**Background Material 1: Five Important Sectors of the Investment Cooperation between Guangdong and the African Continent——Agricultural Economy**

About enhancing the professionalization and specialization of the crop and animal farming industries, and increasing their productivity.

—Bright Prospects for Economic Cooperation in Agriculture

I. Unique Features of the Agricultural Development in Guangdong Province

Guangdong is located in the East Asian monsoon region, enjoys favorable weather conditions, and has abundant agricultural resources. The province is host to more than 6,000 plant species, more than 700 different species of rare animals, and more than 800 fish species. Guangdong is a highly populated province. Its resident population ranks first in the country. Less than 0.03 hectares of cultivated land is available per capita, well below the national average. Therefore, Guangdong province puts great emphasis on the application of science and technology to enhance the economic benefits of the crop and animal farming industries. Guangdong province embraces agricultural modernization with Chinese characteristics and strives to ensure the effective production and supply of food and important agricultural products, as well as to guarantee agriculture value-added efficiency and farmers' income. Thanks to the unique regional climate conditions, Guangdong province enjoys an abundance of agricultural germplasm resources and actively promotes the regionally characterized development of agricultural industries and brand building. Guangdong province also aims to strengthen the technical support, thus enabling higher levels of organized industrial agriculture on a larger scale. The overall efficiency of agriculture in Guangdong is ranked at the top; it achieves the highest agricultural output of all the provinces. In 2015, Guangdong agriculture's gross output value and value added ranked eighth in the country. Guangdong farmers' income ranked sixth. Guangdong is also at the top in terms of agricultural output of main agricultural products. For example, its production of fodder is first in China; aquaculture products, horticultural products, and sugar are second. Fruit and vegetable production, respectively, came in fourth and eighth, while meat ranked fifth at the national level. Guangdong agricultural products, especially vegetables, fruit, tea, horticultural products, high-quality aquatic products, and livestock poultry products, enjoy a competitive advantage in domestic and international markets. These products are popular in the international market, as underlined by their ranking among the nation's top three in agricultural products export.
In 2015, the province’s gross output value of agriculture, forestry, husbandry, and fishery amounted to 552.046 billion Yuan, with the value added amounting to 342.539 billion Yuan. Both numbers show growth of 3.1% and 3.4% on a year-on-year basis. High standard basic farmland was built covering 9.134 million acres, while the agricultural technology contribution rate reached 62.7%, edging out the national average level by about 6%. Agricultural industrialization and animal farming scale ranked top at the national level; routine inspections conducted by the Ministry of Agriculture revealed that crop products, livestock and poultry products, and dairy products of Guangdong meet national standards at a rate of, respectively, 96.5%, 99.2%, and 100%.

Guangdong agricultural cooperation

Guangdong endeavors to bring into full play its relative advantages and characteristics and has achieved remarkable results while actively promoting agricultural cooperation.

(A) Agricultural Enterprises "Reaching Out to the World." In recent years, Guangdong province has been pushing for the development of export-oriented agriculture industries by relying on international exchanges and cooperation. Furthermore, by establishing agricultural exhibition platforms in foreign territories, Guangdong province has been able to lead agricultural enterprises and "go global." At present, Guangdong overseas investment in agriculture follows a point-to-surface development pattern. Though limited to simplistic agricultural production, the industry has been gradually expanding toward production, processing, trade, and other fields, while the investment scale and scope has also been expanding. By the end of 2014, 75 agreements on overseas investment projects had been filed in the Guangdong Provincial Department of Commerce for the agriculture industry (farming, forestry, animal husbandry, fishery, and agricultural products processing industry). China’s contracted foreign investment has reached $1.526 billion. Guangken Rubber Group Co. Ltd. launched 21 hot-working production and trading projects in Thailand, Malaysia, Indonesia, and other countries, each dealing with different materials, such as natural rubber, sisal, and cassava alcohol. Total assets for these projects were more than 2 billion Yuan.

(B) Export of Advantageous Agricultural Products. Guangdong supports the establishment of a sales and marketing platform for agricultural products. By participating in the "Israel International Agricultural Fair," "Expo Milano," and other overseas agricultural exhibitions, as well as promoting the "Top 10 Brands of Agricultural Products in Guangdong Province" and other of its local high-quality
agricultural products, Guangdong province aims to expand its activities beyond the country borders and go global. In 2015, as national foreign trade import and export marked negative growth, the import and export of agricultural products in Guangdong province increased by 4.9%, amounting to a net total of $26.493 billion. Among these products, the import and export trade of agricultural products between Guangdong province and African countries totaled $576 million, an increase of 9.9%, exceeding the national average by 5%.

(C) Guangdong Agricultural Overseas Cooperation. Guangdong attaches special importance to the agricultural trade and technical exchanges and cooperation with other countries. In recent years, the Guangdong government has carried out exchanges with governmental and agricultural sector delegates from the United States, Canada, Israel, Japan, Malaysia, Vietnam, Thailand, Myanmar, Indonesia, Greece, the United Kingdom, Australia, Grenada, Brazil, Ecuador, South Africa, Sudan, and dozens of other countries and regions. The Guangdong government also sends agricultural delegations to countries and other key areas situated along the "Belt and Road" Initiative to take part in cooperation and exchanges related to agriculture activities.

III. Agricultural Exchanges and Cooperation between Guangdong Province and African Countries

African agriculture boasts rich resources and huge potential for development. However, its modernization, informatization, and internationalization lag behind. Agricultural modernization is one of the priorities of African’s 2063 Agenda. Despite arable land per capita of Guangdong province being low, Guangdong has realized significant achievements in agricultural modernization by emphasizing technical support and improving the scale, organization, industrialization, and international cooperation. With the combination of Guangdong’s unique advantages in agriculture and African’s abundant resources, the agriculture in Africa will enjoy rapid development.


Background Material 2: Five Important Sectors of the Investment Cooperation between Guangdong and the African Continent——Light Manufacturing Industry

Guangdong’s Advantages to Meet Africa’s Urgent Needs
—The Great Potential in Light Manufacturing Investment Cooperation

1. The Chinese Experience: Light Manufacturing Industry Is the Preferred Industry for Economic Prosperity

China's experience in introducing foreign capital and achieving economic growth serves as a good example for Africa. At the initial stage of Reform and Opening Up, of all foreign investment, 70% was directed to the secondary industry. With the acceleration in industrialization, foreign direct investment (FDI) gradually shifted to the tertiary industry. In 2011, China's tertiary industry attracted a greater amount of actual foreign investment than its secondary industry (see Figure 1).

FDI in the secondary industry favors light industry projects that have high return rates and shorter payback periods or heavy industry projects that are directly linked to consumers. However, few investment projects in heavy industry are directed toward the basic industries or aimed at the production of technology-intensive intermediate products. Such a tendency is in line with the industrial ladder-type evolution of the country's economy.

