

Catalogue for the Guidance of Foreign Investment Industries

Promulgated date: Nov.30, 2004

Catalogue of Encouraged Foreign Investment Industries

I. Fanning, Forestry, Animal Husbandry and Fishery Industries

1. Improvement of low and medium yielding field
2. Planting technology, without social effects of pollution, of vegetables (including edible fungus and melon-watermelon), fruits, teas and serial development and production of these products
3. Development and production of new breed varieties (excluding those gene-modified varieties) of fine quality, high-yielding crops such as sugar-yielding crops, fruit trees, flowers and plants, forage grass and related new techniques
4. Production of flowers and plants, and construction and operation of nursery base
5. Reusing in fields and comprehensive utilization of straws and stalks of Crop, development and production of resources of organic fertilizers
6. Cultivation of traditional Chinese medicines (equity joint ventures or contractual joint ventures only)
7. Planting of forest trees (including bamboo) and cultivation of fine strains of forest trees
8. Planting of caoutchoucs, sisals and coffees
9. Breeding of quality varieties of breeder animals, breeder birds and aquatic offspring(excluding precious quality varieties peculiar to China)
10. Breeding of famous, special and fine aquatic products, as well as cage culture in deep water

11. Construction and operation of ecological environment protection projects preventing and treating desertification and soil erosion such as planting trees and grasses, etc.

II. Mining and Quarrying Industries

- * 1. Venture prospecting and exploitation of petroleum, natural gas
- * 2. Exploitation of oil and gas deposits (fields) with low osmosis
- * 3. Development and application of new technologies that can increase the recovery factor of crude oil
- * 4. Development and application of new technologies for prospecting and exploitation of petroleum, such as geophysical prospecting, well drilling, well-logging and down hole operation, etc.
- 5. Prospecting and exploitation of coal and associated resources
- 6. Prospecting and exploitation of coal-bed gas
- 7. Exploration and beneficiation of gold mines with low quality or difficult to beneficiate (equity joint ventures or contractual joint ventures only)
- 8. Prospecting, exploitation, and beneficiation of iron ores and manganese ores
- 9. Prospecting and exploitation of copper ores, plum bum ores and zinc ores (equity joint ventures or contractual joint ventures only, wholly foreign- owned enterprises are permitted in west regions)
- 10. Prospecting and mining of aluminum ores (equity joint ventures or contractual joint ventures only, wholly foreign-owned enterprises are permitted in west regions)
- 11. Mining and beneficiation of chemical mines including sulfur ores, phosphate ores, kalium ores, etc.

III. Manufacturing Industries

- 1. Food Processing Industry

- 1.1 Storage and processing of food, vegetables, fruits, fowl and livestock products
- 1.2 Aquatic products processing, seashell products cleansing and processing, and development of function food made from seaweed
- 1.3 Development and production of drinks of fruits, vegetables, albumen, teas and coffees
- 1.4 Development and production of food for babies and agedness, as well as function food
- 1.5 Production of dairy products
- 1.6 Development and production of biology feeds and albumen feeds
2. Tobacco Processing Industry
 - 2.1 Production of secondary cellulose acetate and processing of tows
 - 2.2 Production of tobacco slices in the way of paper making
3. Textile Industry
 - 3.1 Production of special textiles for engineering use
 - 3.2 Weaving and dyeing as well as post dressing of high-grade loomage face fabric
4. Leather, Coat Products Industry
 - 4.1 Processing of wet blue skin of pig, cow and sheep with new technology
 - 4.2 Post ornament and processing of leather with new technology
5. Lumber Processing Industry and Bamboo, Bine, Palm, Grass Products industry
 - 5.1 Development and production of new technology and products for the comprehensive utilization of " sub-quality, small wood and fuel wood" and bamboo in the forest area
6. Paper Making and Paper Products Industry

6.1 Construction of integrated engineering of raw material base with an annual production capacity of over 300 thousand tons of chemical wood pulp or an annual production capacity of over 100 thousand tons of chemical mechanical wood pulp (equity joint venture or contractual joint ventures only)

6.2 Production of high-quality paper and cardboard (equity joint ventures or contractual joint ventures only)

7. Petroleum Refining and Coking Industry

7.1 Deep processing of needle coke and coal tar

7.2 Production of heavy traffic road asphalt

8. Chemical Raw Material and Products Manufacturing Industry

8.1 Production of alkene through catalyzing and cracking of heavy oil

8.2 Production of ethylene with an annual production capacity of 600 thousand tons or over (the Chinese partners shall hold relative majority of shares)

8.3 Comprehensive utilization of ethylene side-products such as C5-C9

8.4 Mass production of corvine(in the way of ethylene)

8.5 Production of organo chlorine serial chemical industrial products (excluding high-residual organo chlorine products)

8.6 Production of basic organic chemical industrial raw materials and their derivative like benzene, methylbenzene, demithylobenzene, glycol etc.

