Key Industrial Parks

in the Yangtze River Delta
FOREWORD

The primary purpose of our report of the Key Industrial Parks in Yangtze River Delta is to provide support for foreign enterprises' investment in China, focusing on the preliminary site selection stage, so that they can gain a systematic understanding of the industrial parks and development zones in the Yangtze River Delta Region that are suitable for investment and have a comprehensive analysis of the strengths and challenges of each park, its related government policy and administrative management process. This paper is based on our research and analysis of the information generated from the major industrial parks in the Delta with consideration of the current regional economic situation and related policies.

The first part of the paper is an introduction to the current economic situation and latest policies in China, followed by a horizontal comparison of the main economic zones in the Delta and a summary of their features and classifications. This paper also includes a detailed comparison and analysis of the key factors of about 30 major industrial parks that will impact site selection, as well as Mortenson’s unique hierarchy analysis method, operation model and detailed process in site selection of industrial parks.

During the process of analyzing these key factors, we found that each park had its special characteristics and strengths that cannot be copied by any other park. It is important to note that even though one evaluation index of an industrial park might be below the average, it is very possible that this park has a few other advantages that will be critical to the success of a particular project. To summarize, it is necessary to have an objective, complete and comprehensive analysis during the process of site selection.

We have received a great deal of support from various industrial parks in Jiangsu Province, Zhejiang Province and Shanghai when completing this paper. We would like to take this opportunity to thank you all for your great help on this project.

Mortenson China
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The government’s “12th Five-Year Plan” has identified a new model for regional development in China. The general concept is to form eight economic zones based on urban agglomerations. They are:

Greater Yangtze River Delta Economic Zone: based on urban agglomerations in Yangtze River Delta, including the current Yangtze River Delta urban agglomeration and Jianghuai urban agglomeration.

Greater Pearl River Delta Economic Zone: based on Pearl River Delta. The concept of Pan Pearl River Delta Economic Zone was initiated in 2003. Now with the 12th Plan, it has been extended to Greater Pearl River Delta Economic Zone, a.k.a. “9+2”, which includes nine provinces, i.e. Guangdong, Fujian, Jiangxi, Guizxi, Hainan, Hunan, Sichuan, Yunnan, Guizhou, and two SARs, i.e. Hong Kong and Macau.

Pan Bohai Economic Zone: based on Beijing, Tianjin, Hebei Province and Shandong Peninsula. The concept of Bohai Economic Rim in the history included Liaoning Province. However, its economic tie with Jilin Province, Heilongjiang Province and the east of Inner Mongolia is closer than that with Beijing, Tianjin, Hebei and Shandong Peninsula. Therefore, Liaoning is not included in the current Pan Bohai Economic Zone. Based on the same logic, even though Shanxi Province is geographically located in the center of China but this province and the central area of Inner Mongolia are also included in the Pan Bohai Economic Zone because they have closer economic connection with Beijing, Tianjin, Hebei Province and Shandong Peninsula. In order to make a distinction with Bohai Economic Rim, this area is called Pan Bohai Economic Zone.

Northeast Economic Zone: based on the central and southern area of Liaoning Province.

Taiwan Strait Economic Zone: based on the urban agglomerations on the west side of Taiwan Strait and Taipei.

Central China Economic Zone: based on the urban agglomerations covering middle reaches of Yangtze River, Henan and central area of Hunan Province. This doesn’t include Anhui Province as it is part of the Jianghuai urban agglomeration that belongs to Greater Yangtze River Delta Economic Zone.

Southwest Economic Zone: based on urban agglomerations in Sichuan and Chongqing.

Northwest Economic Zone: based on the central Shaanxi Province.
Top Three Economic Zones

In 2009, the gross GDP of China was RMB 33,535.3 billion. The Yangtze River Delta Region alone contributed RMB 7179.3 billion which is 20.49% of the total GDP, and is the top one of all the economic zones. Bohai Rim Region contributed RMB 58,332.7 billion, 16.65% of the total GDP. Pearl River Delta Region contributed RMB 52,678 billion, 17.03% of the total GDP. All these three regions together contributed 54% of the gross GDP of China, which clearly indicates the solid foundation and strength of their economic development. Therefore, the general direction of site selection should be focused on these three economic zones with reference to the “12th Five-Year Plan.”

Strengths and Challenges of Greater Yangtze River Delta Economic Zone

The strengths of Greater Yangtze River Delta Economic Zone (“Yangtze”) are quite obvious – well-established transportation system, strong science and technology capability, complete industry system and continuous economic development, etc.

1. Yangtze has been and will continue to be the most active area in the next few years in economic development. The infrastructure is more and more comprehensive, including ports, railways and highways, which provides good logistics support for industry development and international trade, etc.

2. Yangtze has a strong foundation of science, technology and talents. This area is famous for its long history, rich cultural heritage and good science and technology support. There are many universities, colleges and research institutes in this region. Many international and local talents are based here, which has set up a very good foundation for the development of the region.

3. The industry system in this region is quite complete. There is a clear division of specialized labor and the social coordination system is sophisticated. Putting together the same type of industries in one area has increased the efficiency and reduced costs for investors. The 17 large and medium scale cities in this region are all different from each other with their own distinguished features. The total trading cost is relatively low while the coordination and support are strong.

4. The service system in this region is very comprehensive. The development of the capital market and contemporary logistics is faster and more complete than any other areas in China. There are capital markets, foreign exchange markets and stock markets based in Shanghai as well as branch offices of commercial banks and the central bank.

5. Yangtze’s micro-economy is more active. Local companies grow very fast and foreign enterprises invest in many projects in this region. Many research and development centers have been established here and the level of commercialization is relatively high.

6. Local government in this region is more adaptive to the concept of services and commercial management. It is more efficient and smooth to have the required permits and other procedures taken care of in this region.
In summary, Yangtze is and will continue to be one of the most active and competitive areas in China.

However, there are conflicts and bottlenecks in the development of this area.

1. Costs are increasing very fast, including costs for land and labor. Land supply is limited. Living costs for workers in this region are also increasing even though the unskilled labor cost is still relatively low.
2. Yangtze is not very competitive in natural resources compared to many other areas.
3. The core business of this region is exporting while exchange rates keep increasing. For all the export-oriented companies, dealing with increased costs is definitely a challenge. Others include foreign trade conflicts, competition from neighboring countries, etc. Compared to Yangtze, the other two economic zones haven’t quite experienced these challenges at this stage.

Strengths and Challenges of Greater Pearl River Delta Economic Zone

The strengths of Greater Pearl River Delta Economic Zone (“Pearl”) can be summarized as follows:

1. A high level of export-oriented economy. Pearl is adjacent to Hong Kong and Macao and there are also many Chinese overseas that are originally from this area. With a clear target of the international market, Pearl is making full use of its resources to develop the exportation industry to a higher level at a faster speed.
2. Balanced development of urban and rural areas. With the development of industrialization of the suburban area, the urbanization of this region has been accelerated since the reform and opening-up of China.
3. Pearl has the largest population of migrant workers. Currently, there are millions of migrant workers in this region. Its unique scale and variety result in relatively low labor costs.
The challenges are:

1. Half of the GDP in Pearl is achieved through international trade. Gross of exportation is 10% of the national quota and most products made in this region are for the international market. The basic model is to bring in foreign funds, state-of-art technologies, facilities and management.

2. The general scale of high-tech industry is not large enough to promote and lead the development of the national economy. Pearl is lacking of high-profile projects that can lead and provide added value to the development of the national economy, not to mention the low percentage of high technology projects invested by famous international enterprises. There are very few real large investment projects in this region.

3. Little division of specialized labor and coordination within the high-tech industry. There are numerous similar products being manufactured while there is limited research and analysis of the actual market needs. Therefore, it is common to see many duplicated products, which has resulted in a negative circle of competition.

4. Lack of R&D and innovation capabilities. The science and technology foundation has been weak since this area started to develop. Different from those in Yangtze River Delta, most of the companies in Guangdong are moved in from Hong Kong and Taiwan. They don’t quite value technology research and development or innovation. As soon as the costs of land and labor increase, they will move to a cheaper place.

5. Lack of science and technology talents. The current number of these talents is about 16,770,000, ranked 8th in China. Of every 10,000 people, there are 32 working on science and technology related projects, which is about the average level of the country but much lower than that of 137 in Shanghai. It is also lower than Jiangsu Province (34) and Shandong Province (36). In particular, Pearl doesn’t have many talents that have both technology and management skills.

6. Weak R&D ability and insufficient technology inventory. The Ministry of Science and Technology uses three indexes to evaluate the direct outcome of science and technology activities: 1) number of published papers; 2) number of national awards for new technology; 3) number of approved patent rights. Guangdong is ranked 7th in China, falling behind Shanghai and Jiangsu Province. The total number of large and medium enterprises is ranked 3rd in China but only 9th in terms of the number of technology development talents. The average number of these talents for each enterprise is 31, which is lower than the national average level 47 and is only half of the level of Jiangsu Province.

In summary, the majority in this region are medium and small-scale export-orientated companies, which is very different from the development focus of the other two economic zones. If this region can maintain and increase its flexibility of export-orientated economy, improve R&D capability and industry concentration, Pearl will become the economy engine in the southeast of China.
Strengths and Challenges of Pan Bohai Economic Zone

With great support from the government, Pan Bohai Economic Zone ("Bohai") has the following advantages:

1. Comprehensive transportation support: there are about 40 ports in this region. It is the most concentrated area in China. Bohai has one of the most intensive transportation networks in China and it is a core area connecting sea, railway, highway, aviation and telecommunication. Transportation is well integrated with communication, which has formed a 3D network with a focus on ports. This area has become an important distributing center connecting northeast, northwest and north of China with international markets.

2. Strong industry foundation and science and technology capabilities: Bohai is the largest industry- concentrated area in China and the base for heavy industry and chemical industry. It has advantages in both resources and markets. This region also has the strongest science and technology research capability. The number of talents in research institutes, colleges and universities in Beijing and Tianjin alone is about 25% of the whole country. This is definitely attractive to international capital.

However, there are still several obstacles to its development in soft environment:

1. In terms of business and operation environment, administrative authorities have more intervention in this region while the market’s ability of resource allocation is relatively weak, which has caused Bohai to fall behind in system reform.
2. In terms of company structure, even though there are quite a few outstanding enterprises in this region, the percentage of large-scale corporations is relatively high while medium and small companies are not only limited in numbers but also passive in the market. The percentage of state-owned enterprises is higher than that of the other two economic zones and the national average level.

