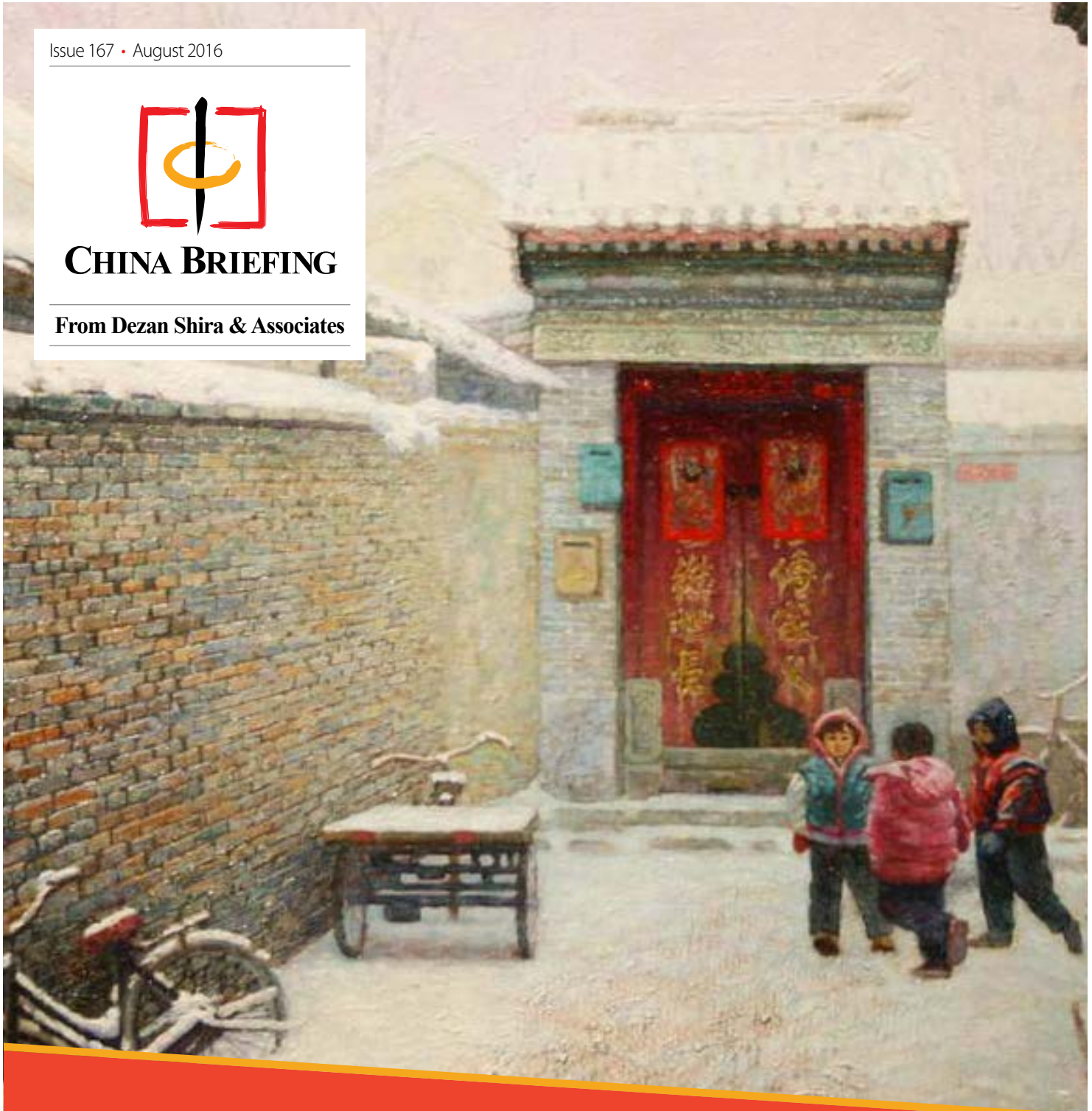


Issue 167 • August 2016



**CHINA BRIEFING**

**From Dezan Shira & Associates**



# China Investment Roadmap: the Education Sector

**P.04** Knowledge is Power: Understanding  
the Education Market in China

**P.07** Investing in China's Education  
Industry

**P.11** China's New NGO Law and its Impact  
on FDI into the Higher Education  
Industry

# Introduction



**Alberto Vettoretti**  
Managing Partner  
Dezan Shira & Associates

China's massive education industry has not lacked for publicity in recent years. Spurred by its explosive growth and the strikingly high test scores that come out of the country, education in the Middle Kingdom has both been a model that foreign governments have attempted to emulate, and a sector that foreign companies have been eager to invest in – and with good reason. Although China undeniably has a strong domestic base for education that is the envy of many other countries, there are numerous niche sub-sectors that overseas educators are well placed to tap into and a great appetite for foreign expertise.

