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Multinational Corporations in China:

Capture market and growth opportunities

Content

Executive summary

Over last four decades of economic reform and openness, China saw a surge of foreign direct investment (FDI), from USD 916 million in 1983 to USD 173.5 billion in 2021, with 635,402 foreign-invested enterprises (FIE) registered by the end of 2020.

As the world's second largest economy, China has witnessed tremendous GDP growth. The World Bank and the International Monetary Fund (IMF) forecast that China will outperform other major economies in the next 4-5 years. China watchers anticipate that China will become a high-income country by 2025, as the size of its middle class will double in 10-15 years. As a result of this rapid growth, China continues to attract numerous foreign investors.

In March, China held its “two sessions”. Chinese Premier Li Keqiang delivered the Government Work Report to the legislature for deliberation. According to the report, China has set the 2022 GDP growth target at around 5.5% and it will continue opening its market to foreign companies. Tax refunds and tax cuts are expected to total RMB 2.5 trillion. The digital economy, carbon peak, and carbon neutrality were also highlighted in the report.

The higher-than-expected GDP growth target can boost the confidence of MNCs in the China market. MNCs can expect additional improvements to their financial performance through the tax refund measures. The fast development of China’s digital economy highlights huge potential for technology companies around the world.

In February-March 2022, PwC China conducted a flash survey and hosted a panel discussion with a live poll at the annual MNC Executives Breakfast event. Our findings are consistent with reports from several chambers of commerce: MNCs remain optimistic about the China market and its growth potential, despite the challenges they face in China.

China's market and economic growth are the most attractive factors for MNCs

- MNCs are most optimistic about China's "market" and "growth", with almost 70% of poll participants using these two keywords to describe the positive aspects of the Chinese market. The country's huge population size, growing middle class, and upcoming generation of consumers are appealing conditions for businesses around the world. Meanwhile, technology and innovation, sustainability, and the stable social environment are also attractive to MNCs.

- "Market" and "growth" were also the two most popular words used (about 50%) when participants were asked about the most important decision drivers for expanding / continuing business in China.

More than half of MNCs have domestic expansion plans, prioritizing East and South regional markets

- Nearly 60% of respondents claimed that they have plans to expand business in China in 1-3 years. Their primary objective is to "expand market/customer base for existing products/services" (91%).

- The majority of surveyed companies cited "expand footprint in China" (71%) and "manufacture products or sell services in China for China" (51%) as their business strategies.

- "Joint venture (JV)/partial investment with Chinese companies" (53%) and "set up a new 100% ownership entity" (47%) are cited as their preferred approaches for their investments in China.

- East China is the most attractive regional markets (76%), followed by South China (59%), and North China (38%). These areas refer to three well-known economic clusters in China, namely the Yangtze River Delta Region (East), the Greater Bay Area (South), and the Beijing-Tianjin-Hebei Area (North), which are top investment spots for foreign investors in China.

Talents, policy and IP protection are top three challenges for MNCs in China

- More than half respondents cited "recruit and retain talents" (59%) as the top challenge. There are also routine challenges faced by multinationals in China, including "strict laws and regulations in terms of labour, environmental protection, security reviews" (35%), "IP protection" (24%) and "cash repatriation to headquarter (21%).

Participants also expressed concerns about the policy, stability, long-term growth and return on investment in China. Given the growing number of local Covid-19 cases, supply chain disruptions, and rising inflation, the World Bank and IMF have recently reduced their forecasts for China's economic growth. On top of that, weaker consumer spending, increasing domestic economic resilience, and an uncertain policy outlook may slow growth for many MNCs in China.

Shanghai – China's financial, trade and shipping centre and home to 831 MNC regional headquarters – has been under a lockdown for over two weeks amid a recent outbreak of Covid-19. This has caused significant disruption to the entire supply chain. Business leaders have expressed their concerns over the impacts on their operations and development plans in China.

The Chinese government has taken a number of measures to attract foreign investment and stabilise external trade. The number of items on the negative list for foreign investment access was cut from 63 in 2017 to 31 in 2021. More policies have been announced to promote the openness of telecommunications, internet, education, culture and healthcare. Foreign investors are now allowed to set up wholly-owned enterprises in a growing number of sectors.

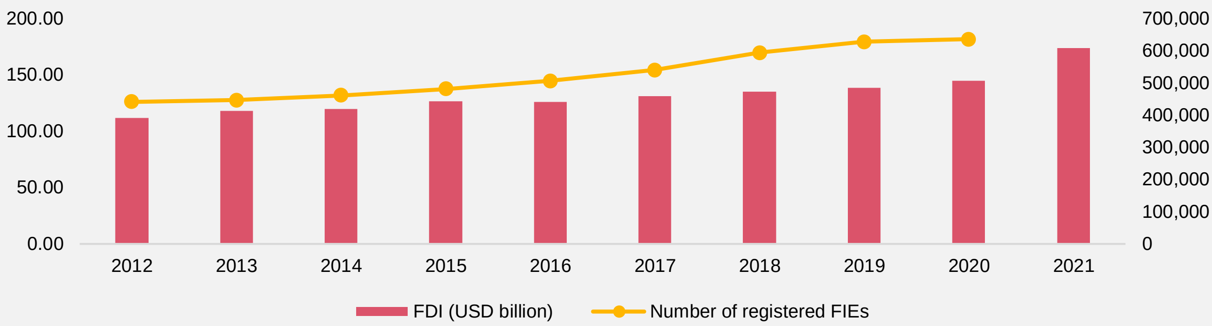
Preface

In the history of China's economic reform and openness, foreign investment has been the key driver.

Over the last four decades, China's FDI surged from USD 916 million in 1983 to USD 173.5 billion in 2021. As of December 2020, the country had 635,402 registered FIEs, more than three times the number in 2001, when China joined the World Trade Organization.

FIEs account for 2% of business entities in China yet they hire 40 million people (around 10% of urban employment), pay one-sixth of tax revenue and produce two-fifth of the country's imports and exports, according to the Ministry of Commerce (MOFCOM).

Chart 1: China's FDI and number of FIEs



Source: Wind

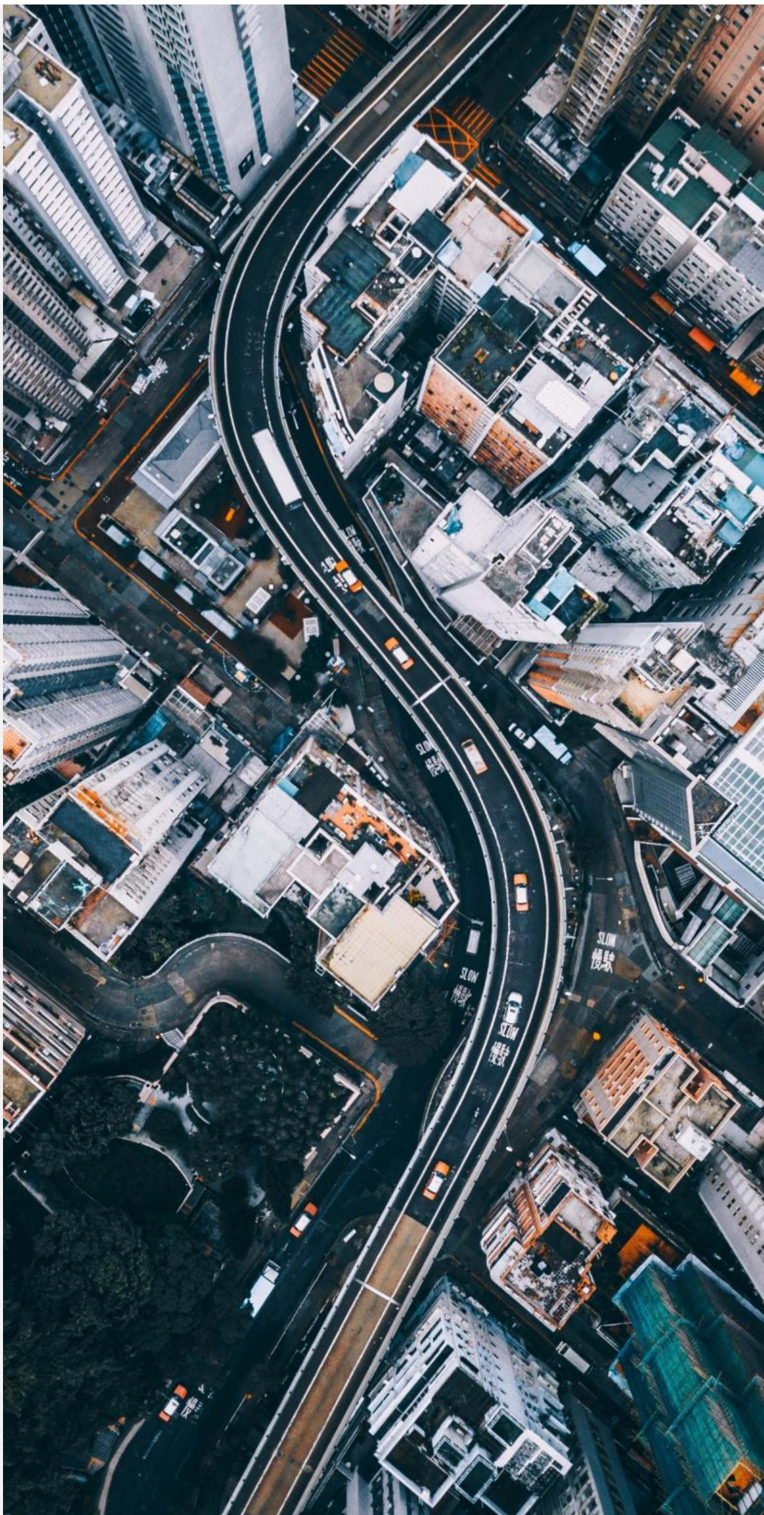
Several foreign chambers of commerce in China released their annual business reports, showing that MNCs are confident to grow their business in China.