![Figure 1: Actual foreign direct investment that led to China’s change of industrial structure](image-url)
At present, African countries have begun to attract foreign investment with import substitution policies and by focusing on light industry. As for Ethiopia, according to the 2015 "Second Growth and Transformation (Five-Year) Plan," its Industry Department set out for the country to nurture Africa's biggest light industry by proceeding to an industrial shift toward high-end manufactured products and the overall development of manufactured goods, emphasizing the local production of currently imported commodities. Plastic and metal product manufacturers will enjoy subsidies and other preferential support policies. Household appliance and office supply industries will receive priority treatment. Manufacturers of appliances, such as television and refrigerator manufacturers, are to be nationalized.


At the beginning of Reform and Opening Up, due to the advantageous proximity with Hong Kong and Macau, Guangdong province held a relative human resource advantage and undertook the substantial transfer of its manufacturing, forming a unique and effective mode of cooperation that features Guangdong province as a producer and Hong Kong-Macao as distributors. Actual foreign investment, particularly coming from Hong Kong and Macao, played an important role in the course of each industrial transformation and upgrading in Guangdong, as was the case in the appropriate development of heavy industries, the industrial upgrading, and the establishment of a modern industrial system. To date, Hong Kong and Macao still account for more than 65% of the foreign investment that Guangdong attracts each year.

A. Prominent Advantages of Guangdong Manufacturing Industry

Among 41 industrial categories in the country, Guangdong has 40 (in addition to the coal mining and dressing industry), forming ten pillar industries, including electronic information, petroleum and chemicals, electrical machinery, electricity, food and beverages, transportation equipment, apparel and textiles, general-purpose equipment, metal products, and building materials. In 2014, the value added of these ten pillar industries amounted to 2.29 trillion Yuan, contributing about 78% of the value created by the industries of a designated size and 33% of the gross domestic product (GDP) of the province. These ten pillar industries were ranked in the top five nationwide, with three of them taking first place, one second place, and two third place (see Chart 1). Apart from the technical support, foreign direct investments also played an essential part in the achievements of Guangdong province in advanced manufacturing, high-tech manufacturing, and traditionally advantageous industries. In the same year, Guangdong's eight strategic emerging industries, including high-end electronic information, LED, new energy vehicles, high-end equipment manufacturing,
energy efficiency, new energy, new materials, and biology, achieved value added of 347 billion Yuan, accounting for 5.13% of GDP and reflecting a strong momentum of development. Six subdivided industries, which consist of new display, software, biomedicine, new materials, new generation communication, and LED, have created an industrial cluster worth more than one billion Yuan. These prospective major industries are closely related to the progress of science and technology and have great potential to become new pillar industries.

Chart 1: Situation of ten pillar industries in Guangdong province

<table>
<thead>
<tr>
<th>名称</th>
<th>2014年增加值（亿元）</th>
<th>占全省规上工业比重（%）</th>
<th>全国排名</th>
</tr>
</thead>
<tbody>
<tr>
<td>电子信息</td>
<td>6560</td>
<td>22.4</td>
<td>1</td>
</tr>
<tr>
<td>石油化工</td>
<td>2760</td>
<td>9.4</td>
<td>3</td>
</tr>
<tr>
<td>电气机械</td>
<td>2460</td>
<td>8.4</td>
<td>2</td>
</tr>
<tr>
<td>电力</td>
<td>1850</td>
<td>6.3</td>
<td>1</td>
</tr>
<tr>
<td>食品饮料</td>
<td>1830</td>
<td>6.3</td>
<td>4</td>
</tr>
<tr>
<td>交通运输设备</td>
<td>1780</td>
<td>6.1</td>
<td>4</td>
</tr>
<tr>
<td>纺织服装</td>
<td>1690</td>
<td>5.7</td>
<td>4</td>
</tr>
<tr>
<td>通用专用装备</td>
<td>1430</td>
<td>4.8</td>
<td>5</td>
</tr>
<tr>
<td>金属制品</td>
<td>1300</td>
<td>4.5</td>
<td>1</td>
</tr>
<tr>
<td>建材</td>
<td>1300</td>
<td>4.4</td>
<td>3</td>
</tr>
</tbody>
</table>

Data source: Development Research Center of Guangdong Provincial Government
B. Strong International Competitiveness of Guangdong Light Industry Manufacturing

In Guangdong province, 600-700 products from 400-500 manufacturers conform to international technical standards of production. In addition, more than 300 kinds of products enjoy strong competitiveness in the international market. Cantonese products feature are of “good-quality, delicate, unique, and new.” The most popular Cantonese products include Pearl River water, Cantonese food, household appliances, and garments. These products are well received around China, securing a large market share and becoming scarce goods in the domestic market. The total output of light industry of Guangdong province increased from 0.16 trillion Yuan in 2000 to 1.13 trillion Yuan in 2015, which means a 14.8% annual growth rate. Therefore, light industry creates massive earnings in foreign exchange. The developed light industries of Guangdong province include the textile and apparel industry, food industry, building materials industry, pharmaceutical industry, household appliance industry, leather and footwear industry, and motorcycle industry.

Guangdong is a major producer of home appliances. As of 2014, Guangdong had 1,564 enterprises above a designated size, with industrial assets totaling 580.524 billion Yuan. More than 30 kinds of household appliances, such as microwaves, electric cookers, kitchen ventilators, air purifiers, water purifiers, electric stoves, heaters, and fans, ranked first in sales at a national scale. These products are exported to more than 210 countries and regions, making Guangdong province a major international procurement market for household electrical appliances (see Table 1). The main business income for the province amounts to 602.3 billion Yuan, accounting for 42.6% of the whole nation's income. The export volume is 28.285 billion Yuan, holding 48.6% of the national volume. In 2014, the gross sales of Midea Group and Gree Group both exceeded 140 billion Yuan, allowing the two groups to become enterprises with more than $100 billion in annual revenue.

Table 1: Production of Guangdong province's main household appliances in 2014

<table>
<thead>
<tr>
<th>Product's name</th>
<th>Production (ten thousand)</th>
<th>Increase over the previous year (%)</th>
<th>Share of the national production (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerator</td>
<td>2293.95</td>
<td>16.7</td>
<td>24.6</td>
</tr>
<tr>
<td>Air conditioner</td>
<td>5923.74</td>
<td>8.5</td>
<td>37.7</td>
</tr>
</tbody>
</table>
III. A bright Future: Cooperation in Light Industry between Guangdong Province and the African Continent

a. Cooperation in light industry between Guangdong province and African countries

At present, Guangdong province and African countries have accelerated cooperation in light industry. In 2015, Guangdong province invested in 28 projects in Africa, with new investment contracts totaling $510 million, while the actual investment amounts to $73.03 million, marking a year-on-year growth of 317.1% and 317.1%, respectively. By the end of 2015, Guangdong province's total number of investment projects in Africa was 176 and investment contracts were worth $1.46 billion, achieving an annual turnover of $4.515 billion.

