

## **The Encouraged Industries for Foreign Investment**

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

1. Improvement of low and medium yielding field.
2. Innocuous planting technology and serialization development and production of vegetables (including mushrooms and melons), fruits and tea.
3. Development and production of new varieties with good-quality and high-yielding crops, such as sugar crops, fruit trees, flowers and grass and related new techniques (not including genetic-transfer breeds).
4. Construction and operation of flower production and bases for plant nurseries.
5. Comprehensive utilization and returning to fields of straws and haulms of agricultural crops, and development of organic fertilizers resources.
6. Planting and breeding of traditional Chinese medicines (joint-ventures and cooperative ventures only)
7. Afforestation of trees (bamboo) and breeding of fine strains.
8. Planting of natural Rubber plants, sisals and coffee trees.
9. Breeding of good strains of domestic animals, fowls and aquatic fingerlings (not including special, pure good strains of our country).
10. Breeding of famous, special and fine aquatic products and deepwater net and cage breeding.
11. Construction and operation of ecology and environmental protection engineering such as tree and grass prevent expansion of desert and wasteland and soil erosion.

### **II. Excavation Industry**

12. Venture prospecting and exploitation of petroleum and natural gas. (\*)
13. Exploitation of low infiltration petroleum and natural gas reserves and fields. (\*)
14. Research, development and application of new technologies for increasing the efficiency of exploitation and collection of crude oil. (\*)
15. Development and application of new techniques for petroleum exploitation and development, such as prospect, well drilling, well measuring, and under-well task. (\*)

16. Exploitation and development of coal and associated resources.
17. Prospecting and exploitation of coal bed gas.
18. Exploitation and ore dressing of low quality and difficult dressed metallurgical mines (joint ventures cooperative ventures only, sole foreign owned ventures permitted in western regions).
19. Prospecting, exploitation and dressing of iron and manganese ore.
20. Prospecting and exploitation of copper, lead and zinc ore (joint ventures and cooperative ventures or owned ventures permitted in western regions).
21. Prospecting and exploitation of aluminium ore (joint ventures and cooperative ventures only, sole foreign owned ventures permitted in western regions).
22. Exploitation and dressing of chemical ores, such as sulphur, phosphor, and potassium.

### III. Manufacturing Industries

#### (I). Food Processing Industry

1. Storing and processing of grains, vegetables, fruits, and poultry and domestic animal products.
2. Processing of aquatic products, cleaning and processing of shellfishes and nutritious food development of seaweeds.
3. Development and production of vegetable and fruit drinks, protein drinks, tea drinks and coffee drinks.
4. Development and production of foods for infants, the elderly, and nutritious foodstuff.
5. Production of dairy products.
6. Development and production of bio-feed and protein feed.

#### (II). Tobacco Processing Industry

1. production of diacetate for cigarette making and processing of tobacco
2. Production of tobacco flake by techniques of paper making.

#### (III). Textile Industry

1. Production of special textiles for engineering purpose.
2. Weaving, dyeing and post processing of top grade fabrics.

#### (IV). Leather and Fur Products Industry

1. Processing of blue wet skin of pigs, cattle and sheep with new techniques.
2. Post ornament and processing of leather with new techniques.

(V). Wood Processing and Bamboo, Rattan, Palm, Grass Products Industry

1. Development and production of new products by comprehensive utilization of "sub-quality, small and lumber and bamboo in the forest areas and relevant technologies.

(VI). Paper Making and Paper Products Industry

1 Construction and operation these projects: production of chemical wood pulp with an annual capacity and above, production of chemical mechanical wood pulp with an annual capacity of 100,000 tons and a BCTMP, APMP), and engineering of combination of forest, wood and pulp in raw material forest base (and cooperative ventures only).

2 Production of top grade paper and paper board (not including newsprint).

(VII). Petroleum Processing and Coking Industry

1. Deep processing of needle coke and coal tar.

2. Production of hard coke and dry coke quenching.

3. Production of heavy-duty transportation highway asphaltum.

(VIII). Manufacturing Industry of Chemical Raw Materials and Chemical Products

1. Production of alkene by catalyzing and cracking heavy oil. 2. Production of ethylene with an annual capacity of 600,000 tons and above (The Chinese party shall be a comparative holding party).

2. Comprehensive utilization of ethylene side-products such as C5-C9.

3. Large-scale production of PVC resin (ethylene method).

4.