According to AmCham China's 2022 China Business Climate Survey Report, published on March 8, more than half of its members estimated their 2021 revenue to be higher than 2020, reversing a trend from last few years. Nearly two-thirds of companies ranked China as the top or a top-three priority in the near-term global investment.

Previously, AmCham South China's 2022 White Paper on the Business Environment in China revealed that 72% of the surveyed companies intend to expand in China over the next three years, 7% higher than last year. AmCham Shanghai's China Business Report, published last September, showed that 59.5% of member companies had reported increased investment in 2021, up 30.9 percentage points (pp) from 2020, and close to the 62% score last reported in 2018.

The latest survey published by the European Union Chamber of Commerce in China has similar findings. 68% of member companies are optimistic about the future growth, a significant 20 pp year on year increase. The majority of respondents are very committed to the China market – only 9% are considering to shift their current or planned investments out of China, the lowest record in their surveys.

The British Business in China Sentiment Survey in 2021 reported that China's market potential remains an effective draw. In that report, 46% of companies planned to increase investment and 52% felt optimistic about their prospects in China for upcoming year.



"Two sessions" 2022: Takeaways for MNCs

Every spring, China holds its "two sessions", a term stands for the annual plenary meetings of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference, known as China's top legislative and political advisory bodies.

In early March, Chinese Premier Li Keqiang delivered the Government Work Report to the legislature for deliberation, summarising the major government work done in the past year and laying out what is planned for the coming year. This important report is interpreted by many as the Chinese government's action plan for 2022. PwC captured its key points and the implications for MNCs in China.

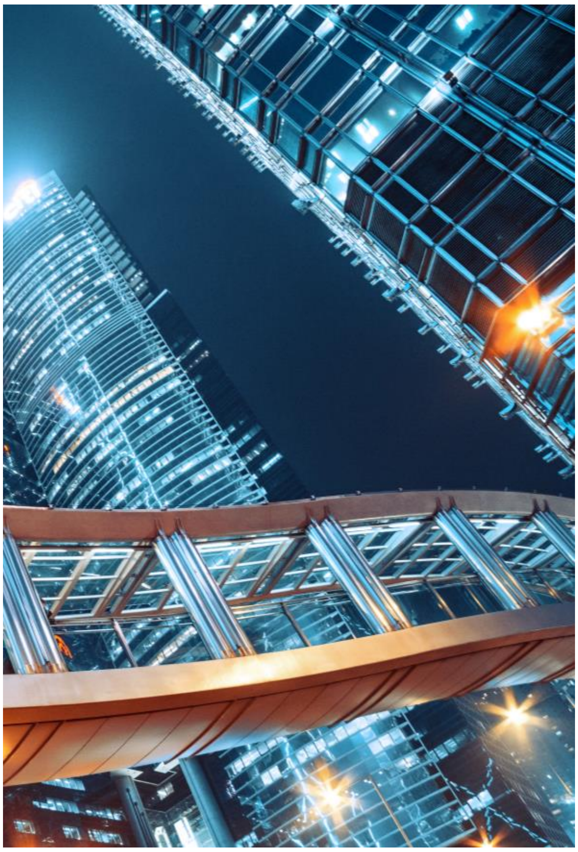
Macroeconomic perspective on China's development

Highlights from the Report

China will encounter many risks and challenges. The nation is under the triple pressures of shrinking demand, disrupted supply and weakening expectations. The recovery of consumption and investment is sluggish. It is getting more difficult to maintain steady growth in exports, the supply of energy resources and raw materials remains inadequate, and imported inflationary pressure has increased.

Implications

With rising prices for energy and other imported materials, MNCs in China will have higher input costs. Additionally, local demand for MNCs' products may sour as consumption levels remain low. Amid the decline of consumer and business confidence, MNCs may be prudent and reduce their investments in China.



Key economic targets and policies

Key economic targets

Highlights from the Report

China sets its 2022 GDP growth target at around 5.5% and will maintain its CPI increase at around 3%. The economic growth target is mainly based on the need to maintain stable employment, meet basic living needs, and guard against risks. This target is also in line with the average growth rates of the last two years and the goals of the 14th Five-Year Plan. It represents a medium-high rate of growth given the large economic aggregate and demonstrates the ability to move proactively. But achieving this goal will require arduous efforts.

Implications

The 5.5% GDP growth target is at the higher end of many estimates. For instance, the IMF and the World Bank predicted China's 2022 GDP growth at 4.8% and 5.1%, respectively. Compared with high inflation rates in the US and European countries, the higher-than-expected GDP growth target alongside a moderate CPI target can boost the investor confidence in the China market. On the other side, high inflation and tighter monetary policy in Europe and the US will drive up yields on bonds. While China is easing its money supply, the Chinese government bond yields may barely rise. It will narrow down the spread between 10-year Chinese and US government bonds and cause a capital outflow.

Proactive fiscal policy and prudent monetary policy

Highlights from the Report

The proactive fiscal policy should be more effectual, more targeted, and more sustainable. China will implement a new package of tax-and-fee policies to support enterprises. Tax refunds and cuts are expected to total RMB 2.5 trillion this year. VAT credit refunds will account for RMB 1.5 trillion. The prudent monetary policy should be both flexible and appropriate, with reasonably ample liquidity being maintained. Financial institutions will be encouraged to lower real loan interest rates and cut fees, so as to truly make it easier for market entities to access financing and achieve a considerable drop in overall financing costs. The RMB exchange rate will be kept generally stable at an adaptive, balanced level.

Implications

A stable RMB can bolster the investor confidence in the time of global turbulence. Such move can effectively help companies to fight imported inflation and guarantee profit returns to MNCs with operations in China. As banks are encouraged to reduce the lending costs and fees, MNCs that are seeking to increase investments in China can have a lower cost of financing from domestic banks.

According to the report, substantial increase in VAT credit refunds will help strongly boost the market confidence. When money is channelled in a more targeted way, enterprises can benefit directly and promptly. MNCs in China can have their financial performance improved and make better use of their funds for further business development.

