

ИНВЕСТИЦИОННАЯ ПРИВЛЕКАТЕЛЬНОСТЬ КИТАЙСКОЙ НАРОДНОЙ РЕСПУБЛИКИ

INVESTMENT ATTRACTIVENESS OF THE PEOPLE'S REPUBLIC OF CHINA

*Проровский А.Г., Ван Чжаоюй,
Брестский государственный технический университет,
г. Брест, Республика Беларусь,
Китайская Народная Республика
Prarouski A.G., Wang Zhaoyu
Brest State Technical University,
Brest, Republic of Belarus,
People's Republic of China*

Аннотация

В статье рассматривается инвестиционная привлекательность Китайской Народной Республики. Проанализированы факторы и динамики роста валового внутреннего продукта, строительства и инвестиций.

Annotation

The article examines the investment attractiveness of the People's Republic of China. Factors and dynamics of growth of gross domestic product, construction and investments are analyzed.

Understanding the essence and characteristic features of assessing the investment attractiveness of a country and companies is necessary both for micro and macroeconomics, and for people who are investors in various projects or intend to become such. In the system of economic reproduction, investments play the role of one of the key factors of economic growth, contributing to the restoration and increase of production resources, renewal of production capacities, and introduction of technological innovations into production.

The formation of a stable and competitive economic structure of any national economy requires the involvement of all national resources and maximum use of advantages, but investment sources cannot be left without due attention.

Changes in GDP and its growth rate in 2018-2022 are presented in Figure 1.

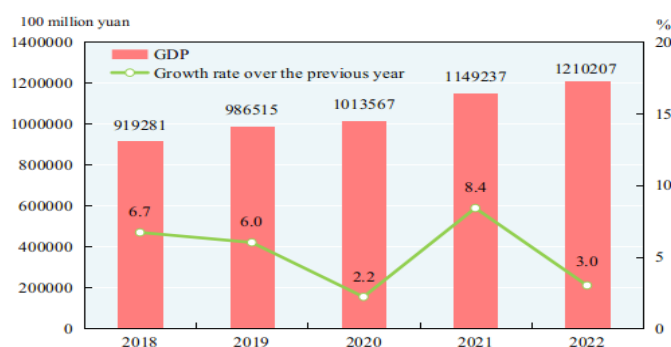


Figure 1 – Gross Domestic Product and Growth Rates 2018-2022 [1]

According to preliminary estimation, the gross domestic product (GDP) in 2022 was 121,020.7 billion yuan, up by 3.0 percent over the previous year. Of this total, the value added of the primary industry was 8,834.5 billion yuan, up by 4.1 % over the previous year, that of the secondary industry was 48,316.4 billion yuan, up by 3.8 % and that of the tertiary industry was 63,869.8 billion yuan, up by 2.3 %. The value added of the primary industry accounted for 7.3 % of the GDP; that of the secondary industry accounted for 39.9 %; and that of the tertiary industry accounted for 52.8 %.

Changes in the share of value added of three industries in GDP, 2018–2022. presented in Figure 2.

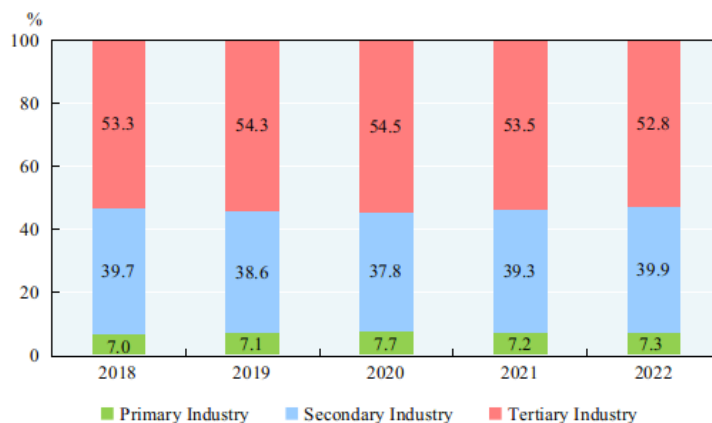


Figure 2 – Shares of the Three Industries' Value Added in GDP 2018-2022 [1]

At the end of 2022, China's foreign exchange reserves reached 3,127.7 billion US dollars, a decrease of 122.5 billion US dollars compared with that at the end of 2021. The average exchange rate of the year was 6.7261 RMB to 1 USD dollar, depreciated by 4.1 % over that of 2021.

New industries, new forms and models of business grew fast. Among the industries above the designated size, the value added of the high technology manufacturing industry increased by 7.4 % over the previous year, accounting for 15.5 % of that of all industrial enterprises above the designated size. The value added for the manufacture of equipment was up by 5.6 %, accounting for 31.8 % of that of all industrial enterprises above the designated size.

Added value and growth rate of China's construction industry in 2018-2022 are presented in Figure 3.