3. The market is quite segmented due to the control of administrative authorities, which has resulted in high coordination costs and low levels of commercialization. There is limited interaction in funds, talents and technology. For example, there are eight good-scale industrial parks along the primary Beijing-Tianjin transportation trunk, including Zhongguancun, Yizhuang, Langfang Development Zone, Tianjin Wuqing Development Zone, Tianjin New Technology Park, Tanggu Ocean High-Tech Park, Tianjin Economy and Technology Zone and Tianjin Port Free-Trade Zone, which should have been more influential and effective in the development of the region but as they are ruled by different administrative authorities, there is limited coordination and support and thus breaks the natural high-tech link in the area.

In summary, compared to Yangtze and Pearl, Bohai has better transportation support, deeper industry foundation and stronger research and development capacity. Although it hasn't developed as fast as the other two in recent years, this region has great potential.

Opportunities for Industrial Parks in Greater Yangtze River Delta Region

By comparing Yangtze, Pearl and Bohai, it is recommended that a company should evaluate the strengths and challenges of each zone based on their project requirements to identify the best and most reasonable options in site selection.

Although the Top Three Zones have their own specialties and advantages, overall, Yangtze is the best option and is much stronger than the others in logistics, science and technology capabilities, industry structure, government policy support and history of economic development.

In June, 2010, the National Development and Reform Commission issued “Reply on Yangtze River Delta Region Planning by State Council” to include the region in the national strategic planning. In this reply, the overall structure and development goals for the region were clearly identified. There was also a specific description of the structure as “prioritizing the development of contemporary service industry, improving the quality of advanced manufacturing industry, expediting the development of new industry, and consolidating and upgrading conventional industry.”

In the Planning, Yangtze River Delta is positioned as an important international gateway in Asia Pacific, a key global center of the contemporary service industry and advanced manufacturing industry, and a competitive world-class urban agglomeration. It is also clarified that the general concept of developing the region is “one center and five auxiliary cities,” i.e. Shanghai is the core city while Hangzhou, Nanjing, Suzhou, Wuxi and Ningbo serve as the supporting cities for the overall development of Yangtze River Delta. The Planning has refined the division of work in industry development for these cities as well as the north of Jiangsu Province and southwest of Zhejiang Province.
Shanghai and Hangzhou will serve as the contemporary service centers in the south and north wings of the Delta. The former will focus on finance and shipping industries and the latter’s focus is culture and creative industry, as well as tour and leisure industry and electronic business. There will also be division in terms of the development of equipment manufacturing and electronic information industry, etc.

It is also clarified in the Planning that Yangtze River Delta will establish the industry chain of research and development, manufacturing, sales and information services for biomedicine, new material, civil aviation and newenergy industries. It is rare to see this kind of level of planning for the other areas in China. There is no doubt that Yangtze River Delta is defined as the world-class region in the national strategy planning.

**INDUSTRIAL PARK CLASSIFICATION AND CHARACTERISTICS**

There are three major types of industrial parks in China: Economic and Technological Development Park (“ETDP”), Hi-Tech Development Park (“HTDP”) and Eco-Industrial Park (“EIP”). ETDP has a dominant position and the longest history. Most of the enterprises in ETDP are labor-intensive without much technology support and they usually have serious pollution issues. These enterprises focus on quantities to meet initial needs of economic development. HTDP is built after ETDP to improve quality of industrial parks and is normally technology-intensive. EIP is developed based on the success of ETDP and HTDP to follow the worldwide trend of green and low carbon. It aims to change the individual development model of traditional enterprises and encourage coordination in resources and energy. EIP focuses on eco-chain and eco-network construction based on the industrial ecology theory.

**Characteristics of ETDP**

1. The most intensive area to attract foreign investment;
2. Normally located in the most developed areas in China;
3. Dominants are capital- and technology-intensive enterprises;
4. Primary projects are industrial types;
5. Mostly located near oceans, rivers or in economic centers and transportation hubs;
6. Guaranteed quantity and quality of labor and relatively low costs.

**Characteristics of HTDP**

1. Technology intensive, gathering a lot of science and technology talents and focusing on R&D;
2. Strongly relying on information and very demanding for capital support;
3. Normally located near areas with good technology development provisions and complete infrastructure, such as universities and research institutes;
4. Convenient service facilities and comfortable living conditions;
5. Good transportation arrangement, ideally supported by aviation and highways;
6. Limited needs of raw materials; products don’t take much space and are light, making it easy for transportation.

**Characteristics of EIP**

1. Connection and interaction among different enterprises in material and energy sharing;
2. Materials and energy are transferred from one level to another and it is a closed circuit of recycling in the eco chain.

ETDP is still the dominant type in the Yangtze River Delta. The percentage of HTDP is low and EIP is mostly located in central China and the west where there are many mining and resource-consuming enterprises. Only Suzhou New District is an EIP. There are some random free-trade zones and export processing zones, which target the export-oriented trade and manufacturing enterprises.

**Key Industrial Parks in the Yangtze River Delta**

According to the latest national statistics, currently there are 77 state-level economic and technological development zones (including 21 state-level economic development parks which were upgraded from province-level in May, 2010) and 56 state-level hi-tech development parks in China. Each province has its own development zones and parks at various levels. Convenient transportation, sufficient talent resources and positive support from the government have greatly encouraged the increase of industrial parks in Yangtze River Delta.

Industrial parks are all over China at various levels. The state-level type is generally in line with the government’s direction of development and normally receives much better and stronger support from the government in incentive policy, tax policy, general policy support and stability of policy execution. Based on this, we have screened the parks in Yangtze River Delta and identified 31 state-level development zones and parks as well as regional-level ones that are well developed and in the priority support list of the government.

**Major Industrial Parks in Yangtze River Delta**

A ccording to the latest national statistics, currently there are 77 state-level economic and technological development zones (including 21 state-level economic development parks which were upgraded from province-level in May, 2010) and 56 state-level hi-tech development parks in China. Each province has its own development zones and parks at various levels. Convenient transportation, sufficient talent resources and positive support from the government have greatly encouraged the increase of industrial parks in Yangtze River Delta.
Diagram 1: Major Industrial Parks in Yangtze River Delta Region

<table>
<thead>
<tr>
<th>First Tier City Industrial Parks – Shanghai</th>
<th>Level</th>
<th>Name</th>
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<tbody>
<tr>
<td></td>
<td>State-Level ETDP</td>
<td>Jinqiao Export Processing Zone (Jinqiao)</td>
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<td></td>
<td>State-Level ETDP</td>
<td>Caohejing Pujiang Hi-Tech Park (CHJ-PJ)</td>
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<td>State-Level ETDP</td>
<td>Hongqiao Economic and Technological Development Zone (Hongqiao)</td>
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<td>State-Level ETDP</td>
<td>Minhang Economic and Technological Development Zone (Minhang)</td>
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<td></td>
<td>Municipal-Level Industrial Park</td>
<td>Zizhu Science-based Industrial Park (Zizhu)</td>
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<td>Municipal-Level Industrial Park</td>
<td>Songjiang Industrial Zone (Songjiang)</td>
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<td>State-Level HTDP</td>
<td>Zhangjiang Hi-Tech Park (ZJ Park)</td>
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<td>State-Level Industrial Park</td>
<td>Lingang Industrial Park (Lingang)</td>
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### Second Tier City Industrial Parks – Jiangsu Province

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<th>City</th>
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<tr>
<td>Suzhou</td>
<td>State-Level ETDP</td>
<td>Suzhou Industrial Park (SIP)</td>
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<tr>
<td>Suzhou</td>
<td>State-Level HTDP</td>
<td>Suzhou National New and Hi-Tech Industrial Development Zone (a.k.a. Suzhou New District, SND)</td>
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<td>State-Level EIP</td>
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<td>Kunshan</td>
<td>State-Level ETDP</td>
<td>Kunshan Economic and Technical Development Zone (Kunshan)</td>
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<td>Taicang</td>
<td>Province-Level ETDP</td>
<td>Taicang Economic Development Area (Taicang)</td>
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<td>Nanjing</td>
<td>State-Level ETDP</td>
<td>Nanjing Economic and Technological Development Zone (NETDZ)</td>
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<td>Nanjing</td>
<td>Province-Level ETDP</td>
<td>Nanjing Jiangning Economic and Technological Development Zone (JNDZ)</td>
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<tr>
<td>Changzhou</td>
<td>State-Level HTDP</td>
<td>Changzhou National Hi-Tech District (Changzhou)</td>
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<tr>
<td>Changshu</td>
<td>Province-Level ETDP</td>
<td>Changshu Economic and Technological Development Zone (Changshu)</td>
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<td>Nantong</td>
<td>Province-Level ETDP</td>
<td>Su-Tong (Suzhou-Nantong) Science and Technology Park (Su-Tong)</td>
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<td>Wuxi</td>
<td>State-Level HTDP</td>
<td>Wuxi New District (Wuxi)</td>
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<td>State-Level HTDP</td>
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<td>Hangzhou Economic and Technological Development Area (HEDA)</td>
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<td>Hangzhou Hi-Tech Industry Development Zone (HHTZ)</td>
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<td>Hangzhou</td>
<td>State-Level ETDP</td>
<td>Xiaoshan Economic and Technological Development Zone (Xiaoshan)</td>
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<td>Ningbo Free-Trade Zone (NFTZ)</td>
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<td>Shaoxing</td>
<td>State-Level ETDP</td>
<td>Shaoxing Paojiang Economic and Technical Development Area (Shaoxing)</td>
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**Economic Strength**

Economic strength reflects the comprehensive strength of an industrial park. Those with strong economic strength normally have greater development potential, more convenient location, better investment environment and higher industry concentration. Therefore, the economic strength of a park plays a critical role in the success of an investment in this park. The primary indexes to evaluate the economic strength of a park include its GDP, GDP of the city where the park is located and industrial structure of the park as well as occupancy rate of foreign investment and Fortune 500 companies.

**GDP of Industrial Parks and Corresponding Cities**

Shanghai Songjiang Industrial Zone’s GDP in 2011 was about RMB 200 billion, the highest one of all the industrial parks in Yangtze River Delta, followed by HEDA, SIP, Kunshan and Zhangjiagang, all of which is over RMB 100 billion. At the level of RMB 50 billion, there are Jinqiao, CHJ-PJ, Taicang, Changshu, SND, Changzhou, NETD and Shaoxing. This has indicated that the overall economic strength of these parks is stronger than the others.

It isn’t difficult to note from the comparison of GDP that cities such as Suzhou, Nanjing, Hangzhou and Ningbo exceed RMB 500 billion in GDP while Shanghai even exceeds RMB 1,000 billion. It is very clear that both software and hardware are well established in these cities and they have obvious advantages and strength in developing the city itself and attracting investment.
Industry Structure

The government has had a very clear strategic direction for the industry structure in Yangtze River Delta in the new development plan.

