

A blurred background image of a business meeting. A woman with curly hair is smiling and gesturing with her hand while talking to a group of people seated around a table. The scene is dimly lit, with a focus on the woman in the center.

# China + Strategy Business Index

Feb 2023



# China +

Higher costs and tighter regulations –combined with geopolitics and need for resilience –are calling into question the original business case and risk assessments for manufacturing in China. These factors are combining with the growing opportunities in Asia Pacific to make realigning regional production footprints increasingly attractive.

There are many factors relating to the business, including talent, innovation and the ease of doing business to be considered when moving across borders. We have attached the following slides to provide some input to businesses when evaluating their options for offshoring in the Region.

PwC is uniquely positioned to help China organizations seeking competitive advantage transition to an offshore location in Asia.

Reach out to us our team of subject matter experts are ideally placed to guide you through this process.

# Business Index

## Global Talent Competitiveness Index

The Global Talent Competitiveness Index is a report that measures and ranks economies on their ability to **grow, attract, and retain talent**.

## Global Innovation Index

The Global Innovation Index (GII), released by the World Intellectual Property Organization, provides data on how economies are performing based on their **innovative performance**.

## World Competitiveness index

Measures the prosperity and competitiveness of **countries** by examining the **Four factors**

- **Economic performance**
- **Government efficiency**
- **Business efficiency**
- **Infrastructure**

## Ease of Doing Business 2020

A report published by The World Bank to rank economies on their ease of doing business, A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm..

# China +

Economy	Global Talent Competitiveness 2022	Global Innovation Index 2022	World Competitiveness Index 2022	Ease of doing Business 2020
China	36	11	17	31
Hong Kong		14	5	3
Singapore	2	7	3	2
Malaysia	45	36	32	12
Thailand	75	43	33	21
Vietnam	74	48		70
Indonesia	82	75	44	73
Philippines	80	59	48	95
Cambodia	103	97		144
Lao PDR	99			165
Myanmar		116		165
India	101	40	37	63

# Ease of Doing Business

Economy	Rank	Starting a business	Electricity	Registering property	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
Singapore	2	1	6	2	2	2	1	3
Malaysia	12	15	2	4	9	3	5	5
Thailand	21	7	3	10	6	6	6	2
China	31	5	5	3	17	4	2	7
Hong Kong	3	5	3	51	2	29	31	45
Vietnam	70	14	7	9	18	12	8	13
Indonesia	73	18	10	14	10	15	17	4
Philippines	95	22	9	15	13	14	18	9
Cambodia	144	25	21	18	24	16	22	10
Lao PDR	154	24	20	13	25	9	20	23
Myanmar	165	10	22	16	22	25	24	20
India	63	8	1	5	2	3	5	1

# Supply Chain Transformation



## Building Trust & Solving Problems



### Site selection and feasibility study

- Suitable countries and regions/feasibility and risk of overseas investments
- Analyze cost, suitability, the macro investment and policy environment
  - Study infrastructure and logistics connectivity and efficiency
  - Research on land and labor costs
  - Identify risks in overseas investment projects, assess risk levels, screen risks and develop management strategies.



### Indirect Tax

- Cash flow opportunities
- VAT/GST advice on place and time of supply rules
- VAT/GST advice on country specific registration and compliance reporting



### Customs

- Customs assessment and trade control risks.
- Customs advice on original and targeted countries
- Assess targeted country trade control and sanctions risk



### Transfer pricing

- Sustainable transfer pricing framework
- Assess the impact of supply chain transformation on domestic entities
- Evaluate feedback from governments across the territory on supply chain transformation/optimization programs and support implementation



### Foreign exchange

- Overseas direct investment
- Clarify the management and reporting requirements for overseas investment projects
- Advice on legal and regulatory compliant investment filing



### Structure

- Tax efficient investment, financing and operating structure
- Study bilateral tax agreements, local tax laws and regulations to provide legal support for foreign investment restrictions.



### Benefits

- Host country's investment and tax benefits
- Study the compatibility of proposed investment project with the investment promotion policies of the host country
- Analyze investment and tax incentives under different investment scenarios.