

*China offers more incentives to Asean investors in planned trade pact— (2014-11-14)*

### China's More Financial Support to Asia

- President Li pledged more financial support to the 10-member Association of Southeast Asian Nations, including:
  - US\$20 billion loans (US\$10 billion for low-interest loans to Asean, and another US\$10 billion loan for infrastructure between China and Asean);
  - 3 billion yuan to fight poverty;
  - donating 30 million yuan to establish a maritime cooperation platform;
  - other initiatives to boost infrastructure and economic development;
- China will offer more preferential treatment to investors from Asean countries
  - China will take a negative-list approach, which would lower the threshold for Asean businesses to set up in China;
  - Sectors previously closed to foreign investors would be open to Asean countries - unless they were mentioned in the list;
  - A free-trade agreement covering Asean and six other countries would be sealed by the end of next year.

### Comments

- Li offered the concessions to counterbalance the TPP.
  - TPP is short for Trans-Pacific Partnership;
  - US-led TPP excludes China;
  - The pressure by TPP is mounting and the US is setting up new trade rules indeed;
  - China needs to move ahead by offering attractive terms.

1. Source:

<http://secure.asiapacific.ca/page.redir?target=http%3a%2f%2fwww.scmp.com%2fnews%2fchina%2farticle%2f1639267%2fchina-offers-more-incentives-asean-investors-planned-trade-pact&srcid=3816&srctid=1&erid=805496&trid=ac6c2935-76b6-4473-a430-3486d516b217>