



Xi meets foreign business leaders amid economic concerns in China.

Taiwan, 27th March, 2024 (XY): Chinese President Xi Jinping convened with American business figures and scholars at Beijing's Great Hall of the People, as reported by state media. This meeting is part of Beijing's effort to attract foreign investment back to China, following a tumultuous period for the world's second-largest economy.

The attendees, including Evan Greenberg from Chubb, Stephen Orlins from the National Committee on US-China Relations, and Craig Allen from the US-China Business Council, participated in a meticulously organized event, depicted in footage showing a structured arrangement of guests amidst ornate floral displays.

Previously, Xi met with US executives in San Francisco after the APEC summit in November. This gathering serves as an opportunity for Beijing to strengthen relations with American companies amidst ongoing tensions with Washington and to emphasize their willingness to welcome investment. Many global business leaders are already in Beijing for the China Development Forum, which commenced on Sunday and Monday, with guests including World Bank President Ajay Banga, IMF Managing Director Kristalina Georgieva, and representatives from over 100 multinational corporations.

While recent days have seen numerous meetings between business leaders and Chinese officials, the invitation to meet Xi underscores Beijing's concerted effort to address concerns about the business climate. Chris Beddor, deputy China research director at Gavekal Dragonomics, suggested that while grievances may be aired, the primary message from Xi is that China values the presence of global companies and investors.

Last year, foreign direct investment in China declined by 8 percent amid geopolitical tensions and a more stringent regulatory environment. Concerns over tightened espionage laws and uncertainties highlighted during the COVID-19 pandemic have also impacted perceptions of doing business in China.

Despite these challenges, some foreign companies express a commitment to increasing investment in China. Tim Cook of Apple, for instance, expressed optimism during the China Development Forum. However, others, like IMF's Georgieva, have expressed concerns about China's economic trajectory. Georgieva stressed the need for pro-market reforms to facilitate China's economic recovery from the pandemic.

China faces the dilemma of continuing with traditional growth strategies or transitioning towards consumption-led growth. Policymakers must navigate this shift amidst weakened domestic demand and waning business confidence.

Despite these uncertainties, China has set a GDP growth target of 5 percent for this year and pledged continued support for strategic sectors, as outlined during the China Development Forum. Compared to last year's event, which was marred by pandemic-related issues and tensions, this year's forum saw a smoother start. With US-China tensions relatively stable, there is less political pressure on American attendees, leading to increased participation compared to the previous year.

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