Further opening-up

Highlights from the Report

China will encourage foreign-invested enterprises to move into a broader range of sectors, and support more foreign investment in medium- and high-end manufacturing, R&D, and modern services, as well as in the central, western and northeastern regions. China will improve services for promoting foreign investment and accelerate the launching of major foreign-funded projects, and launch more trials on the extensive opening of the service sector.

Implications

In January 2022, the Ministry of Commerce said China will expand the Catalogue of Encouraged Industries for Foreign Investment. Currently, the 2020 edition of the catalogue contains a total of 1,235 items, an increase of 10% from 1,108 items in the 2019 version, with 127 items being added and 88 items modified. It is expected that more items will be added. Global firms that have competitive edges in various technologies and business models should grasp this golden opportunity to test their market ideas and bring in new solutions.

At present, a high proportion of MNCs are located in the eastern and southern China. With the business environment improving in central, western and northeastern China, the whole country will undergo a more balanced development. MNCs are expected to move to or invest in these less costly areas and explore new regional markets.

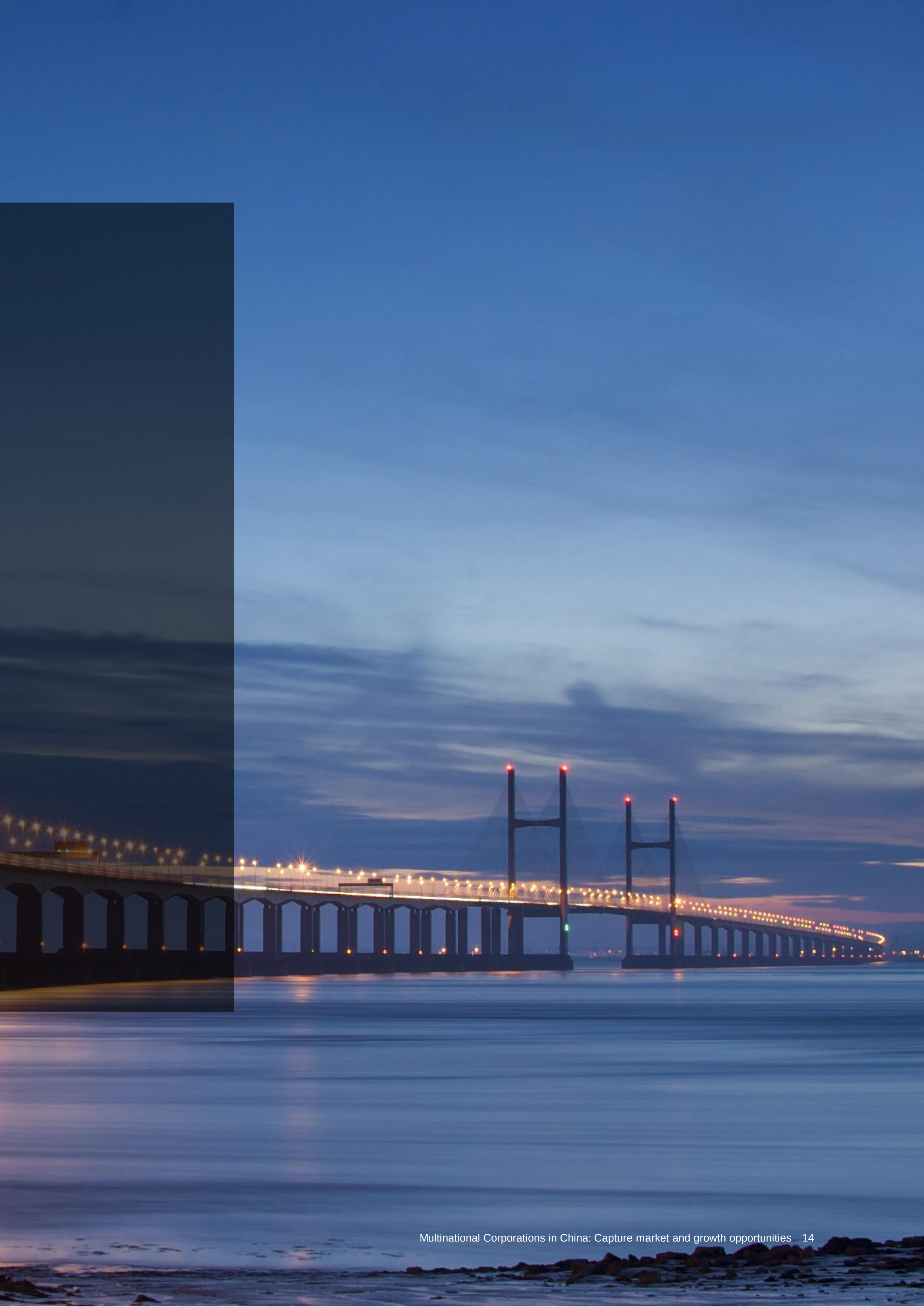
Digital economy

Highlights from the Report

China will strengthen overall planning for the Digital China initiative, build more digital information infrastructure, develop an integrated national system of big data centres step by step, and apply 5G technology on a larger scale. China will advance digitalisation of industries, and build smart cities and digital villages. China will accelerate development of the Industrial Internet, build up digital industries such as integrated circuits and artificial intelligence, and enhance China's technological innovation and supply capacities for key software and hardware.

Implications

Digital business in China is very promising. According to the China Academy of Information and Communications Technology, the country's digital economy recorded impressive growth in 2020, at RMB 39.2 trillion (USD 6.2 trillion), approximately 38.6% of GDP. Among that, the digitisation of traditional industry reached RMB 31.7 trillion. Artificial intelligence, big data, IoT, automation systems and 5G network equipment are in hot demand, as the Chinese manufacturers are looking for digital solutions to upgrade their production chains. It is a market with huge potential for technology companies around the world.