5. Production of serial organic chlorine chemical products (not including high remnant organic chlorine).

6. Comprehensive utilization of basic organic chemical raw materials: the chlorine derivatives of benzene, m-xylene and (para, ortho- and meta) dimethylbenzene.

7. Production of supporting raw materials for synthesized materials (bisphenol-A, 4,4' diphenylmethane, ester, and vulcabond toluene prussic acid ester).

8. Synthetic fiber raw materials: precision terephthalic acid, vinyl cyanide, caprolactam and nylon 66 salt.

9. Synthetic rubber (liquid butadiene styrene rubber by buta-diene method, butyl rubber, isoamyl rubber, buta-diene rubber, acrylic rubber, chlorophyllin rubber).

10. Production of engineering plastic and plastic alloys.

11. Fine chemistry: New products and technology for catalytic agent, auxiliary, and pigment; processing the commercialization of dye (pigment); electronics and high-tech chemicals for paper-making, food additives.

additives, leather chemical products, oil-well auxiliaries, surface active agent, water treatment agent, adl inorganic fiber, inorganic powder stuffing and equipment.

12. Production of auxiliary, assistant grease, dyestuff textile and chemical fibre threading.
13. Production of automobile exhaust purificant, catalyzer, and other assistants.
14. Production of natural spices, synthetic spices and single ion spices.
15. Production of high performance coating materials.
16. Production of Chloridized titanium dioxide.
17. Production of substitute of fluorin-chlorine-kene.
18. Large-scale production of chemical products using coal as raw material.
19. Development and production of new products of forest chemical products and relevant techniques.
20. Manufacturing of Ion film for caustic soda.
21. Production of bio-fertilizers, high-density fertilizers (potash fertilizer, phosphate fertilizer), and comp fertilizers.
22. Development and manufacturing of new varieties of high efficiency, low poison and low remnant ch pesticides and material medicines.
23. Development and production of bio-pesticides.
24. Development and manufacturing of non-organic, organic and biological films for environmental prot
25. Comprehensive utilization, treatment and disposition of exhaust gas, disposed liquid and waste resid

#### (IX). Pharmaceutical Industry

1. Manufacturing of pharmaceutical raw materials that are under our country's own patent or administrat andchemical pharmaceutical raw materials needed importation.
2. Production of vitamins: niacin.
3. Amino acid: serine, tryptophan, histidine, etc.
4. Analgesic-antipyretic which has to be produced through new technical equipment.
5. New type of anti-carcinogen and cardio-vascular and cere-brovascular medicines.
6. New, effective and economical contraceptive medicines and devices.
7. New medicines produced by means of biological engineering technology.
8. Vaccines Production by genetic engineering method: Vaccines against AIDS, type-C hepatitis and cor

vaccines, etc.

9. Development and production of marine medicines.

10. Production of diagnosis reagent for AIDS, and radio-immunity diseases.

11. Medicines and pharmaceuticals: new products and new forms of drugs produced by means of slow release, target preparation and those absorbed through skins.

12. Development and utilization of new type of pharmaceutical adjuvant.

13. Processing and production of Chinese traditional herbal medicines, extracts from Chinese traditional medicines, Chinese patent drugs (with the exception of preparing technique of traditional Chinese herb in small pieces ready for decoction).

14. Production of biomedicines and materials and relevant products.

15. Production of antibiotic material medicines for animals (including antibiotics and chemical synthesis).

16. Development and manufacturing of new products or new forms of antibiotics, anthelmintic, insecticides, coccidiosis medicines used for animals.

#### (X). Chemical Fibre Manufacturing Industry

1. Production of new and high technological differential chemical fibers such as aromatic synthetic fiber, etc.

2. Manufacturing of environmental protection type viscose staple non-toxic weaving fiber, chemical fiber.

3. Production of polyester for fabrics and non-fabrics with a daily capacity of 400 tons and above.

#### (XI). Plastic Products Industry

1. Production of polyamide film.

2. New technologies for the production of agricultural films, and development of new products (photolysis functional film and raw materials).

3. Cleaning up and recycling of waste plastics.

#### (XII). Nonmetal Minerals Products Industry

1. Production line of fine-quality floating glass with a daily melting capacity of 500 tons or over (restricted to middle and western regions only).

2. Production line of new type of dry process cement of clinker with a daily output capacity of 2,000 tons in the mid-west region of this country.)