8.7 Production of supporting raw materials for synthesized materials (bisphenol-A, 4.4'diphenylmethane, disso-cyan ester, and vulcabond toluene)

8.8 Production of synthetic fibre raw materials: precision terephthalic acid, vinyl cyanide, caprolactam and nylon 66 salt

8.9 Production of synthetic rubber (liquid butadiene styrene rubber by butadiene method, butyl rubber, isoamyl rubber, butadiene neoprene rubber,

butadiene rubber, acrylic rubber, chlorohydrins rubber)

8.10 Production of engineering plastics and plastic alloys

8.11 Fine chemistry industry: new products and technology for catalytic agent, auxiliary and pigment; processing technology for the commercialization of dye(pigment) ; production of high-tech chemicals for electronics and paper-making, food additives, feed additives, leather chemical products, oil-well auxiliaries, surface active agent, water treatment agent, adhesives, inorganic fibre, inorganic powder stuffing and equipment

8.12 Production of auxiliary agent, preparation agent, and dye-stuff for textile and chemical fibre ladder

8.13 Production of deurate of automobile tail gas, catalyzer and other assistant agents

8.14 Production of nature spices, synthetic spices and single ion spices

8.15 Production of high capability dope

8.16 Production of chloridized titanium white

8.17 Production of chlorofluorocarbon substitution

8.18 Production of mass coal chemical industrial products

8.19 Development and production of new technology and products for the forestry chemicals

8.20 Production of ion film for caustic soda

8.21 Production of biologic fertilizers, high-density fertilizers (potash fertilizer, phosphate fertilizer) and compound fertilizers

8.22 Development and production of new varieties of effective, low poison and low residual agriculture chemicals and pesticides

8.23 Development and production of biology agriculture chemicals and pesticides

8.24 Development and production of inorganic, organic and biologic films for environment protection

8.25 Comprehensive utilization and disposal of exhaust gas, discharge liquid, waste residue

9. Medicine Industry

9.1 Production of material medicines under patent and administrative protection in our country of chemical material medicines which we have to import

9.2 Vitamins: production of niacin

9.3 Amino acid: production of serine, tryptophan, histidine, etc.

9.4 Production of analgesic-antipyretic medicines with new technique and new equipment

9.5 Production of new variety of anticarcinogen medicines, as well as cardiovascular and cerebrovascular medicines

9.6 Production of new, effective and economical contraceptive medicines and devices

9.7 Production of new variety of medicines which are produced by means of biological engineering technology

9.8 Production of vaccine through genic engineering technology (vaccine against AIDS, vaccine against type-Chepatitis, contraceptive vaccine, etc.)

9.9 Development and production of medicines made from allopathics

9.10 Production of diagnostic reagent for AIDS and radio immunity diseases

9.11 Medicines and pharmaceuticals: production of new products and new dosage forms adopting new techniques such as slow release, control release, target preparation and absorbed through skins

9.12 Development and applications of new variety of adjuvant medicines

9.13 Processing and production of traditional Chinese herb medicines, products which distill from traditional Chinese herb medicines and Chinese patent medicines (excluding preparing technique of traditional Chinese medicines in small pieces ready for decoction)

9.14 Production of biological medical materials and products

9.15 Production of antibiotic material medicines used for animals (including antibiotics and chemical synthesis medicines)

9.16 Development and production of new products and new dosage forms of antibiotic medical, anthelmintic, insecticide, anti-coccidiosis medicines used for animals

10. Chemical Fibre Manufacturing Industry

10.1 Production of differential chemical fiber and aromatic synthetic fiber, and production of high tech fiber, annual production of over 5,000 tons of green functional amino synthetic fiber, carbonic fiber, high strength and high molding polyethylene etc.

10.2 Production of chemical fibre of environmental protection variety such as direct viscose and asepsis spinning, etc.

10.3 Production of daily production of over 500 tons of non-fiber polyester, and fiber and non-fiber new-type polyester such as PTT、PEN、PBT etc.

11. Plastic Products Industry

11.1 Production of polyimide film which can keep fresh

11.2 Development and production of new products and new technologies for agricultural films (photolysis film, multifunctional film and the raw materials, etc.)

11.3 Reutilization and counteraction of waste and old plastic

12. Non-metal Mineral Products Processing Industry

12.1 Production of fine-quality floating glass with a daily melting capacity of 500 tons or over(only in mid-west region of China)

12.2 Production of new type dry process cement of clinker with a daily output capacity of 2,000 tons or over(only in mid-west region of China)

12.3 Production of glass fibre (product line with technology of wire

drawing in tank furnace) and glass fibre reinforced plastic products with an annual capacity of 10,000 tons or more

12.4 Production of high level sanitation porcelain with an annual production of 500,000 pieces or over

12.5 Standardization refine of ceramic material and production of high-level decorative materials used for ceramics

12.6 Production of high-level refractory material used in furnaces for glass, ceramics and glass fibre

12.7 Production of inorganic, non-metal materials and products (artificial crystal, high-capability complex materials, special kind of glass, special kind of ceramics, special kind of airproof materials and special kinds of cementation materials)

12.8 Production of new type of building materials (light-weight high-intensity and multi-function materials for wall, high-level environment protecting decorating and finishing materials, high quality water-proof and airproof materials, and effective thermal insulation materials)

12.9 Deep processing of non-metal mineral products (super-thin comminution, high level pure, fine production, modification)

13. Ferrous Metallurgical Smelting and Rolling Processing Industry

13.1 Production of direct and fusion reduced iron

14. Non-Ferrous Metallurgical Smelting and Rolling Processing Industry

14.1 Smelting of gold mines with low quality or difficult to beneficiate (equity joint ventures or contractual joint ventures only, wholly foreign-owned enterprises are permitted in west regions)

14.2 Production of hard alloy, tin compound and antimony compound

14.3 Production of non-ferrous composite materials, new type of alloy materials

14.4 Utilization of rare-earth

15. Metal Products Industry

15.1 Design and manufacturing of non-metal products molds

15.2 Design and manufacturing of car and motorcycle molds (including plunger die, injection mold, molding die, etc.) and chucking appliances (chucking appliances for welding, inspection jig, etc.)

