

New investment rules offer chances for foreign SMEs

scs. For the first time foreign investors, including small ones, will be able to establish trading entities in China outside of a bonded zone and to establish retail/wholesale operations without large scale investment.

The 'New Measures' have at one stroke opened important sectors to foreign investment and also removed barriers to entry for smaller businesses.

They make it possible to engage in direct sale of goods to individuals or companies (including from premises, by television, telephone, internet, mail order, automated vending machines), importing goods for sale within China, to do wholesale and sales to retailers, to work under commission agency and to import foreign goods and procure China made goods for export.

Door Opening for SMEs

The new measures are applicable as from 1 June 2004, for joint ventures, and from 11 December 2004 for wholly foreign owned enterprises. The restrictions removal would produce an enlargement in manufacturing FIEs business scope. It means also a door opening for SMEs that with the previous major pre-requisites were unable to operate without large investments.

Source: <http://www.cbiz.cn/news/showarticle.asp?id=2116>

For further information please download the Chinese Government Regulations in [English](#) and/or [Chinese](#). Thank you.