



SPECIAL REPORT

THE 2021 TWO SESSIONS

A New Pattern for China's Development

MARCH 2021

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FOREWORD

China's annual "Two Sessions" has given birth to a 14th Five-Year Plan (FYP) that places the country's domestic market as the bedrock of future growth, with innovation and technological advancements paving the way toward global leadership.

The FYP, which covers 2021-2025 but also delineates "long range objectives" for 2035, suggests China will open the door more widely to the foreign investors with the leading technologies, advanced manufacturing and scientific expertise, sought-after products and world-class services that can help China achieve these goals. Foreign business should proceed with both eyes open, as the FYP also emphasizes that self-reliance is the eventual objective to protect the country from a "tangled and complex international situation."

The FYP also calls for China to move with increased speed and purpose, because the world is going through a "once-in-a-century upheaval" and a "profound adjustment in the international balance of power." It also reflects President Xi Jinping's vision that China needs to protect itself from "protracted conflict" with the United States and other developed democracies.

The answer is President Xi's "dual circulation" development model, which aims to reduce China's dependence on the outside world while selectively increasing the outside world's dependence on China. The goal is to eliminate dependence on export earnings, foreign technologies and suppliers. At the same time, China will seek to provide deeper market access to foreign companies with the products and services that benefit the country.

The 14th FYP describes itself as an "anchor" for Xi's longer-term objective for China to reach "mid-level advanced country" status by 2035, thereby establishing itself as a formidable and leading global power. The kickoff in 2021 comes ahead of the 100th anniversary of the founding of the Communist Party of China, which will be marked with celebrations for achieving the first "centennial objective" of establishing "a moderately prosperous society."

The descriptions of reaching globally powerful country status by 2035 appear to be an early outline of a narrative envisioned for Xi's legacy. Since term limits were abolished in 2018, there is a possibility that Xi, by then age 83, will be still in power. The goals and objectives for 2035 hyperventilate with ambition and urgency. By then, China will be a "manufacturing powerhouse," "a cyber powerhouse," "a trade powerhouse," "a quality powerhouse," "an educational powerhouse," "a science and technology powerhouse," "a talent powerhouse," and "a sports powerhouse."

As the FYP states in its closing: "The tasks are arduous, but the prospects are bright."



James McGregor
Chairman, Greater China

James M. McGregor

WHAT MULTINATIONALS NEED TO KNOW

1 **The 14th Five-Year Plan Consolidates Existing Objectives.** The 14th Five-Year Plan (FYP) enshrined many long-known government ambitions into tangible political objectives to be achieved by 2025. These include increased consumption, a heightened focus on social welfare, and the transition towards a more environmentally stable economic model.

2 **China Will Accelerate Investment for Tech Self-Sufficiency.** Reviving the spirit of Made in China 2025, the government will increase R&D spending by more than seven percent during the 14th FYP period to improve indigenous innovation and insulate core technology supply chains from external shocks.

3 **The Government Targets Modest Growth for 2021.** Following a year in which China was the only major economy to achieve economic growth, the National Development and Reform Commission (NDRC) announced a growth target of “above 6 percent” for 2021. The NDRC pledged to keep macroeconomic policies stable and avoid sharp turns in support of this objective.

4 **China to Expand Policy Toolbox Against Foreign Sanctions.** NPC Standing Committee Chairman Li Zhanshu announced that China will introduce new laws combatting foreign sanctions, interference and “long-arm jurisdictions” in response to growing international efforts to push back against China on trade, technology and human rights. At the same time, Foreign Minister Wang Yi left the door open for increased cooperation between the United States and China – as long as the United States makes the first move.

5 **Hong Kong Faces Electoral Overhaul.** The announcement of reforms to Hong Kong’s electoral system will further enhance perceptions that the sanctity of “One Country, Two Systems” has been eroded. The likelihood of increased pushback from Washington and its allies will increase uncertainty for multinationals with operations and commercial partnerships in the territory.



MEETING OVERVIEW

China opened its 'Two Sessions,' the annual meeting of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), on March 4.

Despite the opportunity to drive home the government's ongoing success in controlling COVID-19 and its relatively successful economic recovery from pandemic, this year's Two Sessions were a low-key affair. The announcement of the 14th Five-Year Plan (FYP), the guiding policy blueprint for 2021-2025, provided a framework for the government to consolidate several widely known objectives, including a desire to decrease reliance on foreign supply chains in technology, accelerate consumption, and heighten food security.

