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# Appendix A

## “Catalogue for the Guidance of Foreign Investment Industries”

Approved by the State Council on 29 December 1997, and promulgated by the State Planning Commission and the Ministry of Foreign Trade and Economic Cooperation on 31 December 1997.

### *Encouraged Foreign Investment Industries*

#### **I. Agriculture, Forestry, Animal Husbandry, Fishery and Related Industries**

1. Reclaiming and development of wasteland, waste mountain, intertidal zone (except those with military facilities), as well as improvement of low- and medium-yielding field
2. Development of new varieties of fine quality, high-yielding crops such as sugar-yielding crops, fruit trees, vegetables, flowers and plants, forage grass and related new techniques
3. Serialization production of soilless cultivation of vegetables, flowers and plants

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Appendix A is from *China Daily*, 8 February 1998.

4. Planting of forest trees and introduction of fine strains of forest trees
5. Breeding of good strains of domestic animals, fowls and aquatic fingerlings (not including special, precious good strains of our country)
6. Breeding of famous, special and fine aquatic products
7. New varieties of effective and safe agricultural chemicals and pesticides (over 80 percent insect death rate, safe to people, animals and crops)
8. High-density fertilizers (potash fertilizer, phosphate fertilizer)
9. New technologies for the production of agricultural films, and development of new products (fiber film, photolysis film, multifunctional film and raw materials)
10. Antibiotic material medicals (including antibiotic and chemical synthesis)
11. New products or new forms of anthelmintic, insecticide, anti-coccidiosis medicines used for animals
12. Development of feed additive, and feed protein resources
13. New technology and equipment for the storage, preservation, drying and processing of food, vegetables, fruits, meat products, and aquatic products
14. Forestry chemicals and new technology and products for the comprehensive utilization of "sub-quality, small and firewood" lumber and bamboo in the forest area
15. Construction and management of key water control projects for comprehensive utilization (the Chinese party will be the holding party or play a leading role)
16. Manufacture of new-type water-saving irrigation technical equipment
17. Manufacture of new technical agricultural machinery
18. Improvement and construction of ecological environment

## II. Light Industry

1. Design, processing, and manufacture of molds for nonmetal products.
2. Paper pulp (with an annual production capacity of over 170 thousand tons of wood pulp and a related raw material base)
3. Post-ornament and processing of leather and related new-tech equipment
4. Production of nonmercury alkali-manganese secondary battery and lithium-ion battery
5. Manufacturing of high-tech involved special industrial sewing machines
6. Production of polyamide film
7. Production of new-type, highly efficient enzymic preparations
8. Production of synthetic spices, single-ion spices

9. Research and popularization of the applied technology of freon substitution
10. Production of diacetate for cigarette making and processing of tows

### **III. Textile Industry**

1. Production of wood pulp for textile chemical fiber (construction of raw material base with an annual output capacity of over 100 thousand tons)
2. Special textiles for industrial use
3. Printing and dyeing as well as post processing of high-emulation chemical fire plus material
4. Production of assistant, grease, and dye-stuff for textile

### **IV. Communication and Transportation as well as Post & Telecommunications Services**

1. Technical equipment for railway transportation: the design and manufacture of locomotives and main parts, the design and manufacture of line facility and equipment, related technology and equipment manufacture for rapid transit railway, manufacture of equipment for communicational signals and transportation safety monitoring, manufacture of electric railway equipment and instruments
2. Construction and management of feeder railways, local railways, and related bridges, tunnels, and ferry facilities (wholly foreign-owned enterprises are not allowed)
3. Design and manufacture of new-type mechanical equipment for highway and port and related designing and manufacturing technologies
4. Construction and management of city subway and light rail (the Chinese party will be the holding party or play a leading role)
5. Construction and management of highways, independent bridges and tunnels, and port facilities (for public wharfs, and the Chinese party will be the holding party or play a leading role)
6. Construction and management of public dock facilities of ports (the Chinese party will be the holding party or play a leading role)
7. Construction and management of civil airports (the Chinese party will be the holding party or play a leading role)
8. Production of the equipment of DCS/CDMA
9. Production of digital serial transmission equipment of phototiming and microwave synchronization of 2.5 GB/S or above
10. Production of metering devices of 2.5 GB/S for photo communication, wireless communication and data communication
11. Production of AMT exchange boards