**Contemporary Service Industry**: Shanghai will focus on finance and shipping to become the center serving China and the window connecting the world. Nanjing will focus on logistics, science and technology, culture and tourism to be the service center in the north wing of Yangtze River Delta. Hangzhou will focus on culture and creativity, tourism and leisure, and electronic business to be the service center in the south wing of the Delta. Suzhou will focus on logistics, science and technology services, conventions and exhibitions, tourism and leisure industries. Wuxi will focus on creative design and service outsourcing. Ningbo will focus on logistics, conventions and exhibitions. Cities in the north of Jiangsu Province and southwest of Zhejiang Province will need to speed up construction of service centers while at the same time continue to improve their traditional services.

**Electronic Information Industry**: This will be built along Shanghai-Nanjing Highway and Shanghai-Hangzhou-Ningbo Highway surrounding Shanghai, Nanjing and Hangzhou. The primary industries along Shanghai-Nanjing Highway are telecommunication, software, computer, micro-electronics, and photoelectric manufacturing with independent intellectual property rights. Shanghai, Nanjing, Suzhou and Wuxi will be the centers of R&D, design and manufacturing while Changzhou and Zhenjiang will form an electronic information industry area to serve as the primary manufacturing base. Along Shanghai-Hangzhou-Ningbo Highway, Shanghai, Hangzhou and Ningbo will become the centers of R&D design and manufacturing, and integrate the relative industries in Jiaxing, Huzhou, Shaoxing and Taizhou to form the manufacturing base for critical domestic software, telecommunication, microelectronics, new models of electronic components and home appliances. Cities such as Yangzhou, Taizhou, Nantong, Wenzhou, Jinhuaui, and Quzhou will continue to develop electronic material and electronic component industries, and explore new areas including computer network and external equipment focusing on industry coordination and support to accelerate the development of information industry.
**Equipment Manufacturing Industry:** It is planned to have Shanghai, Nanjing and Hangzhou lead the improvement of mechanical equipment manufacturing and competition level with Suzhou, Wuxi, Ningbo, Xuzhou and Taizhou as the base. Shanghai, Nanjing, Hangzhou, Ningbo, Taizhou and Yancheng shall develop the automobile industry to establish a regional R&D base while Suzhou, Changzhou, Yangzhou and Jinhua will focus more on public transportation vehicles. This region is also encouraged to research, develop and manufacture new energy automobiles, with Shanghai, Nanjing and Changzhou as the primary cities.

**Biomedical Industry:** It is planned to build a biomedical and new medical R&D and manufacturing center in Shanghai; to accelerate construction of the national biomedical industry base in the cities of Shanghai, Taizhou and Hangzhou; to strengthen the development of regional medical zones such as “Taihu Medical Valley” in Wuxi; to build the Chinese medicine, chemical raw material and biomedical research and manufacturing base in the cities of Nanjing, Suzhou, Lianyungang, Hangzhou, Huzhou and Jinhua; and to accelerate the development of the marine life industry in the cities of Shanghai Lingang New City, Yancheng, Ningbo and Zhoushan.

**New Material Industry:** All the areas along the river and gulf will be the priority for development of all types of new material industries and Shanghai will be the center of this plan. The construction of new material R&D centers shall be accelerated in the cities of Shanghai, Suzhou, Hangzhou and Ningbo, the same for national new material hi-tech industry bases in Ningbo and Lianyungang. Cities such as Wuxi, Changzhou, Zhenjiang, Taizhou, Nantong, Xuzhou, Huzhou, Jiaxing, Shaoxing, Taizhou, Jinhua, and Quzhou will focus on the building of a new material research and manufacturing base.

**New Energy Industry:** It is planned to build a new energy technology R&D base in the cities along Shanghai-Hangzhou Highway, and Shanghai-Hangzhou-Ningbo Highway. Wind energy industry is encouraged in the coastal cities such as Nantong, Yancheng, Zhoushan, Taizhou and Wenzhou which near the Hangzhou Gulf.

Regardless of the nature of your project, it is important to take the following factors into consideration when doing site selection: demand of products and services in the potential area, its consumption level of the products and services, connection to both suppliers and customers, and consistency with the government’s and the park’s development strategy and planning, etc. All these require a precise evaluation of the current industry structure of an industrial park so that investors can find the best starting point in terms of space and timeline.
### Diagram 3: Industry Structure of Major Parks

<table>
<thead>
<tr>
<th>Industrial Park</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jinqiao Export Processing Zone</strong></td>
<td>Electronic information, automobile and components, home appliances, new material, food, medicine</td>
</tr>
<tr>
<td><strong>Caoheng Pujang Hi-Tech Park</strong></td>
<td>Electronic information, new material, green energy, automobile R&amp;D, biomedicine, aviation</td>
</tr>
<tr>
<td><strong>Hongqiao Economic and Technological Development Zone</strong></td>
<td>New commercial and business district including exhibition, office, business, residence, food and beverage, shopping, etc.</td>
</tr>
<tr>
<td><strong>Minhang Economic and Technological Development Zone</strong></td>
<td>Food and beverage, medicine and treatment, mechanical and electronics</td>
</tr>
<tr>
<td><strong>Zizhu Science-based Industrial Park</strong></td>
<td>Integrated circuit and software, new energy, aviation, digital, new material and life science</td>
</tr>
<tr>
<td><strong>Songjiang Industrial Zone</strong></td>
<td>Electronic information, modern equipment, precision chemicals, new material, biomedicine</td>
</tr>
<tr>
<td><strong>Zhangjiang Hi-Tech Park</strong></td>
<td>Integrated circuit/ photoelectric, new energy and environment protection, software, biomedicine, culture, technology and creative</td>
</tr>
<tr>
<td><strong>Lingang Industrial Park</strong></td>
<td>New energy, critical ship components, marine engineering equipment, automobile and components, civil aviation equipment, large construction mechanics, national strategic new industry</td>
</tr>
<tr>
<td><strong>Suzhou Industrial Park</strong></td>
<td>Bases for software, automobile components, national electronic information, national integrated circuit, national cartoon and animation industry, China export software pilot project</td>
</tr>
<tr>
<td><strong>Suzhou National New and Hi-Tech Industrial Development Zone</strong></td>
<td>Electronic information, precision mechanics</td>
</tr>
<tr>
<td><strong>Kunshan Economic and Technical Development Zone</strong></td>
<td>Electronic information, precision mechanics, consumer products</td>
</tr>
<tr>
<td><strong>Taicang Economic Development Area</strong></td>
<td>Precision mechanics, automobile components, electronic information, service outsourcing, biomedicine</td>
</tr>
<tr>
<td><strong>Key Industrial Parks in the Yangtze River Delta</strong></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Nanjing Economic and Technological Development Zone</strong></td>
<td>Electronic information, medical food, equipment manufacturing, food</td>
</tr>
<tr>
<td><strong>Nanjing Jiangning Economic and Technological Development Zone</strong></td>
<td>Automobile, electronic information, distinctive industries(new energy, power automation and smart power grid, aviation, software and service outsourcing, modern logistics, high-level business and trade, culture and creative)</td>
</tr>
<tr>
<td><strong>Changzhou National Hi-Tech District</strong></td>
<td>Equipment manufacturing, chemical new material, new industries(photo voltaic, biomedicine, new energy automobile, creative), distinctive industries (vehicle and motor components, knives, tools)</td>
</tr>
<tr>
<td><strong>Changshu Economic and Technological Development Zone</strong></td>
<td>Equipment manufacturing, precision chemicals, automobile components, warehouse and logistics, new energy, new material</td>
</tr>
<tr>
<td><strong>Su-Tong Science and Technology Park</strong></td>
<td>Electronic information, new material, new energy, biomedicine, precision mechanics and electronics, modern services</td>
</tr>
<tr>
<td><strong>Wuxi New District</strong></td>
<td>Electronic information, precision mechanics, biomedicine and precision chemicals, new material(medical equipment), service outsourcing, software</td>
</tr>
<tr>
<td><strong>Taizhou National Medical Hi-Tech Development Zone</strong></td>
<td>R&amp;D and intermediate experiment zone, medicine industry zone, general distribution zone</td>
</tr>
<tr>
<td><strong>Lianyungang Economic and Technological Development Zone</strong></td>
<td>New material, new energy, new medical industry, new equipment manufacturing, port industry</td>
</tr>
<tr>
<td><strong>Zhangjiagang Free-Trade Zone</strong></td>
<td>Free-trade port zone, precision chemicals, green new materials, heavy equipment</td>
</tr>
<tr>
<td><strong>Yixing Economic Development Zone</strong></td>
<td>Photovoltaic solar energy new material, photoelectric industry, advanced equipment manufacturing industry</td>
</tr>
<tr>
<td><strong>Hangzhou Economic and Technological Development Area</strong></td>
<td>Electronic information, biomedicine, mechanical manufacturing, food and beverage</td>
</tr>
<tr>
<td>Industrial Park</td>
<td>Structure</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Xiaoshan Economic and Technological Development Zone</td>
<td>Information communication, new energy, automobile and components, advanced equipment manufacturing, culture and creative industry</td>
</tr>
<tr>
<td>Jiaxing Economic and Technological Development Zone</td>
<td>Automobile components, precision mechanics, electronic information, food processing and high-level textile</td>
</tr>
<tr>
<td>Huzhou Economic and Technological Development Zone</td>
<td>Electronic information, new material, new energy, photoelectric industry, equipment manufacturing</td>
</tr>
<tr>
<td>Ningbo Economic and Technical Development Zone</td>
<td>Electronic information, new material, photoelectric industry, automobile, equipment manufacturing, petrochemical, port industry, modern services</td>
</tr>
<tr>
<td>Ningbo Free-Trade Zone</td>
<td>Computer, semi-conductor, precision mechanics, software</td>
</tr>
<tr>
<td>Shaoxing Paojiang Economic and Technical Development Area</td>
<td>Electronic information, new material, energy saving and environment protection, food and beverage, mechanical equipment</td>
</tr>
<tr>
<td>Xishan Economic and Technological Development Zone</td>
<td>Electronic information, automobile components, mechanical equipment, commercial logistics</td>
</tr>
</tbody>
</table>
scale while the other industries are still in the process of development.

Generally speaking, Yangtze River Delta has sufficient labor and funds as well as strong capabilities in research and development. The parks in this area mainly support industries that require a high level of the above elements, for example, electronic information, new material, new energy, biomedicine, automobile and equipment manufacturing.

The structure shows that the industrial parks in Shanghai and Jiangsu Province focus on precision chemicals, equipment manufacturing, electronic information, new material, new energy and biomedicine, and have reached a certain level of industry concentration. The parks in Zhejiang Province cover more industries but they are relatively segmented. Only mechanical equipment and electronic information have achieved certain scale while the other industries are still in the process of development.