In 2011, the Huajian Group invested in women’s shoe manufacturing factories located in the Eastern Industry Zone of Ethiopia, becoming the first Chinese shoemaking enterprise to enter the African market and transforming part of the “Made in China” production into “Made in Africa.” To date, 3.84 million finished pair of shoes have been exported to European countries and the US, creating foreign exchange worth $44.49 million and putting 3,600 Ethiopian people to work. With its early success, the Huajian Group decided to invest in building the Huajian International Light Industrial Zone in Ethiopia. This zone covers an area of 126 hectares and represents an investment of 0.32 billion Yuan, and the entire development capacity is 1.369 million square meters. The zone will be completed in 2020 and there will be more than 100,000 staff in the Group.
Guangzhou Fekon Motorcycle Co., Ltd. plans to invest $398 million to establish Africa's motorcycle headquarters in Tanzania; the Guangdong Computer Chamber of Commerce plans to invest $100 million in the construction of the Eastern African International Trade Mart; Foshan Nanhai Weihe Trade Co., Ltd. plans to invest $25 million to establish a car assembly plant in Tanzania; Guangzhou NanTian Sources Co., Ltd. plans to invest $398 million to establish a sales base of hotel and household appliance products in Tanzania; Guangdong Meikang Daguang Wante Pharmaceutical Co., Ltd. plans to invest $8 million and cooperate with Tanzania's enterprises in the import and export of medicine, cosmetics, and medical equipment; Guangdong Silique International Group Co., Ltd. for Trade and Development plans to invest $3 million and cooperate with Tanzania's East Star Leather Co., Ltd.; and Guangdong Silique International Group Co., Ltd. for Trade and Development plans to invest $4 million in motorcycle production and cooperate with Tanzania's T-BETTER Motorcycle Co., Ltd.

b. Enhancing project cooperation between Guangdong province and African countries

At present, China, especially Guangdong, actively promotes the cooperation of capacity with African countries. The manufacturing industry in Guangdong province enjoys the advantages of technology, capital, and enterprise talents and African countries have the advantage in comparative cost and abundant land, labor force, and natural resources. In addition, there are great potential markets in African countries. Therefore, bilateral cooperation in manufacturing capacity should be strengthened to integrate the advantages of Guangdong and African countries so as to speed up the local industrialization and create more jobs, which will help to increase people's income and improve living standards.
More Emphasis on Fostering Skilled Talents Promotes Economic and Social Development

–Prospective Cooperation in Skills Development and Vocational Training

I. Guangdong Takes the Lead in Skills Development and Vocational Training

Guangdong province has formed a relatively complete modern vocational education and skills training system. From 2009 to 2015, the enrollment scale, the scale of students, and the number of students per million population of secondary vocational education ranked first in China. In addition, Guangdong is also the pace setter in terms of the total number of trainees, training platforms, and skills appraisal of the secondary vocational education. By the end of 2015, Guangdong had 10.07 million skilled workers, including up to 2.83 million advanced skilled talents (28.1% of all workers), which promoted the rapid economic and social development.

a. Skills Development for All. In 2011, Guangdong province issued the Implementation Suggestion for Strengthening Vocational Training and Promoting Employment, focusing on skills training and offering a program of skills development for all. During the "twelfth five-year" period, Guangdong organized all kinds of skills training, involving 34.28 million participants, which ranked among the top nationwide.

b. Enterprise On-the-Job Training. Guangdong province's Commission of Economy and Information Technology of the Bureau of Human Resources and Social Security, Department of Finance of Guangdong Province, and State-owned Assets Supervision and Administration Commission of the State Council released the Suggestions on Fostering Skilled Talents with Enterprises as the major training platform, making clear that enterprises are the main element in training and employing skilled people. The commission aims to promote enterprises to establish and improve the mechanism for staff training, focusing on upgrading skills upgrading and training for transferable skills, as well as pushing widespread on-the-job training for workers, corporate training, job skills, and other skill contests to improve the quality of workers skills.

Skills Development and Training," and other documents to implement a general labor skills training system, promote equality regardless of the registration of permanent residence, balance the skill training subsidy, as well as make sure that workers of all kinds can enjoy a skill promotion training subsidy for each promotion. Guangdong is the first province in China to realize complete coverage of the training subsidies.

(d) High-skilled Personnel Training Platform Construction. Guangdong province vigorously implements the strategy of high-skilled talents driving high-end transformation, meeting the demand for Guangdong industrial development and the needs of the regional pillar industry in development. Guangdong promotes the construction of high-skilled personnel training bases to speed up the cultivation of high-skilled talents. By the end of 2015, there were 19 national-level high-skilled talents training bases in Guangdong province, making Guangdong the first in the nation.

(e) Professional Skill Appraisal and Skills Development. To meet the needs of industrial upgrading development, a mechanism for development and updating of professional standards adapted to industrial upgrading was established in Guangdong, thus laying a solid foundation for skilled laborers. In 2015, the province carried out a professional skill organization appraisal for 1.684 million persons, and 1.157 million persons obtained a professional qualification certificate. This ranks Guangdong first in China.

(f) Private Job Training. According to the "Law of the People's Republic of China on Promotion of Privately-run Schools" and its implementing regulations, private capital is encouraged to participate in vocational training. By the end of 2015, there were 1,310 provincial private vocational training schools (institutes) that had trained 934,000 people. These schools have become an important channel for skills training.

II. Prospective Cooperation in Skills Development and Vocational Training

a. Close cooperation relationships in education and training between Guangdong province and African countries

The exchanges and cooperation between universities in Guangdong and Africa have made new achievements, and six cooperation agreements have been signed. Specifically, Sun Yat-Sen University and the University of Cape Town, South Africa, signed a cooperation agreement on teachers and students exchanges, as well as scientific research cooperation; South Africa's Rhodes University and Jinan University signed an agreement on academic exchanges; Guangdong University of Finance and Economics and Tanzania College of Finance and Management signed a letter of intent
on intercollegiate cooperation and exchanges; Guangdong University of Petrochemical Technology and Guangzhou City Construction College signed a memorandum of understanding (MOU) with the Nigerian Petroleum Technology Development Foundation. The Foundation will support students to study in Guangdong; South China Business College of Guangdong University of Foreign Studies signed an MOU with Tanta University of Egypt to carry out exchange and cooperation.