## **V. Coal Industry**

1. Design and manufacture of coal mining, conveyance and concentration equipment
2. Coal mining and ore-dressing by washing (the Chinese party will be the holding party or play a leading role in the mining and ore-dressing by washing of special and rare kinds of coal)
3. Production of water-coal and liquefied coal
4. Comprehensive development and utilization of coal
5. Comprehensive development and utilization of low-thermal-value fuel and associated resources
6. Pipe-transportation of coal
7. Exploration and development of coal bed gas

## **VI. Power Industry**

1. Construction and management of heat power station with a single machine's installed-capacity of 100 thousand kilowatts or above
2. Construction and management of hydropower station with the main purpose of power generating
3. Construction and management of nuclear power station with the main purpose of power generating (the Chinese party will be the holding party or play a leading role)
4. Construction and management of power station with the technology of clean coal-burning
5. Construction and management of new energy power station (including solar energy, wind energy, magnetic energy, geothermal energy, tide energy and biological mass energy, etc.)

## **VII. Ferrous Metallurgical Industry**

1. 50 tons or above super-high-power electric furnace (equipped with the ability of external refining and continuous casting) and 50 tons or above converter steel-making
2. Smelting of stainless steel
3. Production of cold-rolled silicon steel tape
4. Production of hot-rolled and cold-rolled stainless steel plate
5. Steel pipeline for transmitting petroleum
6. Processing and treatment of steel scrap
7. Extraction and selection of iron and manganese ores
8. Production of direct reduced iron and retailed iron
9. High alumina vitriol earth, hard clay mining and grog production

10. Deep processing of needle coke, hard coke and coal tar
11. Production of dry coke quenching

## **VIII. Nonferrous Metal Industry**

1. Production of monocrystalline silicon (with a diameter of 8 inches or over), multicrystalline silicon
2. Production of hard alloy, tin compound, and antimony compound
3. Production of nonferrous composite materials, new-type alloy materials
4. Copper, lead, tin mining (wholly foreign-owned enterprises are not allowed)
5. Aluminum mining (wholly foreign-owned enterprises are not allowed) and alumina (3,000,000 tons or more a year)
6. Rare-earth application

## **IX. Petroleum, Petrochemical and Chemistry Industries**

1. Manufacture of ion film for caustic soda
2. Ethylene (with an annual production capacity of 600,000 tons or over, and the Chinese party will be the holding party or play a leading role)
3. Corvic (the Chinese party will be the holding party or play a leading role)
4. Comprehensive utilization of ethylene side-products such as C5-C9
5. Engineering plastics and plastic alloys
6. Supporting raw materials for synthesized materials (bisphenol-A, butadiene-styrene latex, pyridine, 4, 4' diphenylmethane, diiso-cyan ester, and vulcabond toluence)
7. Comprehensive utilization of basic organic chemical raw materials: the derivatives of benzene, methylbenzene, (para-, ortho-, or meta-) dimethylbenzene
8. Synthetic rubber (liquid butadiene styrene rubber by butadiene method, butyl rubber, isoamyl rubber, ethyl rubber, butadiene neoprene rubber, butadiene rubber, acrylic rubber, chlorophydrin rubber)
9. Fine chemistry: new products and technology for dye-stuff, intermediate, catalytic agent, auxiliary, and pigment; processing technology for the commercialization of dye (pigment); electronics and high-tech chemicals for paper-making, food additives, feed additives, leather chemical products, oil-well auxiliaries, surface active agent water treatment agent, adhesives, inorganic fiber, inorganic powder stuffing and equipment

10. Chloridized titanium dioxide
11. Production of chemical products using coal as raw material
12. Comprehensive utilization of exhaust gas, discharge liquid, waste slag
13. Production of depurant of automobile tail gas; catalytic agent and other assistant
14. Development and utilization of tertiary oil recovery which can increase the recovery ratio of petroleum (the Chinese party will be the holding party or play a leading role)
15. Construction and management of oil and gas delivery pipes, as well as oil depot and oil wharf (the Chinese party will be the holding party or play a leading role)