The number of foreign enterprises and their general situations in this park but also the quality of their investment and the direction of the industry development. It is also helpful to look at the investment of Fortune 500 companies in a park.
Diagram 5: Number of Foreign corporations and Fortune 500 corporations

Number of Fortune 500 Companies

- Xishan
- Shaoxing
- NIFTZ
- NETD
- Huzhou
- Jiaxing
- Xiaoshan
- HHTZ
- HEDA
- Yixing
- Changjiagang
- Lianyungang
- Taizhou
- Wuxi
- Su-Tong
- Changshu
- Changzhou
- JNDZ
- NETDZ
- Taicang
- Kunshan
- SND
- SIP
- Lingang
- ZJ Park
- Songjiang
- Zizhu
- Minhang
- Hongqiao
- CHJ-PJ
- Jinqiao

Number of Foreign Enterprises

- Xishan
- Shaoxing
- NIFTZ
- NETD
- Huzhou
- Jiaxing
- Xiaoshan
- HHTZ
- HEDA
- Yixing
- Changjiagang
- Lianyungang
- Taizhou
- Wuxi
- Su-Tong
- Changshu
- Changzhou
- JNDZ
- NETDZ
- Taicang
- Kunshan
- SND
- SIP
- Lingang
- ZJ Park
- Songjiang
- Zizhu
- Minhang
- Hongqiao
- CHJ-PJ
- Jinqiao

N/A
Our statistics show that there are more foreign companies in the following parks: Zhangjiang Hi-Tech Park, Suzhou Industrial Park, Suzhou National New and Hi-Tech Industrial Development Zone, Kunshan Economic and Technical Development Zone, Nanjing Jiangning Economic and Technological Development Zone and industrial parks in Changzhou, Wuxi, Zhangjiagang and Ningbo.

In terms of the number of Fortune 500 companies, which can reflect the comprehensive strength of a park, these are the top ones: Jinqiao, Minhang, Songjiang, SIP, SND and industrial parks in Kunshan, Nanjing, Wuxi, Hangzhou, Ningbo and Shaoying.

Generally, the parks that can be good candidates for large-scale investment projects are Zhangjiang Park, Suzhou Industrial Park, Suzhou National New and Hi-Tech Industrial Development Zone, Kunshan Economic and Technical Development Zone, Nanjing Jiangning Economic and Technological Development Zone, Wuxi New District, Hangzhou Economic and Technological Development Area and Ningbo Economic and Technical Development Zone.

Investment of Foreign Corporations

In recent years, the most successful industrial park in Yangtze River Delta is Kunshan Industrial Park. This can be reflected in the foreign investment in the park. In 2009, the total investment in Kunshan was USD 85 billion and ranked first. Other parks that can attract a lot of foreign funds include ZJ Park, Wuxi, and Xiaoshan, etc.

Comparing the foreign investment in 2009 and 2010 in these major parks, we could see that Kunshan, Xiaoshan and NETD have increased significantly, of which, NETD has a great potential in the development.
The primary evaluation indexes in this section include: total land, developed land, price, required investment intensity and minimum volume.

**Land Scale and Availability**

The size of an industrial park is determined by its land scale, which also has an impact on the allocation of industries in this park as well as the concentration level of related industries. Based on our research, the larger-scale parks in Yangtze River Delta are Lingang Industrial Park, Suzhou Industrial Park, SND, and Changzhou National Hi-Tech District. The available land of an industrial park has influenced its land price and feasibility of setting up a project in this park. By researching the existing scale of major parks, we find that most of the parks in the Shanghai area have

---

**Diagram 7: Industrial Park Land Scale and Availability**

<table>
<thead>
<tr>
<th>Industrial Park</th>
<th>Land Scale (sq km)</th>
<th>Available Land (sq km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jinqiao</td>
<td>16</td>
<td>N/A</td>
</tr>
<tr>
<td>CHJ-PJ</td>
<td>10.7</td>
<td>5</td>
</tr>
<tr>
<td>Hongqiao</td>
<td>0.65</td>
<td>N/A</td>
</tr>
<tr>
<td>Minhang</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Zizhu</td>
<td>13</td>
<td>0.87</td>
</tr>
<tr>
<td>Songjiang</td>
<td>43.69</td>
<td>N/A</td>
</tr>
<tr>
<td>ZJ Park</td>
<td>75</td>
<td>52 (Leasing Only)</td>
</tr>
<tr>
<td>Lingang</td>
<td>241.7</td>
<td>11.2</td>
</tr>
<tr>
<td>SIP</td>
<td>288</td>
<td>28.8</td>
</tr>
<tr>
<td>SND</td>
<td>258</td>
<td>129</td>
</tr>
<tr>
<td>Kunshan</td>
<td>128</td>
<td>30.4</td>
</tr>
<tr>
<td>Taizang</td>
<td>80</td>
<td>40</td>
</tr>
<tr>
<td>NETDZ</td>
<td>150</td>
<td>130</td>
</tr>
<tr>
<td>JNDZ</td>
<td>143</td>
<td>70</td>
</tr>
<tr>
<td>Changzhou</td>
<td>439.16</td>
<td>100</td>
</tr>
<tr>
<td>Changshu</td>
<td>71</td>
<td>20</td>
</tr>
<tr>
<td>Su-Tong</td>
<td>50</td>
<td>40.5</td>
</tr>
<tr>
<td>Wuxi</td>
<td>220</td>
<td>N/A</td>
</tr>
<tr>
<td>Taizhou</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>Lianyungang</td>
<td>126</td>
<td>40</td>
</tr>
<tr>
<td>Zhangjiagang</td>
<td>42</td>
<td>20</td>
</tr>
<tr>
<td>Yixing</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>HEDA</td>
<td>104</td>
<td>68</td>
</tr>
<tr>
<td>HHTZ</td>
<td>86</td>
<td>N/A</td>
</tr>
<tr>
<td>Xiaoshan</td>
<td>193</td>
<td>140</td>
</tr>
<tr>
<td>Jiaxing</td>
<td>110</td>
<td>30</td>
</tr>
<tr>
<td>Huzhou</td>
<td>90</td>
<td>20</td>
</tr>
<tr>
<td>NETD</td>
<td>100</td>
<td>30</td>
</tr>
<tr>
<td>NFTD</td>
<td>2.3</td>
<td>N/A</td>
</tr>
<tr>
<td>Shaoxing</td>
<td>100</td>
<td>66</td>
</tr>
<tr>
<td>Xishan</td>
<td>125</td>
<td>75</td>
</tr>
</tbody>
</table>
were developed a while ago and they don't have much land left except the new Lingang Industrial Park near Fengxian, a coastal district in Shanghai. Even though Zhangjiang Hi-Tech Park has some inventory of land, the Park is in the transition of upgrading and adjusting its general planning and thus it only sells office buildings and factories that have been built instead of selling the land directly. Therefore, for those who require a lot of land to establish its project, Shanghai is not the best choice.

Parks that still have adequate land resources in Jiangsu and Zhejiang are: SND, Taicang, Changzhou, NETDZ, JNDZ, Su-Tong, Lianyungang, HEDA, Xiaoshan, NETD, Shaoxing, parks are Wuxi and SND, the price of which is about RMB300,000/mu. In Zhejiang Province, as Hangzhou and Ningbo are the priorities in the provincial development plan, the parks in these two cities are growing very fast and their land price is much higher than the average market price. The rest of the parks usually have a bidding / auction / quotation price ranging from RMB220,000 to RMB 250,000/mu. All the figures listed above are only listed prices. In practice, each industrial park might have some incentives on a case-by-case basis. Therefore, the actual price can only be determined after negotiations with a park.

**Since the listed price and final strike price of each park are sensitive, this paper only includes a comparison and analysis. The original data is not included.**

### Land Cost

**Acquiring Land**

It is clearly stipulated in the two regulations “the Rules on the Assignment of State-owned Land Use Right by Means of Public Bidding, Auction and Quotation” and “the Rules on the Assignment of State-owned Land Use Right by Agreement” issued on August 1, 2006 that most land in industrial parks shall be acquired in the methods of “bidding, auction and quotation.”

**Analysis of Land Price**

Land price is important for a potential investment project. Of all the parks in Yangtze River Delta, those in Shanghai are more expensive than the others. As Shanghai is switching to technology-intensive and financial services industries, the general price of land is quite high except that of Lingang and Songjiang. For example, the land price of CHJ-PJ and Zizhu is about RMB 1 million/mu and ZJ Park only do leases of land. Therefore, these parks are not an ideal option for labor-intensive industries that require a large amount of land for development.

In Jiangsu Province, the more expensive
the new Suzhou-Nantong Highway Bridge, which connects the highways and cities along Yangtze River. The park’s geographic location has made it attractive to many investors. Basically, these three parks have better policy and infrastructure support and their threshold is still reasonable against their advantages in policy and infrastructure support. Therefore, these parks will be very attractive to large-scale multinational enterprises.

Diagram 8: Industrial Parks with Highest Investment Threshold

<table>
<thead>
<tr>
<th>Industrial park</th>
<th>Minimum Investment Intensity (10 thousand MBI/mu)</th>
<th>Minimum Investment amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzhou industrial park</td>
<td>500</td>
<td>None, land supplying is shortage</td>
</tr>
<tr>
<td>Suzhou-Nantong science technology park</td>
<td>450</td>
<td>Land purchasing project require register of 10 million US dollar</td>
</tr>
<tr>
<td>Suzhou new &amp; I-I tech Industrial development zone</td>
<td>400</td>
<td>None</td>
</tr>
</tbody>
</table>

Diagram 9: Industrial Parks with Lowest Investment Threshold

<table>
<thead>
<tr>
<th>Industrial park</th>
<th>Minimum investment Intensity (10 thousand MBI/mu)</th>
<th>Minimum investment amount (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huzhou ETDC</td>
<td>190</td>
<td>180,000 /mu</td>
</tr>
<tr>
<td>Ningbo ETDC</td>
<td>132</td>
<td>132,000 /mu</td>
</tr>
<tr>
<td>Jiaxing ETDC</td>
<td>165</td>
<td>None</td>
</tr>
</tbody>
</table>
The provision of good transport is essential for developing an industrial park. It would be ideal if a park can have easy access to a transportation hub, such as a port, railway marshaling area or an airport, etc. Based on our research, for projects with final products to be exported, port and airport resources are the primary factors in evaluating transport provisions of a park while projects that rely on the local raw materials and target the domestic market are more likely to be established in a location connected to highways. The sections below include a study of the influence of these factors on site selection.