15.3 Development and production of high-grade hardware for construction, hot-water heating equipment and hardware parts

16. General Machine-building Industry

16.1 Manufacturing of numerically controlled machine tools, digital control system and servomechanism installations which exceed triaxiality linkage

16.2 Manufacturing of high performance welding robot and effective welding and assembling production equipment

16.3 Production of high temperature resistant and insulation material (with F,H insulation class) ,as well as insulation shaped parts

16.4 Production with techniques of proportional, servohydraulic pressure, low-power pneumatic control valve and stuffing static seal

16.5 Production of precision plunger dies, precision cavity molds and standard components of molds

16.6 Manufacturing of precision bearings and all kinds of bearings used specially for principal machines

16.7 Manufacturing of casting and forging workblanks for cars and motorcycles

17. Special Equipment Manufacturing

17.1 Development and manufacturing of new technology and equipment for the storage, preservation, classifying, packing, drying, transporting and processing of food, cotton, oil, vegetables, fruits, flowers, pasture plants, meat and aqua products

17.2 Manufacturing of facility agriculture equipment

17.3 Manufacturing of new technical agriculture and forestry equipment

17.4 Design and manufacturing of engines for tractors, combine harvesters, etc.

17.5 Manufacturing of equipment for reusing in fields and comprehensive utilization of straws and stalks of crop

17.6 Manufacturing of equipment for comprehensive utilization of waste agriculture products and waste fowl and livestock products which are bred in scale

17.7 Manufacturing of water-saving irrigation equipment with new technique

17.8 Manufacturing of earthwork for wet land and desilting machines

17.9 Technology of hydrophily ecological system for protecting environment and equipment manufacturing

17.10 Manufacturing of equipment for scheduling system which is used in long-distance transmitting water engineering

17.11 Manufacturing of special machines and equipment for flood prevention and emergency rescue

17.12 Manufacturing of key equipment in food industry such as high-speed asepsis canning equipment and brander equipment, etc.

17.13 Production technology and key equipment manufacturing of aminophenol, zymin, food additive

17.14 Manufacturing of complete set equipment with a hourly feed processing capacity of 10 tons or more and key spare parts

17.15 Manufacturing of multi-color offset press for web and folio of paper or larger size

17.16 Manufacturing of equipment with new technique for post ornament and processing of leather

17.17 Manufacturing of high-tech involved special industrial sewing machines

17.18 Manufacturing of complete set of equipment of new type of knitting machines, new type of paper(including pulp) making machines

17.19 Design and manufacturing of new type of mechanical equipment for highways and ports

17.20 Manufacturing of equipment for highways and bridges maintenance, automatic detection

17.21 Manufacturing of equipment for operation supervisory control, ventilation, disaster prevention and rescue system of highway and tunnels

17.22 Design and manufacturing of large equipment for railway construction and maintenance

17.23 Manufacturing of equipment for garden machines and tools with new technique

17.24 Manufacturing of special equipment for cities' sanitation and environment work

17.25 Manufacturing of machines for road milling and overhauling

17.26 Manufacturing of tunneling diggers, equipment of covered digging for city metro

17.27 Manufacturing of city sewage-disposal equipment with capacity of 80,000 tons/day or more, industrial sewage film treatment equipment up-flow anaerobic fluidized bed equipment, and other biological sewage disposal equipment, recycling equipment for waste plastics, desulphurization and denitration equipment for industrial boiler, large high-temperature resistant, acid resistant bag dust remover, incinerating equipment for rubbish treatment

17.28 Manufacturing of turbine compressors and combined comminutors of the complete set equipment with an annual production capacity of 300,000 tons or over of synthetic ammonia, 480,000 tons or over of urea, 450,000 tons or over ethylene

17.29 Technique for desulfurization of thermal power station and equipment manufacturing

17.30 Manufacturing of sheet conticasters

17.31 Deep processing technique and equipment manufacturing of plate glass

17.32 Manufacturing of equipment for down hole trackless mining, loading and transporting, mechanical power-driven dump trucks for mining of 100 tons or over, mobile crushers, 3,000 m³/h or over bucket excavator, 5 m³ or larger mining loader, full-section tunneling machines

17.33 Design and manufacturing of new instruments and equipment for prospecting and exploitation of petroleum

17.34 Manufacturing of cleaning equipment for electromechanical wells and production of medical

17.35 Manufacturing of electronic endoscopes

17.36 Manufacturing of medical X-ray machines set with high-frequency technique, direct digital imagery processing technique and low radiation (80kW or over)

17.37 Manufacturing of equipment for high magnetic field intensity and super conduct(MRI)

17.38 Manufacturing of machines for collecting blood plasm only

17.39 Manufacturing of equipment for auto elisa immune system (including the functions of application of sample, elisa photo meter, wash plate, incubation, data post treatment, etc.)