Underpinning these objectives is an increased focus on social welfare, building on last year's declaration that poverty alleviation objectives have been achieved. A renewed emphasis on educational reform, fiscal policy adjustment, and regional development will be fundamental for the shift towards quality growth over the growth-at-all-costs model that previously guided Chinese economic development. Alongside electoral reform in Hong Kong and the announcement of increased protections for companies and individuals facing sanctions, these goals will support the government's projection of a confident China firmly on the path to "socialist modernization" – a crucial image for the Party's 100th anniversary this July.

The 14th FYP provides a broad range of opportunities for companies that have the knowledge and experience to support China's development goals, especially those capable of contributing in scientific research and development, financial services, and healthcare. Throughout 2021, sectoral, ministerial, and local plans in support of the 14th FYP will be released. These blueprints will provide more tangible goals for multinationals to align with as they seek to secure their long-term position in China.

THE 14TH FIVE-YEAR PLAN

The Playbook for High-Quality Development

The headline announcement of this year's Two Sessions was the final approval of the 14th Five-Year Plan (FYP), the master policy blueprint expressing the government's vision for China's medium-term economic and social development.

The 14th FYP is of heightened importance to the Party, as it views the next five years as crucial in establishing a foundation to achieve Xi's "Chinese dream" of becoming a "modern socialist country" by 2049 – the 100th anniversary of the People's Republic of China. The importance of the next five years is also underscored by the release of 15-year objectives for "socialist modernization" by 2035.

Unlike previous FYPs, the 14th FYP does not feature an explicit target for economic growth. This decision was likely taken as a result of internal Party concern about public and private debt levels, with growth targets often leading local governments to prioritize economic expansion at the expense of long-term considerations of quality, stability and environmental externalities. The exclusion of such a target in the 14th FYP therefore reaffirms **Beijing's intention to focus on high-quality – rather than high-quantity**

– **development.** Three key themes underscore this emphasis throughout the 14th FYP: Dual circulation, indigenous innovation and international trade.

Key Theme #1: Dual Circulation

China's economic development during the 14th FYP period will be guided by "dual circulation," a concept that seeks to place domestic production and consumption at the forefront of development, reinforced by value-added foreign trade and investment (see right). The renewed emphasis on domestic factors could increase competition for multinationals in China, as governments may encourage consumers and businesses to "buy China."

Dual circulation does not signify that China is preparing to decouple from the rest of the world. Instead, the strategy aims to leverage the "international cycle" to direct foreign capital and investments into China and lean on foreign expertise in areas where no suitable domestic alternative exists. However, market opportunities will be determined by the government in an increasingly selective manner, especially in areas of strategic importance, such as technology.



Key Theme #2: Indigenous Innovation

The Party views technological self-reliance as not only important for China's economic rise, but also for national security. This belief has become even more entrenched as a result of U.S. actions to restrict Chinese corporate access to critical technologies and capital.

The 14th FYP calls for continued investment to achieve technological breakthroughs in several "key and core technologies," including artificial intelligence, integrated circuits, and quantum computing. Efforts to advance the digital economy will also drive indigenous innovation in cutting-edge technologies, including cloud computing, big data, the Internet of Things and notably blockchain – the technology's first inclusion in a national FYP. **China also plans to emphasize scientific leadership by increasing R&D spending by seven percent over the next five years.**

Key Theme #3: International Trade

China's efforts to realize dual circulation and indigenous innovation are underpinned by international trade. The 14th FYP reinforces the importance of foreign trade to China's high-quality development, but reorients its focus towards trade in services. The 14th FYP calls for further market opening of China's services sector by easing and removing market entry restrictions, and improving industry regulations. **In doing so, Beijing seeks to attract quality investment to drive the evolution of the domestic service sector, advancing the transition towards a consumption-driven economy.**

In connection with Beijing's emphasis on stabilizing international trade, the 14th FYP also renews China's commitment to multilateralism, but with a pivot towards regional trade partnerships. It aims to advance considerations of joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), alongside the establishment of the Free Trade Area of the Asia-Pacific (FTAAP).