The number of African students studying in Guangdong province is growing rapidly. In 2012-2015, about 4,000 African students were in Guangdong province. In 2012-2014, authorized by the Department of Commerce, Southern Medical University trained 621 healthcare officials and medical workers from Ethiopia, Ghana, and Zambia, and more than 30 other friendly African countries. Sun Yat-Sen University, Jinan University, and Guangdong University of Foreign Studies cooperated with a number of colleges and universities in African countries to co-establish Confucius institutes in the University of Cape Town, South Africa, South Africa’s Rhodes University, and the University of Cape Verde.

a. Advancing the Training of Skilled Talents in Guangdong and Africa

Skills training is the cornerstone of industrial development and an effective measure to promote higher quality employment, as well as economic and social development. It is an important foundation of industrial optimization and industrial upgrading. After more than 30 years of Reform and Opening Up, Guangdong province attaches great importance to the improvement of labor quality and the cultivation of high-skilled talents and provides important human resource support for the transformation and upgrading process of the industry. At the same time, Guangdong province has accumulated a lot of successful experience in terms of skills development and job training. Africa is experiencing rapid growth in economic and social development, with the large population of young adults contributing to the acceleration of the industrialization. The demand for skills development and job training is expected to increase significantly. To realize sustainable industrial development, Guangdong province aims to bring its advantage in talents and skills cultivation into full play, exploring a way for flexible and effective cooperation, while African countries can better exploit their rich labor advantage and create unique industrial advantages. As a result, employment will be stabilized, income will keep increasing, and the changes will drive improvements in living standards.

*Background Material 4: Five Important Sectors of the Investment Cooperation*
**between Guangdong and the African Continent——Interconnectivity and New Energies**

Deepening the Cooperation on Traffic Logistics and New Energies

--Cooperation Platforms Formed by the Interconnectivity and New Energies

A. Guangdong Province's Construction in Interconnectivity and New Energy

After China's Reform and Opening Up, Guangdong province was the first to step out of the national singular and limited investment channel and take the lead in introducing market mechanisms; it also implemented policies of "building one bridge to promote the construction of another bridge," "building one road to promote the construction of another road," "building one port to promote the construction of another port," and “charges to pay back loans.” Guangdong province has been utilizing economic tools to promote the rapid development of transportation, thus solving the "bottleneck" in development of the Guangdong economy and gradually forming a network of modern land, sea, and air transportation that has Guangzhou as the center.

By the end of 2015, the highway mileage in Guangdong was 216,000 kilometers, and the road intensity was 121.4 kilometers/hundred square kilometers, while the highway traffic total mileage was 7,018 kilometers, securing the first position in the nation. The total mileage in inland waterways was 12,150 kilometers, including 897 kilometers of high-level waterways. There were 2,942 port berths, including 281 10-thousand-ton berths, holding the second position at the national level. The cargo handling capacity was 1.78 billion tons, ranking second in China. The container handling capacity was 52.79 million TEU, ranking in first place nationally. In addition, the provincial comprehensive transportation network has been formed, speeding up comprehensive hub construction, and the introduction of various modes of transportation has significantly increased connectivity.

As for new energies, by the end of 2015, onshore wind power with a capacity of about 2.6 million kilowatts had been installed in Guangdong province, which boosted the development and utilization of the offshore wind energy resources, and seven offshore projects are under construction in places including Zhuhai and Guishan. Guangdong has photovoltaic power capacity of about 850,000 kilowatts. The installed capacity of agriculture and forestry biomass power generation is 160,000 kilowatts, with garbage power generation capacity of 420,000 kilowatts. Zhanjiang has completed a 150,000-ton per-year project of cassava ethanol, which is in operation. The Foshan Sanshui Industrial Zone, Guangzhou Conghua Industrial Zone, and Shenzhen Qianhai Cooperation Zone are listed as National Distributed Photovoltaic Application
Demonstration Districts. Shenzhen and Sanshui districts are listed as national new energy demonstration cities, and Yangshan, Ruyuan, Raoping, Jiexi, and Dongyuan are classified as national green energy demonstration counties.

Along with the acceleration in the application of new energies, new energy equipment manufacturing and the service industry have prospered in Guangdong province. Zhongshan Yangming Wind Power Group has developed into a national industry specializing in fan machine manufacturing. Foshan Aikosolar is a large-scale solar battery manufacturing company in China. CSG Holding Co., Ltd. is one of the country's largest solar glass production enterprises. Guangdong's production of photovoltaic inverters accounts for more than 60% of the national output. In addition, Emerson, Huawei, and other leading enterprises are set up in Guangdong. Guangzhou Devotion Corporation is a domestic leading enterprise specializing in bioenergy development and utilization and boiler manufacturing. Guangdong Yudian Group Co., Ltd., China General Nuclear Power Corporation (CGN), and other large-scale energy companies have actively invested in the development of new energies. Zuhai Singyes Renewable Energy Technology Co., Ltd., Guangdong No. 2 Hydropower Engineering Company, Ltd., Shenzhen Zonergy Company Limited, and other enterprises vigorously participate in the investment and construction of new energy projects. Guangdong Electric Power Design Institute Co., Ltd. of China Energy Engineering Group is the leading enterprise in offshore wind power planning and engineering design as well as the initiator of the standards for offshore wind power.

During the "13th Five-Year Plan" period, Guangdong province, as a pioneer in economic and social development, will uphold five principles of development and promote the construction of four transport systems, promote the modernization of transportation management systems and management ability, build a completely integrated transportation infrastructure network, and increase the transportation service quality and efficiency. By 2020, the highway traffic total mileage will reach 250,000 kilometers, and the total mileage of highways is likely to reach 11,000 km. The inland waterway network that features "One Main Stem, One Network, and Three Channels" will be established, and inland waterway mileage above the third level will reach 1,420 km. Cargo handling capacity will increase to 2 billion tons, and the annual container handling capacity will reach 65 million TEU. In terms of new energies, Guangdong will continue to promote the development of clean and green energies and renewable energies, actively develop wind power and photovoltaic power generation, develop and utilize biomass energy and other new energies according to local conditions, and construct a smart micro grid of new energies. By 2020, Guangdong will install 6 million kilowatts of onshore wind power capacity, about 2 million kilowatts of offshore wind
power, and 4 million kilowatts of solar photovoltaic power generation.

B. Major Cooperation in Connectivity between Guangdong Province and African Countries

At present, the major cooperation projects in interconnectivity between Guangdong and African countries are concentrated in maritime transport routes and friendly ports construction. By the end of 2015, Guangdong had opened 25 international container liner routes to the Africa region (15 in Guangzhou and 10 in Shenzhen). Among them, five routes are double routes (with the same code), and there are 20 actual routes. Shenzhen Port and Port of Djibouti have formed friendly relations, while Guangzhou Port, Port of Durban, South Africa, and Port of Dakar, Senegal, also formed friendly relations.