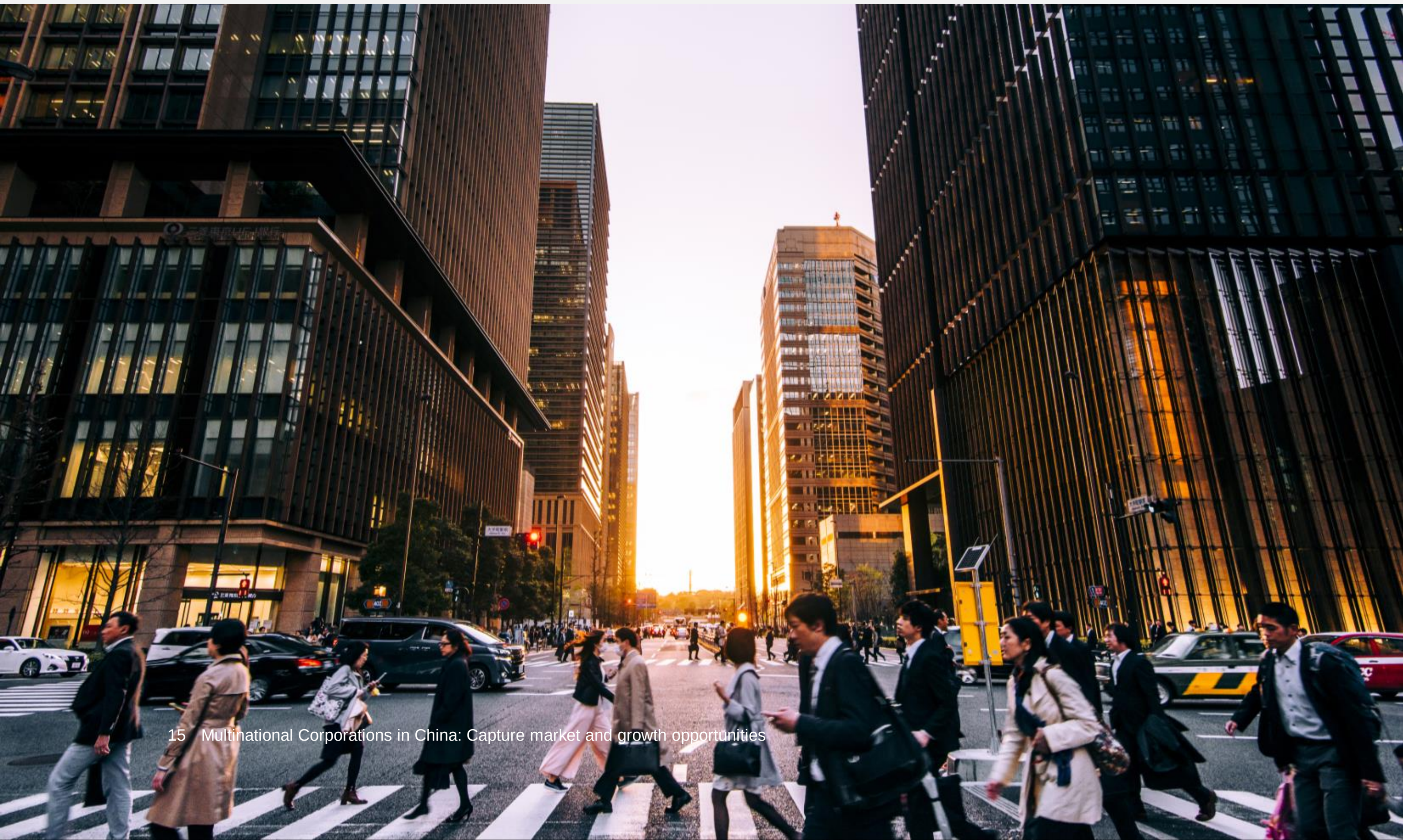
Carbon peak and neutrality

Highlights from the Report

China will stop the blind development of energy-intensive projects with high emissions and backward production capacity, enhance the carbon absorption capacity of ecosystems. China will transition from assessing the total amount and intensity of energy consumption to assessing the total amount and intensity of carbon emissions, improve policy incentives for reducing pollution and carbon emissions and policy constraints on such emissions, develop green finance, and promote faster development of green and low-carbon ways of working and living.

Implications

The stricter environmental policies will phase out highly polluting industries, including the MNCs that fail to meet certain standards. However, the carbon neutrality commitment will create a wave of nationwide demand for new energy, alternative fuels vehicles, green finance, carbon capture and storage technology. The market gain from new growing areas is projected to outweigh the economic losses from the forgone sectors. MNCs need to cater to this environmental trend and may need to undergo substantial change in their operations in China. Companies that can provide innovative low carbon options will thrive in the green century.



MNCs are optimistic about China, despite challenges

In February-March 2022, as part of the firm's Business Confidence Survey series, PwC China hosted our annual MNC Executives Breakfast, at which we conducted a flash survey. The aim of the survey was to understand multinationals' current operations in China and market outlook. During the breakfast event, a panel discussion was conducted alongside the live poll, which asked audience members to input key words and phrases that express their views about the China market. Meanwhile, speakers and guests exchanged their viewpoints and business experiences in China.

Our findings are similar to previous business confidence reports published by several foreign business chambers. Both our survey and poll revealed that most MNCs in China remain optimistic, citing a number of favourable market conditions: population size, unlimited market potential and growing middle class. This optimism exists in spite of growing challenges around talent, policy uncertainties and IP protection.

China’s market and growth potential are most attractive to MNCs

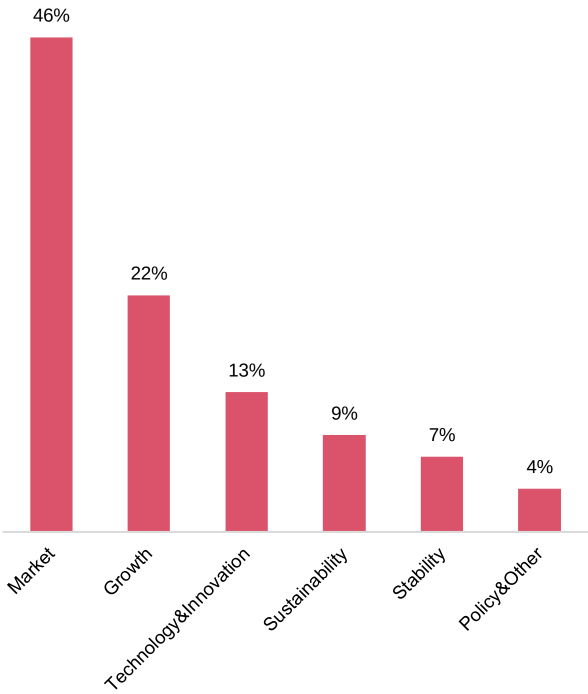
MNCs are primarily optimistic about China’s market and growth potential

In the poll, “market” and “growth” were the two most frequently used words for the participants to describe their optimism about China. Terms for “market” included “huge population”, “domestic demand”, “increasing demand” and “market growth of middle income segment” were mentioned by the audience. “Economic growth”, “stable growth” and “continuous growth” were categorised as “growth”.

Next, we saw a group of keywords regarding “technology & innovation” and “sustainability”. Many audience members described hot disruptive trends in China: “direct to consumer online sales”, “digital”, “China continues to lead in NEV auto market”, “innovation” & “high tech”, “carbon neutrality” and “climate actions”.

The panelists at the event share views that China would see awesome growth in a number of industry segments. They also expressed agreement that digital technologies and carbon neutrality are widely regarded as two key drivers for next round of economic expansion.

Chart 2: Live poll keywords describe MNCs’ optimism about China market



Growth and market drive MNCs' expansion in China

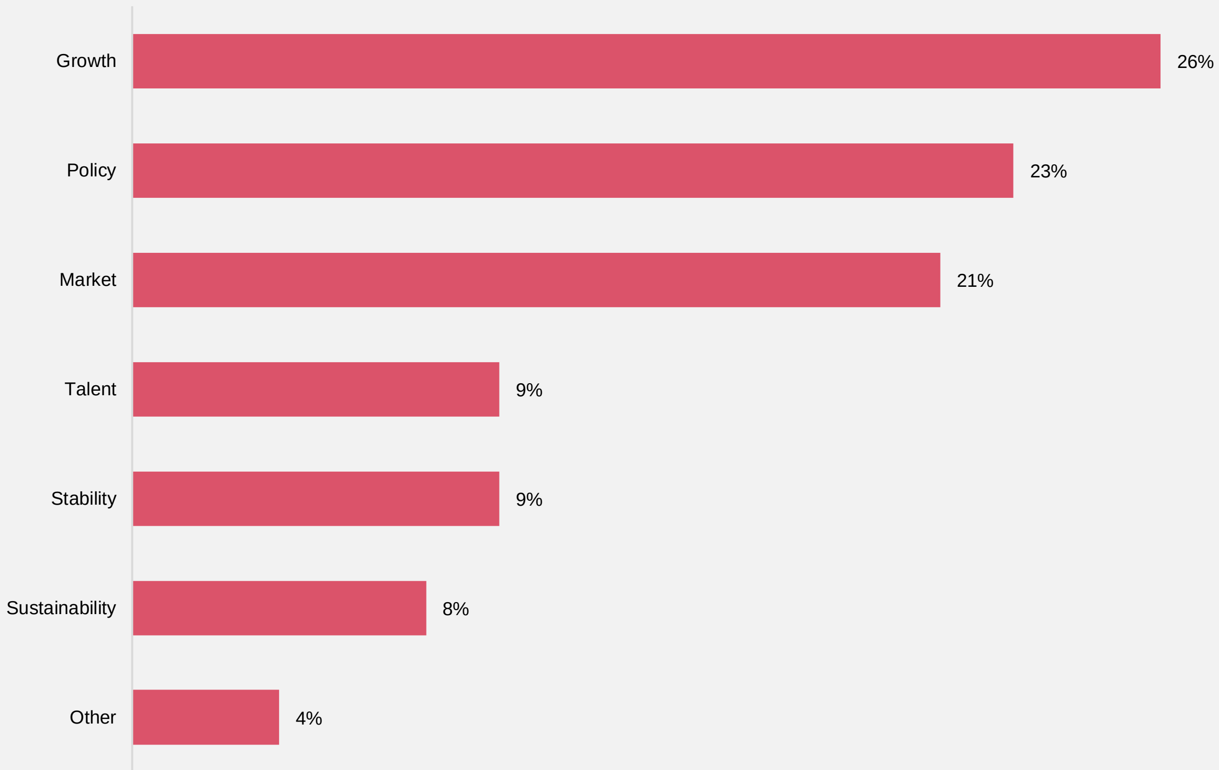
The second poll question asked about the decision drivers to the MNCs' business plans.