17.40 New techniques of quality control of medicine products and new equipment manufacturing

17.41 New analytical techniques and extraction technologies, and equipment development and manufacturing for the effective parts of traditional Chinese medicines

17.42 Producing and manufacturing of new packing materials, new containers for medicine, and advanced medicine producing equipment

18. Communication and Transportation Equipment Industries

* 18.1 Manufacture of complete automobiles (including of development and research)

18.2 Manufacture of complete automobiles (including of development and research)

18.3 Manufacture of key spare parts for automobiles: complete brakes, complete driving rods, automatic gearboxes, fuel pumps of diesel engine, engine air supercharger, engine emission controlling system, electromotive turning system, sticky joints (use for four-tire drive), air shock absorber, air suspension device , Hydraulic valve lifters, compound meters

18.4 Manufacture of auto electronic systems (including of engine controlling system, chassis controlling system, body electronic controlling system)

18.5 Manufacture of vehicles for special-purpose in petroleum industry; vehicles for deserts, etc.

18.6 Technology and equipment for railway transportation: design and production of locomotives and main parts, design and production of equipment for railways and bridges, related technology and equipment production for rapid transit railway, production of equipment for communicational signals and transportation safety monitoring, production of electric railway equipment and instrument

18.7 Equipment for urban rapid transit track transportation: design and manufacture of set of powered car and main parts for metro, city light rail

18.8 Design and manufacture of civil planes (Chinese partner shall hold the majority of shares)

18.9 Production of spares parts for civil planes

18.10 Design and manufacture of civil helicopters (Chinese partner shall hold the majority of shares)

18.11 Design and manufacture of aeroplane engines (Chinese partner shall hold the majority of shares)

18.12 Design and manufacture of civil air-borne equipment (Chinese partner shall hold the majority of shares)

18.13 Manufacture of light gas-turbine engine

18.14 Design and manufacture of crankshafts of low-speed diesel engine for vessel

18.15 Repairing, design and manufacture of special vessels, high-performance vessels (the Chinese party shall hold the relative majority of shares)

18.16 Design and manufacture of the equipment and accessories of high-speed diesel engines, auxiliary engines, radio communication and navigation for vessels (the Chinese party should hold relative majority shares)

18.17 Manufacture of fishing boats and yachts made of glass fibre reinforced plastic

19 Electric Machinery and Equipment Industries

19.1 Thermal power plant equipment: manufacture of super critical units of 600,000kw or over, large gas-turbine, gas-steam combined cycle power equipment, coal gasification combined cyclic (IGCC) technique and equipment, pressure boost fluidized bed(PFBC) , large air-cooling power units of 600,000kw or over, Grand CFB boiler which has 300 thousands kilowatt (equity joint ventures or contractual joint ventures only),

19.2 Hydropower plant equipment: manufacture of large pump-storage power units of 150,000 kW and over, large tubular turbine units of 150,000kW or over(equity joint ventures or contractual joint ventures only)

19.3 Nuclear-power plant equipment: manufacture of power units of 600,000kW or over(equity joint ventures or contractual joint ventures only)

19.4 Power transmitting and transforming equipment: manufacture of super high-voltage DC power transmitting and transforming equipment of 500 kilovolts or over(equity joint ventures or contractual joint ventures only)

20. Electronic and Telecommunications Industries

20.1 Manufacture of digital television, digital video camera, digital record player, digital sound-playing equipment

20.2 Manufacture of new type plate displays, medium and high resolution color kinescope and glass shielding

20.3 Manufacture of key parts, which used in big-screen color project display, such as optical engine, lamp-house, screen for projection, high definition projection pipe.

20.4 Design of integrated circuit and production of large scale integrated circuit with a line width of 0.35 micron or smaller

20.5 Manufacture of medium-and large-sized computers, portable microcomputers, high-grade server

20.6 Development and manufacture of drivers of high capacity compact disk and disk and related parts

20.7 Manufacture of 3-dimension CAD, CAT, CAM, CAE and other computer application system

20.8 Development and manufacture of software

20.9 Development and production of materials specific for semi-conductor and components

20.10 Manufacture of electronic equipment, testing equipment, tools and moulds

20.11 Manufacture of new type electronic components and parts (slice components, sensitive components, sensors, frequency monitoring and selecting components, hybrid integrated circuit, electrical and electronic components, photoelectric components, new type components for machinery and electronics)

20.12 Manufacture of hi-tech green batteries: non-mercury alkali-manganese batteries, powered nickel-hydrogen batteries, lithium-ion batteries, high-capacity wholly sealed maintenance-proof lead-acid accumulators, fuel batteries, pillar-shaped zincair batteries

20.13 Development and manufacture of key components for high-density digital compact disk driver

20.14 Manufacture of recordable compact disk(CD-R, CD-RW.DVD-R,DVD-ARM)

20.15 Copy of non-recordable CD and manufacture of recordable Compact Disc

20.16 Manufacture of civil satellites effective payload (Chinese partner shall hold the majority of shares)

20.17 Manufacture of spare parts for civil satellites

20.18 Design and manufacture of civil carrier rockets (Chinese partner shall hold the majority of shares)

20.19 Manufacture of telecommunication system equipment for satellites

20.20 Manufacture of receiving equipment of satellite navigation and key components (equity joint ventures or contractual joint ventures only)

20.21 Manufacture of optical fibre preformed

20.22 Manufacture of serial transmission equipment of digital microwave synchronization of 622 MB/S

20.23 Manufacture of serial transmission equipment of photo timing synchronization of 10 GB/S

20.24 Manufacture of equipment for cut-in communication network with broad bond

20.25 Manufacture of optical cross-linking equipment (OXC)

20.26 Manufacture of ATM and IP data communication system

20.27 Manufacture of mobile communication systems (GSM, CDMA, DCS1800,PHS, DECT, IMT2000): mobile telephone, base station, switching equipment and digital colonization system equipment

20.28 Development and manufacture of high-end router、network switchboard of gigabit per second or over

20.29 Manufacture of equipment for air traffic control system (equity joint ventures or contractual joint ventures only)

21. Machinery Industries for Instrument and Meter, Culture and Office

21.1 Development and production of digital cameras and key components

21.2 Development and manufacture of precision on-line measuring

instrument

21.3 Manufacture of new technical equipment for safe production and environment protection detecting instrument

21.4 Manufacture of new-tech equipment of water quality and fume on-line detecting instrument

21.5 Manufacture of instrument and equipment for hydrological data collecting, processing, transmitting and flood warning

21.6 Production of new type of meters' spare parts and materials (mainly new switches and function materials for meters such as intelligent sensors, socket connector, flexible circuit board, photoelectric switches and proximity switches.)