## **X. Mechanical Industry**

1. Manufacture of high-performance welding robot and effective welding and assembling production line
2. High-temperature-resistant insulation material (with F, H insulation class) and mould-casted insulation products
3. Manufacture of equipment for mining, loading and transporting in the well, 100 or more tons of mechanical power-driven dump trucks for mining, mobile crushers, double input and output coal grinder, 3,000 cubic meters/h or more bucket excavator, 5 cubic or larger mining loader, full-face tunnelling machines
4. Manufacture of multicolor offset press for web and folio or paper of larger size
5. Manufacture of clearing equipment for electromechanical wells and production of medicals
6. Manufacture of turbine compressor and combined powder machine for the complete set of equipment for an annual production of 300,000 tons or more of synthetic ammonia, 480,000 tons or more of urea, 300,000 tons or more ethylene
7. Manufacture of complete set of equipment of new type of knitting machine, new type of paper (including pulp) making machine
8. Development and manufacture of precision on-line measuring instrument
9. Manufacture of new technical equipment for safe production and environment protection detecting instrument
10. New type of meters' spare parts and materials (mainly new switches and function materials for meters such as intelligent sensors, electrical adapters, flexible circuit plate, photoelectric switches, and proximity switch, and so on)
11. Research, design and development center of important basic machinery, basic parts and important technical equipment

12. Development of proportional, servo-hydraulic technology and production of low-power pneumatic control valve and stuffing static seal
13. Production of precision trimming dies, precision cavity modes and matrix standard components
14. Manufacture of 250,000 tons/day city sewage-disposal equipment, industrial sewage film treatment equipment, up-flow anaerobic fluidized bed equipment, and other biological sewage disposal equipment, slab making equipment of powder coal ash (5-10 tons/year), recycling equipment for waste plastics, equipment for desulphurization and denitration equipment of industrial boiler, large high-temperature-resistant, acid-resistant bag dust remover
15. Manufacture of precision bearings and all kinds of bearings used specially for main engines
16. Manufacture of key spare parts for cars: complete brakes, complete driving rods, gearbox, steering knuckle, fuel pump of diesel engine, piston (including pistoning), valve, hydraulic tappet, shock absorber, seat adjuster, car lock, backview mirror, glass lifter, compound meter, light, bulb, car fastener
17. Manufacture of car and motorcycle moulds (including strike moulds, plastics filling moulds, mould-pressing moulds, etc.) and clippers (welding clipper, testing clippers, etc.)
18. Production of casted and forged semifinished products for cars and motorcycles
19. Car and motorcycle technology research center, and design and development institute
20. Cars for special purposes such as desert cars for petroleum industry
21. Production of key spare parts for motorcycles: carburetors, magnetors, starting motors, lamps, disc brakes
22. Manufacture of new-tech equipment of water quality on-line detecting instrument
23. Manufacture of special machines and equipment for flood prevention and emergency rescue
24. Manufacture of earth-movers for wet land and desilting machines
25. Manufacture of integrated equipment with a feed processing capacity of 10 tons or more an hour, and the production of spare parts
26. Design and manufacture of new instruments and equipment for petroleum exploration and development

## **XI. Electric Industry**

1. Large-scale production of integrated circuit with a line width of 0.35 micron or a smaller line width
2. New-type electronic spare parts (including slice spare parts) and electric and electronic spare parts

3. Manufacture of photoelectric components, sensitive components and sensors
4. Manufacture of large and medium-sized computers
5. Manufacture of compatible digital TV, HDTV, digital videotape recorder and player
6. Development of semiconductor, photoelectric materials
7. Manufacture of new-type displays (plate displays and displaying screens)
8. Development of 3-dimension CAD, CAT, CAM, CAE and other computer application systems
9. Manufacture of special electronic equipment, instruments, and industrial mould
10. Manufacture of hydrological data collection instruments and equipment
11. Manufacture of equipment of satellite communication
12. Manufacture of digital cross-linking equipment
13. Manufacture of air traffic control equipment (wholly foreign-owned enterprises are not allowed)
14. Development and manufacture of high-capacity mass storage of laser disks, disks and parts
15. Development and manufacture of new-type printing devices (laser printers, etc.)
16. Manufacture of equipment of multimedia system of data communication
17. Production of single mode optical fiber
18. Manufacture of equipment for cut-in communication system
19. New technical equipment supporting communication network
20. Manufacture of ISDN