"Growth", "market" and "sustainability" are the words mostly used. The audience members listed the examples of "generation z" and "brand power and growth" to highlight the rise of Generation Z, the cohort of young people born between 1995 and 2000 whose unique tastes are impacting the market.

The audiences also listed "stable situation", "favourable policies for investment – mid-tern stability", "geopolitical policy" and "market access" as crucial decision drivers affecting their next business plans in China.

Two poll questions conveyed a message. Stability is a favourable market factor and MNCs always prefer to invest in a stable market.

Chart 3: Live poll keywords describe decision drivers for MNCs' expansion or continuation of doing business in China



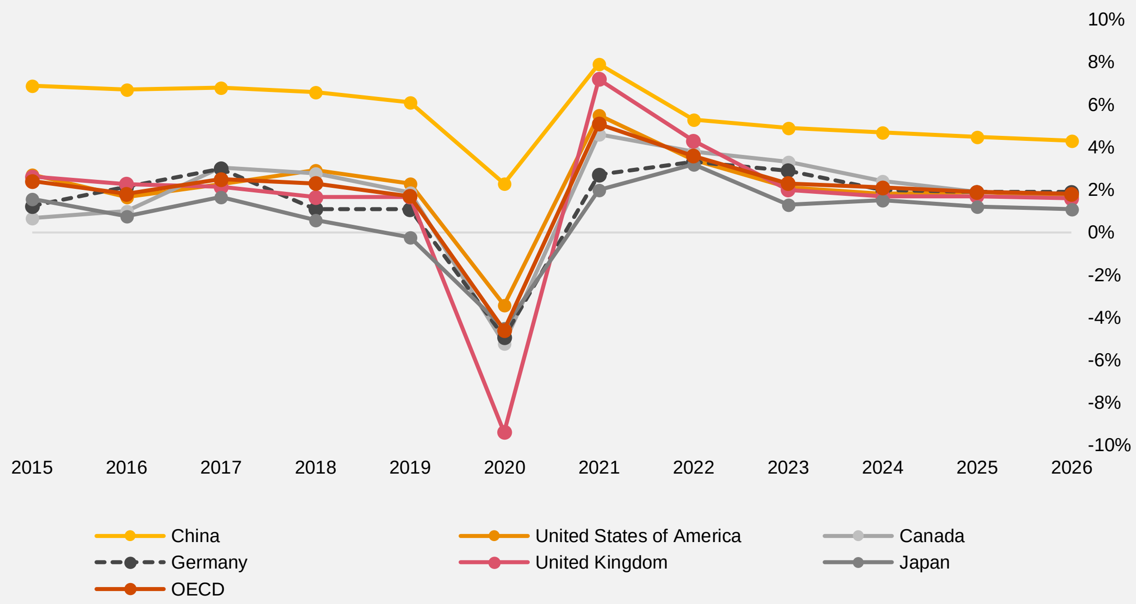
A macro perspective on China's growth prospect

The Chinese economy is predicted to outperform major economies

Today, China is the second largest economy globally. Its per capita GDP was USD 12,551 in 2021, surpassing the world's average. According to the World Bank in 2020, China is now an upper-middle income country with per capita Gross National Income (GNI) USD 10,298. China is forecasted to become a high-income country by 2025.

In 2021, China's GDP reached RMB 114.367 trillion (USD 18 trillion), at two-year average growth rate of 5.1%. The economy grew by 8.1% last year and recorded the biggest expansion since 2011. The World Bank, the IMF and a number of analysts predicted China to outperform other major economies in the next 3-4 years.

Chart 4: GDP growth forecast of major economies



Source: The Economist Intelligence Unit

China’s middle class keeps growing

China is now the world’s second largest consumer market and the world’s largest online retail market. Its purchasing power is increasing with a growing middle class. In 2018, China had around 400 million people in middle income households, around 28% of the entire population, according to the National Bureau of Statistics. It is anticipated that China will take another 10 to 15 years to double the size of its middle-income group to 800-900 million people, about 60% of the country’s total population.

Zhejiang, one of China's wealthiest provinces in pursuit of common prosperity, introduced measures to grow its middle-income group. In their projected estimate for 2025, 80% of households in the province will have annual disposable income of RMB 100,000 to 500,000. Their purchasing power will be unprecedented in China.

At present, China has a low share of private consumption in GDP, as compared with the world average. According to the Economist Intelligence Unit (EIU), China’s private consumption to GDP ratio in 2022 is forecast at 36.5%, far lower than 69.1% of the US and 60% of OECD countries. The purchasing power of Chinese consumers will grow significantly with the target expansion of the middle income group.

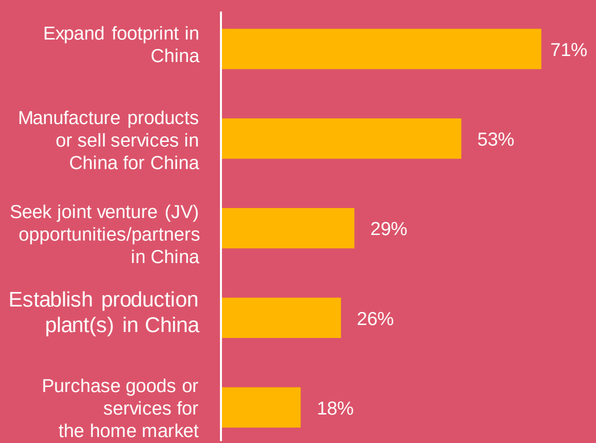
More than half of MNCs will increase investment in China. East and South China are their priority regional markets

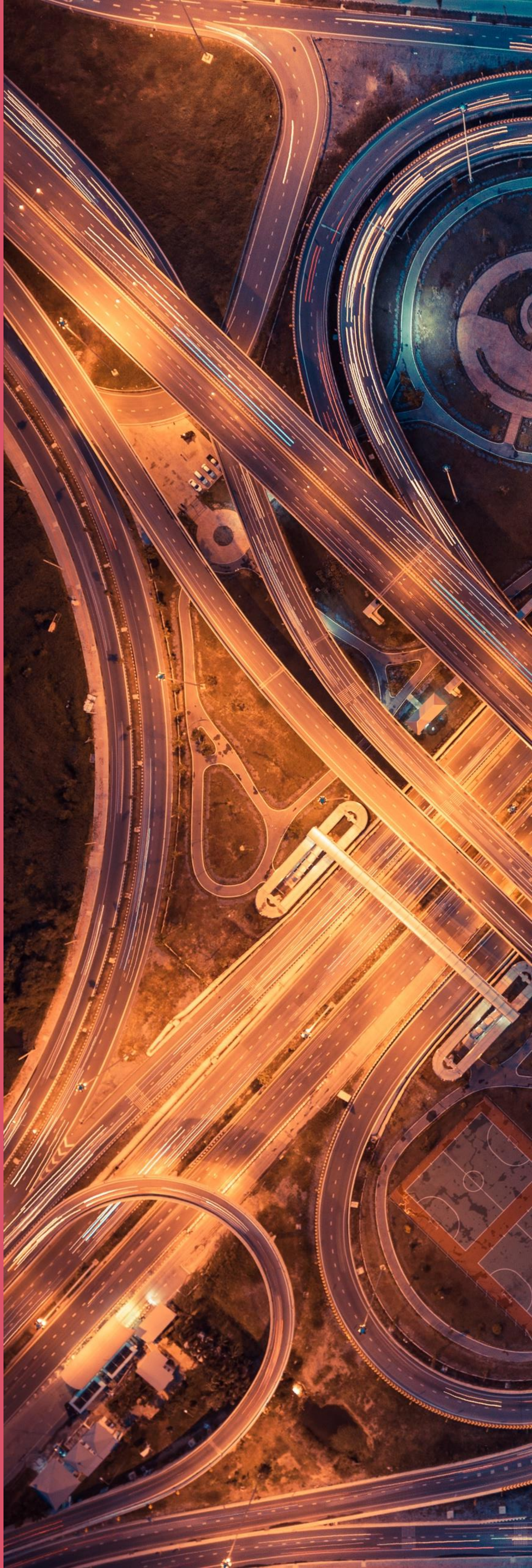
Expand footprint and "in China for China"

PwC's flash survey revealed that a high portion of MNC's current business strategies aim to "expand footprint in China" (71%) and "manufacture products or sell services in China for China" (53%). This indicates that domestic development is a primary goal for many multinationals.

