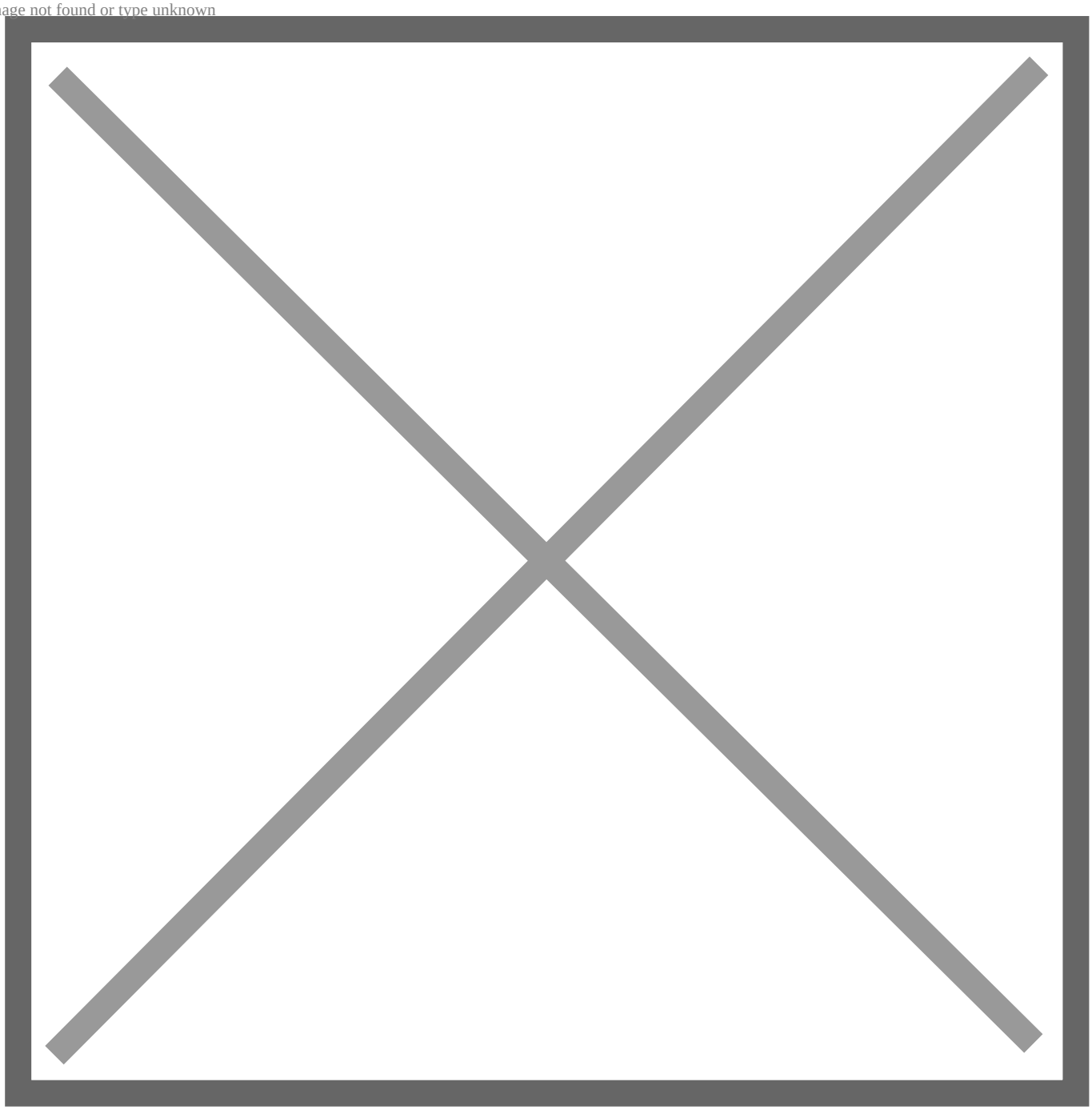
Overview of Foreign Investment in Hainan Free Trade Port

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Are foreign investors really investing in China’s largest and most open free trade area?

After being first announced in 2018, the **Masterplan for the Construction of the Hainan Free Trade Port** (FTP) was finally published in June 2020 by the Central Committee and the State Council. The document outlines the key objectives, special policies and priority sectors for transforming the tropical island into China's largest free trade area and a world-class business environment. Unlike other free trade zones in China, the Hainan FTP covers the entire territory of the island; it also features 11 key industrial parks dedicated to specific industries or activities.

The Hainan FTP has now become fully operational and prepares to enter the 14th Five-year plan period (2021-2025) as the most open region in China for foreign investment. Despite enormous interest and numerous foreign delegations that visited the island, current figures show that **investment flows in the island come mostly from Chinese domestic giants and large multinational corporations**; foreign SMEs still appear to be cautious and waiting.

After a summary of the latest developments of the Hainan FTP, this article analyses the current situation of foreign investment in the island.

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