China's Tools to Advance the Digital Economy



Cloud computing



Big data



Internet of Things



Industrial Internet



Blockchain



Artificial intelligence



AR/VR

CHINA'S CLIMATE COMMITMENTS:

The Long-March to Carbon Neutrality

The FYP includes several binding targets in the climate sphere:

- Energy consumption and carbon dioxide emissions per unit of GDP will be reduced by 13.5 percent and 18 percent respectively;
- 87.5 percent of days will have good air quality, 85 percent of surface water will be at or better than Class III water quality requirements;
- The country's forest coverage rate will reach 24.1 percent.

However, hopes that the country would bring forward its peak emissions target to 2025 did not come to fruition, with the goal remaining at 2030 before eventually reaching carbon neutrality in 2060. This, alongside a lack of clarity on long-term goals to achieve this outcome, left climate groups and activists largely underwhelmed.

Despite these perceived shortcomings, the FYP outlines how China will push to leverage low-carbon, energy-efficient technologies to refine its major industries, including construction and transportation. China will also seek to reduce emissions of major pollutants over the FYP period, including ammonia nitrogen by eight percent and

volatile organic compounds (VOCs) by 10 percent. It will be essential that foreign companies monitor and adjust to China's climate agenda, not only from an operational and compliance perspective, but also to communicate their support to key national and local government stakeholders.

China Will Incrementally Ween Off Coal

While the FYP does not provide a clear timeline for the phasing out of coal projects, the Government Work Report pledged to use coal in a more "clean and efficient" way. China will also take "active and well-ordered steps" to develop nuclear energy and new energy sources, including natural gas, hydropower, wind, and solar power. The aim, albeit non-binding, is to raise the share of non-fossil energy in China's energy mix from 15 percent in 2020 to 20 percent in 2025.

Other long-term goals include developing green finance initiatives, expanding the catalog of corporate income tax credits for environmental protection and the conservation of water and energy, as well as introducing national markets for trading energy use and carbon emissions rights.

2025

Reduced Energy Intensity by

13.5%

Reduced Carbon Intensity by

18%

Share of non-fossil sources in its energy mix to

~20%

2030

Achieves Peak Carbon Emissions

2060

Achieves Carbon Neutrality

Details will Come from Sectoral Five-Year Plans

Both the Government Work Report and 14th FYP indicate that China's green agenda is interdependent with economic growth, and the country's push towards carbon neutrality in 2060 will be incremental.

Foreign companies should expect further details of China's climate goals in the sectoral five-year plans to be released later this year, especially the five-year plan for the energy sector and the Ministry of Ecology and Environment's (MEE) plan to achieve peak emissions, which is due in April. Further details on China's plans for reducing carbon emissions are also expected around the COP26 meeting in November.

Opportunities for Multinationals

The push for a green economic transition entails emergent opportunities for companies that can contribute to national goals in areas such as energy efficiency, clean production and energy sources, environmental protection, and green infrastructure. As China is the world's largest producer and consumer of renewable energy, foreign players will face significant domestic competition in industries related to clean tech and energy. It is therefore essential that companies identify where domestic expertise is lacking, and where their company can add value. Examples include the know-how to build innovative green buildings, smart transportation, and utilities.

Regardless of sector, multinationals should also assess opportunities to benefit from the expansion of the catalog of corporate income tax credits, and the introduction of a green stimulus package for environmental protection. Finally, companies should explore emerging opportunities from the development of China's green financing, energy, and carbon trading markets. These financial instruments are designed to support the launch of eco-friendly projects and mitigate potential climate and environmental risks. This provides multinationals with an opportunity to demonstrate their commitment to helping the country achieve its climate goals.