26% of surveyed companies reported "establish production plant(s) China" and 18% of the respondents "purchase goods or services for the home market".

Chart 5: MNCs' business strategies in China





60% of MNCs are seeking to expand in China

With respect to their development plan in China, almost 60% of respondents stated they “plan to expand in China” within the next 1-3 years, while 32% claimed they would “maintain current operation and keep its scale”. Those who plan to expand in China are from the auto, chemicals, financial services and healthcare sectors.

For companies that plan to expand in China, over 90% cited “expand market/customer base for existing products/services” as their primary objective followed by “enhance global brand awareness” (35%) and “access to talent and technology resources” (32%).

A relatively low percentage of respondents cited “follow foreign tax deduction or other preferential policies” (15%) as objectives for their growth plans. And only 6% claimed they have no plan to increase investment in China.

Chart 6: MNCs’ development plans in China

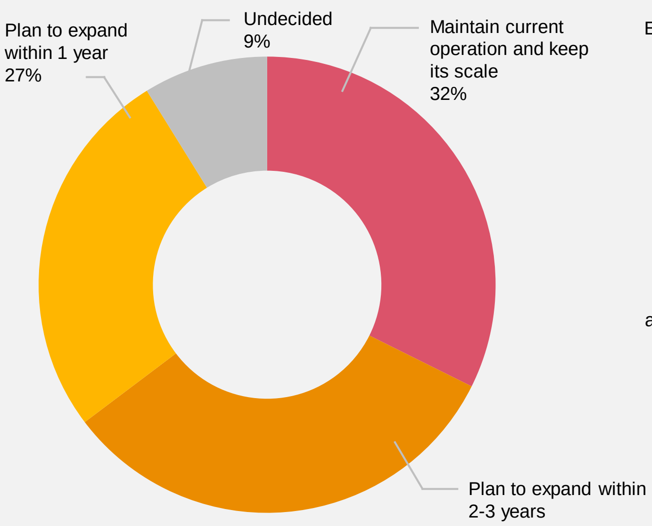
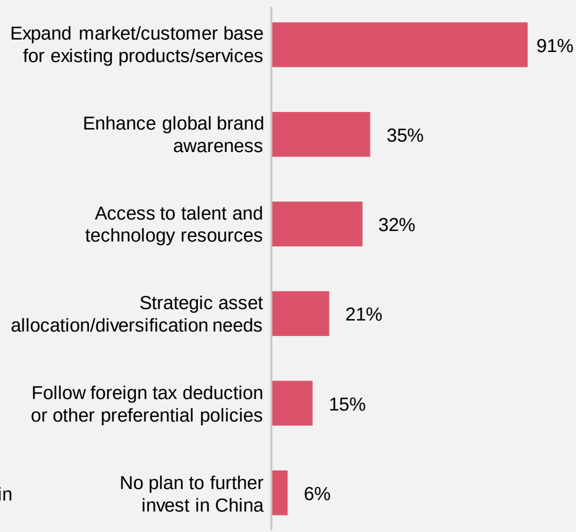


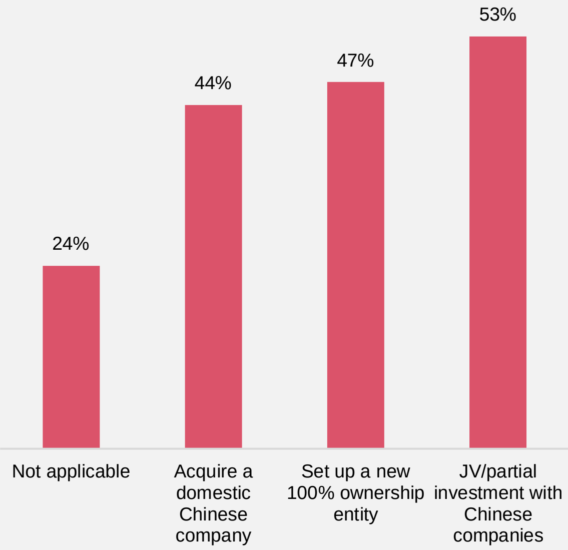
Chart 7: MNCs’ objectives for domestic expansion in China



MNCs tend to adopt diversified approaches for China investment

Among several common business approaches in China, 53% of respondents selected “JV/partial investment with Chinese companies” . 47% cited “set up a new 100% ownership entity” as preferable option, while 44% chose or “acquire a domestic Chinese company”.

Chart 8: Preferred approaches for MNCs’ investments in China

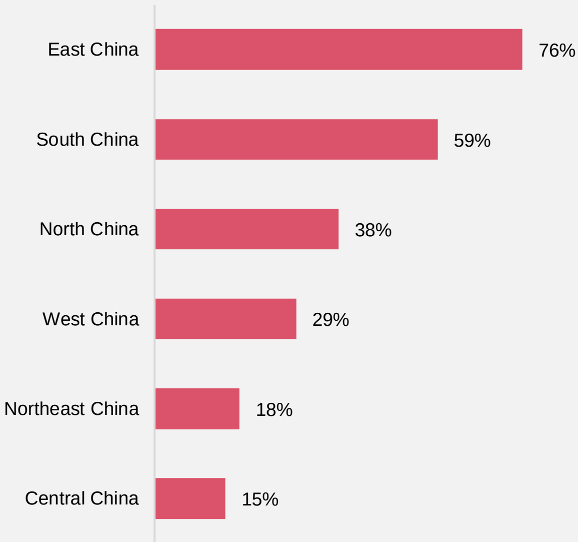


East and South China are the most attractive regional markets

East China (represented by Shanghai, Nanjing, Suzhou, Hangzhou, Ningbo and Qingdao) is the most attractive regional market to MNCs according to 76% of survey respondents. South China (Shenzhen, Guangzhou and Zhuhai) takes the second top spot for the respondents (59%). Third is North China (Beijing, Tianjin, Xiong’an New Area and Taiyuan), says a 38% of respondents.

These areas refer to three advanced economic clusters in China, namely the Yangtze River Delta Region, the Greater Bay Area, and the Beijing-Tianjin-Hebei Area. Their combined GDP accounts for over 40% of the country’s total GDP. Over the years, they have become the engine of the Chinese economy and the home to numerous MNCs headquarters in China.

Chart 9: Priority regional markets to MNCs in China

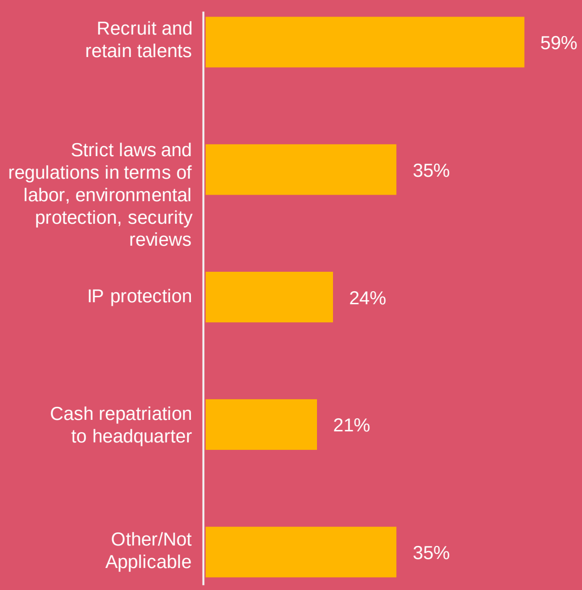


MNCs in China are faced with complex and multifaceted challenges

In the survey, many respondents cited “recruit and retain talents” (59%) as the top business challenge. Additionally, our survey notes additional challenges for MNCs, including “strict laws and regulations in terms of labour, environmental protection, security reviews” (35%), “IP protection” (24%), and “cash repatriation to headquarter ”(21%).

