

Beijing, 28 January 2021

MAINLAND CHINESE BUSINESSES PREDICT GROWTH IN 2021

Business confidence in Mainland China is upbeat, with 71 per cent of surveyed professionals expecting their company's profit will remain the same or increase in 2021.

CPA Australia's annual Mainland China Economic and Business Sentiment Survey shows that despite concerns over slowing global economic growth caused by the COVID-19 pandemic, 64 per cent of surveyed accounting and finance professionals forecast their company will maintain or increase its headcount this year.

The survey results reflect that businesses in Mainland China are showing high levels of confidence and believe that expectations for a global economic recovery, universally available COVID-19 vaccines and improved China-US relations will have a positive impact on Mainland China's economy in 2021."

Innovation and technology

The survey results find Mainland Chinese businesses are focused on enhancing innovation capabilities. Many survey respondents expect their business to innovate in the areas of products and services, customer experience and business processes. More than half expect their business will slightly or significantly increase investment into new technologies, up seven percentage points from 2020.

The results also indicate that most businesses in Mainland China are making investments in innovation and technology that will enable them to take advantage of long-term growth opportunities in the domestic market and to stay ahead of competitors through greater use of technology, improved productivity and better business processes.

Tax relief and fees reduction

The survey results find that tax relief and fee reductions are key measures supporting businesses through challenging times. With tax and fee cuts in Mainland China totaling over 2.5 trillion yuan in 2020, 79 per cent of surveyed accounting and finance professionals stated that these measures were beneficial to their business in 2020. More than half stated that the greatest benefit of these measures was a reduction in the overall tax burden.

In addition, the survey results show strong support for the continuation of the government's tax reform program, with most respondents indicating that individual income tax (65 per cent), corporate income tax (63 per cent), and value-added tax (49 per cent) should be the major focus of tax reforms in 2021.

Exploring new markets

Amid global trade tensions, many Mainland Chinese businesses are optimistic that the signing of the Regional Comprehensive Economic Partnership (RCEP) will positively impact the Mainland China's economy in 2021.

According to the survey, 38 per cent of respondents expect the signing of RCEP will create more trade opportunities for Chinese businesses, 23 per cent believe it will create new investment opportunities for Chinese businesses and 17 per cent believe that it will increase collaboration with other countries.

Download [Report on CPA Australia's Mainland China Economic and Business Sentiment Survey 2021](#)

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About CPA Australia

CPA Australia is one of the world's largest accounting bodies with more than 166,000 members working in 100 countries and regions around the world, and more than 25,000 members working in senior leadership positions. It has established a strong membership base of more than 19,000 in the Greater China region.

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