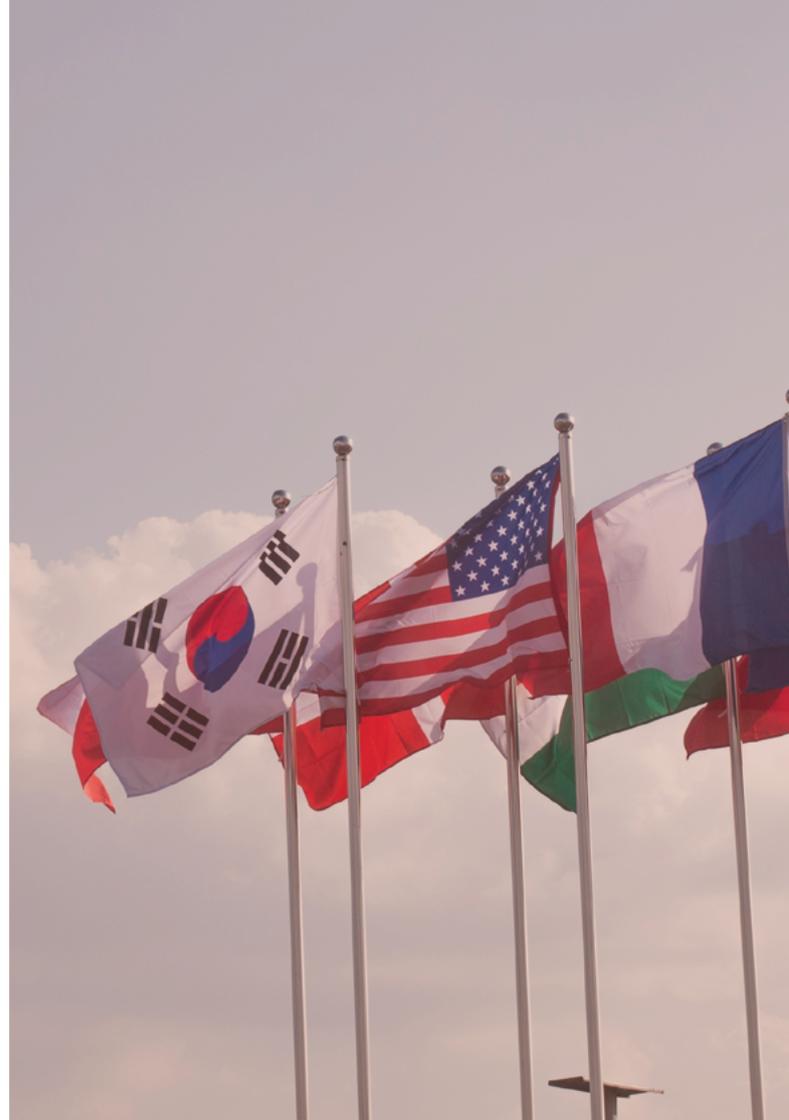
CHINA'S FOREIGN POLICY: Fostering a Favorable External Environment

Faced with unprecedented external uncertainty caused by the pandemic and U.S. competition, President Xi's notion that "the world is undergoing profound changes unseen in a century" loomed large at this year's Two Sessions. In addition to adapting domestic policies through dual circulation, the FYP shows that China is determined to tackle external challenges head-on through global action. During the meeting, Foreign Minister Wang Yi vowed to "foster a favorable external environment for the great renewal of the Chinese nation."

U.S.-China Relations: Responding to U.S. "Interference"

Messaging at the Two Sessions on China's relationship with Washington emphasized Beijing's desire to build a cooperative relationship, while making it clear that Biden must make concessions to remove "unreasonable restrictions" on bilateral cooperation. Wang accused the U.S. of using democracy and human rights as a pretext to "willfully interfere" in other countries' internal affairs, warning it to step back from red lines over Hong Kong, Taiwan and Xinjiang.

The Two Sessions signaled Beijing's intention to establish a more comprehensive policy toolbox for responding to U.S. interference, following January's announcement of rules to counteract the "unjustified extraterritorial application of foreign laws." **Li Zhanshu, chairman of the NPC Standing Committee, outlined plans to introduce additional legal means to combat foreign sanctions, "long-arm jurisdictions," and other forms of foreign interference.** Multinationals should follow these developments closely and assess their potential exposure to risks as these measures are implemented.



Prioritizing Ties with Asia and Europe

China's trade relationships saw major advances in 2020 with the signing of the Regional Comprehensive Economic Partnership (RCEP) and the conclusion of negotiations on the EU-China Comprehensive Agreement on Investment (CAI). The Government Work Report outlines China's aim to accelerate FTA negotiations with Japan and South Korea and to "actively consider" joining the CPTPP, further signalling Beijing's determination to secure more diverse trading relationships and block Washington's efforts to build a global coalition based on countering China. The moves also reflect efforts to demonstrate that China is living up to its commitments on opening trade and investment and to its role as a champion of globalization.