## **XII. Building Material, Equipment and Other NonMetal Mineral Product Industries**

1. Production line of fine-quality floating glass with a daily melting capacity of 500 tons or more
2. Production line of high-level sanitation porcelain with an annual production of 500,000 pieces as well as auxiliary hardware parts and plastic parts
3. New building materials (materials for wall, decorating and finishing materials, waterproof materials and thermal insulation materials)
4. Production line of new-type dry process cement of clinker with a daily output capacity of 4,000 tons or more (only in the midwest region of this country)
5. Bulk cement storage and transportation facilities

6. Production line of glass fiber (through direct melting process) and glass fiber-reinforced plastics with an annual capacity of 10,000 tons or more
7. Manufacture of nonorganic, nonmetal material and products (quartz glass, artificial crystal)
8. Production of high-class refractory material used in furnaces for glass, ceramics and glass fiber
9. Deep processing technique and equipment of plate glass
10. Manufacture of tunnelling machine, equipment for covered digging of city metro
11. Manufacture of special equipment for cities' sanitation work
12. Manufacture of tree transplanters
13. Manufacture of machines for road planing and repairing

### **XIII. Medicine Industry**

1. Chemical medicines under patent and administrative protection in our country, medical intermediate specially used in medicine which we have to import
2. Analgesic-antipyretic which has to be produced through new technical equipment
3. Vitamins: niacin
4. New type of anticarcinogen and cardiovascular and cerebrovascular medicines
5. Medicines and pharmaceuticals: new products and new forms of drugs produced by means of slow release, controlled release, target preparation and those absorbed through skin
6. Amino acid: serine, tryptophan, histidine, etc.
7. Wrapping materials and container for new medicines and other advanced pharmaceutical equipment
8. New, effective and economical contraceptive medicines and devices
9. New technology, equipment and instruments that control the quality of traditional Chinese medicine and change the packaging
10. New analytical and extraction technology and equipment of the effective part of traditional Chinese medicine
11. New medicines which are produced by means of biological engineering technology
12. Development and utilization of new type adjuvant
13. Production of diagnosis reagent for hepatitis, AIDS, and radio-immunity diseases

### **XIV. Medical Equipment Industry**

1. Medical X-ray machine set with medium-frequency technique, computer control technique, and digital imagery processing technique

2. Electronic endoscope
3. Tubes for medical use

## **XV. Aerospace Industry**

1. Design and manufacture of civil planes (the Chinese party will be the holding party or play a leading role)
2. Manufacture of spare parts for civil planes
3. Design and manufacture of airplane engines (the Chinese party will be the holding party or play a leading role)
4. Manufacture of airborne equipment
5. Manufacture of light gas turbine engine
6. Design and manufacture of civil satellite (the Chinese party will be the holding party or play a leading role)
7. Manufacture of satellite payload (the Chinese party will be the holding party or play a leading role)
8. Manufacture of spare parts for civil satellites
9. Development of the application technique of civil satellites
10. Design and manufacture of civil carrier rockets (the Chinese party will be the holding party or play a leading role)

## **XVI. New Industries**

1. Microelectronics technology
2. New materials
3. Biological engineering techniques (not including genetic engineering)
4. Network techniques of information, communications systems
5. Isotopic irradiation and laser techniques
6. Ocean and ocean energy development technology
7. Seawater desalting and seawater utilization technology
8. Development of energy-saving technology
9. Technology for recycling and comprehensive utilization of resources
10. Projects for improving polluted environment and related monitoring and improving technology

## **XVII. Service Business**

1. Information consultation about information on international economy, science and technology, and environment protection
2. Maintenance of precision instruments and equipment, service after sales

3. Construction of new and high technology and building of new product developing centers as well as incubation of enterprises

## **XVIII. Permitted Projects Whose Products Are to Be Wholly Exported Directly**

### *Restricted Foreign Investment Industries (A)*

#### **I. Light Industry**

1. Production of washing machines, refrigerators, freezers
2. Production of synthetic emtrol, alcohol ether and alcohol ether sulfate
3. Manufacture of compressors with a shaft power of two kilowatts or less which are specially used for air conditioners and refrigerators