Diagram 10: Transportation Network in the East and Middle West of China
Locations of the industrial parks
Diagram 11: Major industrial parks distribution of Yangtze River Delta Region
Superior area position is critical to the success of industrial park site selection. Shanghai is a municipal city. Nanjing and Hangzhou are the capital cities of their provinces. Geographically speaking, these three serve as the regional centers. The industrial parks in Suzhou, Kunshan, Taicang and Changshu are all located within a one-hour drive to Shanghai. Those in Jiaxing, Huzhou and Shaoxing are within a one-hour drive to Hangzhou. Their transport advantages are obvious.

In addition to the above areas, Changzhou, Zhangjiagang and Wuxi are very close to the primary Shanghai-Nanjing route, of which Zhangjiagang and Changzhou are typical port cities. Therefore, the industrial parks in these cities are also very well located.

Analysis of Industrial Park Locations

Diagram 12: Distance of Industrial Park to Regional Centers (Km)

As mentioned in the diagram, Shanghai, Hangzhou and Nanjing are the regional centers in Yangtze River Delta and they are also the essential supporting cities of “Shanghai-Nanjing-Hangzhou Economic Area.” Diagram 12 is a summary of the distance from each major industrial park to these three cities (from left to right: Shanghai, Nanjing, Hangzhou). Most of the parks in Yangtze River Delta are located in the core area of Shanghai, Nanjing or Hangzhou and have convenient transport to these cities. Taizhou, Zhangjiagang, Shaoxing and Ningbo are a bit off the centers. The only exception is Lianyungang as the city itself is far away from the central area of the Delta and could be inconvenient for large-scale industrial projects that rely a lot on logistics and transportation.

Highway

Current Coverage of Highway in Yangtze River Delta

The rapid growth of the transport network in Yangtze River Delta has greatly pushed the development of this region. Convenience and efficiency of transportation systems are critical to the success of an industrial park. The Chinese government has invested tremendous amounts in the transportation infrastructure since the 1990s. Many second-tier and third-tier cities have benefited from these huge
efforts and their highway infrastructure has been greatly improved.

Rapid Change of Highway Network

The guideline of the road transport construction in China is a highway development plan called 7918 Network, which refers to a combination of 7 radiation routes from the Capital, 9 north-south vertical routes and 18 east-west horizontal routes. It is estimated to have 85,000 kilometers of highway in place by the year of 2020 while this number was 147 in 1987.

Highway Network in Yangtze River Delta

It is planned to have a total length of 5,501 km highway in place by 2020 in Yangtze River Delta, including 10 horizontal ones (Yangzhou-Qidong, Shanghai-Nanjing North along Yangtze River, Shanghai-Nanjing South along Yangtze River, Shanghai-Yixing, Shanghai-Nanjing, Shanghai-Jiangsu-Zhejiang-Anhui, Shanghai-Jiaxing-Hangzhou-Anhui, Hangzhou-Ningbo-Zhoushan, Ningbo-Jinhua) and 7 vertical ones (Coast, Suzhou-Taizhou, Yancheng-Shaoxing, Huai’an-Hangzhou, Yangzhou-Hangzhou, Nanjing-Songjiang, Nanjing-Jinhua) providing general coverage of the region. In addition, there will be 591 km beltway in Shanghai, Nanjing, Hangzhou and Ningbo and about 1,061 km of intercity highway. The total length of highway in the region will be 7,153 km, meaning the intensity of highway coverage is 7.1 km every 100 sq km. This meets the requirement of A-Level Zone in the government's highway network development plan. When this is completed, the goal “321” will be achieved, i.e. three-hour drive between Shanghai, Nanjing, Hangzhou and Ningbo; planned towns can get on a highway within 20 minutes; a return trip can be completed within one day between any areas in the Delta.
Diagram 13: Highway Coverage in Relation to Industrial Parks in Yangtze River Delta
Analysis of the Highway Network

Since Shanghai, Nanjing and Hangzhou are the regional centers, the main highways connecting them are considered as essential routes. The intersection between Shanghai and Jiangsu Province consists of three primary routes: Shanghai-Nanjing Highway, Highway along Yangtze River and Shanghai-Jiangsu-Zhejiang-Anhui Highway. There are six highways and 38 lanes in the plan. The intersection between Shanghai and Zhejiang Province consists of two primary routes: Shanghai-Hangzhou Highway and Hangzhou-Pudong Highway. There are three highways and 22 lanes in the plan. The intersection between Jiangsu Province and Zhejiang Province consists of Suzhou-Jiaxing-Hangzhou Highway and Hangzhou-Nanjing Highway. There are five highways and 28 lanes in the plan. Based on these facts, we evaluated the highway resources for each industrial park by analyzing the number of highways they have access to and the level of convenience for the access.

Diagram 14: Industrial Park Highway Resources

Mortenson Highway Resource Occupancy Ratio Evaluation Index
(The higher the index, the more resources areas owns)
Diagram 14 shows that although not every park has equal quick access to highways, most of the parks can get to the closest highway within 15 to 20 minutes and can arrive in Shanghai, Hangzhou or Nanjing within one hour. This is consistent with the “One-Hour Drive Economic Zone” planning. Of all the major industrial parks in the Delta, Taizhou and Lianyungang are to the north of Yangtze River and are relatively far away from the regional centers. The industrial parks in these two cities are not competitive in terms of the highway resources.

Shanghai is the center of the center. The industrial parks in Shanghai have more highway resources and the access is also convenient. Of all the parks in this area, Songjiang and Hongqiao are very well supported but Lingang is relatively distant from highways. Nevertheless, it is connected via A2 Freeway (Shanghai – Luchao Port New City) and compared to the parks in Zhejiang and Jiangsu, Lingang still has significant highway resources.

Of the industrial parks in Zhejiang Province, Jiaxing and Huzhou are very close to Hangzhou and Shanghai and connect to quite a few primary routes. Hangzhou as one of the three centers is connected to 11 highways and thus HEDA, HHTZ and Xiaoshan have very convenient transportation support. The launch of Hangzhou Bay Bridge has reduced the driving time needed from Shanghai to Ningbo but the parks in Ningbo still need better transportation to support its fast development of industrial parks. Currently there is only one highway connecting Ningbo to Hangzhou.

Jiangsu Province has the best highway coverage in the Delta. Suzhou is in the golden central location and has many highways going through the city. Kunshan is next to Shanghai and can share the resources in the Shanghai area. Shanghai-Nanjing Highway and Highway along Yangtze River are going through Changzhou and this park is making full use of its advantage in location. Nanjing is also one of the three centers and well-connected in this region.

**Railway**

The impact of railway network resources on industrial park site selection is mainly reflected in the costs of raw materials and labor. A comprehensive railway system can reduce the gap between southeast coastal area and middle-west area, and improve the efficiency of transporting raw material and labor resources from the latter to the former. The development of Yangtze River Delta has benefited greatly from the government’s strong support in the development of railway infrastructure construction.

**Railway Status of China**

With the completion of the “11th Five-Year Plan,” the speed and intensity of railway system development are far beyond the expectations of many Chinese and foreign scholars. It is estimated that there will be 120,000 km of railways in China by 2020, which will make the country the second largest in the world, only behind the United States. Recently, the government has encouraged the development of high-speed train, intercity train, and maglev (magnetic levitation train), aiming to be one of the leading countries in this field.
Mid-Long Term Plan of Railway Construction

According to the “China Railway Mid-Long Term Development Plan,” there will be “4 Vertical 4 Horizontal” express railway networks and six intercity express railway systems in place by 2020 to accommodate the increasing need for passenger transportation. There will be 12,000 km of railways dedicated to passenger transportation and the target speed is 200 km/hour and above.

**“4 Vertical” Dedicated Passenger Railways:**
- Beijing-Shanghai, Beijing-Wuhan-Guangzhou-Shenzhen-Hong Kong, Beijing-Shenyang-Harbin (Dalian), Hangzhou-Ningbo-Fuzhou-Shenzhen, Beijing-Bengbu-Hefei-Fuzhou-Taipei

**“4 Horizontal” Dedicated Passenger Railways:**
- Xuzhou-Zhengzhou-Lanzhou, Hangzhou-Nanchang-Changsha-Guiyang-Kunming, Qingdao-Jinan-Shijiazhuang-Taiyuan, Shanghai-Nanjing-Wuhan-Chongqing-Chengdu

**Six Intercity Passenger Transportation Systems:**
- Bohai Rim: Beijing-Tianjin, Tianjin-Qinhuangdao, Beijing-Qinhuangdao, Tianjin-Baoding
- Poyang Lake Rim: Nanchang-Jiujiang, Jiujiang-Jingdezhen, Nanchang-Yingtang

Changsha-Zhuzhou-Xiangtan Region:
- Changsha-Zhuzhou, Changsha-Xiangtan

Yangtze River Delta:
- Nanjing-Shanghai, Hangzhou-Shanghai, Nanjing-Hangzhou, Hangzhou-Ningbo

Pearl River Delta:
- Guangzhou-Shenzhen, Guangzhou-Zhuhai, Guangzhou-Foshan, Shenzhen-Maoming

Southern Fujian Delta:
- Fuzhou-Xiamen, Longyan-Xiamen

Railway Network in Yangtze River Delta

It is planned to have a high-speed, safe and efficient intercity railway system in place by 2020 in Yangtze River Delta, covering all the cities and towns with Shanghai, Nanjing, Hangzhou and Hefei as the centers. Generally, it will only take 1 - 2 hours for people to get from any major city to its neighboring city. The goal is to improve the influence of the core cities and areas and their connection with the rest of the region.
Diagram 16: Railway Network Plan for Yangtze River Delta
There will be five essential railway routes supporting this region. When it is completed, the total length will be 10,400 km including the existing 2,600 km dedicated passenger lines and 990 km other express lines. The coverage will be 3.07 km every 100 sq km.

Shanghai-Nanjing Intercity Railway: It will only take an hour and 30 minutes to travel from Shanghai to Nanjing.

Shanghai-Hangzhou Intercity Railway: the goal is to increase the frequency so that the railway can work as buses. Its highest speed is 350 km/h and it will only take an hour to travel from Shanghai to Hangzhou.

Ningbo-Taizhou-Wenzhou: these three cities will be connected together after completion.

Beijing-Shanghai High-speed Railway: this is considered a “blood transfusion” route connecting the Pan Bohai Economic Zone and Yangtze River Delta Economic Zone, going through three municipalities, Beijing, Tianjin, Shanghai and four provinces, Hebei, Shandong, Anhui and Jiangsu. The construction of this railway has officially started a new era of China’s high-speed transportation. It goes through 11 cities that have a population of over 1 million and transports more than 80 million people one-way every year. There will be 110 to 120 high-speed trains every day and one train every three minutes in rush hour to achieve the frequency of buses.