21.7 Manufacture of new type printing devices (laser printers, ink-jet printers)

21.8 Maintenance of precision instrument and equipment, post-sale services

22. Other Manufacture Industries

22.1 Development and utilization of clean-coal technical product (coal gasification, coal liquefaction, water-coal, industrial lump-coal)

22.2 Coal ore dressing by washing and comprehensive utilization of powered coal(including desulphurized plaster) , coal gangue

IV. Production and Supply of Power, Gas and Water

1. Construction and management of thermal-power plants with a single unit installed capacity of 300,000kW or above

2. Construction and management of power plants with the technology of clean coal burning

3. Construction and management of heat power plants

4. Construction and management of power plants with natural gas

5. Construction and management of hydropower stations with the main purpose of power generating

6. Construction and management of nuclear-power plants (Chinese partner shall hold the majority of shares)

7. Construction and management of new energy power plants (solar energy, wind energy, magnetic energy, geothermal energy, tide energy and biological mass energy, etc.)

8. Construction and management of urban water plants

V. Water Resources Management Industry

1. Construction and management of key water control projects for comprehensive utilization (the Chinese party shall hold the relative majority of shares)

VI. Communication and Transportation, Storage, Post and Telecommunication Services

1. Construction and management of grid of national trunk railways (Chinese partner shall hold the majority of shares)

2. Construction and management of feeder railways, local railways and related bridges, tunnels and ferry facilities (equity joint ventures or contractual joint ventures only)

3. Construction and management of highways, independent bridges and tunnels

4. Construction and management of public dock facilities of ports

5. Construction and management of civil airports (the Chinese party shall hold the relative majority of shares)

6. Air transportation companies (Chinese partner shall hold the majority of shares)

7. General aviation companies for agriculture, forest and fishery (equity joint ventures or contractual joint ventures only)

* 8. International liner and tramp maritime transportation business

* 9. International containers inter-model transportation

* 10. Road freight transportation companies

11. Construction and management of oil (gas) pipelines, oil (gas) depots and petroleum wharf

12. Construction and management of the facilities of coal delivery pipelines

13. Construction and management of storage facilities relating to transportation services

VII. Wholesale and Retail Trade Industry

* 1. Wholesale, retail and logistic distribution of general goods

VIII. Real Estate Industry

1. Development and construction of ordinary residential houses

IX. Social Service Industry

1. Public Facility Service Industries

1.1 Construction and management of urban access-controlled roads

1.2 Construction and management of metro and city light rail (Chinese partner shall hold the majority of shares)

1.3 Construction and management of treatment plants for sewage, garbage, the dangerous wastes (incineration and landfill) , and the facilities of environment pollution treatment

2. Information, Consultation Service Industries

2.1 Information consulting agencies of international economy, science and technology, environmental protection

* 2.2 Accounting and auditing

X. Public Health, Sports and Social Welfare Industries

1. Service agencies for the elderly and the handicapped

XI. Education, Culture and Arts, Broadcasting, Film and TV Industries

1. Higher education institutes (equity joint ventures or contractual joint ventures only)

XII. Scientific Research and Poly-technical Services Industries

1. Biological engineering technique and bio-medical engineering technique
 2. Isotope, irradiation and laser technique
 3. Ocean and ocean energy development technology
 4. Seawater desalting and seawater utilization technology
 5. Oceanic monitoring technology
 6. Development of energy-saving technology
 7. Technology for recycling and comprehensive utilization of resources
 8. Technology for environment pollution treatment and monitoring
 9. Technology for preventing from desertification and desert improvement
 10. Application technique of civil satellite
 11. Research and development centers
 12. Centers for hi-tech, new products developing, and incubation of enterprises
- XIII. Permitted foreign invested projects whose products are to be wholly exported directly

Catalogue of Restricted Foreign Investment Industries

I. Fanning, Forestry, Animal Husbandry and Fishery Industries

1. Development and production of grain (including potatoes), cotton and oil-seed (Chinese partner shall hold the majority of shares)
2. Processing of the logs of precious varieties of trees (equity joint ventures or contractual joint ventures only)

II. Mining and Quarrying Industries

1. Exploring and mining of minerals such as wolfram, tin, antimony, molybdenum, barite, fluorite(equity joint ventures or contractual joint ventures only)
2. Exploring and mining of precious metals (gold, silver, platinum families)
3. Exploring and mining of precious non-metals such as diamond
4. Exploring and mining of special and rare kinds of coal (Chinese partner shall hold the majority of shares)
5. Mining of szaibelyite and szaibelyite iron ores
6. Mining of celestine

III. Manufacturing Industries

1. Food Processing Industry

- 1.1 Production of millet wine and spirits of famous brands
- 1.2 Production of soda beverage of foreign brand
- 1.3 Production of synthetic sweet agent such as saccharin
- 1.4 Processing of fat or oil

