Five recommendations for investment promotion agencies

1. **Build good relationships with Chinese partners**, notwithstanding what happens in other parts of the relationship. Political contacts play an important role, and frequent high-level visits matter in China.

2. **Target bilateral contacts at the local level.** Some Chinese provinces are the size of European countries, and thus these relations need to be nurtured directly. Studies show an increase in trade with the addition of extra consulates, the development of partner cities schemes, and the multiplication regional bilateral contacts.

3. **From small beginnings come great things.** Attracting the first Chinese investment really matters. According to a new report by the European Chamber of Commerce in Beijing, 82% of Chinese investors in Europe want to reinvest in the continent, so encouraging even modest initial deals can start a snowball effect with long-term benefits.

4. **Private and public capital attraction requires different sets of skills and strategies.** Private owned companies often have much less knowledge about going international and needs specific nurturing on European conditions.

5. **Understand the learning curve.** For Chinese companies, investing in Europe can sometimes prove extremely difficult, due to environmental, social and labour legislations that have to be taken into account. Chinese investors can seriously misestimate costs and local conditions if they aren't properly equipped and informed (cf. the case of COVEC in Poland). A concerted EU effort to address this issue would significantly facilitate future Chinese investments in the region.

EUROPEAN COUNCIL ON FOREIGN RELATIONS
ecfr.eu