认为如今变得比以前容易了，确实要具体情况具体分析，在不同城市和行业情况都不一样。”

政府出台的另一个吸引外商直接投资的方式是在某些地区设立开发区。通常这些开发区都有各种各样的财政激励和优惠地价。例如，嘉兴港经济开发区在投资完成时提供不同的奖励，对最低 5000 万美元的投资额提供 100 万元人民币起的奖励。嘉兴港也



Song You
Bystronic

starting with Rmb1 million based on a minimum investment of US\$50 million. Awards are also offered by Jiaying Port for companies that achieve certain annual income or tax paid amounts.

For the Jiangsu Dongtai Economic Development Zone administrative fees are free and business intermediary fees are charged at half price. Many such zones have a certain focus to try to build a self contained ecosystem of industries. Jack Zou, Deputy Director Merchants Bureau at Dongtai says: "Dongtai has been focusing on the development of new materials, equipment manufacturing, electronic information, new energy, marine life, intelligence industry and modern services in recent years."

Financial incentives are important, but they may not be the biggest reason for choosing a zone. "Preferential financial policies are important, but not the most important issue for a company to make a decision on location," says Hu Hongtian, Director of Pinghu Economic-Technological Development Zone, a national industry zone near Shanghai. The zone is also home to Swiss company Autoneum. "Supply chain, human resources, transportation, WFOE environment and government service are more important."

Size matters

Regardless of these issues, most agree that the sheer size of the Chinese market is going to ensure that the country will remain attractive as an FDI destination. "Despite the problems, China is still attractive due to the sheer size of the domestic market, administrative support from the local government, well educated workforce (compared with some of the neighbouring countries), and a fantastic infrastructure," says Belimo's Lin.

In practice, the increasing standards and regulations now demanded for investing by the Chinese government may actually work to Swiss companies' advantage. Swiss SMEs tend to produce high quality products in an environmentally friendly manner. Sanchez notes China is no longer welcoming basic and high polluting chemical producers. And as China endeavours to climb the value chain there will be increasing opportunities for higher standard, Swiss companies. Last year Switzerland became the first country to set up a strategic partnership with China featuring innovation. Syngenta's Guthrie notes. "To continue the development of sustainable agriculture, China needs advanced technology. This is where Syngenta can contribute."

Even so, smaller Swiss companies may still struggle in the current climate, particularly adjusting to unpredictable changes. "There is still a risk in China, you are never sure how reliable it is to repatriate money, regulations change from one day to another and are even retrospective," says Mageba's Savioz. For SMEs with limited budgets there is only so much money to risk investing in China. If they have to struggle with increasing bureaucracy and fulfilling regulations, it will inevitably temper the attraction of investing in the country. ○



Hu Hongtian
Pinghu

为达到一定年收入或缴纳稅款的公司提供奖励。

江苏东台经济开发区行政费用是免费的，商务中介费用为半价。许多开发区都有自己重点发展的方向，试图建立一个完整的生态产业链。东台经济开发区招商局副局长邹铖表示：“近年来，东台一直专注于新材料、设备制造、电子信息、新能源、新能源、海洋生物、智能产业和现代服务业的发展。”

财务激励很重要，但不是选择某个开发区的最主要原因。“优惠的财政政策至关重要，但不是公司在选址时的决定性因素，”上海附近的国家工业园区平湖经济技术开发区的主任胡泓恬说。该地区也是瑞士公司 Auto-neum 的所在地。“供应链、人力资源、交通、外商独资企业环境和政府服务更重要。”

素，”上海附近的国家工业园区平湖经济技术开发区的主任胡泓恬说。该地区也是瑞士公司 Auto-neum 的所在地。“供应链、人力资源、交通、外商独资企业环境和政府服务更重要。”

公司规模的重要性

除开上述因素，大多数人仍然认为，中国市场的庞大规模将一直吸引中国作为外国直接投资目的地的。“尽管存在这些问题，但由于国内市场规模庞大、地方政府的行政支持、（与一些邻国相比）受过良好教育的劳动力，中国仍然有吸引力，而且基础设施建设也非常出色。”

实际上，中国政府要求的投资标准和规定可能会对瑞士企业有利。瑞士中小企业以环保的方式生产高质量的产品。Sanchez 指出，中国不再欢迎基础的和高污染的化学品生产商。随着中国努力攀登价值链上游，更高水平的瑞士公司将会有更多的机会。去年，瑞士成为首个与中国建立战略合作伙伴关系的国家。先正达的 Guthrie 补充到：“要继续发展可持续农业，中国需要先进技术。这就是先正达为之努力的方向。”

即便如此，规模较小的瑞士企业仍可能在当前的环境下苦苦挣扎，特别是适应变幻莫测的变化。

“在中国，风险仍然存在，你永远无法确定把钱汇回国内可靠与否，监管规定每天都在变化，甚至有时候会反复。” Mageba 公司的 Savioz 说。对于预算有限的中小企业来说，在中国投资的资金有限，风险无限。如果他们非要与不断增长的官僚主义和令人身心俱疲的监管相抗争，那将不可避免地降低中国对于外资的吸引力。○

Sources quoted in the article

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