2. Tobacco Processing Industry

- 2.1 Production of cigarettes and filter tips

3. Textile Industry

- 3.1 Wool spinning, cotton spinning
- 3.2 Silk reeling

4. Printing and Record Medium Reproduction Industry

- 4.1 Printing or publications (Chinese partner shall hold the majority of shares except printing of package decoration)

5. Petroleum Processing and Coking Industries

5.1 Construction and management of refineries

6. Chemical Raw Material and Products Manufacturing Industry

6.1 Production of ionic membrane caustic soda

6.2 Production of sensitive materials

6.3 Production of benzidine

6.4 Production of chemical products from which narcotics are easily made (ephedrine, 3,4-idene dihydro phenyl 1-2-acetone, phenylacetic acid, 1-phenyl-2-acetone, heliotropin, safrole, isosafrole, acetic oxide)

6.5 Production of sulphuric acid basic titanium white

6.6 Processing of baron, magnesium, iron ores

6.7 Barium salt production

7. Medical and Pharmaceutical Products Industry

7.1 Production of chloramphenicol, penicillin G, lincomycin, gentamicin, dihydrostreptomycin, amikacin, tetracycline hydrochloride, oxytetracycline, medemycin, kitsasmycin, ilotylin, ciprofloxacin and ofloxacin

7.2 Production of analgin, paracetamol. Vitamin B1, Vitamin B2, Vitamin C, Vitamin E

7.3 Production of immunity vaccines, bacterins, antitoxins and anatoxin (BCG vaccine, poliomyelitis, DPT vaccine, measles vaccine, Type-B encephalitis, epidemic cerebrospinal meningitis vaccine) which included in the State's Plan

7.4 Production of material medicines for addiction narcotic and psychoactive drug (Chinese partner shall hold the majority of shares)

7.5 Production of blood products

7.6 Production of non-self-destructible expendable injectors, transfusion systems, blood transfusion systems, blood bags

8. Chemical Fibre Production Industry

8.1 Production of chemical fibre drawnwork of conventional chipper

8.2 Production of viscose staple fibre with an annual single thread output capacity of less than 20, (XX) tons

8.3 Production of polyester and spandex used for fibre and non-fibre with a daily production capacity of less than 400 tons

9. Rubber Products

9.1 Cross-ply and old tire recondition (not including radial tire), and production of industrial rubber fittings of low-performance

10. Non-Ferrous Metal Smelting and Rolling Processing Industry

10.1 Smelting and separation of rare earth metal (equity joint ventures or contractual joint ventures only)

11. Ordinary Machinery Manufacturing Industry

11.1 Manufacture of containers

11.2 Manufacture of small and medium type ordinary bearings

11.3 Manufacture of truck cranes of less than 50 tons (equity joint ventures or contractual joint ventures only)

12. Special Purpose Equipment Manufacturing Industry

12.1 Production of low or middle class type-B ultrasonic displays

12.2 Manufacture of equipment for producing long dacron thread and short fibre

12.3 Manufacture of crawler dozers of less than 320 horsepower, wheeled mechanical loaders of less than 3 cubic meter (equity joint ventures or contractual joint ventures only)

13. Electronic and Telecommunication Equipment Manufacturing Industry

13.1 Production of satellite television receivers and key parts

IV. Production and Supply of Power, Gas and Water

1. Construction and operation of conventional coal-fired power plants whose unit installed capacity is less than 300, 000kW(with the exception of small power grid)

V. Communication and Transportation, Storage, Post and Telecommunication Services

1. Road passenger transportation companies

* 2. Cross-border automobile transportation companies

* 3. Water transportation companies

* 4. Railway freight transportation companies

5. Railway passenger transportation companies (Chinese partner shall hold the majority of shares)

6.General aviation companies engaging in photographing, prospecting and industry (Chinese partner shall hold the majority of shares)

* 7. Telecommunication companies

VI. Wholesale and Retail Trade Industries

* 1. Commercial companies of commodity trading, direct selling, mail order selling, Internet selling, franchising, commissioned operation, sales agent, commercial management companies, and wholesale, retail and logistic distribution of grain , cotton, vegetable oil, sugar, medicines, tobaccos, automobiles, crude oil, capital goods for agricultural production

* 2. Wholesale or retail business of books, newspaper and periodicals

* 3. Distributing and selling of audiovisual products (excluding movies)

4. Commodity auctions

* 5. Goods leasing companies

6. Agencies (ship, freight forwarding, tally for foreign vessels, advertising)

* 7. Wholesaling product oil, and construction and operation of gasoline stations

* 8. Foreign trade companies

VII. Banking and Insurance Industries

1. Banks, finance companies, trust investment companies
- * 2. Insurance companies
- * 3. Security companies, security investment fund management companies
4. Financial leasing companies
5. Foreign exchange brokage
6. Insurance brokage companies

VIII. Real Estate Industry

1. Development of pieces of land (equity joint ventures or contractual joint ventures only)
2. Construction and operation of high-ranking hotels, villas, high-class office buildings and international exhibition centers
3. Construction and operation of grand main subject park

IX. Social Service Industry

1. Public Facility Service Industries
 - 1.1 Construction and operation of networks of gas, heat, water supply and water drainage in large and medium sized cities (Chinese partner shall hold the majority of shares)
2. Information, Consultation Service Industries
 - 2.1 Legal consulting
 - 2.2 Marketing research (equity joint venture, contractual joint ventures only)

