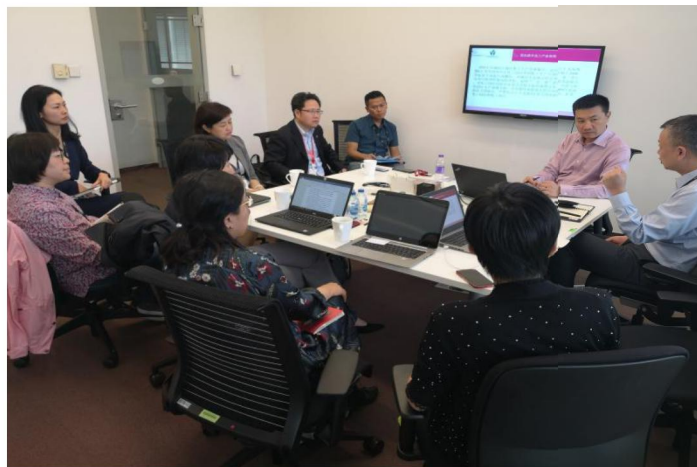


# AICM

## *Industry Affairs Quarterly Report*

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#### **A. Highlights of China's Two Sessions 2019**

China's GDP growth rate in 2018 continued to decline. The total fixed-asset investment growth rate cooled, the development of local private sector slowed, and the contribution rate of foreign trade growth has remained negative. The country's economy will face a bumpy first half of 2019.

The policymakers have realized this and have taken many stimulus measures to spur economic recovery, fostering innovation-driven development and deepening supply-side structural reforms.

Amid China's economic slowdown, a window of opportunity is open for foreign investors to help reinforce confidence on business environment. The Chinese government is expanding the opening-up of China to foreign firms by a series of agendas and actions including establishing the China (Hainan) Pilot Free Trade Zone, passing the Foreign Investment Law, releasing a new Negative List and hosting the second China International Import Expo(CIIE) to further attract foreign investment.

Aside from economic challenges, the government has also been strongly concerned over environmental issues, intensifying efforts to strengthen ecological protection, and adopting new approaches to governance.

Premier Li Keqiang, for the first time, proposed that the government will crackdown on the 'one-size-fits-all' practices in implementing environmental policies. The government will hear reasonable demands and offer support when regulating industries, but resolutely opposes relaxing environmental regulations.

On points related to the chemical industry, China will vigorously promote the standardized development of manufacturing by reforming and refining relevant systems and regulations. China has also put forward higher requirements for the green development of the chemical industry. The central ministries and local governments have successively issued and implemented a number of policies and regulations on risk control of chemical substances, production licenses, food safety standards, medical devices, etc., in an effort to improve governance and standardization. This also provided guidance for chemical enterprises to formulate their future strategies.

Contents from : "China Watch" by China Advocate

**B. China passed a new foreign investment law to foster fair competition. (为营造公平的竞争环境，中国通过了新外商投资法。)**

Please refer to:

[http://www.npc.gov.cn/npc/xinwen/2019-03/15/content\\_2083532.htm](http://www.npc.gov.cn/npc/xinwen/2019-03/15/content_2083532.htm)

The law has been fast-tracked for approval at the Two Sessions and will come into force on January 1, 2020, it is designed to ease foreign concerns about China's investment environment.

Compete on a level playing field: Strengthen the protection of legitimate rights and interests of foreign investors, and encourage technological cooperation based on voluntariness and commercial norms

Attract greater foreign investment: Establish a working mechanism for complaints by foreign-invested enterprises, to ensure that foreign investors enjoy equal treatment with their domestic counterparts in China.

English version from :“China Watch”by China Advocate

**C. China will further relax restrictions on new negative list**

On March 6, 2019, Ning Ji Zhe, deputy director of the National Development and Reform Commission (NDRC), said that he would continue to shorten the negative list, as a further open move in agriculture, manufacturing and other areas. Revision of the negative list has started: A new Catalogue of Industries with Foreign Investment will be issued to expand the scope of foreign investment. The government will offer preferential policies of industrial land use, for its encouraged projects.

Comprehensively clean up areas outside the Negative List of foreign investment access and restrictions solely for international investment, and grant so-called pre-established national treatment to foreign investment, ensure that the domestic and foreign standards for market access are consistent.

English version from :“China Watch”by China Advocate

**D. Chemical Parks with a score below 80 points will be disqualified in Jiangsu**

On Feb. 20, the General Office of Jiangsu Provincial People's Government published“Implementation Opinions on the Environmental Treatment of Jiangsu

Chemical Industry Parks (Concentration Zones)”. According to the “Implementation Opinions”, a series of measures, including strict assessment, rectification within a time limit, restriction of approval for specific regions, administrative interviews, key supervision by higher-up authorities, and park disqualification, will be applied to force chemical industry parks (chemically concentrated areas) to improve their environmental infrastructure and pollution control capacities to fundamentally solve the prominent environmental issues of chemical parks.

According to the “Implementation Opinions”, by the end of 2020, chemical parks shall reach the national standard comprehensively, in environmental protection infrastructure construction and corporate pollutant emission reduction. Water bodies inside chemical parks shall be pollutant and odor free, and sections of the direct accepting water bodies outside shall be in stable compliance. Airborne pollutant concentrations at boundary monitoring points around chemical parks reach relevant standards. Risks of legacy lots resulting from closure and relocation shall be well under control. All hazardous waste shall be used and disposed safely. Each chemical park shall get 80 points or more in the environmental performance evaluation.

*\*From CPCIF chemical park working committee*

## **E. Information Sharing**

Please get access to <http://aicm.cn/download/newsletter>

**And download “Appendix of 2019 2Q AICM Industry Affairs Report”**

1. Jiangsu Province Chemical Industry Safety and Environmental Protection Improvement Plan (江苏省安全环保提升方案) In order to profoundly draw lessons from the “3·21” special major explosion accident of Xiangshui Tianjiayi Chemical Co., Ltd., firmly establish the people-centered development thinking, adhere to safety first, ecological priority, green development, and comprehensively promote the transformation, upgrading and high-quality development of the chemical industry, the provincial party committee and the provincial government decided to immediately carry out chemical industry improvement actions in the safety and environmental protection fields in the province, and this program is hereby formulated
2. Chemical Park Information
  - ZhanJiang Donghai Island Petrochemical Park
  - Dayawan chemical park

- Danyang Chemical Park

3. List of 2019 top 30 chemical industrial parks (note: This is from CPCIF Chemical Park working committee and for your reference only, it is not a recommendation of the investment targets.)

*\*AICM would like to express its sincere thanks to all GIAC members who have lent us hands in the course of writing this report.*