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China to further promote investment in 2010

(Xinhua)

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The Chinese government will continue encouraging outbound investment while attracting foreign investment in 2010 for "stable and relatively fast" growth of the country's economy, a government official has said.

Outbound investment, or "go-global" strategy, should aim at making use of overseas resources, market and advanced technologies, so as to help facilitate development of China's domestic economy, Zhang Xiaoqiang, vice minister in charge of the National Development and Reform Commission, said in the speech posted on the commission's website Tuesday.

The remarks were made at a conference held in Beijing on foreign investment on Dec 11, but was not released until Tuesday.

In the first three quarters of 2009, China's overseas investment stood at \$32.87 billion, up 0.5 percent year-on-year, according to the Ministry of Commerce (MOFCOM).

The country would also continue to attract foreign investment, he said. "Social stability, huge market potential and low cost of productive resources are still advantages for foreign investment," he said.

The country would see more advanced technologies and talents from foreign countries and foreign investment would better serve the structural reform of the country's economy.

Zhang said the government would stress national economic security while seeking to increase foreign investment. "We have to properly handle new challenges and situations when further opening sectors, including finance and telecommunications."

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China's foreign direct investment shrank 14.26 percent from the same period last year to \$63.77 billion in the first nine months as foreign companies cut spending amid the global economic downturn, according to the MOFCOM.

In the speech, Zhang also said China's currency was facing renewed pressure to appreciate because of the quantitative easing monetary policy in developed countries, a weakening dollar and recovery of China's economy.

The pressure would likely spur massive inflow of speculative money, making liquidity management more difficult.

Premier Wen Jiabao also said in December in an interview with Xinhua that the yuan faced appreciation pressure. "China will not yield to foreign pressure for the appreciation of its currency yuan in any form," Wen said.

"A stable Chinese currency is good for the international community," Wen said.