X. Public Health, Sports and Social Welfare Industries

1. Medical treatment establishments (equity joint ventures or contractual

joint ventures only)

2. Construction and operation of golf courts

XI. Education, Culture and Arts. Broadcasting, Film and TV Industries

1. Education establishments for senior high school students (equity joint ventures or contractual joint ventures only)

2. Construction and operation of cinemas (Chinese partner shall hold the majority of shares)

3. Production of broadcasting and TV programs, publishing and filmmaking (shareholding controlled by Chinese party)

XII. Scientific Research and Poly-technical Services Industries

1. Mapping companies (Chinese partner shall hold the majority of shares)

* 2. Inspection, verification and attestation companies for imported and exported goods

XIII. Other industries restricted by the State or international treaties that China has concluded or taken part in

Catalogue of Prohibited Foreign Investment Industries

I. Fanning, Forestry, Animal Husbandry and Fishery Industries

1. Cultivation of China's rare precious breeds (including fine genes in plants industry, husbandry and aquatic products industry)

2. Production and development of genetically modified plants' seeds

3. Fishing in the sea area within the Government jurisdiction and in in-land water

II. Mining and Quarrying Industries

1 .Exploring, mining and dressing of radioactive mineral products

2. Exploring, mining and dressing of rare earth metal

III. Manufacturing Industry

1. Food Processing Industry

1.1 Processing of green tea and special tea with China's traditional crafts (famous tea, dark tea, etc.)

2. Medical and Pharmaceutical Products Industry

2.1 Processing of traditional Chinese medicines that have been listed as the State protection resources(musk, licorice, jute, etc.)

2.2 Application of preparing technique of traditional Chinese medicines in small pieces ready for decoction, and production of the products of secret recipe of traditional Chinese patent medicines

3. Non-Ferrous Metal Smelting and Rolling Processing Industry

3.1 Smelting and processing of radioactive mineral products

4. Manufacture of Weapons and Ammunition

5. Other Manufacturing Industries

5.1 Ivory carving

5.2 Tiger-bone processing

5.3 Production of bodiless lacquerware

5.4 Production of enamel products

5.5 Production of Xuan-paper (rice paper) and ingot-shaped tablets of Chinese ink

5.6 Production of carcinogenic, teratogenic, mutagenesis and persistent organic pollutant products

IV. Production and Supply of Power, Gas and Water

1. Construction and operation of power network

V. Communication and Transportation, Storage, Post and Telecommunication Services

1. Companies of air traffic control

2. Companies of postal services

VI. Finance, Insurance Industries

1. Futures companies

VII. Social Service Industry

1. Development of wild animal and plant resources protected by the State

2. Construction and operation of animal and plant natural reserves

3. Social investigation

4. Gambling(including the racecourse for gambling)

5. Pornographic services

VIII. Education, Culture and Arts, Broadcasting, Film and TV Industries

1. Educational institutes for basic education (compulsory education)

2. Business of publishing, producing, master issuing, and importing of books, newspaper and periodical

3. Business of publishing, producing, master issuing and importing of audio and visual products and electronic publications

4. News agencies

5. Radio stations, TV stations, radio and TV transmission networks at various levels (transmission stations, relaying stations, radio and TV satellites, satellite up-linking stations, satellite receiving stations, microwave stations, monitoring stations, cable broadcasting and TV transmission networks)

6. Companies of producing, publishing, issuing and playing of broadcast and TV programs

7. Film Publishing Companies

8. Companies of video tape showing

IX. Other Industries

1. Projects that endanger the safety and performance of military facilities

X. Other industries restricted by the State or international treaties that China has concluded or taken part in

Note:

1. If there are any other requirements in Planning for Building up closer Relationship on Business and Trading between Mainland and Hong Kong and its supplementary, and Planning for Building up closer Relationship on Business and Trading between Mainland and Marco and its supplementary, it shall be followed.

2. The items marked " * " are related to the commitment of China's accession to WTO. Please see the Appendix for details.

Appendix

I. Notes for Catalogue of Encouraged Industries:

1. Prospecting and exploitation of oil and natural gas: In cooperation with Chinese partner only.

2. Exploitation of oil deposits (fields) with low osmosis: In cooperation with Chinese partner only.

3. Development and application of new technologies that can increase recovery factor of crude oil: In cooperation with Chinese partner only.

4. Development and application of new technologies for prospecting and exploitation of petroleum, such as geophysical prospecting, well-drilling, well-logging and down hole operation, etc. : In cooperation with Chinese partner only.

5. Manufacturing of automobile and motorcycle: The proportion of foreign investments shall not exceed 50% .

6. International liner and tramp maritime transportation business: The proportion of foreign investments shall not exceed 49% .

7. International container multi-modal transportation: The proportion of foreign investments shall not exceed 50% . Foreign majority ownership will be permitted no later than Dec .11, 2002. Wholly foreign ownership will be permitted no later than Dec .11, 2005.

8. Road freight transportation companies: Foreign majority ownership will be permitted no later than Dec .11,2002. Wholly foreign ownership will be permitted no later than Dec .11, 2004.

9. Wholesale, retail and logistic distribution of general goods: As described in No. 5 of Notes for Catalogue of Restricted Industries of the Appendix.

10. Accounting and auditing: hi cooperation with Chinese partner and in the form of partnership only.

II. Notes for Catalogue of Restricted Industries:

1. Cross-border automobile transportation companies: Foreign majority ownership will be permitted no later than Dec .11, 2002. Wholly foreign owned enterprises will be permitted no later than Dec .11,2004.