C. A Bright Future: Cooperation in the Interconnectivity between Guangdong Province and the African Continent

In recent years, African countries have accelerated the construction of interconnectivity with transportation as the core. Guangdong has advantages of technology, talent, and capital for transportation infrastructure construction and the enhancement of interconnectivity. Therefore, Guangdong and Africa are highly complementary with a bright future for their cooperation. With the deepening of Guangdong's cooperation with other countries, the trade and personnel exchanges between Guangdong and African countries have been developing steadily. Also, the port shipping industry and air routes will provide important support to the economic, trade, and personnel exchanges of both parties. Additionally, Guangdong will take the implementation of the 21st Century Maritime Silk Road as a significant opportunity to increase the international container liner routes, open more direct air routes, actively work with African countries to build infrastructure interconnectivity, and further promote transport and logistics cooperation with African countries.

Guangdong province has implemented the "Belt and Road" Initiative to develop new energies. The enterprises investing in new energies, new energy equipment manufacturing, and service of Guangdong province are willing to strengthen cooperation with African countries in the field of new energy. They are committed to the local development and construction of new energy, importing new energy equipment, launching new energy projects, and actively introducing local new energy resources to promote win-win cooperation.

Background Material 5: Five Important Sectors of the Investment Cooperation between Guangdong and African Countries——Tourism and Culture
Achieving Win-Win Cooperation within the Extensive Exchanges
Multifaceted Cooperation in Tourism and Culture
A. Guangdong Tourism Culture Development: Present Situation and Advantages

Guangdong is the largest economic province and tourist area in China. The tourism industry is one of the key development domains of Guangdong province. In recent years, with the goal of becoming strong in tourism, Guangdong province has deepened the reform and innovation of tourism, optimized the industrial structure, and raised the overall strength to achieve steady and rapid development of the tourism industry. In 2015, the provincial tourism revenue reached 1.0365 trillion Yuan, with an increase of 11.8% on a year-on-year basis. Tourist foreign exchange revenue was of $17.9 billion, with an increase of 4.7%; overnight visitors numbered 0.36 billion, with an increase of 8.8%, including 34.47 million inbound overnight visitors with an increase of 2.7%; the annual added value for the tourism industry was 466.3 billion Yuan, representing approximately 6.8% of the provincial GDP and accounting for 14% of the tertiary sector. Also, the major index of the tourism industry ranked first at the national level.

By the end of 2015, there were 2,218 travel agencies in Guangdong, 11 5A national tourist attractions, and 938 national star-rated tourist hotels, including 116 five-star hotels. Guangdong is a fascinating resort for business trips and leisure vacations, featuring four major tourist icons: Lingnan Culture, Vigorous Business Center, Golden Coast, and Gourmet Paradise. Guangdong provides ever-improving services and traveling routes, which makes it the ideal tourist destination for visitors from home and abroad.

The overall target and orientation of Guangdong tourism in the future is to build a World Tourist and Leisure Destination. Therefore, Guangdong province innovates the tourist development modes and consumption patterns to enhance the modernization, internationalization, informationization, and standardization of its tourism industry. Transforming from spots traveling to area traveling, Guangdong province has accelerated its process of becoming a powerful tourist province in China. It is estimated that from 2016 to 2020, Guangdong’s tourism revenues will grow at an annual average rate of about 12%; the number of overnight visitors is expected to grow by 8%, including 5% of visitors being inbound tourists; the amount of outbound visitors will rise by 20%.

China is one of the four ancient civilizations of the world. Guangdong Culture, also known as Lingnan Culture, is the harmonic result from the meeting and integration of the local culture, central plain culture, and foreign culture in the long course of history. It is one of the unique regional cultures in terms of foods, customs, crafts, and
traditional opera. Hakka Culture, Guangzhou Culture, Chaoshan Culture, and Xiangshan Culture constitute the four major branches of Lingnan Culture and jointly demonstrate that Lingnan Culture features openness, inclusiveness, and pragmatism.

Guangdong enjoys advantageous conditions to become a leader in the development of foreign trade and cultural exchanges. Guangdong provincial government attaches great importance to the development of cultural industry and thus has introduced the “Cultural Industry Revitalization Plan of Guangdong Province (2011-2015),” alongside the “Strong Cultural Province Plan and Planning Framework for Guangdong Province (2011-2020).” As a result, the cultural industry has experienced fast development, initially establishing the relatively complete industrial system, as illustrated by publishing and copyright services, the print media, the cultural exhibition industry, news services, the entertainment industry, and electronic information services, displaying the obvious advantageous position of such an industrial cluster. Also, the cultural industry has become an important pillar industry. In 2014, the cultural industry in Guangdong province created an added value of 355.23 billion Yuan, accounting for 5.24% of the GDP. It is the seventh province whose cultural industry represents more than 5% of the GDP. Cultural industries as legal person units were recorded at more than 100,000, ranking first in the nation. The workforce reached more than 3.4 million people, also first in the nation.

The cultural industry offers a great amount of jobs toward economic development in Guangdong and constitutes a pillar industry and a strategic emerging industry of the provincial economy of Guangdong.

B. Cooperation in Light Industry between Guangdong Province and African Countries

In recent years, with the economic strengthening of the economies of Africa and Guangzhou, and the increase in trade exchanges between the two, the cooperation agreements involving the tourism industry have been driving both parties closer to each other. By 2015, 12 African countries were opening borders for Chinese citizens visiting as tourists.

The Guangdong formally open group business trips to African countries (regions)
<table>
<thead>
<tr>
<th>Country</th>
<th>Port of entry (万人次)</th>
<th>Growth</th>
<th>Travel abroad (万人次)</th>
<th>Increase rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>35.34</td>
<td>-5.6%</td>
<td>65.86</td>
<td>126%</td>
</tr>
</tbody>
</table>

Data source: Development Research Center of Guangdong Provincial Government

In 2015, African immigration to Guangdong was 353,400 persons, rising by 5.6% on a year-on-year basis; exits through Guangdong ports to Africa amounted to 658,600 persons, up 126% from a year earlier.