But while there are various gaps in China's education market that foreign education providers could fill, the industry has consistently remained one of the country's most restrictive for foreign direct investment (FDI) since its opening up period in the late 1970s. In China's Catalogue for Foreign Investment, FDI into education can alternately be defined as encouraged, restricted, or prohibited depending on the area of investment, highlighting how sensitive the industry is still considered by the Chinese Communist Party.

In this issue of China Briefing, we navigate through China's regulatory framework for investment into education, presenting a roadmap for best practices in the industry. We examine the key market information that has driven the industry's growth, analyze the different investment models that are available for foreign companies, and finally discuss the effect that China's recently released NGO law will have on foreign investment into education.

There are an abundance of opportunities for foreign involvement in China's education industry, but a return on investment can only be realized with a firm prior understanding of the market environment and the selection of an appropriate investment vehicle. We hope that this issue of China Briefing will help put your company on the right path.

With kind regards,

**Alberto Vettoretti**



**This Month's Cover Art**  
胡同中的童年(张国宁)

Zhang Guoning  
Oil on canvas, 50x61CM  
Wan Fung Art Gallery  
wanfung@126.com.cn  
+86 0760 8333 861  
www.wanfung.com.cn

## Reference

China Briefing and related titles are produced by Asia Briefing Ltd., a wholly owned subsidiary of Dezan Shira Group.

Content is provided by Dezan Shira & Associates. No liability may be accepted for any of the contents of this publication. Readers are strongly advised to seek professional advice when actively looking to implement suggestions made within this publication.





For queries regarding the content of this magazine, please contact:  
[editor@asiabriefing.com](mailto:editor@asiabriefing.com)  
All materials and contents  
© 2016 Asia Briefing Ltd.







### This Issue's Topic

## China Investment Roadmap: the Education Sector

### Online Resources from China Briefing

-  [FDI Opportunities in Tianjin's Growing Education Industry](#)
-  [China Investment Roadmap: the Elderly Care Industry](#)
-  [Establishing & Operating a Business in China 2016](#)
-  [Tax, Accounting and Audit in China 2016](#)

### Online Resources on Emerging Asia

-  [Market Entry Strategy Advisory](#)
-  [President of the Philippines Rodrigo Duterte's Economic Vision](#)
-  [India's New National Education Policy](#)
-  [Vietnam's Growing Appetite for Education](#)

#### Credits

Publisher / Alberto Vettoretti  
Managing Editor / Samuel Wrest  
Editors / Alexander Chipman Koty, Zhou Qian and Mia Yiqiao Jing  
Design / Jessica Huang & Belén Rodríguez  
Design Assistant / KKing Lu & Kevin Liao

### Table of Contents

#### P.04

Knowledge is Power: Understanding the Education Market in China


#### P.07

Investing in China's Education Industry


#### P.11

China's New NGO Law and its Impact on FDI into the Higher Education Industry

### Annual Subscription


 China Briefing Magazine is published as 6 Issues and 4 Special Editions per year. To subscribe, please [Click Here](#)

This publication is available as an interactive PDF and ePublication with additional clickable resource icons below:

 [Strategic Advisory & Commentary](#)

 [Professional Services](#)

 [Regulatory Framework & Updates](#)

 [Legal, Tax, Accounting News](#)

 [Cross Region Comparisons](#)

 [Industry Studies](#)

 [Magazines, Guides, Reports](#)

 [Podcast & Webinar](#)

