

A photograph of the CEIBS building at dusk. The building has a prominent glass and steel structure with a large, illuminated, triangular glass roof. The sky is a deep blue, and the building's lights are on, creating a warm glow. A red horizontal line is drawn across the middle of the image, separating the header from the main content area.

# Business Challenges and Opportunities in China in the Post-COVID era

May 10th, 2023 | Dr. Yuan Ding,  
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# China's Open-door Policy through Historical Lens

## 1.1 Two driving forces behind China's reform and opening-up



The background features a stylized illustration of a person climbing a ladder that leads up to a globe. The globe is being held by two large hands, one on the left and one on the right. The entire scene is set against a light blue background with a subtle circular pattern.

Common narratives ECHOED:

“Engagement with China” + “Integration into the world”

Bring economic prosperity to both China and engaging countries

## 1.2 One of driving forces is stepping up

### Driving forces behind China's reform and opening-up

#### ▪ Idealist

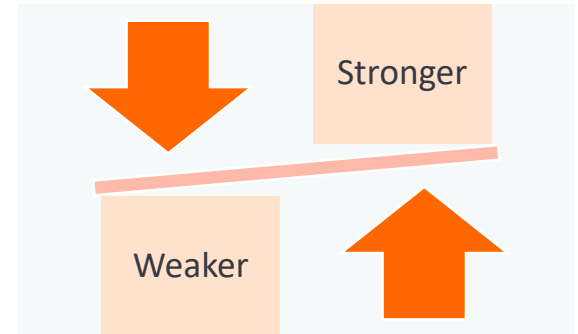
- 2009 financial crisis
- Turmoil in Middle East
- Trump administration
- Pandemic

No confidence on Western model

#### ▪ To rise up

- "Amazing China"
- "Made-in-China 2025"
- Extreme poverty lifted

"Today we are closer, more confident, and more capable than ever before of making the goal of national rejuvenation a reality."



## 1.3 Rising nationalism & narrative changes

Hide and Bide

- Deng Xiaoping  
1990

V.S.

US not qualified to "speak from  
a position of strength" when  
criticizing China

- Yang Jiechi  
2021



Common ground of economic engagement narratives DISAPPEARED:

“National security”, “Protectionism”, “De-globalization” ...

Decoupling, De-risking

DECOUPLING



# Is China's reform and opening-up era over?



## 1.4 Post-covid reality in China

- Rising nationalism

- Exaggerated confidence

- Common Prosperity

- Stronger domestic control



Party advances,  
State takes priority

## 1.5 Yet after the two sessions, it is clear:

- Economic growth still the **LIFELINE** of the governing legitimacy.
- China's emphasis on domestic economic growth and support for the middle class necessitates **market dynamics** and **openness**.



Private sectors, FDI & overseas market  
needed for dual circulation economy



# Business landscape after China's re-opening

## 2.1 Global and domestic situation

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- Re-globalization rather than fragmentation
- “De-risking” instead of “decoupling”
- “Anti-disruption” rather than “economic efficiency” driving decision making
- China’s economic growth V-shape rebound and long-term recovery

## 2.2 Short-term & Medium-to-Long-term Monitoring Factors

### Short-term

- Consumption to lead growth
- Infrastructure as a supporting driver (warehouses and data centers, 5G towers, hospitals and laboratories)
- Inflation & Monetary policies
- Job creation

### Medium-to-Long-term

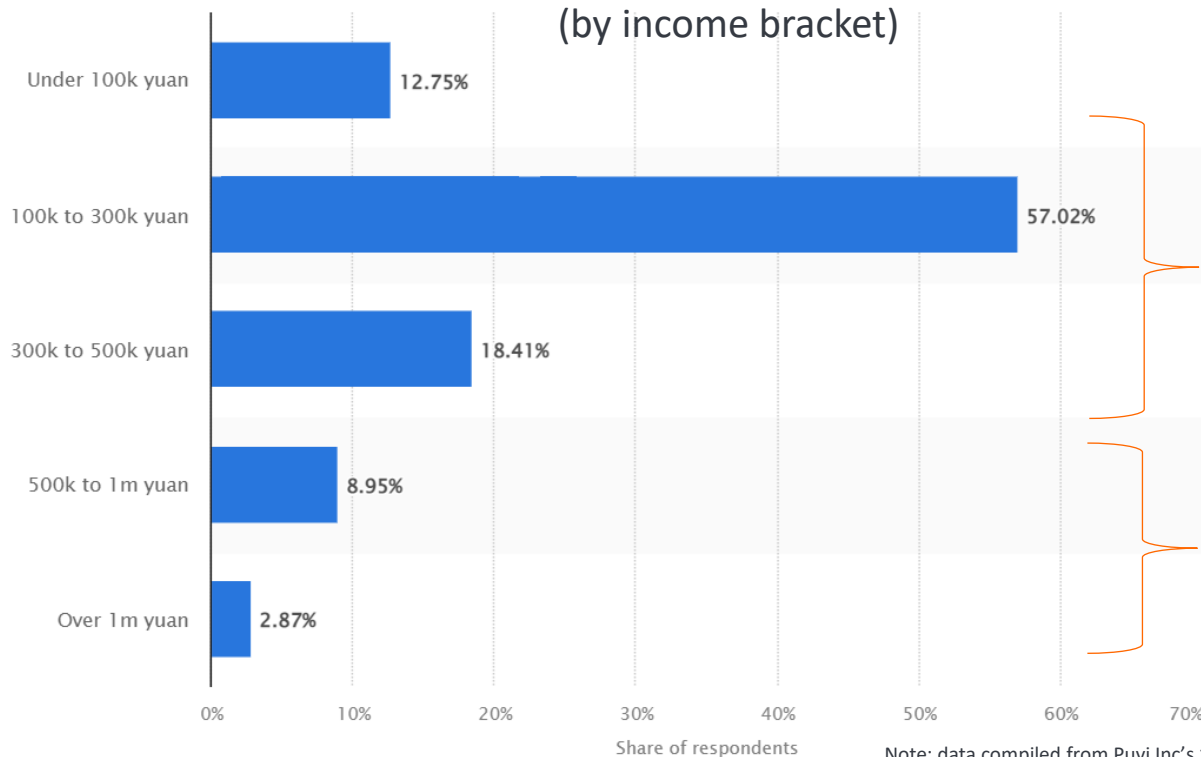
- Revive the consumption confidence/vigor continuously
- Aging population (retirement, social security)
- Health of real estate industry
- Workforce quality