3. Production line of glass fiber (through direct melting process) and glass fiber reinforced plastic with a capacity of 10,000 tons or more.

4. Production line of top grade sanitation porcelain with an annual production of 500,000 pieces.
  5. Standardization of refinery of porcelain materials, and production of top quality ornament materials for
  6. Production of high-class refractory material used in furnaces for glass, ceramics and glass fiber.
  7. Manufacture of non-organic, non-metal materials and products (artificial crystal, high performance synthetic materials, special glass, special ceramics, special hermetical materials and special glue curdling material
  8. Production of new building materials (light, strong and multi-functional materials for wall, top grade environmental protection type decorating and finishing materials, fine quality waterproof materials and high thermal insulation materials).
  9. Deep processing of nonmetal ores (super fine comminution, high purity, refinery and change of performance).
- (XIII). Ferrous metallurgical processing, Smelting and Mangling Industry

1. Wide and thick plate production.
2. Manufacture of galvanized and high causticity resistance aluminium-zinc alloy plate, and coated plate
3. Production of direct reduced iron and retooled iron.
4. Processing and treatment of steel scrap.

(XIV). Non-ferrous Metallurgical Processing, Smelting and Mangling industry

1. Production of alumina with an annual capacity of 300,000 tons and over.
2. Smelting of low quality and difficult dressed metallurgical ores (joint ventures and cooperative ventures, foreign owned ventures permitted in western regions).
3. Production of hard alloy, tin compound, and antimony compound.
4. Production of non-ferrous composite materials, new type of alloy compounds.
5. Rare-earth application.

(XV). Metal Products Industry

1. Design and manufacture of mould for nonmetal products.
2. Manufacture of car and motorcycle moulds (including strike moulds, plastic filling moulds, mould-pressing etc) and clippers (welding clipper, testing clippers, etc.).
3. Development and production of top grade metal products for building, water and heat supply equipment and ware.

(XVI). General Mechanical Industry

1. Manufacture of numerical control machine tools with coordinated movement of 3 axes and over, numerical

systems and servo equipment.

2. Manufacture of high performance welding robot and effective welding and assembling production line
3. High temperature resistant insulation materials (with F, H insulation class) and mould cast insulation j
4. Development of proportional servo-hydraulic technology and production of low-power pneumatic cor stuffing static seal.
5. Production of precision trimming dies, precision cavity modes and matrix standard components.
6. Manufacture of precision bearings and all kinds of bearings used specially for main engines.
7. Production of cast and forged semi-finished products for cars and motorcycles.

#### (XVII). Special Equipment Manufacturing Industry

1. Development and manufacture of new technologies and equipment for storing, preserving, classificati drying, transport and processing of grains, cotton, oil plants, vegetables, fruits, flowers, pastures, meat a and aquatic products.
2. Manufacture of mechanized agricultural equipment.
3. Production of new equipment for machinery and tools for agriculture and forest industries and develo relevant
4. Design and manufacture of engines for agricultural equipment, such as tractors and combined harvest
5. Production of equipment for comprehensive utilization and returning to fields of straws and haulms o crops.
6. Manufacture of equipment for comprehensive utilization of agricultural wastes, and wastes from sizat domestic animal fowls.
7. ManufactUre of new type of water-saving irrigation technical equipment..
8. Manufacture of earthmovers for wet land and desilting machines.
9. Development of technologies and manufacturing of equipment for environmental protection of hydrog ecosystem.
10. Manufacture of equipment for control system of long distance water allocation engineering.
11. Manufacture of special machinery and equipment for flood prevention and emergency rescue.
12. Manufacture of key equipment for food industries, such as high speed, asepsis filling equipment and machines.
13. Development of production technology and manufacture of key equipment for amino acid, enzyme p food additives.

