
Foreign investors return to China as economy warms up

China's economic recovery is alluring back overseas investors who had withdrawn from the country under the tide of the global financial crisis.

In Qingdao, an eastern China port city, the number of overseas investors coming to make investment in the Chengyang District has been on the rise since June, said deputy head of the district government Li Guixi.

Li said, the district approved 146 foreign-funded projects in the first ten months, and involved contracted foreign investment totalled 280 million U.S. dollars, up 2.2 percent year on year.

Li said Swarovski, the world's leading producer of precision-cut crystal, invested more than 100 million U.S. dollars in Chengyang to build its first factory outside Europe in July.

However, just one year ago, foreign investors were busy evacuating from the district, leaving thousands of workers jobless and their wages unpaid.

Speaking of his ex-employer's evacuation, Cao Kejun, 59, still broods over his unpaid wage.

"Had I found that boss from the Republic of Korea (ROK), I would like my 600 yuan (about 87.8 U.S. dollars) back," he spoke with a strong Shandong accent.

His ex-employer, a ROK investor of a suitcase and bag factory in Qianwangtuan Community, Chengyang District, northern Qingdao, took an overnight evacuation back to his home country ahead of the financial crisis, abandoning DeBest, his factory, with 500 jobless workers.

Two more ROK investors in the community left without a notice about 11 months ago, leaving 420 more people jobless, said Qi Xide, who was in charge of management of enterprises in the community.

Due to the global crisis, the inflow of foreign direct investment (FDI) to China began to slow down in the fourth quarter last year, and as of July this year, the FDI China received had decreased year on year for 10 consecutive months, according to the Ministry of Commerce.

In November last year, the Chinese government adopted a massive economic stimulus package, including raising export tax rebate and other measures, to halt the drastic FDI decline and combat the crisis, which turned out to be effective in boosting economy.

The country's gross domestic product (GDP) grew 8.9 percent year on year in the third quarter, accelerating from 7.9 percent in the second quarter and 6.1 percent in the first. In the third quarter last year, it increased 9 percent year on year.

With favorable policies and the economy picking up, investors that once had doubts in China's economy and business environment had come to discuss investment with the local governments, said Li Guixi.

Nationally, the latest data had shown that China saw a third consecutive monthly increase in FDI in October by attracting 7.1 billion U.S. dollars, up 5.7 percent from the same period last year.

Young-Su Park, the China president of a ROK company, expressed great confidence in further growth of China's economy, which he said means greater demand for infrastructure investments.

His company, Leading Solution, which mainly produces air-conditioners and farm machineries, had just invested 48 million U.S. dollars for a new farm machinery factory in Chengyang, capital of northeastern Liaoning Province.

"Investors have reasons to leave, and now they find reasons to come back," said Park.

In Qianwangtuan of Qingdao, the old building of DeBest is now taken by a new ROK-funded factory.

"With three new foreign-funded factories going into operation this year, workers are starting to work overtime again," said Qi, the administrator.

Cao, just like his ex-colleagues, has found a new job. He is now working as a cleaner in the Qianwangtuan community and earns 600 yuan a month.

Source: Xinhua

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