CURRENT TRENDS AND PROSPECTS OF CHINA'S INVESTMENT POLICY DEVELOPMENT

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Abstract. This article analyzes the current trends in the development of investment policy in the People's Republic of China, the reforms implemented by the government, and the strategies for attracting foreign investment. The article examines regional development trends, especially in the central and western regions, based on the growth rates of foreign direct investment. China's investment policy is an important factor in strengthening its competitiveness in the global economy.

Keywords: China, investment policy, foreign investment, direct investment (FDI), regional development, innovation, global economic integration.

СОВРЕМЕННЫЕ ТЕНДЕНЦИИ И ПЕРСПЕКТИВЫ РАЗВИТИЯ ИНВЕСТИЦИОННОЙ ПОЛИТИКИ КИТАЯ

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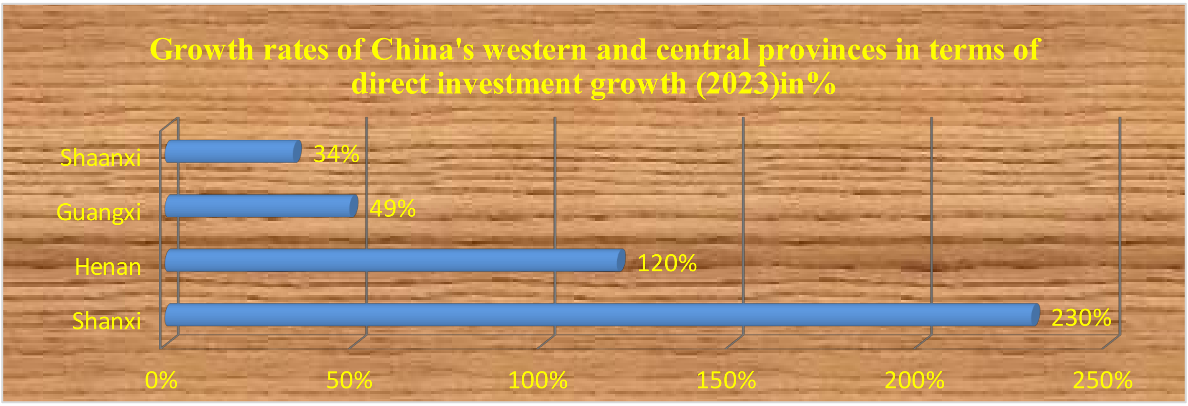
Аннотация. В статье анализируются современные тенденции развития инвестиционной политики в Китайской Народной Республике, проводимые правительством реформы, стратегии привлечения иностранных инвестиций. В статье рассматриваются тенденции регионального развития, особенно в центральных и западных регионах, на основе темпов роста прямых иностранных инвестиций. Инвестиционная политика Китая является важным фактором укрепления его конкурентоспособности в мировой экономике.

Ключевые слова: Китай, инвестиционная политика, иностранные инвестиции, прямые инвестиции (ПИИ), региональное развитие, инновации, глобальная экономическая интеграция.

The experience of developed countries shows that there are different approaches to the territorial distribution of productive forces and the socio-economic development of regions. The investment policies pursued in countries are practically no different from each other. In studying the optimal mechanism for attracting direct foreign investment, it is worth considering the experience of developing countries and countries with economies in transition that have achieved significant results in economic development in a short period of time.

Based on advanced world experience, including the establishment of free economic zones in developed countries, let us dwell on the development of China's free economic zones and their stages of development. The deepening of the international division of labor and specialization under the influence of scientific and technological progress led to the acceleration of the processes of globalization and international integration in the development of the world economic system in the last quarter of the 20th century.



Shanxi (230%) – Although Shanxi is traditionally a coal-dependent province, in recent years there has been a strong focus on economic diversification. The main factors behind this are: the transition to green energy (solar, wind power), technological modernization in the mining industry, and the attention given to Shanxi by the Chinese government in the development strategy for Western provinces. **Henan (120%) –** A major market in the center. Henan is one of the most populous provinces in China and is becoming a manufacturing and logistics hub. The main factors for this are: a large domestic market - which is attractive to foreign investors, well-developed railway infrastructure (for example, a transit point for Eurasian freight), and large projects in the automotive, pharmaceutical and electronics sectors. **Guangxi (49%) –** Located in southern China, this region is characterized by its geographical proximity to ASEAN countries. The main factors are: the benefits of the China-ASEAN Free Trade Area, logistics opportunities through seaports, and infrastructure projects under the "One Belt, One Road" initiative**. Shaanxi (34%) –** Historically a hub for industry, defense, and aerospace, this region is central to China's "New Silk Road" initiative, home to science, technology, and innovation hubs, and offers opportunities for foreign investors in the aerospace and defense industries**.** Central and Western China have long lagged behind the eastern region in terms of investment, but are now emerging as new centers of investment. Such high growth rates are due to the Chinese government's "regional parity" policy (i.e., economic stimulation of underdeveloped regions). International investors are also turning their attention to these regions due to cheaper labor, tax incentives, and improved infrastructure.

The following are some of the factors that attract investment to China.

1. Availability of capital, i.e.: China has a very high level of domestic savings, which allows it to channel large amounts of financial resources into the economy; Large investments are being made through state-owned banks and financial institutions for industrial, infrastructure and technological development; Capital markets are gradually opening up to international investors (e.g. through Stock Connect and Bond Connect programs).

2. Competitiveness:China is a global manufacturing hub. Its manufacturing chain, infrastructure, supply chain, and technological advancements make it an attractive country; Labor is still cheap and efficient in most industries; Competitive

export opportunities and technological potential (especially in AI, e-commerce, automation) serve as important factors for foreign companies.

3. Regulatory Environment: In recent years, China has been reforming its investment regulatory system — many restrictions have been eased or eliminated; Special Economic Zones (SEZs) and Free Trade Zones (FTZs) are creating incentives for foreign investors; However, stricter controls remain in place for some sectors (e.g., technology, information security).

4. Openness to regional and international trade: China is one of the world's largest exporters and an integral part of global trade chains; It is strengthening cooperation with many countries in the fields of trade, infrastructure and logistics through the "One Belt, One Road" initiative; It has active trade relations with ASEAN, the European Union, Africa and Latin America.

5. China's Domestic Market and Business Environment: The domestic market, with a population of over 1.4 billion, represents a large consumer segment; The middle class is expanding — driving domestic demand; There is an environment that supports innovation, with technology parks, incubators, and government grants.

6. Stability: A relatively stable political and economic system creates a climate of trust for long-term planning and investment; The government continues to attract investment through reforms, implementing long-term economic strategies (e.g., “Made in China 2025,” “Dual Circulation” strategy).

The development of investment policy in China is of strategic importance in the modern economic environment and global competition. In recent years, the country has paid special attention to further liberalizing the investment environment, ensuring regional equality, increasing openness to foreign investors, and developing high-tech industries. At the same time, through initiatives such as "Made in China 2025", "Dual Circulation" and "One Belt, One Road", the aim is to attract stable and long-term investment flows to the Chinese economy. The sharp increase in investment activity in the central and western regions, government-backed infrastructure projects and technological innovations will serve to strengthen China's position as one of the leaders in the global capital market in the future. In the near future, it is expected that the main directions of investment policy will remain stability, green economy, development of digital infrastructure and innovation ecosystems. This will keep China in the focus of investors not only for manufacturing, but also for high-value-added sectors.

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