

**Australia – China
Legal Profession Development Program**

Law and Business in China

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Presenter

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Commerce
 - Similar to AusTrade and InvestAustralia
- Lawyer
- MBA - University of Illinois, Chicago
- 19 years experience in Investment Promotion

China's Legal System

- National Congress:
 - Sets national laws which apply country-wide; and
 - appoints national government, justices and prosecution.
- Provincial Congress:
 - May enact lower level 'regulations' to National Laws providing there are no conflicts; and
 - appoints provincial government, justices and prosecution.
- City, County level Congress.

Development of the Legal Profession

- Legal profession existed in China until 1957.
- All lawyers were dismissed in 1957 as a result of the "Anti-Rightist Movement".
- Only courts remained.

Development of the Legal Profession (continued)

- 1979 - National Criminal Law was passed which led to the redevelopment of the legal profession.
 - It established criminal and some civil law (e.g. family law).
- 1984 - "The Open-Door Policy" introduced to open up the Chinese economy to the West.
- From 1985 - legal work began to be undertaken in enterprise/business law.

Legal Practice

Becoming a Lawyer

- National Examination established for lawyers in 1986.
- 2000 - Introduced National Judicial Examination.
 - All judges, lawyers, prosecutors and notaries must pass the examination.
- To sit the examination you must be a Chinese citizen (includes Hong Kong) with a bachelor's degree or higher.

Legal Practice

Types of Practice

- Initially only government based legal work.
- 1994 - private law firms have been established.
- Today, there are private partnerships Law Firm and State-owned Law firm.

Overview of China's Development Strategy

- 1980's - Shenzhen Special Economic Development Zone.
- 1990's - Shanghai-Pudong Special Economic Development Zone.
- Proposed Bohai Bay Area Special Economic Development Zone.

Special Administrative Regions and Special Economic Zones of the People's Republic of China

Special Administrative Regions (SAR)

- A. Hong Kong Special Administrative Region
- B. Macau Special Administrative Region

Special Economic Zones (SEZ)