# Future growth opportunities in China

## 3.1 The sizable Chinese consumption market

Middle-class families in China (2021-2022)  
(by income bracket)



✓ Essentials

✓ Life & Style

✓ Tourism

✓ Wellness & medical services

✓ Pets

✓ Financial services

✓ Luxury

✓ Overseas property

✓ Wealth management

## 3.2 High-quality development

### ESG

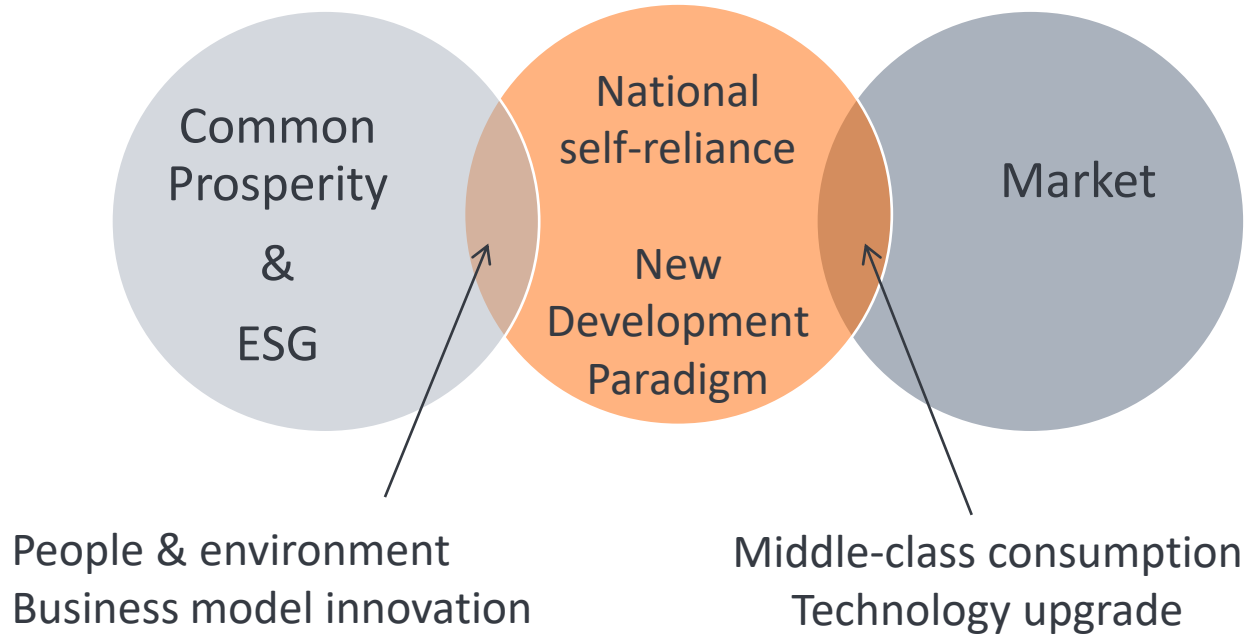
- Decarbonization transition
- Renewable energy
- Training & education
- Green finance

### Manufacture upgrading

- Digitalization
- Smart manufacture  
(less labor-intensive)
- High-tech manufacture  
(LNG ships, aircrafts,  
machinery tools, equipment)



### 3.3 Outlook of investment opportunities



A photograph of a modern building at dusk. The building features a prominent glass pyramid roof structure on the left side, which is illuminated from within, casting a warm glow. The rest of the building is white with large glass windows, some of which are also lit from the interior. The sky is a deep blue with some light clouds. The overall scene is a blend of natural twilight and artificial building lights.

Q & A

Thank You!