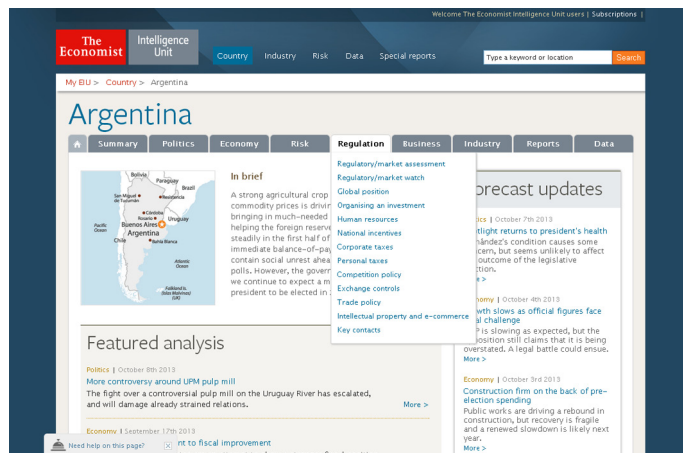


Country Commerce

Your expert guide to operating a company in 56 countries

Country Commerce is a practical guide to a country's business regulations and business practices. The service covers 56 countries' rules in critical areas such as setting up a business, human resources, incentives, taxes, and intellectual property. This annual reference guide is ideal for monitoring regulatory changes and their implications.



Use Country Commerce to:

- Save the money by knowing the right questions to ask local business partners and professionals.
- Guide decision-making on business expansion into new markets or countries.
- Coordinate the setup and operation of a business in a new country.
- Understand rules and regulations in 56 major economies.
- Enter a country market with greater efficiency and according to local regulations.
- Direct ongoing operations in compliance with foreign business regulations and commercial laws.
- Obtain proper permits and registrations.
- Determine if a country's existing intellectual property laws can be applied to e-commerce.

- Comply with local tax laws, including e-commerce rules.
- Monitor economic and trade conditions to take advantage of business opportunities and develop strategic corporate plans.
- Raise, exchange, and remit funds.
- Take advantage of financial and tax incentives.
- Hire local employees in compliance with laws.
- Invest wisely and protect your investments around the world.

Who uses Country Commerce?

Country Commerce is designed for organisations interested in expanding to new countries. With Country Commerce:

- Senior business executives can plan and implement successful market-entry strategies.
- Global and regional managers, as well as exporters, can make informed decisions on in-country licensing and new joint-venture proposals.
- Business executives can further conduct a comparative analysis of specific issues and factors among different countries, further enhancing and protecting investments overseas.

You can rely on Country Commerce

We work with an extensive network of researchers to produce Country Commerce. Because the researchers are based in-country, they have ready access to official government sources for regulatory information.

Official sources are further supplemented with input from contacts in companies (domestic and foreign) in the private sector--ensuring that Country Commerce always reports on business conditions from the point of view of local practitioners.

Country Commerce delivers:

- **Political and commercial background** - overview of the current conditions and policies.
- **Organising an investment** - how to receive approval for investments, acquisitions, and business expansion.
- **Human resources** - regulatory framework and details on labour markets.
- **National incentives** - current investment incentive schemes by region and industry.
- **Corporate taxes** - tax rates, rules, and enforcement.
- **Personal taxes** - personal income tax regulations, with typical assessments.
- **Competition policy** - regulations and other policies regarding mergers and market dominance.
- **Exchange controls** - regulations covering all aspects of foreign-currency transactions.
- **Trade policy** - trade policies and restrictions on importing and exporting.
- **Intellectual property and e-commerce** - legal environment for IP protection, e-commerce transactions, and contracts.

Access choices:

- Enterprise access via IP control or username at eiu.com
- Online Store—select by country at store.eiu.com

Interface features:

- Downloadable Excel® tables.
- HTML and PDF viewing.
- Analyst access (enterprise only).

Which countries are covered?

Argentina • Australia • Belgium • Brazil • Canada • Chile China • Colombia • Costa Rica • Czech Republic • Ecuador Egypt • El Salvador • France • Germany • Greece • Guatemala Honduras • Hong Kong • Hungary • India • Indonesia Iran • Ireland • Israel • Italy • Japan • Kenya • Malaysia Mexico • Netherlands • New Zealand • Nicaragua • Nigeria Norway • Pakistan • Panama • Peru • Philippines • Poland Russia • Saudi Arabia • Singapore • South Africa • South Korea Spain • Sweden • Switzerland • Taiwan • Thailand • Turkey United Kingdom • United States of America • Uruguay Venezuela • Vietnam

4 China

China's position in the global economy

China is one of the most attractive destinations in the world for foreign direct investment (FDI). Most foreign investors have been attracted by the potential of China's vast domestic market and low labour costs. An increasing number of foreign invested companies are profitable, and the outlook for the economy is healthy, suggesting that there will be continued strong interest from overseas companies. Increasingly, FDI is targeted at operations that will sell to the

China 19

Policy towards foreign investment
(Index: Singapore)

International agreements

China became the 143rd member of the World Trade Organisation on December 11th 2001, the culmination of a 15-year effort to enter the group. China is also a member of the World Bank, the International Monetary Fund and the International Chamber of Commerce (based in Paris), a leading advisory organisation of the United Nations in air and sea transport, banking, international investment, environmental protection and intellectual property rights. China has a permanent seat on the United Nations Security Council and is an active member in a host of UN agencies.

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Organising an investment

Basic investment approval

Entering the Chinese market as a foreign company has gradually become easier, thanks to measures such as the 2004 deregulation meant to reduce the amount of red tape that overseas businesses face (see below). Establishing a joint venture has traditionally involved protracted negotiations, which is one reason why wholly-foreign-owned ventures are becoming more popular. Even so, legislation governing foreign investment can be bewildering and arbitrary, especially as authorities experiment with new regulations.

China often subjects proposed foreign investment to intense scrutiny to ensure that approvals go only to projects supporting national-development priorities and balancing foreign-exchange flows. Restrictions have eased somewhat in recent years, thanks to its entry into the World Trade Organisation in 2001, which led to a loosening of rules on the kinds of investments admitted and how they are regulated. In April 2010 the State Council (Cabinet) issued new rules letting local governments approve investment proposals up to US\$300m (up from US\$100m) if the projects are in the encouraged or permitted categories of the investment catalogue (see below). But the government still closely checks investment proposals and sometimes intensifies controls in certain areas, motivated by new priorities, such as keeping out polluting enterprises.

China's business environment is still demanding, for both market entry and day-to-day management. Although some aspects of running a business have

Americas

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