Hangzhou-Nanjing Railway: the total length is 251 km and target speed is 200 km/h. By the time it is completed, it will only take about an hour to travel from Nanjing to Hangzhou and the frequency can get to one train every five minutes.
Diagram 17: Coverage in Relation to Industrial Parks in Yangtze River Delta
### Railway Resource Analysis

#### Diagram 18: Industrial Park Railway Resource Index

The resource evaluation index in Diagram 18 is established based on the following factors: 1) the railway network in the three regional centers: Shanghai, Hangzhou and Nanjing, including Shanghai-Hangzhou, Shanghai-Nanjing and Hangzhou-Nanjing as the primary lines and other railways going through or around industrial parks; 2) efficiency of high-speed and normal-speed trains; 3) distance between a railway station and a park; 4) planning or timeline of a railway if any. The higher the score is, the more resources the park has.

The comparison shows that the industrial parks in Shanghai, Nanjing and Hangzhou have the
best resources as they are the major cities with all the primary lines going through. Cities such as Suzhou, Wuxi, Changzhou and Kunshan are on the Beijing-Shanghai Railway and this line has integrated Shanghai-Nanjing Railway, Shanghai-Nanjing Intercity High-speed Railway and Beijing-Shanghai High-speed Railway and thus, industrial parks in these cities have the second best resources in this region. Changshu, Zhangjiagang and Taicang are next to Yangtze River and there are few railways going through these cities while the planned fourth line connecting Shanghai and Nanjing is still at the feasibility study stage and it is not clear yet which cities this line will cover. Therefore, these cities haven’t had sufficient railway resources yet. For the cities in the north of the region, such as Lianyungang, Taizhou and Nantong, they are relatively distant from the central area and the parks in these cities have limited support in railway resources.

Aviation

There is no doubt how important easy airport access is to the development of an industrial park. There has been a dramatic increase in the government’s investment in airport construction in recent years. The total investment was USD 18 billion in the years from 1990 to 2005. This was increased to USD 66 billion for the last two years (2009-2010). All the investment will be used to build 42 new airports and upgrade some existing ones.

Current Status of Airports in Yangtze River Delta

There are nine airports at various levels and sizes in Yangtze River Delta. They can be divided into three categories: international airline hub, regional airline hub, and local feeder airport.

International Airline Hub: Shanghai Pudong International Airport is the international airline hub in Yangtze River Delta and the fifth largest airport in the world. As one of the
In China, airports are graded at four levels: C, D, E and F based on the length of runways. The top level is 4F, which can accommodate Airbus A380 to land and take off. Currently, of all the airports in this region, there are only two runways at Shanghai Pudong International Airport that are at Level 4F.

Regional Airline Hub: Shanghai Hongqiao International Airport, Hangzhou International Airport, Nanjing Lukou International Airport, Ningbo Lishe International Airport and Wuxi Airport serve as the regional hubs for the Delta.

Local Feeder Airport: Lianyungang Baitabu Airport, Nantong Xingdong Airport and Changzhou Benniu Airport are the primary feeder airports in this region. As they are not open to international airlines yet, their influence on the industrial parks is limited. In the following sections, we will focus on the analysis of international and regional hubs.

### Airport Levels

In China, airports are graded at four levels: C, D, E and F based on the length of runways. The top level is 4F, which can accommodate Airbus A380 to land and take off. Currently, of all the airports in this region, there are only two runways at Shanghai Pudong International Airport that are at Level 4F.

### Diagram 21: Level of Airports in Yangtze River Delta

<table>
<thead>
<tr>
<th>Level</th>
<th>Accommodated Aircraft Type</th>
<th>Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>4F</td>
<td>A380</td>
<td>Shanghai Pudong International Airport</td>
</tr>
<tr>
<td>4E</td>
<td>B747</td>
<td>Shanghai Hongqiao International Airport, Wuxi Airport, Hangzhou International Airport, Ningbo Lishe International Airport, Nanjing Lukou International Airport</td>
</tr>
<tr>
<td>4D</td>
<td>B767, B757, TU154</td>
<td>Lianyungang Baitabu Airport, Nantong Xingdong Airport, Changzhou Benniu Airport</td>
</tr>
<tr>
<td>4C</td>
<td>B737</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Diagram 20: Major airports of Yangtze River Delta Region Distribution
**Analysis of Airports in Yangtze River Delta Region**

There are two definitions used in most of the current studies to evaluate an airport’s influence on the development of its surrounding areas. If an area is within 20 – 30 km from an airport, it is known as “Outbreak Zone.” If it is within 60 km or about a one-hour drive, it is referred to as “Radiation Zone.” As discussed above, the airports in Yangtze River Delta are basically at three different levels. Based on this, the industrial parks can be divided into different categories as shown in Diagram 22.

**Diagram 22: Aviation Resource Analysis of Yangtze River Delta Region**

<table>
<thead>
<tr>
<th>Airport Level</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outbreak Zone</td>
<td>Radiation Zone</td>
<td>Outbreak Zone</td>
</tr>
<tr>
<td>Jinqiao</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>CHJ-PJ</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Hongqiao</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minhang</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Zizhu</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Songjiang</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>ZJ Park</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Lingang</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIP</td>
<td></td>
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<tr>
<td>SND</td>
<td></td>
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<tr>
<td>Kunshan</td>
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<td></td>
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<tr>
<td>Taicang</td>
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<td></td>
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<tr>
<td>NETDZ</td>
<td></td>
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<td></td>
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<tr>
<td>JNDZ</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Changzhou</td>
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<td></td>
</tr>
<tr>
<td>Changshu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Su-Tong</td>
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<td></td>
<td></td>
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<tr>
<td>Wuxi</td>
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</tr>
</tbody>
</table>
Jinqiao, ZJ Park and Lingang are within 30 km from Shanghai Pudong International Airport and Shanghai Hongqiao International Airport. These parks have a great advantage in developing aviation related industries.

CHJ-PJ, Hongqiao, Minhang, Zizhu and Songjiang are very close to Hongqiao Airport and within an hour drive from Pudong. They are also good options for industrial projects that are very demanding in air transportation; for example, processing with imported raw materials and exporting final products, especially in the IT industry.

SIP, SND, JNDZ, Wuxi, HEDA, HHTZ and Xiaoshan are about two hours from Pudong but all within 10-30 km from Level 2 airports and can accommodate aviation related industries for the domestic and Southeast Asia markets.
Kunshan, Taicang, NETDZ, Changzhou, Changshu, Zhangjiagang, Yixing, Shaoxing, NETD and NFTD are still within the Radiation Zone and there are possibilities to develop industries that require a certain level of airline cargo service support.

Su-Tong, Taizhou, Jiaxing, Huzhou and Lianyungang are far away from the six major airports in the Delta. Costs of airline cargo logistics for these parks are relatively high.

Ports

Current Status of Ports in Yangtze River Delta

Benefited from the government’s “11th Five-Year Plan,” ports are growing quickly in China. More and more are being upgraded and free-trade zones are established. This has provided great support to the development of industrial parks in Yangtze River Delta.

Known as the “water region,” Yangtze River Delta is a coastal area with many rivers. Almost every city has a port at different standards and levels. Based on the type of water they are close to, they can be divided into sea ports and river ports. Yangtze River is the golden east-west waterway in China and a very important trunk in river transportation. The Beijing-Hangzhou Grand Canal connects almost half of the country’s north-south water transportation. Therefore, the river ports in Yangtze River Delta can be divided into ports along Yangtze River and ports along the Grand Canal.

Three Major Coastal Ports

There are three major coastal ports in the Delta. They are Shanghai Port located in Shanghai, Ningbo-Zhoushan Port located in Zhejiang Province and Lianyungang Port located in the north of Jiangsu Province. These three are considered the international hubs in the Delta.

Shanghai Port is currently the world’s busiest port in terms of total cargo tonnage and it was the second largest container port in 2009. With the completion of Yangshan Deep-Water Port and the infrastructure of an international shipping center, its position as an international transport hub is further enhanced. The total cargo tonnage handled increased from 204 million tons in 2000 to 592 million tons in 2009 and was the top for three continuous years.

In recent years, all the major coastal ports are developing at a high speed, of which the most rapid one is Ningbo-Zhoushan Port. With the completion of Hangzhou Bay Bridge, this port is more and more strategic in the development of this region. It is estimated that Ningbo Port can handle more than 20 million TEUs in 2020 and will become one of the largest container ports in the world.

In addition to the three major ones, Nantong Port faces where Yangtze River meets the Yellow Sea and became one of the large ports that could handle over a hundred million tons of cargo in 2009. Jiaxing (Zhapu) Port is the only sea port in the north of Zhejiang Province and is a primary supporting port to Shanghai Port.

Ports along the Yangtze River

The Yangtze River flows through various areas and is quite crooked. The transport channel goes from Chongqing through Wuhan and Nanjing to Shanghai to the sea. In the Yangtze River Delta, this transport channel goes from Nanjing to Shanghai and can accommodate 50,000-tonne cargo ships. The major ports along this part are Nanjing Port, Zhenjiang Port, Yangzhou Port, Taizhou Port, Jiangyin Port, Changzhou Port, Zhangjiagang Port, Nantong Port, Changshu Port, and Taicang Port.

In the past, Yangtze River’s transport capacity was restricted by the sand bar at its estuary. Affected by the tidal prism and the runoff and the sediment transport, the conditions of the river’s mouth and bank became very complicated. The depth of water was only six
meters at the sand bar section, which made it almost impossible for ships above 50,000 tons to go through, limiting the economic development of Shanghai, Yangtze River Delta and its basin. With the completion of the “11th Five-Year Plan,” the water depth of the channel at the mouth of the river was increased from seven meters to 12.5 meters and has been extended to Taicang from the mouth. This has greatly improved the capacity of the transport channel and eliminated the restrictions to the golden waterway. A 92.2 km long double express line has been built and its base is about 350 – 400 meter wide. This allows Panamax vessels and 50,000-tonne cargo ships (load line ≤ 11.5 m) to transport both ways on a complete tide. It will also allow Post Panamax vessels and 100,000-tonne loaded bulk cargo ships and 200,000-tonne less-loaded bulk cargo ships to go through the River mouth on a tide. In the “12th Five-Year Plan,” the channel will continue to be upgraded to be extended to Nanjing so that the capacity will be further improved.

**Ports along the Grand Canal**
The major ports include Hangzhou Port, Shaoxing Port, Wuxi Port, and Huzhou Port along Changxing-Huzhou-Shanghai Canal and Yixing Port along Wuhu-Shanghai Canal. These river ports are being upgraded and their transport handling capacity will also be improved.
**Port Level in the Yangtze River Delta**

According to China’s port level standards and based on the annual handling capacity and channel transport capacity, the ports in Yangtze River Delta can be divided into primary ports, regional ports and general ports as follows:

**Primary:** Shanghai Port, Ningbo-Zhoushan Port, Lianyungang Port, Nanjing Port, Zhenjiang Port, Nantong Port, Zhangjiagang Port, Changshu Port, Taicang Port.