Statistics of the number of inbound and outbound tourists for Guangdong Africa in 2015

Data source: Development Research Center of Guangdong Provincial Government

a. Cooperation in the Tourism Industry between Guangdong Province and African Countries

Egypt: In May 2002, Egypt’s borders were opened to Chinese tourists. The
Egyptian government attaches great importance to Guangdong’s tourism market. At the end of 2004, the Egyptian embassy in China held the "Egypt tourism seminar" in Guangzhou and introduced the main scenic spots and routes of Egypt. In August 2005, the Egyptian Minister of Tourism personally visited Guangzhou in an effort to promote the tourism product of Egypt. The Egyptian government also granted some of the cooperation agencies the "Best Partner for Egypt Tourism Award." The year 2006 was the 50th anniversary of diplomatic relations between China and Egypt. In November, the Egyptian Minister of Tourism led a delegation to Guangzhou to hold the second Egyptian Tourism Culture Festival, which was intended to further strengthen the tourism cooperation and exchanges between Egypt and Guangdong. At the end of 2007, Egypt and Turkey cooperated in holding a series of tourism promotion activities in Guangdong and other cities along the Pearl River Delta.

South Africa: In 2003, its borders were opened to Chinese tourists, leading to a rush of Guangdong travelers toward South Africa. Guangdong Province Outbound Travel Agency designed a number of travel routes to South Africa. South Africa's tourism authority also attaches great importance to development of the tourism market of Guangdong and on an annual basis has taken part in the China (Guangdong) International Tourism Industry Expo and set up and introduced South Africa to Guangdong tourists. On 12 November 2009, the China Economic Cooperation Center of the International Department, Central Committee of CPC, and the South Africa Progressive Enterprise Forum, in association with the Foreign Affairs Office of Guangdong Province, the CCPIT, and the Tourism Administration of Guangdong Province, co-hosted the "South African Tourism and Trade Conference," which was held in Guangzhou Grand Hyatt Hotel. Kobsak, the general directorate of the African National Congress of South Africa, and Molewa, the Minister of Social Development, attended the meeting and introduced South African tourism and the situation of trade. In 2015, the South African Progressive Enterprise Forum led 76 enterprises to Guangdong for negotiation, where both parties signed an agreement to strengthen bilateral cooperation. In 2015, Guangdong province organized the Tourism Promotion Conference and the Tourism Cooperation Promotion Center in South Africa.

Tunisia: Tunisia began to accept Chinese tourists as a destination for outbound travel on 15 December 2004. Since 2008, the tourism sector of Tunisia has attended the Guangzhou Tourism Trade Fair for several successive years, which has attracted tourists and people in the tourism industry for consultation and negotiation. In May 2013, the Guangdong government held the Guangdong-Tunisia Tourism Forum in Tunisia.
Mauritius: Ever since it opened its border to Chinese citizens on 15 December 2004, tourism cooperation has been carried out in all areas, and the two countries have developed a closer cooperation relationship. In November 2011, invited by the National Tourism Administration of China, Mauritian Vice Premier Duval led a delegation and attended the 10th China International Tourism Trade Fair in Beijing. After the visit to Beijing, Mr. Duval was also invited to visit Guangdong, during which visit he had conversations with senior officials of the Guangdong government. This has greatly promoted cooperation and communication in the tourism industry of the two countries.

Kenya: After its opening for Chinese outbound travel in December 2004, Kenya has been making efforts to develop the market for Chinese tourism, especially for Guangdong where consumption capacity is comparatively higher. In recent years, Kenya Airways and the state-owned Tourism Bureau of Kenya have led delegations and participated in the Guangzhou International Travel Fair and promoted Kenyan tourism. Kenya Airlines opened direct flights from Nairobi to Guangzhou, which offers convenience for tourists in both countries, boosting the development of tourism.

Tanzania: Tanzania began to accept Chinese tourists in June 2004, after which tour routes that go through Kenya, Tanzania, Zanzibar, and other African countries became available in outbound travel agencies in Guangdong. This has attracted high-end tourists in Guangdong to travel in these countries. In June 2006, the Guangdong government sent tourism bureaus and corporations to a Guangdong tourism promotion meeting in Tanzania. The Tourism Association of Guangdong Province and Tourism Association of Tanzania have signed cooperation agreements on tourism. To broaden the tourism market in Guangdong, Tanzania is urging stakeholders in the tourism industry to attend the Guangzhou International Travel Fair. Communications between tourism industries of the two countries have been further improved.

Other countries: The deputy director of the Tourism and Hotel Promotion Administration of Mali led a delegation to attend the China (Guangdong) International Tourism Industry Expo (CITIE) in September 2004. During the visit, the delegation held a promotion meeting in Guangzhou. The Tourism Bureau of Uganda and other concerned parties have also attended CITIE. Related organizations in Nigeria have attended the Guangzhou Tourism Trade Fair as well.

3. Huge Potential in Guangdong-Africa Cooperation

Cultures in Africa have long histories as well as unique features and tourism resources in Africa are abundant. Africa is also world-renowned for its great variety and
quantity of wildlife. Meanwhile, since the implementation of the Reform and Opening Up policy, Guangdong has obtained ample experience in developing the tourism industry and communicating with different cultures. Therefore, further cooperation between the two parties will be characterized by strong complementarity because both sides have obvious advantages. The potential for cooperation will be enormous. In this new era, Guangdong will seize the opportunity to implement China’s Belt and Road Initiative. To lift the cooperation between Africa and Guangdong, Guangdong will strive to develop the mechanism for Guangdong to communicate and coordinate with African tourism and cultural sectors, building a platform for bilateral tourism cooperation and cultural exchange, increasing exchange visits, and attending exhibitions, exchange forums on tourism or culture, and festivals held by either side.

Annex 2: General Situation of Guangdong

Guangdong province is located in the south of China, bordering the South China Sea and adjoining Hong Kong and Macau. Guangdong has been a forerunner of reform and opening up for more than 30 years. During this process, Guangdong actively joined
in the cooperation and competition of the global economy, which helped its economy grow in a sustainable and rapid manner. The gross provincial product in 2015 reached 7,281.255 billion Yuan (RMB), accounting for 10% of the total amount of the national economy, ranking first among all provinces in China for 27 years. GDP per capita in Guangdong was 67,503 Yuan (RMB), or $10,383 US. Guangdong has reached a $10 thousand US GDP per capita in the last two years. The total volume of retail sales for social consumer goods was 3,133.34 Yuan (RMB), contributing 10.4% in its national counterpart, ranking at the top for 33 years. The import and export volume amounted to 1,022.95 Yuan (RMB), taking one fourth of the total volume in China and ranking first for 30 years. The total amount of foreign-invested corporations approved by the Guangdong provincial government has reached $180 thousand so far. Meanwhile, Guangdong companies are investing in more than 100 countries and regions. Now Guangdong has become one of the regions in China with the strongest economic power and the most robust open economy.