Asia Briefing Ltd.,

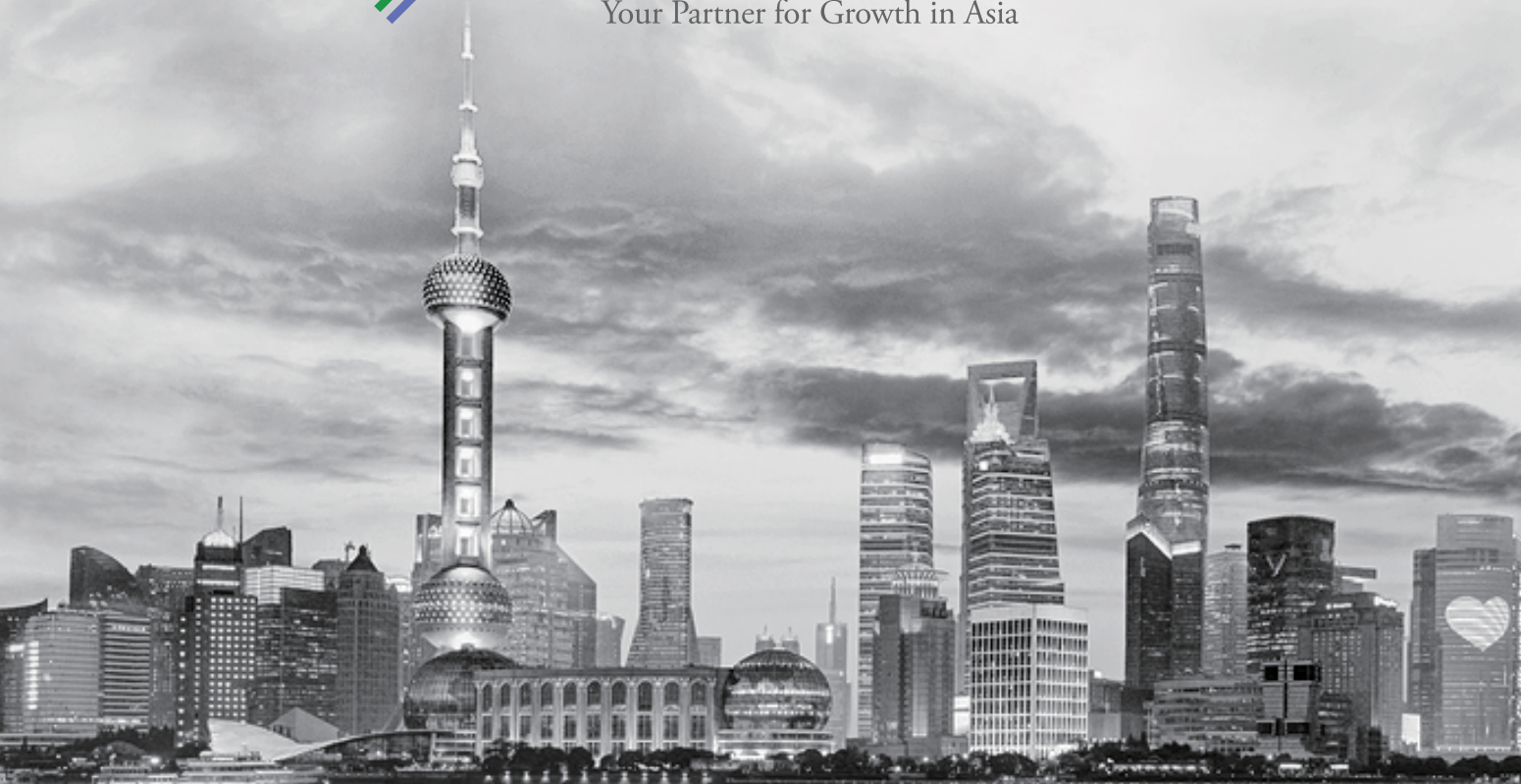
Unit 1618, 16/F., Miramar Tower 132 Nathan Road,  
Tsim Sha Tsui Kowloon, Hong Kong SAR





# DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia



## Our Client Services

- |   |   |   |
|---|---|---|
| Pre-Investment, Market Entry Strategy Advisory    | Asia Business Model Comparisons           | Business Strategy & Operations Advisory   |
| Corporate Establishment, Licensing and Compliance | Accounting and Financial Reporting        | Tax Advisory and Compliance               |
| International Tax Planning                        | Transfer Pricing                          | Cash, Treasury and Payment Administration |
| Payroll and Human Resource Administration         | Legal, Financial, IT and HR Due Diligence | Audit and Financial Review                |
| Internal Control Advisory and Solutions           | Information Technology-based Solutions    | ERP Advisory and Solutions                |

## Our Offices in China

- |                                     |                                   |                                     |
|-------------------------------------|-----------------------------------|-------------------------------------|
| Beijing<br>beijing@dezshira.com     | Hangzhou<br>hangzhou@dezshira.com | Shenzhen<br>shenzhen@dezshira.com   |
| Dalian<br>dalian@dezshira.com       | Ningbo<br>ningbo@dezshira.com     | Suzhou<br>suzhou@dezshira.com       |
| Dongguan<br>dongguan@dezshira.com   | Qingdao<br>qingdao@dezshira.com   | Tianjin<br>tianjin@dezshira.com     |
| Guangzhou<br>guangzhou@dezshira.com | Shanghai<br>shanghai@dezshira.com | Zhongshan<br>zhongshan@dezshira.com |

**China | Hong Kong | India | Singapore | Vietnam**

**Dezan Shira Asian Alliance Members** Indonesia | Malaysia | The Philippines | Thailand

**Dezan Shira Liaison Offices** Germany | Italy | United States

[www.dezshira.com](http://www.dezshira.com)