2. Water transportation companies: The proportion of foreign investments shall not exceed 49% .

3. Rail freight transportation companies: The proportion of foreign investments shall not exceed 49%. Foreign majority ownership will be permitted no later than Dec .11,2004. Wholly foreign owned enterprises will be permitted no later than Dec .11,2007.

4. Telecommunication Companies

4.1 Value-added services and paging services in basic telecommunication services: Foreign investments are permitted no later than Dec.11, 2001 with the proportion of foreign investment not exceeding 30% .The proportion of foreign investment in joint venture shall not

exceed 49% no later than Dec. 11,2002, and shall be allowed to reach 50% no later than Dec. 11,2003.

4.2 Mobile voice and data services in basic telecommunication services: Foreign investments are permitted no later than Dec .11, 2001 with the proportion of foreign investment not exceeding 25% . The proportion of foreign investment in joint venture shall not exceed 35 % no later than Dec .11,2002,and shall be allowed to reach 49% no later than Dec. 11,2004.

4.3 Domestic and international services in basic telecommunication services: Foreign investments will be permitted no later than Dec. 11,2004 with the proportion of foreign investment not exceeding 25 % . The proportion of foreign investment in joint venture shall not exceed 35% no later than Dec.11,2006 and shall be allowed to reach 49% no later than Dec. 11, 2007.

5. Commodities trade, direct selling, mail-order selling. Internet selling, sales agent, franchising, commercial management; whole sale, retail and logistic distribution of grain, cotton, vegetable oil, sugar, pharmaceutical products, tobacco, automobile, crude oil, capital goods for agricultural production; whole sale and retail of books, newspapers, periodicals; whole sale of product oil, construction and operation of gasoline station

5.1 Commission agents' services and wholesale trade services (excluding salt, tobacco): Foreign invested enterprises are permitted no later than Dec. 11,2002 with foreign investment not exceeding 50%, but can not engage in the distribution of books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, chemical fertilizers, processed oil and crude oil. Foreign majority ownership will be permitted no later than Dec .11,2003. And wholly foreign-owned enterprises will be permitted no later than Dec. 11, 2004, and can engage in the distribution of books, newspapers, magazines, pharmaceutical products, pesticides, mulching films. The distribution of chemical fertilizers, processed oil and crude oil are permitted no later than Dec.11,2006.

5.2 Retailing services (excluding tobacco) : Foreign invested enterprises are permitted but can not engage in the distribution of books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, chemical fertilizers, processed oil. The proportion of foreign investment can reach 50% no later than Dec. 11,2002, and can engage in the distribution of books, newspapers and magazines. Foreign majority ownership will be

permitted no later than Dec .11, 2003. And wholly foreign owned enterprises will be permitted no later than Dec .11,2004, and can engage in the distribution of pharmaceutical products, pesticides, mulching films, and processed oil. The distribution of chemical fertilizers are permitted no later than Dec. 11,2006. Foreign investors cannot take majority ownership of a Chainstore that has over 30 branch stores and engages in the distribution of automobiles (the limitation will be lift no later than Dec. 11, 2006), books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, processed oil, chemical fertilizers, grain, vegetable oil, sugar, tobacco, cotton.

5.3 Franchising and wholesale or retail trade services away from a fixed location: Foreign invested enterprises are permitted no later than Dec. 11, 2004.

6. The distribution of audiovisual products (excluding movies) : Foreign investments shall be permitted no later than Dec .11,2004.

7. Goods leasing companies: Foreign majority ownership shall be permitted no later than Dec .11,2002. Wholly foreign owned enterprises shall be permitted no later than Dec .11,2004.

8. Agencies

8.1 Ship agencies: The proportion of foreign investment shall not exceed 49%.

8.2 Freight forwarding agencies (excluding those services specially reserved for Chinese postal authorities) : The proportion of foreign investments shall not exceed 50% (not exceed 49% in the case of courier services). Foreign majority ownership shall be permitted no later than Dec .11,2002. Wholly foreign owned enterprises shall be permitted no later than Dec .11,2005.

8.3 Cargo handling for foreign vessels: In forms of equity joint ventures or contractual joint ventures only

8.4 Advertising agencies: The proportion of foreign investment shall not exceed 49%. Foreign majority ownership shall be permitted no later than Dec .11,2003. Wholly foreign owned enterprises shall be permitted no later than Dec. 11,2005.

9. Insurance

9.1 Non-life insurance companies: The proportion of foreign investments shall not exceed 51 % . Wholly foreign owned enterprises shall be permitted no later than Dec. 11,2003.

9.2 Life insurance companies: The proportion of foreign investments shall not exceed 50% .

10. Securities company, securities investment fund management companies

10.1 Securities companies: Foreign investments shall be permitted no later than Dec .11, 2004 with the proportion of foreign investment not exceeding 1/3.

Securities investment fund management companies: The proportion of foreign investment shall not exceed 33 % . The proportion of foreign investment shall be allowed to reach 49% no later than Dec. 11,2004.

11. Insurance brokage companies: The proportion of foreign investment shall not exceed 50% . The proportion shall be allowed to reach 51 % no later than-Dec. 11,2004. Wholly foreign owned enterprises shall be permitted no fate than Dec. 11,2006.

12. Companies of inspection, verification, attestation for imported and exported goods: Foreign majority ownership shall be permitted no later than Dec .11,2003. Wholly foreign owned enterprises shall be permitted no later than Dec.11,2005.