In the “other” category, a number of surveyed companies reported that they face increased domestic competition at lower margins and “unclear and arbitrary” regulations.

Chart 10: Major challenges faced by MNCs in the China market



A macro perspective on MNCs' challenges

From a macro perspective, MNCs in China have a wide range of complex and multifaceted issues.

In the short term, the outbreak of Covid-19 has caused significant disruption to the entire supply chain.

Shanghai – China's financial, trade and shipping centre and home to 831 MNC regional headquarters – has been under a lockdown for over two weeks. The city has seen more than 200,000 positive cases since beginning of March. Business leaders have expressed their concerns over the impacts on their operations and development plans in China.

In the AmCham Shanghai and AmCham China Joint Survey on COVID-19 Business Impact report published on April 1, 60% of respondents claimed that the recent Covid-19 outbreak had slowed or reduced production because of a lack of employees, inability to get supplies, or lockdowns, especially in manufacturing industry. 54% of respondents have decreased 2022 revenue projections, 29% of respondents have delayed investments, while 17% have already decreased investments.

China's economic growth may slow down amid the ongoing Covid-19 pandemic and due to supply chain disruptions and rising inflation. The World Bank and the IMF recently revised their 2022 global forecasts. The World Bank has downgraded China's 2022 GDP growth estimate from previous 5.4% to 5.1%.The IMF predicted China's economy to grow 4.8% this year, down 0.8 pp from last year.

China may see its PPI accelerate due to imported inflation. Locally, MNCs are facing growing challenges. For example, they are seeing more competition from domestic counterparts. Foreign MNCs' profit margins are shrinking with rising production and business costs.

Meanwhile, China's population is aging. Income inequality is widening across the country. Consumer spending may lose steam while the economic recovery remains weak. All these factors are unfavorable to the growth of the Chinese middle class. Previous growth targets and estimates can turn out to be overly ambitious.

The current trends were echoed in our panel discussion. At least one panelists shared the observation that the Chinese households tend to save more in the wake of crisis. Currently, the Chinese government is boosting domestic consumption and undertaking a series of infrastructure projects to create jobs. This year, infrastructure is the top priority for government spending. China will probably see government investments concentrated in technology infrastructure, transportation networks and urban renewal in the near term.

On the policy side, the picture is not rosy. Foreign investors are still barred from the legal services, culture and entertainment sectors. Stricter rules are imposed on cross-border capital transfers. Most MNCs have problems repatriating cash back to their global headquarters.

In December 2020, the National Development and Reform Commission (NDRC) and China's Ministry of Commerce (MOFCOM) jointly issued the Foreign Investments Security Review Measures, aiming to resolve and eliminate national security risks. From the perspective of foreign investors, the policy lacks a set of clear criteria and guidelines on what may trigger a national security review and what a review would entail.

In June 2021, the Standing Committee of the National People's Congress passed the new Data Security Law, which limits cross border transmissions of personal data and "essential information" by forcing such transmissions to go through a national security risk assessment. Many investors have found the definition of "essential information" too vague and too broad.

In fact, the Chinese government is aware of investors' concern. The officials reiterated that China is determined to further open up its economy to the world and has been steadily implementing the policies.

The new Foreign Investment Law and its implementation measures (in effect on January 1, 2020) allows more flexibility in joint venture terms and has simplified the setup procedures for business entities.

In 2021, the MOFCOM issued the 14th Five Year Plan (2021-2025) on the use of foreign investment. China will narrow down the foreign investment access negative list and allow wholly owned foreign enterprises to be set up in more sectors. China will steadily promote the openness of telecommunications, internet, education, culture, healthcare and pharmaceuticals. The country will further open up the financial services sectors, including banking, securities, insurance, funds, and futures, among others.

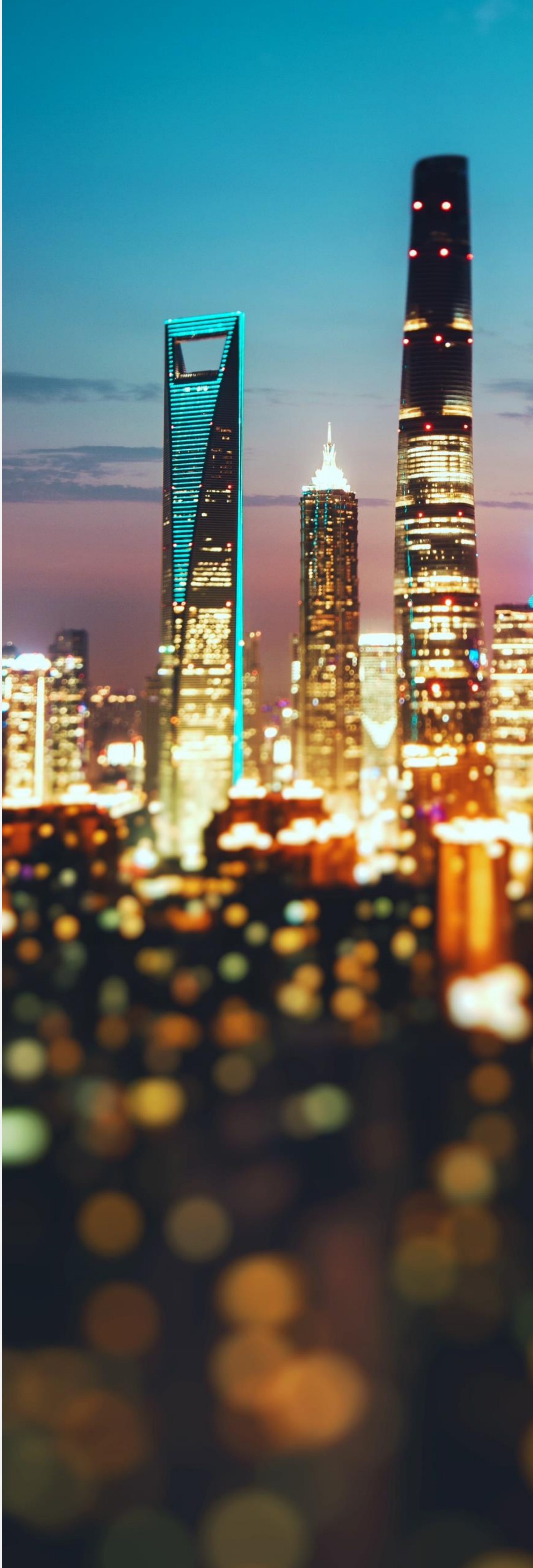
Overall, the number of the items on the national negative list for foreign investment access was down from 63 in 2017 to 31 at end of 2021, with the negative list for pilot free trade zones shrinking from 95 in 2017 to 27 in 2021.

Many cities announced measures to attract and facilitate foreign trade and investment. For instance, Shanghai, with the largest number of MNC headquarters in China, has streamlined the approval and filing process for foreign investment projects.

MNCs should focus on growing areas in China to run good business

Our panel of experts agreed that, China is a huge but fragmented market. While the Chinese economy is maturing and consolidating, there remains powerful drivers in specific sectors. For example, the new energy car market will witness over a 100% growth in next few years. In 2020-2022, the medical supplies and testing business soared. When China imposed strict travel restrictions, the logistics, cooling, and storage sectors were quick to expand their domestic and cross-border e-commerce.

Following the trends and the crowds, an MNC can always find opportunities to run a good business in China. As long as company leaders understand the growth potential of the China market and why the government carries out some policies in certain sectors, then they can identify the growing areas where companies can compete and win.



About the survey respondents

The mini survey collected general business background of respondents, including:
(1) headquarter location, (2) industry segment and (3) market revenue in China, were recorded.