14. Manufacture of integrated equipment with a feed processing capacity of 10 tons or more an hour, and production of key spare parts.
15. Manufacture of multi-color offset press for web and folio or paper of large size.
16. Manufacture of new technological equipment for post ornament and processing of leather.
17. Manufacture of special type industrial sewing machines with high technological content.
18. Manufacture of complete set of equipment of new type of knitting machine, new type of paper (inclu making machines.
19. Design and manufacture of new type of machines and equipment for highway and port.
20. Manufacture of equipment for maintenance and self inspection and measuring for highway bridges.
21. Manufacture of equipment for highway tunnels, such as operation inspection and control, ventilation prevention and rescue systems.
22. Design and production of large construction and maintenance equipment for railway.
23. Manufacture of new technological equipment for gardening machines and tools.
24. Production of special equipment for municipal environmental sanitation.
25. Manufacture of machines for road planning and repairing.
26. Manufacture of tunneling machine, equipment for covered digging of city metro.
27. Manufacture of 80,000 and over tons/day city sewage-disposal equipment, industrial sewage film tre equipment, up-flow anaerobic fluidized bed equipment, and other biological sewage disposal equipment equipment for waste plastics, equipment for desulphurization and denitration equipment of industrial boi temperature resistant, acid resistant bag dust remover.
28. Manufacture of turbine compressor and combined powder machine for the complete set of equipmen production of 300,000 tons and over of synthetic ammonia, 480,000 tons and over of carbamide and 450 over of ethylene.
29. Development of desulphurization technology and manufacture of relevant equipment for fire power :
30. Production of continuous casting machines for sheet metal.
31. Deep processing technique and equipment of plate glass.
32. Manufacture of equipment for mining, loading and transporting in the well, 100 or over tons of mecl driven dump trucks for mining, mobile crusher, double input and output coal grinder, 3,000 M3/h or ove excavator, 5M3 or larger mining loader, full-face tunneling machines.
33. Design and manufacture of new instruments and equipment for petroleum exploration and developm
34. Manufacture of cleaning equipment for electro-mechani-cal wells and production of medicines.



35. Production of electronic endoscope.
  36. Manufacture of medical X-ray set (CT) with high frequency technology, direct digital image manipulation technology, low radiation, and a power of 80 kilowatts and over.
  37. Manufacture of high magnetism, super conduct type of MRI.
  38. Manufacture of single collection plasma treatment machines.
  39. Manufacture of fully automatic enzyme immunity systems (including functions for sample adding, indication, platelet washing, incubation, and data post processing, etc.)
  40. Development of new technologies and manufacture of new equipment for the quality control of pharmaceutical products.
  41. New analytical and extraction technology and equipment for the effective substance of traditional Chinese medicine.
  42. Wrapping materials and containers for new medicines and other advanced pharmaceutical equipment
- (XVIII). Manufacture of Transportation Equipment Industry

1. Complete automobiles and complete motorcycles. (\*)
2. Engines of automobiles and motorcycles.
3. Manufacture of key spare parts for cars: complete brakes, complete driving rods, gearbox, steering knuckle, pump of diesel engine, piston (including piston ring), valve, hydraulic tappet, axle bush, booster, filter (including even speed cardan joint, shock absorber, seat adjuster, car lock, back view mirror, glass lifter, compound bulb, car fastener.
4. Production of automobile electronic equipment systems such as: electron-control fuel-oil injecting system, controlled break and locking-prevention systems, safety aerocysts and other electronic equipment.
5. Production of key spare parts for motorcycles, carburetors, magnetors, starting motors, lamps, disc brake.
6. Vehicles for special purposes such as desert vehicles for petroleum industry.
7. Technical equipment for railway transportation: the design and manufacture of locomotives and main design and equipment manufacture for rapid transit railway, manufacture of equipment for communication and transportation safety monitoring, manufacture of electric railway equipment and instruments.
8. Equipment for high speed rail transportation in cities: Design and production of locomotive and key components of subway and light railway in cities.
9. Design and manufacture of civil planes (the Chinese party will be the holding party).
10. Manufacture of spare parts for civil planes.
11. Design and manufacture of civil helicopter (the Chinese party will be the holding party).

12. Design and manufacture of aeroplane engines (the Chinese party .will be the holding party).
13. Design and manufacture of civil air-borne equipment (the Chinese party will be the holding party).
14. Manufacture of light gas turbine engine.
15. Design and manufacture of crankshafts for low speed diesel engine for watercraft.
16. Repair, design, and manufacture of special watercrafts, and high performance watercrafts (the Chine the comparative holding party).
17. Design and manufacture of medium and high speed diesel engines, spare engines, wireless communi navigation equipment and spare parts for watercrafts (the Chinese party will be the comparative holding
18. Production of fibre glass fishing boat and yachts.

