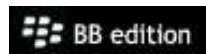


Download Shanghai Daily App:



Shanghai: Fair, 29 °C - 34 °C/84.2 °F - 93.2 °F

## [Home](#) > **Pace of FDI moderates sharply**

By Wang Yanlin | NEWSPAPER EDITION

2010-9-16 01:24

---

FOREIGN direct investment in China climbed for the 13th consecutive month in August - but at a much slower rate than in the previous few months.

August FDI edged up 1.38 percent from a year earlier to US\$7.6 billion, the Ministry of Commerce said yesterday.

The minor advance compared with the increases of 29.2 percent in July and 39.6 percent in June.

In the first eight months of this year, the investment rose 18 percent year on year to US\$65.9 billion.

"The sharp moderation is very unexpected," said Xue Jun, an analyst at the CITIC Securities Co. "It is a reflection of a high comparative base and the growing concerns among foreign investors who demand a level playing ground in China."

Analysts said the rate will rebound because China remains a top destination for foreign investors with its good infrastructure, vast domestic market and the government's support for businesses.

Despite last month's growth setback, Yao Jian, a spokesman for the ministry, expected the total FDI for this year will surpass a record US\$100 billion thanks to rapid expansion of investment in China's mid and western areas.

But issues about fairness are troubling to some foreigners. The European Union Chamber of Commerce in China released a report earlier this month, urging less protectionism fairness in China's trade and investment.

The report said 36 percent of EU companies have seen the regulatory environment in China become less fair towards foreign investors over the past two years.

More worrisome, 39 percent of respondents expect the regulatory environment for foreign companies to worsen over the next two years.

They demanded more transparency in regulatory framework, more stable laws and regulations, as well as stronger implementation and enforcement of the rules.

In response, Chinese Premier Wen Jiabao on Monday told the World Economic Forum that foreign businesses will be given the same treatment as domestic companies.

It's a statement he has repeated numerous times to soothe foreign investors.

China unveiled new policies last month to boost foreign investments, including discounts of land rents and the offer of research funds.

[Back to top](#) | [Full edition](#)

[Home](#) | [Metro](#) | [National](#) | [Opinion](#) | [Sports](#) | [World](#) | [Business](#) | [District](#) | [Supplement](#) | [Feature](#) | [Odd](#)  
| [Hangzhou](#) | [Qingdao](#) | [Sunday](#) | [Chengdu](#)

Copyright © 2001-2013 Shanghai Daily Publishing House. All rights reserved.