Headquarter location

Nearly 60% of the respondents' companies are headquartered in Europe: 29% from Germany, 9% from France, 6 % from Luxembourg, 3% from each Belgium, Switzerland, Sweden, Netherlands and Italy. The second largest group of respondents' headquarters are Asia (26%), including Japan, Korea and Singapore. 15% of respondents work for businesses headquarter in North America, including 12% from the United States.

Industry background

When asked which category best describe their companies' industry sector, the largest portion of participants stated auto (21%), manufacturing (18%) and healthcare (12%), followed by financial services (9%) and technology (9%).

Chart 11: Headquarter location of respondents' companies

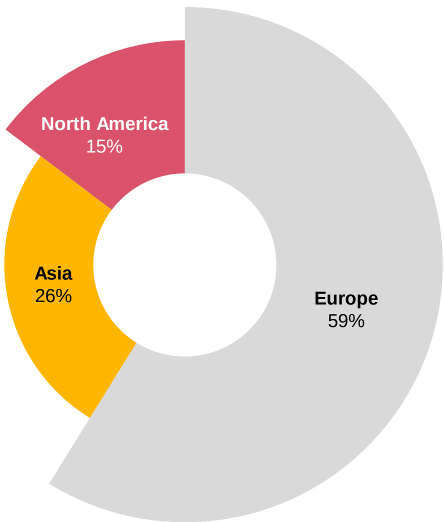
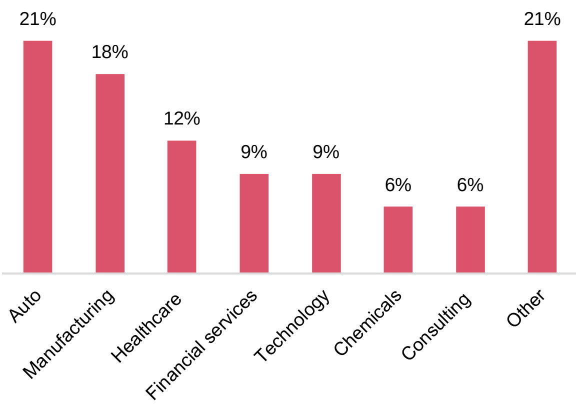


Chart 12: Industry background of respondents' companies



Revenue

The survey results show China is an important market for many multinationals, as 67% report that China operations earned revenue greater than 10 million in 2022. The highest revenue earners are in healthcare, auto, chemicals, and financial services.

In terms of revenue proportion, China accounts for 30% or less of the global revenue for 73% of the surveyed companies.

Chart 13: Respondents' revenue in China (2020 USD estimates)

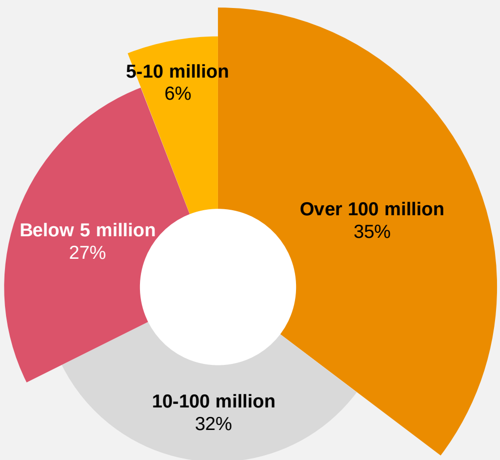
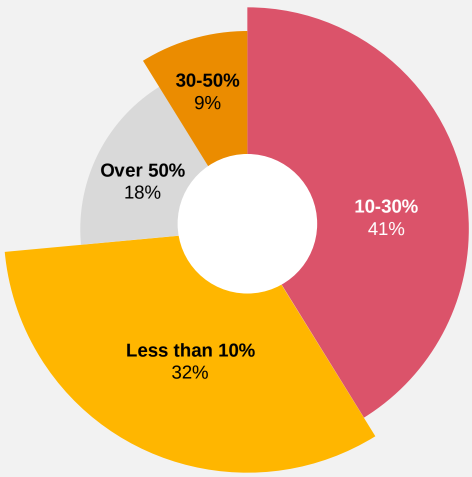
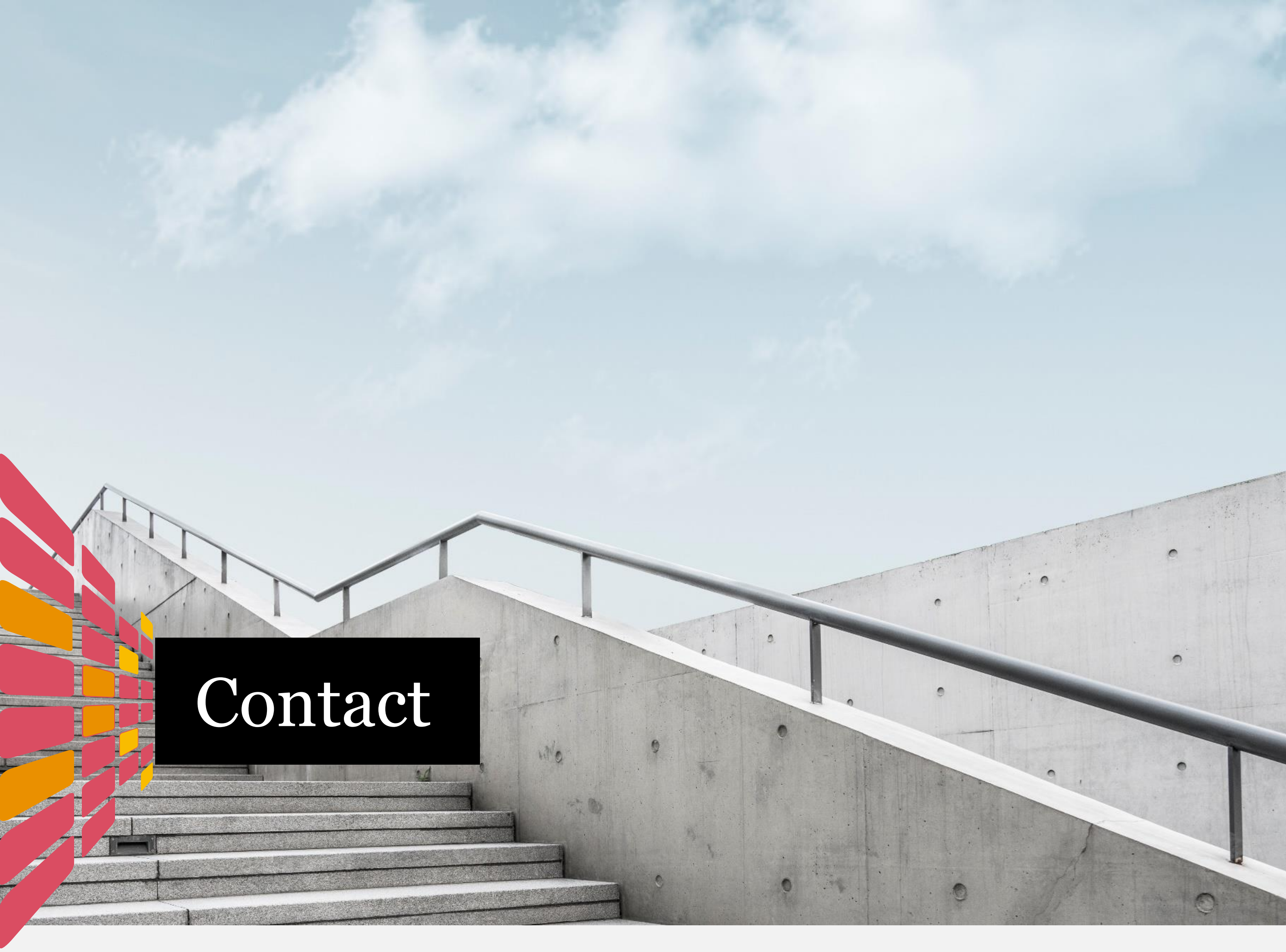


Chart 14: The proportion of China market to the company's global revenue in 2020





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