(XIX). Manufacture of Electric Machinery and Equipment Industry

1. Fire power equipment: manufacture of 600,000 KWh and over super critical overtaking units, large g turbines, and over 100,000 KWh power gas-burning and steam turbine combined cycle power equipmen gasification combined cyclic techniques and equipment (IGCC), pressure boost fluid-ized bed (PFBC), & KWH and over large air cooling units (joint ventures and cooperative ventures only).
2. Hydroelectric equipment: manufacture of large scale pump storage groups with a power of 150,000 K and large scale tubular turbine units of 150,000 KWH and over (joint ventures and cooperative ventures
3. Nuclear power group: manufacture of nuclear power groups of 600,000 KWh and over (joint ventures cooperative ventures only).
4. Manufacture of 500 kilovolts and over, super high voltage, direct current power transmitting and trans equipment(joint ventures and cooperative ventures only).

(XX). Manufacture of Electronics and Communication Equipment Industry

1. Digital TV, digital video camera, digital tape recorder and digital playback equipment.
2. New type flat monitors and parts, medium and high resolution colour tube/display tube and glass shel
3. Digital audio and video coding and decoding equipment, digital radio and TV broadcasting studio equ cable TV system equipment, digital audio broadcasting transmitting equipment.
4. Design of integrate circuits and production of Large-scale integrate circuit with a line width of 0.35 m smaller line width.
5. Manufacture of large and medium size computers, portable microcomputers and top grade servers.
6. Development and manufacture of laser and magnetic drives with large storage capacity and parts.
7. Development of 3-dimension CAD, CAT, CAM, CAE and other computer application systems.

8. Development and production of software products.
9. Development and production of special materials for semiconductor and components.
10. Manufacture of special electronic equipment, instruments, and industrial mould.
11. New type of electronic components and parts (flake components, sensitive components and sensors, control and selection components, mix intygrate circuits, electric electronic components, photoelectric c new type of mechanical electronic components).
12. Production of non-mercury alkali-manganese battery, power nickel-hydrogen battery, lithium-ion ba capacity complete airproof and cam-free lead-acid rechargeable battery, fuel battery, column zinc air bat tech green battery.
13. Design and production of key components for high density digital CD drives.
14. Production of CD-R, CD-RW, DVD-R and DVD-ARM.
15. Design and manufacture of civil satellites (the Chinese party will be the holding party).
16. Manufacture of civil satellite payload (the Chinese party will be the holding party).
17. Manufacture of spare parts for civil satellites.
18. Design and manufacture of civil carrier rockets (the Chinese party will be the holding party).
19. Manufacture of equipment for satellite communication systems.
20. Manufacture of receiving equipment and key components for satellite navigation GPS (joint venture: cooperative ventures only).
21. Production of prefabricated rod of optical fiber.
22. Production of series of digital microwave synchronization transmission equipment of 622 MB/S or a
23. Production of series of phototiming transmission equipment of 10 GB/S or above.
24. Manufacture of equipment for broadband cut-in co~nmu-nication systems.
25. Manufacture of equipment for optical intercross connection (OXC).
26. Production of ATM exchange boards and IP data com- munication Systems.
27. Production of equipment of mobile communication systems (including GSM, CDMA, DCS1800. PF IMT2000, etc.) : Mobile phones, stations, exchange equipment and digital integration system.
28. Development and production of high routers, network exchange boards of 1 GB/S and above.
29. Manufacture equipment for air traffic control system (joint ventures and cooperative ventures only).
- (XXI). Manufacture of Instruments and Meters and Cultural and Office Machinery Industry

1. Development and production of digital cameras and key parts.
2. Development and manufacture of precision online measuring instrument.
3. Manufacture of new technical equipment for safe production and environment protection detecting in.
4. Manufacture of new-tech equipment of water quality and smoke and exhaust gas online detecting inst
5. Manufacture of instruments and equipment for hydrological data collection, processing transmitting, & prevention alert.
6. New types of meters spare parts and materials (mainly new switches and function materials for meters intelligent sensors, electrical adapters, flexible circuit plates, photoelectric switches, and proximity switc
7. Development and manufacture of new type printing devices (laser jet printers, bubble jet printer, etc.)
8. Maintenance of precision instruments and equipment, after sale service.

#### (XXII). Other Manufacturing Industries

1. Development and application of clean coal techniques (gasification, liquefaction of coal, water-coal, & coal).
2. Coal ore-dressing by washing and comprehensive utilization of coal powder (including desulphuried & coal refuses.