Guangdong has a sound industrial system with state-of-the-art capabilities of production, processing, and support. It has nine pillar industries, including electronic information, electrical machinery, petrochemical, textile and clothing, food and beverage, building material, logging and papermaking, medicine, and auto. The development in advanced manufacturing industries like shipbuilding, rail transit equipment, nuclear power facilities, wind power equipment, and general-purpose planes is accelerating, forming a system that integrates advanced manufacturing in marine, land, and space areas. Modern service industries, such as logistics, exhibition, finance, information, and tourism, are also thriving, marked by the growing reputation of large-scale international exhibitions like Canton Fair, China High-tech Fair, and Expo Central China. The “Two Development Engines” modern industrial pattern, which integrates advanced manufacturing and modern service, has come into being. During China’s 13th Five-Year Plan, Guangdong will continue to develop and strengthen strategic emerging industries, as well as construct emerging industries like next-generation pillar industries, such as the Internet, Internet of Things, Big Data, Cloud Computing, Intelligent Robotics, 3D Printing, and Wearable Devices. Guangdong will transform high-end new electronic information, biomedicine, LED, new material, and new hardware industries into new pillar industries. The provincial government will also help the new energy industry, energy conservation and environment protection industry, and new-energy-driven automobile industry to become advantageous industries.

The environment for investment in Guangdong province is excellent. In addition, there is enormous space for the development of startup enterprises. The infrastructure in Guangdong is mature: Transportation links the entire province; communication
networks cover a wide range of areas; and customs clearance in ports operates smoothly and effectively. Guangdong currently possesses high-quality human resources, complete associated industries, a standardized financial system, and a property rights exchange market. Currently, the framework agreement for the cooperation between Guangdong and Hong Kong as well as Guangdong and Macau has been signed and implemented, leading to the formation of the world-class Pearl River Delta city agglomeration that boasts strong international competence. In Guangdong, there are 3 special economic zones (Shenzhen, Zhuhai, and Shantou), an experimental free trade zone officially established in 2015, 6 national economic and technological development zones, 9 national new and high-tech industry development zones, 17 bonded logistic supervision zones and areas, 36 provincial-level industrial transfer zones, and a batch of provincial development zones. Guangdong is now working to establish important cooperation platforms, including Sino-Singapore Guangzhou Knowledge City, Dongguan-Taiwan High-tech Park, Foshan Sino-German Industrial Service Zone, and Jieyang Sino-German Metal Eco City. These conditions offer investors various platforms and carriers.

This year marks the beginning of the 13th Five-Year Plan, as well as a significant time for Guangdong to transform and overcome difficulties in the new normal of economic development. Guangdong will uphold the development principles of innovative, coordinated, green, open, and shared by all. Deeper reform and innovative development will serve as two motivations in this period. Guangdong will also seize the opportunity provided by the national Belt and Road Initiative and establishment of the experimental free trade zone in Guangdong to accelerate the construction of an open economy system and a comprehensive structure for opening up. Also, Guangdong will make more efforts in breeding new merits in global competition, while endeavoring to boost the supply-side structural reform in the business domain to help Guangdong become the forerunner in constructing a moderately prosperous society and realizing socialism modernization. These measures will bring more opportunities for investors to cooperate and develop.

1. About Guangdong

1) Location

Guangdong province is in the south end of China’s mainland, bordering Fujian province to its east, Jiangxi and Hunan provinces to its north, and Guangxi province to its west. It also adjoins Hong Kong and Macau in the south. Guangdong is the center of both the south China area and Southeast Asia economic circle.
The land area in Guangdong totals 179.8 thousand square kilometers, with a coastline stretching for 3,368 kilometers, governing an ocean area of 419 thousand square kilometers.

2) Climate
Guangdong is in a sub-tropical area, making it one of the regions with the most ample light, heat, and water resources. The climate is mild and comfortable all year around, with an annual average temperature of 22.3 degrees Celsius. Rainfall is abundant as well, with an annual average precipitation of 1,300 to 2,500 millimeters.

3) Administrative Division and Population
Guangzhou and Shenzhen are the only two sub-provincial divisions in Guangdong province, while Guangzhou is the capital. There are 19 prefecture-level cities in Guangdong. The permanent resident population was 109 million by the end of 2015, making it the province with the largest population in China.

4) History and Culture
Guangdong is also called “Yue” in China. It has a long history. The capital Guangzhou is a city with a 2,200-year history and culture, as well as being the earliest and most important port for foreign trade. Guangzhou is also the starting city of the renowned “Marine Silk Road.”

Three major cultures are found in Guangdong: Canton Culture, Chaoshan Culture, and Hakka Culture. Influenced by these three cultures, Guangdong Culture is characterized by its tolerance, practicability, and innovation. Currently a new spirit is guiding Guangdong, which is “Be generous in virtue; be reliable in credit; be proactive in deed.”

Tourism resources are also rich in Guangdong. The Danxia landform in Shaoguan city has been approved as a world natural heritage site, and watchtowers and villages in Kaiping city are now listed as world cultural heritage sites. Food culture in Guangdong is well known around the world. The food in Guangzhou and Chaozhou enjoy great reputations at home and abroad.

Guangdong is also known as the homeland for Chinese emigrants. More than 30 million Chinese compatriots, emigrants, and ethnic Chinese who have origins in Guangdong are now living in more than 100 countries and regions.

5) Transportation
Guangdong is the traffic hub in Southeast China. The transportation on sea, on land, and in the air has formed a network that reaches in all directions. Guangdong has
established navigation with more than 1,100 ports in more than 130 countries and regions. It is connected to neighboring provinces by highways and railways. One of the three largest aviation hubs, the new Baiyun International Airport, is located in Guangzhou, and another seven civil airports are in Shenzhen, Zhuhai, Foshan, Zhanjiang, Meizhou, Jieyang, and Chaoshan. These facilities and infrastructures all make Guangdong a place of convenient and efficient transportation.

Since the initial implementation of the 1978 national reform and opening-up policy, the comprehensive strength of Guangdong has developed quickly, and Guangdong’s overall economic strength ranks the top in China. The GDP of Guangdong grew by an average 17.5% annually from 1978 to 2015, making it first among all provinces in China for 27 years. By 2015, the GDP of Guangdong province had exceeded 7 trillion Yuan (RMB) and amounted to 7.281255 trillion Yuan (RMB), with 8.0% growth compared to a year earlier and contributing 10.8% to the national GDP. Significant economic indicators, such as revenue, fiscal revenue, total volume of retail sales for social consumer goods, industrial added value, and household saving deposits, also top all other provinces.