Emphasizing Global Health and Climate Leadership

Wang Yi criticized U.S. "unilateralism" and "group politics" while highlighting China's commitments to "true multilateralism" and the global interest, particularly in response to the pandemic. At a time when relations with many Western nations have stumbled, **Wang emphasized China's ties with developing countries, touting unparalleled vaccine donations to developing countries.**

The Two Sessions also hailed China's climate leadership, with Wang expressing hope that the US return to the Paris Agreement would bring positive "climate change" to US-China relations, reflecting attempts to make climate cooperation inseparable from the rest of the relationship. **President Joe Biden's upcoming climate summit – and the COP26 summit later this year – will be crucial tests to determine how the two parties may look past confrontation to work together on matters of global importance.**

IMPLICATIONS FOR YOUR SECTOR

EDUCATION



FINANCIAL SERVICES



FOOD & RETAIL



HEALTHCARE



ICT



MANUFACTURING



TOURISM/HOSPITALITY



EDUCATION

The pandemic had a profound impact on the education sector by accelerating long-standing trends, such as digitalization, while highlighting continuing inequalities, such as the urban-rural divide in education quality. In response, the Government Work Report and the 14th FYP feature an extensive focus on education, with its importance to broader government objectives further demonstrated by President Xi's attendance of a meeting with national education political advisors on the second day of the NPC.

The Government Work Report included **establishing a "more equitable and**

higher-quality education" system as its top objective for "steadily advancing social development." Alongside a clear prioritization of improving rural education, it also highlighted the need to promote online education and higher education in central and western China, as well as pledging to support the development of private schools.

The 14th FYP expanded on these objectives while promising increased government investment to pursue overall reform within the education system. Notably, it also pledged to support high level cooperation with foreign counterparts in the running of schools. **This latter pledge underlines the opportunities available for foreign companies with**

the requisite experience to successfully demonstrate alignment and commitment to overall government objectives.

Despite the opportunities inherent within these trends, foreign companies must also be mindful of regulatory tightening. At a CPPCC meeting, President Xi stated that the country's K-12 off-campus education market is a 'social problem', and the Government Work Report pledged to keep off-campus training "well-regulated," likely indicating a forthcoming campaign of regulatory reform. To capture long-term benefits within the sector, companies will need to remain vigilant in ensuring their offerings are in line with the government's definition of "well-rounded development."





FINANCIAL SERVICES

The government's key objective for financial regulation in 2021 is to maintain economic stability, having turned the corner from the stimulus policies used to boost recovery from the pandemic. The Government Work Report reaffirmed that financial services must prioritize serving the real economy, with large commercial banks mandated to increase inclusive loans to micro and small businesses by over 30 percent this year.

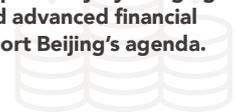
At the same time, the government has identified deleveraging as one of the year's "five major tasks" as it continues to warn against financial risk. The People's Bank of China has pledged to carry out a more targeted monetary policy that is capable of balancing economic stability with high-quality development.

Another major focus for regulators is tightening oversight of financial holding companies and the financial technology sector. Following the halt of Ant Group's IPO in November 2020, financial regulators have strengthened anti-monopoly controls and introduced measures to prevent online lending practices from increasing systemic credit risk. The 14th FYP encourages the prudent development of fintech, but also pledges to strengthen risk assessment procedures for financial innovation, especially as Beijing looks to "steadily advance" its digital currency. As a result, **internet finance and non-bank financial institutions are likely to face greater scrutiny in the future.**

Despite this heightened regulation, China remains committed to opening its financial sector as the government works to internationalize its currency and increase high-quality capital inflows. Following

the removal of joint venture caps for foreign firms in futures, mutual funds and securities, a number of foreign financial companies entered and expanded their operations in China in 2020.