#### IV. Production and Supply of Electric Power, Gas and Water

1. Construction and operation of heat power station with a single generator's installed-capacity of 300,00 and above.
2. Construction and operation of power' station with the technology of clean coal burning.
3. Construction and operation of power and heat combine station.
4. Construction and operation of natural gas burning power station.
5. Construction and operation of hydropower station with the main purpose of power generating.
6. Construction and operation of nuclear power station (the Chinese party will be the holding party).
7. Construction and operation of new energy power station (including solar energy, wind energy, magne geothermal energy, tide energy and biological mass energy, etc).
8. Construction and operation of water supply plants in cities.

#### V. Operation of Water Conservancy

1. Construction and operation of comprehensive key water control projects (the Chinese party will be the holding party).

## VI. Transportation, Warehousing, Post and Telecommunication

1. Construction and operation of main lines of railways (the Chinese party will be the holding party).
2. Construction and operation of feeder railways, local railways, and related bridges, tunnels, and ferry ventures and cooperative ventures only).
3. Construction and operation of highway, unattached bridges or tunnels.
4. Construction and operation of public dock facilities of ports.
5. Construction and management of civil airport (the Chinese party will be the comparatively holding party).
6. Cargo airways (the Chinese party will be the holding party).
7. General airways for agriculture, forest, and fishery (joint ventures and cooperative ventures only).
8. Schedule and nonscheduled international marine transportation. (\*)
9. International multi-modal transport of containers. (\*)
10. Highway cargo transport companies. (\*)
11. Construction and operation of oil and gas delivery pipes, oil and gas depot, and oil wharf.
12. Construction and operation of facilities for pipe-transportation of coal.
13. Construction and operation of transportation-related warehousing facilities.

## VII. Wholesale and Retail Trading

1. Wholesale, retail and logistic delivery of general commodities. (\*)

## VIII. Real Estate Industry

1. Development and construction of general residential buildings.

## IX. Social Service Industries

### (I). Public Facilities and Services

1. Construction and operation of enclosed type roads in cities.
2. Construction and operation of subways and light railways in cities (the Chinese party will be the holding party).
3. Construction and operation of sewage and waste treatment plants, dangerous waste treatment plants (landfilling and burying fields) and environmental pollution treatment facilities.

### (II). Information and Consultant Services

1. Information consultation about international economy, science & technology and environmental protection

2. Accounting and auditing services. (\*)

X. Health and Sanitation, Sports and Social Welfare

3. Services for the elderly and the handicapped.

XI. Education, Culture and Arts, and Radio Broadcasting, Cinema and Television Industries

1. Higher education institutions (joint ventures and cooperative ventures only).

XII. Scientific Research and Comprehensive Technical Services

1. Bioengineering and biomedicine engineering technologies.

2. Isotopes radiation and laser technologies.

3. Marine exploitation and marine energy development technologies.

4. Seawater desalting and utilization technologies.

5. Marine monitoring and measuring technologies.

6. Development of energy saving technologies.

7. Technology for recycling and comprehensive utilization of resources.

8. Projects for improving polluted environment and related monitoring and improving technology.

9. Desert prevention and desert reclaiming techniques.

10. Application techniques of civil satellites.

11. R & D centers.

12. Development centers for new and high technology and new products as well as enterprise incubation

XIII. All Permitted Projects for foreign investment subject to 100% direct export of products.

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## **The Restricted Industries for Foreign Investment**

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

1. Development and production of grains (including potatoes), cotton, and oil-seed (the Chinese party will be the holding party).
2. Processing and Export of the logs of precious varieties of trees (joint ventures and cooperative ventures only).

### **II. Excavation Industry**

1. Prospect and mining of non-ferrous metals such as wolfram, tin and antimony, molybdenum, barite, fluorite, etc (joint ventures and cooperative ventures only).
2. Prospect and mining of precious metals (gold, silver, platinum families).
3. Prospect and mining of precious and heavy metals such as diamond.
4. Prospect and mining of special and rare coal (the Chinese party will be the holding party).
5. Mining of szaibelyite ("baron magnesium stones") and baron, magnesium, iron ores.

### **6. Mining celestine.**

### **III. Manufacturing Industries**

#### **(I). Food Processing Industry**

1. Production of millet (yellow) wine and famous brands of

spirits.