#### **II. Textile Industry**

1. Chemical fiber drawnwork of conventional chipper
2. Production of viscose staple fiber with an annual single thread output capacity of less than 20,000 tons

#### **III. Petroleum, Petrochemical, Chemical Industries**

1. Barium salt production
2. Refinery with an output capacity of less than 5 million tons a year
3. Cross-ply and old tire reconditions (not including radial tire)
4. Production of sulphuric acid basic titanium white

#### **IV. Machinery Industry**

1. Manufacture of equipment for producing long dacron thread and short fiber
2. Manufacture of power-generating units of diesel engines
3. Production of all kinds of ordinary abrasives (containing boule and silicon-carbide), grindstone with a diameter of less than 400 mm and man-made diamond saw bit
4. Production of electric drill and electric grinder
5. Ordinary carbon steel welding rod

6. Ordinary standard fasteners, small and medium-sized ordinary bearings
7. Ordinary lead acid accumulator
8. Containers
9. Elevators
10. Alufer hub

## **V. Electronic Industry**

1. Satellite television receiver and key parts
2. Exchange boards for the use of digital programmer-control bureau and for the use of private branch exchange

## **VI. Medicine Industry**

1. Production of chloramphenicol, lincomycin, gentamicin, dihydrostreptomycin, amikacin, tetracycline hydrochloride, oxytetracycline, acetylspiramycin, medemycin, kitasamycin, ilotycin, norfloxacin, ciprofloxacin and ofloxacin
2. Production of analgin, aspirin, paracetamol, Vitamin B1, Vitamin B2 and Vitamin B6

## **VII. Medical Apparatus and Instruments**

1. Production of low- or medium-class type-B ultrasonic displays

## **VIII. Transportation Service**

1. Taxi (the purchase of cars is restricted within China)
2. Gas station (restricted to projects related to super highway)

(B)

## **I. Agriculture, Forestry, Animal Husbandry, Fishery and Related Industries**

1. Development and production of food, cotton and oil-seed (the Chinese party will be the holding party or play a leading role)
2. Processing and export of the logs of precious varieties of trees (wholly foreign-owned enterprises are not allowed)

3. Inshore and continental-river fishing (wholly foreign-owned enterprises are not allowed)
4. Cultivation of traditional Chinese medicines (wholly foreign-owned enterprises are not allowed)

## **II. Light Industry**

1. Product of table salt, and salt for industrial use
2. Production of nonalcoholic beverage of foreign brand (including solid beverage)
3. Production of millet wine and famous brands of spirits
4. Tobacco processing industries such as cigarettes and filter tips
5. Processing and production of blue wet hide of pig, cow and sheep
6. Production of natural spices
7. Processing of fat or oil
8. Paper and paper plate

## **III. Textile Industry**

1. Wool spinning, cotton spinning
2. Raw silk, grey silk fabric
3. Highly emulated chemical fiber and special kinds of fiber such as aromatic synthetic fiber, and carbon fiber (wholly foreign-owned enterprises are not allowed)
4. Fiber and polyester, acrylic fiber and spandex which are not used as fiber (wholly foreign-owned enterprises are not allowed)

## **IV. Communication and Transportation, Post and Telecommunications Industries**

1. Construction and management of main lines of railways (the Chinese party will be the holding party or take a leading role)
2. Transportation by water (the Chinese party will be the holding party or take a leading role)
3. Entry and exit automobile transportation (wholly foreign-owned enterprises are not allowed)
4. Air freight (the Chinese party will be the holding party or take a leading role)
5. General aviation (the Chinese party will be the holding party or take a leading role)

## **V. Power Industry**

1. Construction and management of conventional coal-fired power plants whose single-machine capacity is less than 300,000 kw (with the exception of small power grid, power plants in remote area and power plants of low-quality coal and coal refuses)

## **VI. NonFerrous Metal Industry (wholly foreign-owned enterprises are not allowed)**

1. Copper and aluminum processing
2. Mining, dressing, smelting, and processing of precious metals (gold, silver, platinum families)
3. Mining of nonferrous metals such as wolfram, tin and antimony
4. Exploration, mining, selection, smelting and separation of rare-earth metal