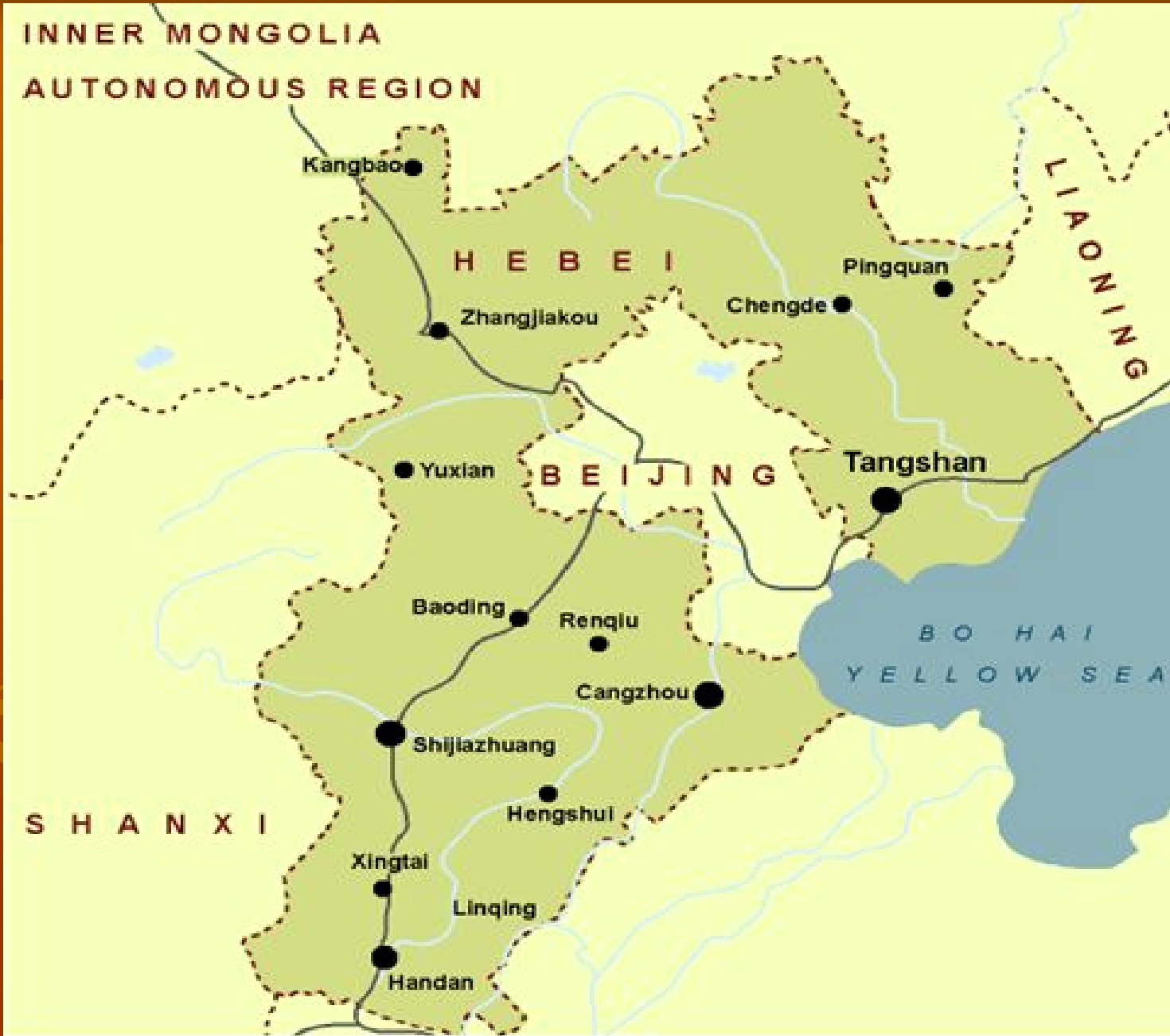
- 1. Pudong District, Shanghai Municipality
- 2. Xiamen, Fujian Province
- 3. Shantou, Guangdong Province
- 4. Shenzhen, Guangdong Province
- 5. Zhuhai, Guangdong Province
- 6. Hainan Province



Hebei Province

Overview

- Population - 68,090,000.
- GDP 6th largest in China - predominant industry is steel manufacturing, using materials sourced from Hebei Province and some imported materials.



Hebei Province

Foreign Investment Policy

- Inbound Foreign Investment has been encouraged from the early 1980s.
- Since 2004, National and Hebei Provincial Department of Commerce has actively encouraged foreign investment (outbound) in industry.

Hebei Province (continued)

- Hebei Province has particularly encouraged investment in minerals and wool/leather industries.

Trade & Investment

Trade

- Over US\$1 billion export/import value (predominantly in imports).
- Imports of machinery/equipment and resources.
 - e.g. Iron ore and coal.
- Exports of asphalt, textiles and clothing, ceramics, pharmaceuticals and steel products.
- 100 million tonnes of steel products produced in 2006.

Trade & Investment

Investment

- 24 of Australia's 300 plus investment projects in Hebei are worth over US\$100million.
- There are 3 investments in Australia by Hebei based state-owned/private entities.

Resources

Existing Resources

- Significant steel processing industry in various locations in Hebei Province.
- Development of new sea port at Jingtang.
- Leather/wool processing industries concentrated in the south-east of Hebei Province.

Resources

Additional Resource Requirements

- Iron ore (existing contracts with India and Brazil).
- Wool/leather for processing (most leather products exported to Europe/Russia).

Australian Cooperation with Hebei Province

- Hebei Provincial Department of Commerce desires further investment in Australia and by Australian companies in Hebei Province.
 - Especially in the iron ore mining, leather/wool industries and agriculture.
- Investment by large and medium sized companies, both state-owned and private.
- Presence of Australian companies in Hebei Province is an important element in determining who will advise or assist on reciprocal investment in Australia.

Thank you for attending my presentation
and I welcome you to visit Hebei
Province, China.

Xie Yongfa