2. Production of carbonic acid beverage of foreign brands.

3. Production of synthetic sweeteners such as glucide.

4. Processing of fat or oil.

(II). Tobacco Processing Industry

1. Production of cigarettes and filter tips.

(III). Textile Industry

1. Wool and cotton weaving.

2. Filature.

(IV). Printing and Copying Industry.

1. Publication Printing (the Chinese party will be the holding party, not including packaging and upholstering printing).

(V). Petroleum processing and coking industry

1. Construction and operation of oil refinery.

(VI). Chemical Raw Materials and Chemical Products Manufacturing Industry

1. Production of caustic soda with ionic membrane.

2. Production of sensitive materials.

3. Production of benzidine.

4. Production of precursor of narcotics ephedrine, pseudoephedrine 4-sub-radical-ldioxidepheny-2acet, benzeneacetic acid, 1-phenyl-2-acet, heliotropin, yellow camphor, diiso-yellow camphor, acetyl anhydride.

5. Production of sulphuric acid basic titanium white. 6.

Processing of baron, magnesium, iron ores. 7. Production of barium



salt.

#### (VII). Pharmaceutical Industry

1. Production of chloramphenicol, lincomycin, gentamicin, dihydrostreptomycin, amikacin, tetracycline hydrochloride, oxytetracycline, acetyl spiramycin, medemycin, kitasamycin, ilotycin, norfloxacinum, ciprofloxacin and ofloxacin.
2. Production of Analgin, aspirin, paracetamol, Vitamin B 1, Vitamin B2, Vitamin B6, Vitamin C and Vitamin E.
3. Immunity vaccines included in the State's Plan, bacteria, antitoxins and anatoxin (BBG vaccine, poliomyelitis, DPT vaccine, measles vaccine, Type-B encephalitis, and epidemic cerebrospinal meningitis vaccine).
4. Production of additional narcotic and psychoactive drug (the Chinese party will be the holding party).
5. Production of blood products.
6. Non-self-destruction disposable injectors, transfusion systems, blood transfusion systems and blood bags.

#### (VIII). Chemical Fibre Manufacturing Industry

1. Chemical fiber drawnwork of conventional spinner.
2. Production of viscose staple fiber with an annual single thread annual output capacity of less than 20,000 tons.
3. Production of fiber and non-fiber polyester and spandex with a capacity of 400 tons daily and lower..

#### (IX). Rubber Products Industry

1. Cross-ply and old tyre reconditions (not including radial tyre) and low performance industrial rubber parts.

(X). Non-ferrous Metallurgical Processing, Smelting and Mangling industry

1. Smelting and separation of rare-earth (joint ventures and cooperative ventures only).

(XI). General Mechanical Industry

1. Production of containers.
2. Production of small and medium sized ordinary bearings.
3. Manufacture of crane vehicles lifting less than 50 tons (joint ventures and cooperative ventures only).

(XII). Special Equipment Manufacturing Industry

1. Production of low or medium class type-B ultrasonic displays
2. Manufacture of equipment for producing ordinary long terylene thread and short fiber.
3. Manufacture of crawler dozers of less than 320 horsepower, wheel loading machine lifting less 3 cubic meters (joint ventures and cooperative ventures only).

(XIII). Manufacture of Electronics and Communication Equipment Industry

1. Satellite television receiver and key parts.

IV. Production and Supply of Electric Power, Gas and Water

1. Construction and operation of conventional coal-fired power plants with single-machine capacity less than 300,000 kW (with the exception of small power grid).

V. Transportation, Warehousing, Post and Telecommunication

1. Highway passengers transportation companies.
2. Entry and exit automobile transportation. (\*)
3. Water transportation companies. (\*)
4. Railway cargo transportation companies. (\*)
5. Railway passengers transportation companies (the Chinese party shall be the holding party).
6. General airways for photography, mine prospecting and industries (the Chinese party shall be the holding party).
7. Telecommunication companies. (\*)

#### XI. Wholesale and Retail Trading

1. Commodities trading, direct sale, mail order, sale on internet, franchising, entrust operation, sale agent, commercial management and various commercial companies, and wholesale, retail and logistic delivery of grains, cotton, plant oil, sugar, medicines, tobacco, automobiles, crude oil and means of agricultural production. (\*)
2. Wholesale and retail of books, newspapers and periodicals. (\*)
3. Distribution of audio and video products (except movies). (\*)
4. Auction of commodities.
5. Cargo leasing companies. (\*)
6. Agent companies (shipping, cargo transportation, cargo collection for foreign ships and advertising). (\*)
7. Wholesale of finished oil and construction and operation of gas station. (\*)