The 14th FYP pledges further liberalization in banking, securities, insurance, mutual funds, and futures markets, alongside deepened connections with foreign capital markets through calculated foreign exchange reform. These reforms are intended to finance the real economy and minimize financial risk while transitioning financial markets towards a service-oriented model that better ensures sustainability. **Foreign financial firms can capitalize on this opportunity by bringing in best practices and advanced financial standards that support Beijing's agenda.**





FOOD & RETAIL

The supply chain disruptions caused by the pandemic refocused government and public attention on food security. As a result, the 14th FYP includes grain production capacity as a binding indicator for the first time alongside a target for overall grain capacity to reach over 650 million tons by 2025. To support this goal, China will attempt to improve arable land quality and promote indigenous seed innovation to increase food supply.

While imported food will remain a key component of China's food security, foreign agribusinesses may face increased pressure to help China diversify its food imports and strengthen collaboration with domestic peers

to hedge against food security risks caused by geopolitical and climate uncertainties.

Government messaging around food-affiliated virus transmission stimulated a new crisis of trust in food safety, driving the government to strengthen regulation over imported food and promote whole supply chain supervision for food safety. At the same time, the provision of healthier and more nutritious foods are gaining increased market share in China. Echoing the government's Healthy China 2030 initiative, these food products may receive more policy support in the future.

Foreign food companies in China will need to upgrade their product portfolio and food safety management systems to respond to

these trends. **Leveraging strong product R&D capabilities will likely provide competitive advantages within the Chinese market.**

Food and retail are also critical to expanding domestic demand under dual circulation. Expanding consumption in rural areas, promoting the bulk consumption of goods such as home appliances, and supporting the development of new business models, such as omnichannel retail, are all promising opportunities for multinationals in this area.

While China's faster recovery from the pandemic has provided many short-term opportunities for growth, ensuring longer-term success will require companies to adopt more agile go-to-market strategies in response to evolving consumer demands.





HEALTHCARE

Healthcare is a critical pillar for China's transition to high-quality development over the next five years. Protecting the health of every citizen is not only imperative to improving social welfare, but also a key precondition for establishing a vibrant domestic market.

The government will seek to address multiple healthcare challenges, beginning with addressing the major shortcomings exposed by the pandemic in both the disease control system and the emergency preparedness of medical institutions. The disruption of medical supply chains and ongoing U.S.-China tensions have also elevated the importance of indigenous control of critical medical

technologies and components, as well as the localization of medical product supply chains. Finally, China's aging demographics will create new demands for the public healthcare system.

The 14th FYP highlights universal healthcare insurance reform and addressing disparities in medical resource distribution as key priorities.

China will continue its current strategy of building specialized medical centers nationwide, while launching medical consortia focused on the primary level and centered around county-level hospitals. At the same time, universal health system reforms will aim to ensure more sustainable public health insurance. Specific strategies will build upon ongoing insurance payment reform pilots - including the DRG (diagnosis-related group)

payment model - but will also involve new initiatives to protect against new healthcare challenges, such as nursing care and chronic diseases.

Medical devices and pharmaceutical companies will continue to be heavily impacted by volume-based procurement (VBP), which will be further institutionalized in 2021. In addition to significant price reductions, the government also aims to use VBP to incentivize innovation and allow domestic champions to capture an increased market share. **Medical device and pharmaceutical companies will need to actively prepare strategies for products impacted by VBP, while assessing their product portfolio to remain competitive.**





ICT

The Government Work Report and the 14th FYP both include innovation and technological self-sufficiency as core objectives, with improved funding for basic research as the primary method by which the government will establish a new system of research infrastructure capable of driving innovation. To mitigate geopolitical risk, China will focus on integrated circuits, core software, essential materials, and major equipment, to unblock bottlenecks and establish a “secure and controllable” supply chain.

The 14th FYP singles out several frontier technologies to be backed by strong state support. An example proposition is the Future Industry Incubation and Acceleration Program, which will promote the development of artificial intelligence, quantum information,

and DNA storage, among other important future technologies.

The Two Sessions’ emphasis on data protection and cross-border data flows indicates that cybersecurity remains a core government priority and a major compliance issue for ICT companies. These concerns will be advanced through the continued development of the *Data Protection Law* and the *Personal Information Protection Law*, both of which will affect regulations governing the cross-border transfer of data for multinationals.

The 14th FYP also includes provisions to safeguard key data resources, networks, and information systems by establishing protection systems for critical information and cybersecurity infrastructure. At the same time, the 14th FYP also encourages greater Chinese

participation in the formulation of international rules and standards.