2. Optimization and Upgrading of Industrial Structure

Now Guangdong is pushing its modern industry forward in an innovation-driven manner and, at the same time, optimizing and upgrading its industrial structure. In 2015, the structure ratio of the three industries was 4.6:44.6:50.8. The ratio of contribution from the added value of the three industries to the GDP was 3.8:39.1:57. By 2015, advanced manufacturing industries like equipment, automobile, petrochemical, steel, ship, and aviation had increased their added value to 10.0%. High-tech manufacturing industries, including pharmaceutical manufacturing, electronic and telecommunication, armarium, and instrument and apparatus manufacturing, have had 9.8% growth in their
added value. The equipment manufacturing industry in the west bank of the Pearl River has increased its added value by 14.2% on a year-on-year basis. The modern service industry has experienced 11.9% growth in its added value as well.

3. Thriving Domestic Trade

The distribution industry in Guangdong has developed quickly, and market consumption continues to thrive. The total volume of retail sales for social consumer goods in Guangdong has been ranked first in China for 33 years. In 2015, the total volume of retail sales for social consumer goods was 3.13334 trillion Yuan (RMB), achieving 10.1% growth on a year-on-year basis. From a regional perspective, the total volume of retail sales for consumer goods in urban areas was 2.743637 trillion Yuan (RMB), achieving 10.0% growth on a year-on-year basis, while its rural counterpart amounted to 389.707 billion Yuan (RMB), with a 10.4% increase on a year-on-year basis. From the perspective of consuming pattern, the total volume of retail sales in wholesale and retail industry was 2.806595 trillion Yuan (RMB), growing 10.0%. The total volume of retail sales in the hotel and catering services industry was 326.749 billion Yuan (RMB), an increase of 10.7%. The total volume of retail sales for consumer goods in the above-norm wholesale and retail industry, such as communication equipment, hardware and electrical materials, and building and decoration materials, is also increasing with great velocity.

4. E-commerce Grows Prosperously

E-commerce in Guangdong is growing prosperously. Its turnover reached 3.36 trillion Yuan (RMB) by 2015, ranking first in China. Total online retail sales, which have grown by 39.5%, were 766.86 billion Yuan (RMB), accounting for 23.4% of the total retailing of social consumer goods in Guangdong province. During the “Double Eleven” event initiated by the leading online retailer Alibaba Group, the retailing turnover between online customers reached 6.1 billion Yuan (RMB), which is equal to 10.7% of the total turnover. Currently, 69.92 million netizens in Guangdong account for 11.3% of the national total amount. Among these netizens, 38.40 million are online retail customers, and the penetration rate is 53.8%, 3.1% higher than the national level. A batch of e-commerce platforms servicing the steel, petrochemical, plastic, food, auto, and electronics industries has emerged in Guangdong. Local key and leading enterprises like Vipshop, Global Market Group, One Touch, and Light in the Box are all developing and expanding their scales.

5. Foreign Trade Remains Top
The total import and export volume of Guangdong grew by an average of 19.0% annually from 1978 to 2015. The total volume of foreign trade amounted to $1022.95 billion US, equaling 25.9% of the national total volume, ranking first for 30 years in China.

Major trade partners of Guangdong include Hong Kong, the United States, Association of South East Asian Nations (ASEAN), and European Union (EU). The total import and export volume between Guangdong and its major partners accounts for 54.6% of Guangdong’s total import and export volume. Trades between Guangdong and emerging market countries or regions like Africa, South America, and Russia are also increasing, initiating a diversified market pattern. Guangdong’s major trade partners, from top to bottom, are Hong Kong, the United States, ASEAN, EU, Republic of Korea, and Japan.

6. Growing Service Trade

Service trades in Guangdong have maintained a growth trend in recent years. According to statistics from China’s Ministry of Commerce, the total volume of import and export of service trade in Guangdong reached $128.1 billion US, growing by 15.3%
compared to last year. The ratio of annual service trade in total foreign trade (goods trade + service trade) has risen from 9.4% in 2014 to 11.1% in 2015. By 2015, Guangdong had undertaken offshore service outsourcing contracts that amount to $10.846 billion US, increasing by 15.5% on year-on-year basis and accounting for 12.4% of the national total amount. Within these contracts, $7.91 billion US have been implemented, increasing by 25.2% over last year and accounting for 12.2% of the national total amount. Five provincial service outsourcing demonstration cities, namely, Guangzhou, Shenzhen, Zhuhai, Foshan, and Dongguan, have undertaken and implemented offshore service outsourcing in the amount of $7.744 billion US, increasing 24.7%. Under the CEPA framework, Guangdong has taken the lead in realizing service trade liberalization among Guangdong, Hong Kong, and Macau. Sectors that are opening to the service industry from Hong Kong and Macau have reached 153, or 95.6% of the 160 service trade sectors that are correlated with the World Trade Organization (WTO); 58 of the 153 sectors now enjoy national treatments.

7. Foreign investments are increasing

Guangdong has actively encouraged foreign investment. By 2015, Guangdong had attracted 186,000 foreign direct investment projects. Contracted foreign investments have reached $599.45 billion US, while attracting actual foreign investment amounting to $377.5 billion US and occupying one fourth of its national counterpart. In 2015, the service industry became a significant growth point for Guangdong to attract foreign investment. Contracted foreign investments in the service industry have reached $40.74 billion US, increasing by 73% compared to last year and accounting for 72.6% of the total utilization of foreign investment in Guangdong; meanwhile, the actual foreign investment amounted to $15.297 billion US, growing by 19.5% on year-on-year basis and having a 56.9% share in the total utilization of foreign investment in Guangdong. The actual overseas investment from Guangdong to the 14 key countries along the “Marine Silk Road” has grown by 56%, taking 4.5% of the total actual overseas investment and growing by 1.3% compared to 2014.

8. Overseas Investment Develops Faster

Guangdong has been working proactively on the “going global” strategy and fully supporting enterprises to operate across different countries. In 2015, Guangdong deepened direct exchange and cooperation with the United States and developed countries in Europe, while broadening its cooperation with countries along the Silk Road Economic Belt and the 21st Century Marine Silk Road as well as emerging markets. Guangdong is pushing forward the cooperation with Hong Kong and Macau, while optimizing the layout for global investment cooperation. By the end of 2015,
Guangdong enterprises had established 8,447 non-financial companies in more than 100 countries and regions, and the contracted investment amount has reached $61.85 billion US, which is concentrated in markets in Hong Kong, Macau, Singapore, and North America. Guangdong has approved 1,559 newly established overseas companies and increased $25.95 billion US worth of contracted investment by the Chinese side, growing by 104.9% on year-on-year basis. Turnover from outsourcing projects reached $19.88 billion US, ranking first in China. The actual income of contract workers amounts to $1.18 billion US, growing by 78.8% compared to 2014. Currently, the overseas investment initiated by Guangdong, which was previously led by trade, has expanded to other fields, including manufacturing and processing, resources cooperative development, marketing network construction, and consultation services.

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