*Note: Zhangjiagang Port, Changshu Port and Taicang Port have been combined as Suzhou Port.*

**Regional:** Yangzhou Port, Jiangyin Port, Jiaxing Port.
General: Changzhou Port, Taizhou Port, Hangzhou Port, Shaoxing Port, Huzhou Port, Yixing Port, Wuxi Port.

**Port Category in Yangtze River Delta**

Another factor that is closely related to industrial parks' logistics capability is the level of opening of a port. Per national standards, there are usually Category-1 ports and Category-2 ports. The former opens to vessels, planes, vehicles and other means of transport used by foreigners and Chinese to transport passengers and goods into or out of China by sea (river), land or air. The latter is restricted to Chinese only unless people are from a neighboring country and they go through a railway station, a river port or a road gate in border areas.

**Diagram 24: Annual Cargo Handling Capacity and Standard Container Handling Capacity (Top 15 Ports, 2009)**
Most of the ports in Yangtze River Delta are in Category-1, meaning foreign individuals, goods, articles and vehicles can enter or exit directly. This is critical to the customs clearance and logistics for foreign invested projects. This will be further discussed in the following section “Logistics.” Of all the ports in this region, Yixing Port and Wuxi Port are in Category-2 while Hangzhou Port, Shaoxing Port and Huzhu Port haven’t opened to the outside yet.

**Analysis of Industrial Park Port Resources in the Yangtze River Delta**

The development of an industrial park and a company’s logistics rely on the support of a port. Most of the industrial parks along the river or close to the sea in this region can get support from adjacent ports and the distance is about 20 – 30 km, which is quite reasonable. However, for those that are in the hinterland, the support they can get is limited. For example, SIP and SND are still 60 km away from the nearest port, Changshu Port. They don’t have many advantages in water transportation.

Port resources of an industrial park can be evaluated based on the port’s location, level, category, cargo handling capacity and container handling capacity, number of berths, and maximum cargo ships that can be handled and distance from the targeted industrial park.

Based on the above factors, the industrial parks in the Delta can be put into four categories in terms of port resources with reference to their locations:

**Coastal hub ports and related industrial parks**

Shanghai Port and Ningbo-Zhoushan Port are the hubs in the region and the parks that benefit from them are Jinqiao, CHJ-PJ, Hongqiao, Minhang, Zizhu, Songjiang, ZJ Park, Lingang, NETD, and NFTD, of which, Lingang is only nine km away from Yangshan Port area (part of the Shanghai Port) and the two parks in Ningbo are basically next to Beilun Port area (part of Ningbo-Zhoushan Port).

**Top eight ports along the sea, river or both and related industrial parks**

Ports in this category are Lianyungang Port, Taicang Port, Nantong Port, Nanjing Port, Zhangjiagang Port and Wuxi Port. The industrial parks that benefit from them are Lianyungang, Taicang, Kunshan, Su-Tong, NETDZ, JNDZ, Zhangjiagang and Wuxi. However, Wuxi Port is still a Category-2 port even though it has a good rank in cargo and container handling capacity. This will cause some inconvenience to export-related logistics for foreign invested companies.

**Top 15 regional ports along Yangtze River and related industrial parks**

Ports in this category are Jiaxing Port, Changshu Port, Changzhou Port and the parks that benefit from these ports are SIP, SND, Changshu and Changzhou. Changshu Port has been combined with Zhangjiagang Port and Taicang Port as Suzhou Port, which has been a supporting port complex to the parks in Suzhou.

**Ports along the river and related industrial parks**

These ports are Hangzhou Port, Huzhou Port, Shaoxing Port, Taizhou Port, Yixing Port and their related industrial parks are HEDA, HHTZ, Huzhou, Shaoxing, Taizhou and Yixing.
Understanding the Policy of Logistics in Industrial Parks

Logistic costs have a great impact on the total costs and profits of a company. The following factors can be used as indexes to evaluate the logistic resources of an industrial park: free-trade level, availability of direct customs clearance service, logistic support services (whether it is outsourced or there is any additional service available) and local logistic costs. The first two are the most important for an export related company. There are examples where, limited by the logistic support in the parks they are in, some companies have to spend extra time and efforts in customs clearance and approvals. They have wasted time and money waiting for their products to be put in the market and for the raw materials to be imported.

The free-trade zones in China can be divided into free-trade ports, general free-trade zones, free-trade logistics parks, free-trade logistics centers, free-trade zones, export processing zones, free-trade warehouses and export supervision warehouses, etc.

The last two types are the most basic ones. Almost every state-level industrial park has public free-trade warehouses and export supervision warehouses.

Export processing zones and free-trade zones are senior level supervision zones developed at a later stage. The difference between the two is the export processing zone is better for exporting while the free-trade zone is better for importing. For all the machines, equipment and materials entering export processing zones owners can file for a tax rebate, including duty and VAT. There is also a tax rebate policy in free-trade zones but only for goods that are leaving the country. Compared with each other, export processing zones’ functions are very straightforward while free-trade zones have various functions, including export processing, entrepôt trade, free-trade warehouses, etc.

Free-trade logistics parks are at a higher level than export processing zones and free-trade zones. Companies in this type of park can benefit from tax policies available to both export processing zones and free-trade zones, i.e. as soon as their products arrive at the park they can file for tax rebate (VAT and consumption tax). Free-trade logistics parks are usually located between an industrial park and a port to connect the two. Free-trade logistics centers are similar to free-trade logistics parks. However, the center is normally established by one or multiple companies but free-trade logistics parks are founded by the government and therefore the latter are more consistent in terms of policy execution.

The highest level of logistics parks to date is a free-trade port. It is located in open ports and specific areas connected to these ports with logistics and processing functions. In terms of policies, free-trade ports can have all the tax and foreign currency management related policies of a free-trade zone and an export processing zone. The major policies are: 1) tax free for foreign products stored at a free-trade port; 2) when products are transported out of the port for selling in the domestic market, they should go through the customs clearance procedures and tax is based on the actual status of the products; 3) domestic products entering a free-trade port will be treated as goods for export and their tax can be eliminated. Free-trade ports are not only in good locations, but have more types of functions and better policies. They are a combination of free-trade zones, export processing zones, free-trade logistics parks and ports. This type is an experiment for future free-trade zone construction in China. It integrates the functions of a free-trade area and a port. A similar type is a general free-trade zone which will normally be located in the inland areas and supported by ground transportation.
### Analysis of Logistic Parks in Yangtze River Delta Region

#### Diagram 25: Free-Trade and Logistics Types of Industrial Parks

<table>
<thead>
<tr>
<th>Industrial Park</th>
<th>Type of Bonded zone</th>
<th>Custom Through point and Supervise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lingang industrial Area</td>
<td>Bonded Port zone</td>
<td>✦</td>
</tr>
<tr>
<td>Zhangjiagang bonded port zone</td>
<td>Bonded Port zone</td>
<td>✦</td>
</tr>
<tr>
<td>Suzhou industrial park</td>
<td>General bonded Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Suzhou New and tech Industrial development zone</td>
<td>General bonded Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Kunshan ETDC</td>
<td>General bonded Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Taicang development zone</td>
<td>General bonded Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Ningbo ETDC</td>
<td>Bonded logistic park</td>
<td>✦</td>
</tr>
<tr>
<td>Ningbo bonded ETDC</td>
<td>Bonded logistic park/export processing zone</td>
<td>✦</td>
</tr>
<tr>
<td>Lianyungang ETDC</td>
<td>Bonded logistic park/export processing zone</td>
<td>✦</td>
</tr>
<tr>
<td>Nanjing-jiangning ETDC</td>
<td>Bonded logistic park/export processing zone</td>
<td>✦</td>
</tr>
<tr>
<td>Nanjing ETDC</td>
<td>Bonded logistic center</td>
<td>✦</td>
</tr>
<tr>
<td>Jinqiao export processing zone</td>
<td>Export Processing Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Caohejing Pujiang Hi-Tech Park</td>
<td>Export Processing Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Hangzhou ETDC</td>
<td>Export Processing Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Sonhjiang industrial zone</td>
<td>Export Processing Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Hangzhou ETDC</td>
<td>Export Processing Zone</td>
<td>✦</td>
</tr>
<tr>
<td>Chanzhou National Hi-Tech District</td>
<td>Public bonded warehouse</td>
<td>✦</td>
</tr>
<tr>
<td>Changshu ETDC</td>
<td>Public bonded warehouse</td>
<td>✦</td>
</tr>
</tbody>
</table>

Based on the current statistics, Lingang and Zhangjiagang are in the top group. Both are free-trade port types and have better policies and support import and export as well as customs clearance. SIP, SND, Kunshan and Taicang are inland general free-trade zones and belong to the second group. Free-trade logistics parks are NETD, NFTD, Lianyungang and JNDZ ranked the third as well as NETDZ, which is a free-trade logistics center.
18 industrial parks listed in Diagram 25 have direct customs clearance services, which have provided great convenience to the enterprises set up in these areas.

It is critical to conduct an analysis of locations of competitors and partners when doing site selection. Only through an insight evaluation of their strategic layout, can a solid foundation for future success be established. In this paper, we use medical imaging equipment manufacturers as an example to explore their layout in industrial parks.

**Domestic Medical Imaging Equipment Manufacturers:**
1. Guangdong Well Medical Science and Technology Corporation
2. Beijing Wandong Medical Equipment Co., Ltd.
3. Shandong Shinva Medical Instrument Co., Ltd.
4. Shenzhen Mindray Medical International Limited
5. Weida Medical Applied Technology Co., Ltd.
6. Omron (China) Limited

**Overseas Medical Imaging Equipment Manufacturers:**
7. GE Healthcare
8. Siemens
9. Philips
10. Bayer
11. Biomet
12. Texas Instruments
13. Analogic
14. Toshiba
### Key Industrial Parks in the Yangtze River Delta

#### Diagram 26: Medical Equipment Industry Layout

<table>
<thead>
<tr>
<th>Industrial Park</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
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<th>K</th>
<th>L</th>
<th>M</th>
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</thead>
<tbody>
<tr>
<td>Shanghai chemical zone</td>
<td></td>
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<td>X</td>
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<tr>
<td>Nanhu (not Industrial park)</td>
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<td>X</td>
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<tr>
<td>Jinde export Processing zone</td>
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<td>X</td>
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<tr>
<td>Zizhu Science based industrial park</td>
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<tr>
<td>Senjilang Industrial park</td>
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<td>Zhajiang Hi-tech park</td>
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<td>Suzhou·Wu &amp; Hi-tech industrial development zone</td>
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<td>Nanjianging ETDC</td>
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<td>Changzhou National Hi-tech park</td>
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Most of the major companies in this industry are located in Shanghai and Jiangsu with limited coverage in Zhejiang Province.