8. Foreign trade companies.

## XII. Financial and Insurance Industries

1. Banks, financing companies, trust investment companies.

2. Insurance companies. (\*)

3. Stockjobber, security investment fund management companies. (\*)

4. Financial leasing companies.

5. Foreign exchange brokers.

6. Insurance brokers. (\*)

## XIII. Real Estate Industry

1. Comprehensive development of land (joint ventures and cooperative ventures only).

2. Construction and operation of top grade hotels, villas, top grade office buildings and international convention and exhibition centers.

## IX. Social Service Industries

(I). Public facilities and services.

1. Construction and operation of supply networks of gas and heat and water supply and sewage networks in large and medium cities (the Chinese party shall be the holding party).

(II). Information and Consultant Services

1. Legal consultation services.

## X. Health and Sanitation, Sports and Social Welfare

1. Medical treatment institutions (joint ventures and cooperative ventures only).

2. Construction and operation of golf courts.

XI. Education, Culture and Arts, and Radio Broadcasting, Cinema and Television Industries

1. Senior middle school educational institutions (joint ventures and cooperative ventures only).

2. Construction and operation of cinemas (the Chinese party shall be the holding party).

XII. Scientific Research and Comprehensive Technical Services

1. Mapping companies (the Chinese party shall be the holding party).

2. Inspection, appraisal and authentication companies for import and export commodities. (\*)

XIII. Other Industries Restricted by the State or International Treaties that China has concluded or taken part in.

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## **The Prohibited Industries for Foreign Investment**

### **I. Agriculture, Forest, Animal Husbandry and Fishery**

1. Breeding and planting of China's rare breeds (including fine genes in plants industry, husbandry and a industry).
2. Production and development of plants genetic-transfer seeds.
3. Fishing within the marine space under China's domination and inland water areas.

### **II. Excavation Industry**

1. Selection, smelting or processing of radioactive mineral products.
2. Prospect, exploitation and selection of rare earth.

### **III. Manufacturing Industry**

#### **(I). Food Processing Industry**

1. Processing of green tea and specials teas (famous teas, dark tea, etc.) in Chinese traditional technique;

#### **(II). Pharmaceutical Industry**

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

#### **(III). Non-ferrous Metallurgical Processing, Smelting and Mangling industry**

1. Smelting and processing of radioactive ores.

#### **(IV). Manufacturing Industry of weapons**

#### **(V). Other Manufacturing Industries**

1. Ivory carving.
2. Tiger-bone processing.
3. Mouldless lacquer ware.

4. Enamel products.

5. Xuan paper, and ingot-shaped tablets of Chinese ink.

6. Production of carcinogenic, teratogenic, and mutagenesis products, and enduring organic contamination.

#### IV. Production and Supply of Electric Power, Gas and Water

1. Construction and operation of electric grid

#### V. Transportation, Warehousing, Post and Telecommunication

1. Air traffic control companies.

2. Post companies.

#### VI. Financial and Insurance Industries

1. Futures brokers.

#### VII. Social Services

1. Development of resources of wild animals and plants [ protected by the state.

2. Construction and operation of natural conservation of v animals and plants.

3. Gambling' (including gambling racecourse).

4. Pornographic service.

#### VIII. Education, Culture and Arts, and Radio Broadcasting, Cinema and Television Industries

1. Basic education (compulsory education) institutions.

2. Publishing, general issuing and import of books, newspapers and periodicals.

3. Publishing, production, general issuing and import of :audio and video products and electronic publishing.

4. Press institutions.

5. Radio stations, TV stations (network) at various levels, coverage networks for radio and TV transmission stations, relay stations, satellite for radio and TV, satellite up station, satellite receiving and transmitting microwave station, monitoring and measuring station, cable broadcasting a cable TV transmission cover

6. Production, publishing, or issuing of broadcasting and ~ programs and playing companies.

7. Production and issuing companies of movies.

8. Video playing companies.

## IX. Other Industries

1. Projects that endanger the safety and performance of military facilities.

## X. Industries Prohibited by the State or by international Treaties China has concluded or taken part in

Remarks:

1. Industries other than listed hereof are permitted industries
2. Entries followed with the mark of (\*) are related to Chin, promises upon accession to the WTO. Detai annex

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