## **VII. Petroleum, Petrochemical Industry and Chemical Industry**

1. Sensitive materials (cartridge, film, PS plate, and photographic paper)
2. Mining and processing of boron, magnesium, iron ores
3. Benzidine
4. Chemical industry products such as ionic membrane caustic soda and organochlorine serial products
5. Radial tire (the Chinese party will be the holding party or play a leading role)
6. Synthetic fiber raw materials: precision terephthalic acid, vinyl cyanide, caprolactam and nylon 66 salt

## **VIII. Mechanical Industry**

1. Complete automobiles (including limousines, trucks, passenger cars, and reequipped cars) and complete motorcycles (the Chinese party will be the holding party or take a leading role)
2. Engines of automobiles and motorcycles (the Chinese party will be the holding party or take a leading role)
3. Production of compressors of air conditioners for cars, electron-controlled fuel-oil injecting systems, electronic-controlled brake and locking-prevention systems, safety acocysts and other electronic equipment, power generating machines and aluminum radiating machines

4. Reconditioning and disassembling refitting of old cars and motorcycles
5. Fire power equipment: (power unit, turbine, boiler, supplementary machine and controlling equipment) manufacture of units of over 100,000 kw, gas turbine combined cycle power equipments, cyclic fluidized bed boiler, coal gasification combined cyclic technique and equipment (IGCC), pressure boost fluidized bed (PFBC), desulfurization and denitrification equipment (wholly foreign-owned enterprises are not allowed)
6. Hydroelectric equipment: manufacture of hydropower generating units with a wheel diameter of over five meters (including hydropower supplementary machines and controlling units), large-scale pump storage groups of over 50,000 kw, large-scale tubular turbine units of over 10,000 kw (wholly foreign-owned enterprises are not allowed)
7. Nuclear power group: manufacture of nuclear power groups of 600,000 kw or more (wholly foreign-owned enterprises are not allowed)
8. Manufacture of power transmitting and transforming equipment: large-scale transformers of 200 kilovolts or more, high-voltage switches, mutual inductor, cable equipment (wholly foreign-owned enterprises are not allowed)
9. Manufacture of crawler dozers of less than 320 horsepower, wheeled forklifts of less than three cubic meters, and cranes of less than 50 tons (wholly foreign-owned enterprises are not allowed)
10. Manufacture of sheet continuous caster
11. Duplicators and cameras

## **IX. Electronic Industry**

1. Color TV (including projection television), color kinescope and glass shielding
2. Video cameras (including camera-recorder in one unit)
3. Video recorders and magnetic heads, magnetic drums and movement of video recorders
4. Analogue-type mobile communications systems (honeycomb, colony, wireless beeper call, wireless telephone)
5. Receiving equipment of satellite navigation and key parts (wholly foreign-owned enterprises are not allowed)
6. Manufacture of the system of VSAT
7. Manufacturing of phototiming digital serial communication systems of less than 2.5 GB/S and microwave communication systems of 14MB/S and lower

## **X. Building Material Equipment and Other NonMetal Products Industries**

1. Exploration, mining and processing of diamond and other natural gems (wholly foreign-owned enterprises are not allowed)

## **XI. Medicine Industry**

1. Traditional Chinese herb medicines, Chinese patent drug semi and finished products (with the exception of preparing technique of traditional Chinese herb medicine in small pieces ready for decoction)
2. Precursor of narcotics: ephedrine, pseudoephedrine, ergotinine, ergotamine, lysergic acid and so on
3. Penicillin G
4. Production of addictive narcotics and psychoactive drugs (the Chinese party will be the holding party or play a leading role)
5. Production of vaccinums that involve high tech: vaccinum against AIDS, vaccinum against type-C hepatitis, contraceptive vaccinum and so on (the Chinese party will be the holding party or play a leading role)
6. Immunity vaccinums included in the State's plan, bacterins, antitoxins and anatoxin (BCG vaccine, poliomyelitis, DPT vaccine, measles vaccine, Type-B encephalitis, epidemic cerebrospinal meningitis vaccine)
7. Production of Vitamin C
8. Production of blood products

## **XII. Medical Apparatus and Instruments Industry**

1. Disposable injectors, transfusion systems, blood transfusion systems and blood bags
2. Manufacture of large medical treatment equipment such as CT, MRI and accelerators for medical use