Despite technology sensitivities, foreign ICT companies can benefit from China’s push for the digitalization of the manufacturing and service sectors. **Initiatives such as new infrastructure development will require foreign expertise in areas where domestic competitors lack the know-how to immediately implement government objectives.**

The government’s strengthening of anti-trust and competition regulation, as well as the development of regulations governing technology in several industries, including autonomous cars, online education, fintech and logistics, also offers opportunities for companies with extensive global experience of more advanced regulatory regimes.



MANUFACTURING

Maintaining a “basically stable” share of manufacturing in the economy is a key goal of the 14th FYP and the Ministry of Industry and Industrial Technology (MIIT)’s top priority for 2021. Former MIIT Minister Miao Wei warned that an excessive decline of the manufacturing sector’s share in favor of other sectors would not only undermine growth and employment, but also security.

Having set a soft GDP growth target of “over 6 percent” for 2021, **leaders signaled their intention to pursue stability through targeted support in strategic areas rather than broad stimulus.** Miao’s successor, Xiao Yaqing, stressed that stabilizing manufacturing

is not just about boosting total activity, but also achieving high-quality development.

Two notable targets for support have emerged. First, the FYP identifies eight core priorities in advanced sectors, including New Energy Vehicles (NEVs) and smart cars. The Government Work Report notably earmarks measures for the automotive sector, including demand-side incentives and reduced restrictions on vehicle purchases, as well as infrastructure investments for NEVs.

Second, the government announced provisions for Micro, Small, and Medium-sized Enterprises (MSMEs), whose recovery dragged behind larger firms but remain critical to employment and economic stability, and who occupy a growing role in the automotive sector, among

others. The government will increase inclusive loans to MSMEs by over 30 percent in 2021, alongside other measures to reduce operating costs and encourage supply chain collaboration between large and small firms.

After repeated upheavals in China’s foreign-linked supply chains, an automotive chip shortage this year once again boosted policy and industry interest in self-reliance. China’s long-range goals for 2035 establish “security” as a prerequisite for future industrial development.

Strong market growth prospects mean China still holds major opportunities for foreign manufacturers, but they should be prepared for intensified competition from domestic players.





TOURISM AND HOSPITALITY

While China's tourism industry began to recover from the impact of COVID-19 in the latter half of 2020 through domestic tourism, the industry nonetheless suffered a serious blow. The number of domestic tourists decreased by 52 percent, with industry revenue falling by 61 percent year-on-year.

Ambitions to expand domestic consumption will ensure that incentives for the culture and tourism industries, such as tax reductions, will be a major priority in 2021. The 14th FYP outlines the government's long-term vision for the industry's development, stressing the importance of improving the quality of

tourism services and establishing a unified service quality evaluation system. To drive industry upgrading and the development of "smart tourism," **the NPC will also focus on improving tourist infrastructure and accelerating digitalization.**

Tourism and hospitality are also closely linked to the promotion of Chinese culture among domestic and foreign tourists by encouraging cultural and historic heritage tours. The 14th FYP singles out Hainan Province and the Guangdong-Hong Kong-Macao Greater Bay Area as world-class tourist destination development priority areas over the next five years. **Along with existing objectives for rural development and revitalization, rural**

tourism, agritourism and ecotourism are likely to be key additional areas for industry growth.

These objectives provide several opportunities for multinationals looking to minimize the impact of cross-border travel restrictions. Companies can consider how their own market plans and messaging may support and align with Beijing's agenda on Chinese cultural promotion and rural revitalization. In addition, broader efforts to drive consumption through the elevation the industry's standards and upskilling of industry workforces can offer foreign companies longer-term engagement benefits with central and local government stakeholders.



APCO CHINA

APCO Worldwide is an advisory and advocacy communications consultancy helping companies, governments and organizations act with agility to succeed. In China, our team possesses the local wisdom to advise our clients on issues critical to their success. We provide one-stop solutions that integrate business intelligence, political insight, and strategic communications.

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A wide-angle, slightly hazy photograph of a busy street in Shanghai, likely Nanjing East Road. The street is filled with pedestrians and a blue and yellow tram. Buildings on both sides feature numerous vertical signs in Chinese characters. The overall atmosphere is one of a bustling, modern urban environment.

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