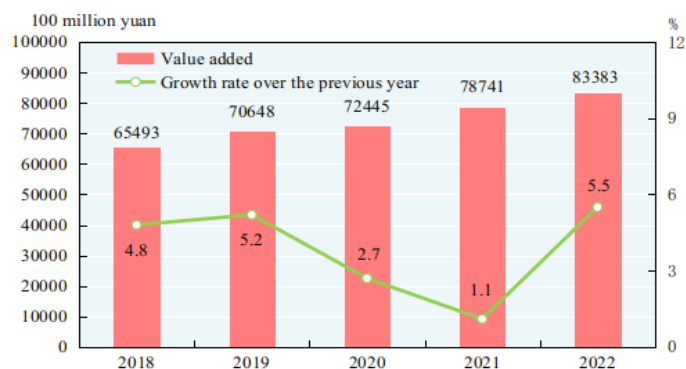


Figure 3 – Value Added and Growth Rates of Construction Industry 2018-2022 [1]

In 2022, the value added of construction enterprises in China was 8,338.3 billion yuan, up by 5.5 % over the previous year. The profits made by construction enterprises qualified for general contracts and specialized contracts reached 836.9 billion yuan, down by 1.2 % over the previous year, of which the profits made by state-holding enterprises were 392.2 billion yuan, up by 8.4 %.

Thus, the Chinese economy is developing progressively and has good prospects for investing in it.

The total investment in fixed assets of the country in 2022 was 57,955.6 billion yuan, up by 4.9 % over the previous year. The investment in fixed assets (excluding rural households) was 57,213.8 billion yuan, up by 5.1 %. Of the investment in fixed assets (excluding rural households), by regions, the investment in eastern areas was up by 3.6 %, central areas up by 8.9 percent, western areas up by 4.7 %, and northeastern areas up by 1.2 %.

The share of investment in fixed assets (excluding rural households) of three industries in China in 2022 is presented in Figure 4.

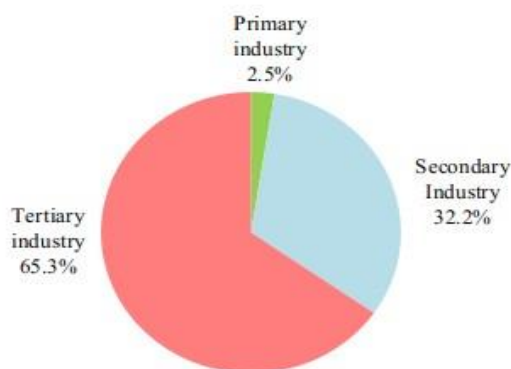


Figure 4 – Shares of Investment in Fixed Assets (Excluding Rural Households) of the Three Industries in 2022 [1]

Of the investment in fixed assets (excluding rural households), the investment in the primary industry was 1,429.3 billion yuan, up by 0.2 % over the previous year; that in the secondary industry was 18,400.4 billion yuan, up by 10.3 %; and that in the tertiary industry was 37,384.2 billion yuan, up by 3.0 %.

The private investment in fixed assets was 31,014.5 billion yuan, up by 0.9 %. The investment in infrastructure increased by 9.4 %. The investment in social sector increased by 10.9 %.

In 2022, the investment in real estate development was 13,289.5 billion yuan, down by 10.0 % over the previous year.

Of this total, the investment in residential buildings reached 10,064.6 billion yuan, a decrease of 9.5 %, that in office buildings was 529.1 billion yuan, down by 11.4 %, and that in buildings for commercial business was 1,064.7 billion yuan, down by 14.4 %.

The floor space of the commercial buildings for sale was 563.66 million square meters at the end of 2022, an increase of 53.43 million square meters over that at the end of 2021. The floor space of the commercial residential buildings for sale was 269.47 million square meters, an increase of 41.86 million square meters.

In 2022, 1.34 million housing units were started to be rebuilt in rundown urban areas nationwide and 1.81 million were basically completed. There were 2.65 million units of government-subsidized rental housing that were started to be built or made available. Renovation began on 52,500 old urban residential communities, benefiting 8.76 million households.

Factors of investment attractiveness of a company are mainly certain macro- and microeconomic indicators of the national economy as a whole and of an individual company, in particular, depending on the development of production, the level of technology development, standard of living and many other interrelated parameters, combining which can be compiled a complete picture of investment attractiveness [2].

It is more expedient for an investor to invest in projects that he owns; to regions where it has economic and political leverage; in the industry, undervalued by other market participants. When investing, he must take into account the need for a radical restructuring of the management system and the formation of his own management apparatus and corporate culture [3].

Conclusion.

The world economy is transforming, such as China and the United States are forming new regional zones for themselves. Such zones also include the development of new global value chains. For the same reason, leaders are forming a new network of investors and investment institutions.

Transformation and related processes create both problems and potential for economic growth of the economy in the future. As part of the transition period, China is improving programs to attract new investors to develop its domestic market in the most strategically important industries.

List of sources used

1. China Statistical Yearbook 2022. [Electronic resource]. – Access mode: <http://www.stats.gov.cn/tjsj/ndsj/2022/indexeh.htm> – Access date: 10.10.2023.

2. Проровский, А.Г. Развитие цифровой экономики в условиях санкционной войны / А.Г. Проровский // Вестник Брестского государственного технического университета. – Брест : БрГТУ, 2022. – № 3. – С. 86–91.

3. Четырбок, Н. П. Конкурентоспособность в ракурсе синергетического единства / Н. П.Четырбок // Вестник Полоцкого государственного университета. Серия D, Экономические науки. – Полоцк, 2023. – №1. – С. 88–93.