## **XIII. Shipping Industry (the Chinese Party Will Be the Holding Party or Play a Leading Role)**

1. Repairing, design and manufacture of special ships, high-performance ships and over 35,000-ton ships

2. Design and manufacture of diesel engines for ships, auxiliary machines, wireless communication, navigation equipment and parts

#### **XIV. Domestic and Foreign Trade, Tourism, Real Estate and Service Industry (Wholly Foreign-Owned Enterprises Are Not Allowed)**

1. Domestic commerce (the Chinese party will be the holding party or play a leading role)
2. Foreign trade (the Chinese party will be the holding party or play a leading role)
3. Tourist agencies
4. Cooperation school-running (with the exception of elementary education)
5. Medical establishments (the Chinese party will be the holding party or play a leading role)
6. Accounting, audit and legal consultation services and agent company
7. Agent services (boats and ships, freight, futures, sales, advertisement, etc.)
8. High-ranking hotels, villas, high-class office buildings, and international exhibition centers
9. Golf links
10. Development of pieces of land
11. Large-scale tourist, cultural and recreational parks and artificial landscapes
12. Construction and management of State-ranking tourist areas

#### **XV. Finance and Relevant Trades**

1. Banks, finance companies and trust investment companies
2. Insurance companies, insurance brokerages and underwriting agent companies
3. Bond companies, investment banks, merchant banks, fund management companies
4. Financial lease
5. Foreign exchange brokerages
6. Financial, insurance and foreign exchange consultation
7. Production, processing, wholesales and retail of gold, silver, gems and jewelry

## **XVI. Miscellaneous**

1. Printing, publishing and issuing business (the Chinese party will be the holding party or play a leading role)
2. Testing, appraising and attestation business of import and export goods (wholly foreign-owned enterprises are not allowed)
3. Production, publishing and issuing of audio and video products and electronic publication (the Chinese party will be the holding party or play a leading role)

## **XVII. Other Industries Restricted by the State or by International Treaties That China Has Concluded or Take Part In**

### *Prohibited Foreign Investment Industries*

#### **I. Agriculture, Forestry, Animal Husbandry, Fishery and Related Industries**

1. Wild animal and plant resources protected by the State
2. China's rare precious breeds (including fine genes in plants industry, husbandry and aquatic products industry)
3. Construction of animal and plant natural reserves
4. Processing of green tea and special teas (famous teas, dark tea, etc.)

#### **II. Light Industry**

1. Ivory carving and tiger-bone processing
2. Hand-made carpet
3. Bodiless lacquerware
4. Enamel products
5. Blue and white porcelain
6. Xuan paper, and ingot-shaped tablets of Chinese ink

#### **III. Power Industry and Urban Public Utility**

1. Construction and management of electricity network
2. Construction and management of urban networks of water supply, water drainage, gas and heat power

#### **IV. Exploration, Selection, or Processing of Mining Industry; Exploration, Selection, Smelting or Processing of Radioactive Mineral Products**

#### **V. Petroleum Industry, Petrochemical Industry and Chemical Industry**

1. Mining and processing of szaibelyite
2. Mining and processing of celestine

#### **VI. Medicine Industry**

1. Traditional Chinese medicines which have been listed as State protection resources (musk, licorice root, etc.)
2. Preparing technique of traditional Chinese medicine in small pieces ready for decoction and products of secret recipe of traditional Chinese medicine already prepared

#### **VII. Transportation and Post & Telecommunications Services**

1. Management of post and telecommunications business
2. Air traffic control

#### **VIII. Trade and Finance**

1. Commodity future, financial future and related finance business

#### **IX. Broadcasting and Film Industries**

1. Broadcasting stations, TV stations (networks) at various levels, launching stations and relay stations
2. Production, publishing, issuing or showing of films
3. Production, publishing or showing of films
4. Videotape showing

#### **X. Journalism**

## **XI. Manufacturing Industry of Weapons**

## **XII. Miscellaneous**

1. Projects that endanger the safety and performance of military facilities
2. Developing and processing of carcinogenic, teratogenic, and mutagenesis raw materials
3. Racecourse, gambling
4. Pornographic service

## **XIII. Other Industries Prohibited by the State or by International Treaties China Has Concluded or Taken Part In**

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