By comparing NETDZ and JNDZ, we find out that Mindray, a primary player in this industry, has a factory in the latter. Further research shows that JNDZ has a good occupancy rate of foreign invested enterprises and Fortune 500 companies. Meanwhile, one of the focuses of JNDZ is to develop "electronic information"-related industries, which is consistent with the layout of electronic medical equipment companies. This park has better facilities and environment for the medical imaging equipment industry. Therefore, even though NETDZ and JNDZ are located in the same area, the latter has more advantages in attracting electronic medical equipment projects.

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### China Tax Policy Status for Foreign Investment Projects

The taxation system is complex in every country and China is no exception. There have been many changes and policies are still being developed. The following types of taxes have more impact on foreign invested projects: corporate income tax, business tax, value added tax (VAT), import and export tariffs, imported equipment tax, stamp duty and goods and services tax (GST).

The most influential tax regulation on foreign invested enterprises (FIEs) is the New Corporate Income Tax Law issued in 2007. This new tax law establishes a unified...
25% corporate income tax rate applying to both domestic enterprises and FIEs; formerly, it was 33% for domestic and 15% for FIEs. The new law has also streamlined the tax holidays to encourage foreign investment to pursue industries that are encouraged and supported by the government, so that they can be upgraded and restructured to the next level. Currently, these industries are mostly in the areas of hi-tech, R&D, new energy resources, new materials and biomedicine.

Tax Holidays and Incentives in Industrial Parks in Yangtze River Delta

**Corporate Income Tax (CIT)**

The corporate income tax rate is generally 25%. However, a hi-tech company can enjoy a rate of 15%. Usually a company should get its approval as a hi-tech enterprise from provincial bureaus and it is valid for three years. The corporate income tax policy is universal in the industrial parks in Yangtze River Delta and there is no incentive in any form.

**Local Portion of CIT**

This refers to refund of the local portion of the CIT revenue, normally 30%. Every industrial park has respective incentive policies on this aspect. Changshu and Zhangjiagang have better policies than the others. Companies in these two parks can enjoy a two-year exemption followed by a three-year half reduction. Huzhou is an 80% - 100% reduction for the first three years. Shaoxing is a 30% reduction for the first two years and a 15% reduction for the following three years. For Lingang, SIP, NETDZ, Wuxi, HEDA and Xiaoshan, incentives are on a case-by-case basis. Not every industrial park has an incentive policy. According to our research, Kunshan, Taicang, Changzhou and NETD haven’t had any policies on tax holidays and other incentives.

**Business Tax**

There is a 3% business tax rate for transportation and logistics companies, 3% for construction companies, 5%-20% for entertainment companies, 5% for finance and insurance companies, 3% for sports and culture companies, 5% for service companies, and tax-free for production-oriented enterprises.

**VAT**

VAT is unified to 17%. However, if it is an export-oriented company, part of the tax can be refunded through tax rebates. The ranking of industrial parks based on the level of preferential incentive VAT policy has suggested that Zhangjiagang and Changshu have the best VAT policies while Lingang, SIP, NETDZ, Wuxi, HEDA and Xiaoshan are on a case-by-case basis.

**Import & Export Tariff**

The import-export tariff is generally 10%-20%. Imported Equipment Tax can be eliminated for encouraged projects. For most industrial parks in the Delta, there are no preferential policies available.

**Imported Equipment Tax**

Generally, FIEs will need to pay a rate ranging from 8% to 35% for imported equipment used by themselves. However, the imported equipment tax exemption can be granted to encourage FIEs except for the equipment listed in “Catalogue of Imported Commodities not Entitled for Tariff Exemption for Projects with Foreign Investment.” Industrial parks in the Delta don’t have incentives on this except Shaoxing (2% - 2.5% special support fund).

**Stamp Duty, GST**

Stamp Duty depends on products’ categories. It varies from 0.01% to 0.05%. GST normally ranges from 3% to 45% but is not applied to production oriented enterprises.
Diagram 27: Tax Incentive Index of Industrial Parks in Yangtze River Delta
(The higher the index the better the park’s incentive policy.)
In terms of tax incentives and policies, the industrial parks in Jiangsu Province have numerous preferential benefits available, such as Zhangjiagang and Changshu. The industrial parks in Zhejiang Province normally have different incentives for specific projects, such as Shaoxing, HEDA, Xiaoshan and Huzhou. They are more attractive to enterprises whose tax costs are a big portion of their profits.

For most industrial projects, power supply and water supply are critical to the success of a project. The following sections focus on the evaluation of these two factors for each industrial park in the Delta.

**Power Supply**

**Power Station**

Owning a power plant can provide a stable power supply for the companies in an industrial park. Most of the parks in Yangtze River Delta are equipped with power plants. Some of them have two to ensure sufficient supply for the enterprises, such as Changshu. In addition, most of the power supply for the industrial parks in this region is from the China East Power Network which is stable and reliable for the projects in the Delta.

**Substation Resources**

The power supply and distribution capability of an industrial park is indirectly impacted by its power transformation and distribution capacity. Currently, most of the power substations in the industrial parks in this region are at 35kv, 110kv, 220kv and 500kv levels. As the infrastructure is upgrading, 500kv capacity substations start to be set up in Kunshan, Changzhou and NETD. The parks that have more substation resources are Songjiang, SND, Kunshan, Taicang, Changzhou, Wuxi, NETDZ, HEDA, Jiaxing and NETD. These parks will be more attractive to projects that have larger power supply requirements.

**Infrastructure Support**

Good infrastructure is the basic support to industry development and invested projects. The infrastructure requirements for site selection include:

1. Overall condition of infrastructure in an industrial park. There are usually two types, “seven supplies of utilities and one leveling” (power, road, water, sewage treatment, heating, gas, communication available and site is leveled) and “nine supplies of utilities and one leveling” (the additional two refer to cable TV and rainwater distribution).

2. Power supply condition and rates

3. Water supply capacity and rates

4. Sewage treatment capability and rates

5. Natural gas supply and steam supply capacity and conditions

6. Communication capability
Power Rate

The power cost calculation system is complicated in the Yangtze River Delta. First of all, there are different rates for large industrial power supply and general industrial power supply. The latter is more expensive. Secondly, rates are different at peak time, normal time and off-peak time. Thirdly, rates are different for various input voltage requirements such as 1-10KV, 10-35KV, 35-110KV and 220KV or above.

The rate at 35KV is mostly in the range of RMB0.80 – 0.85/KWh for the industrial parks in the Delta. The rates are very close for the parks in Shanghai and Jiangsu Province and are more expensive than those in Zhejiang Province except the parks in Hangzhou. Enterprises that require a lot of power supply spend extra money in electricity which directly affects their profits.
Water Supply

Water supply is essential for every industrial project. The water supply capability of an industrial park can be evaluated based on their daily supply capacity and rates.

**Daily Water Supply Capacity**

Most industrial parks in the Yangtze River Delta are either near the Yangtze River, Taihu Lake or the Grand Canal and therefore have adequate water resources. Most of them have the capability of supplying over 10,000 tons of industrial water on a daily basis. The largest one is Suzhou Industrial Park, which can provide 450,000 tons every day.

**Water Rate**

The average water rate in the Yangtze River Delta is RMB3 – 5/m³ (including sewage treatment). The industrial parks in Zhejiang Province charge higher rates, normally more than RMB4 – 5/m³. The parks in Jiangsu Province are normally at RMB3/m³ for industrial water. The average rate is RMB3.75/m³ for the parks in Shanghai.
Human Resources

Highly-Trained Labor

China’s rapid development over the last decade mainly focuses on the eastern coast, which has great strengths in finance and research. This has attracted the surplus labor force from the mid-west area and helped China become a world manufacturing center.

The modernization of agriculture has also changed its traditional labor-intensive structure and thus made a large supply of labor available. The rural population in China is about 800 million, which has provided a sufficient labor force for the development of coastal areas.

China has also progressed significantly in developing the scale of higher education. In 2007, there were 4.5 million graduates, which is four times of that of 10 years ago. In 2010, this number reached 6.3 million, a 40% increase in only three years. This has set up a good foundation for the rapid development of the economy.

It is natural that the growth and extension of foreign invested enterprises rely on a high-level labor force. According to our research, colleges and universities that have the qualification for PhD, masters, graduate or diploma programs are usually in the science and technology research and development centers of the local area. The higher technical and vocational education facilities focus more on training high-level blue collar workers. The cities that have more colleges and universities can provide better support in research and labor force to their industrial parks.

The chart in blue in Diagram 31 shows the number of local colleges and universities, and
In 2011, Shanghai had 168,000 graduates, followed by Nanjing (150,000), Hangzhou (220,000) and Ningbo (100,000). These four cities not only have a considerable amount of graduates but also they are at a higher level. The industrial parks in or near these four cities have more resources of high-level labor force. The cities such as Suzhou, Changzhou and Wuxi don't have many universities but they do have quite a few vocational facilities, which is also good support to the development of technology-intensive enterprises.

How to Maintain Professional Talents

China is going through an industry transition and strategy upgrading period. The focus is to guide the industries in the coastal areas to upgrade to hi-tech and service types. Meanwhile, the labor-intensive industries are being relocated to the mid-west area to boost the development of the region.
In recent years, the majority of the surplus labor from the mid-west area has been working in coastal cities, which supports the development of manufacturing industries. However, with the growth of the mid-west area and increasing living costs in the coastal areas, more and more of these workers tend to go back to their hometowns.

Thirty-seven percent of the interviewed foreign invested enterprises believe that compared to market transparency, intellectual property rights, political system and funds, recruiting and maintaining professional talents is becoming the bottleneck of a company’s growth.

Diagram 33: HR Costs in Shanghai, Jiangsu, Zhejiang (Monthly)

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<thead>
<tr>
<th></th>
<th>Shanghai</th>
<th>Jiangsu</th>
<th>Zhejiang</th>
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<tbody>
<tr>
<td>Manager level salary</td>
<td>9063</td>
<td>4925</td>
<td>4563</td>
</tr>
<tr>
<td>Labor Salary</td>
<td>2512</td>
<td>1432</td>
<td>1742</td>
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<tr>
<td>Living cost</td>
<td>1856</td>
<td>1372</td>
<td>1175</td>
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</tbody>
</table>

**Labor Cost Differences**

The industrial parks in the Delta are at different stages of economic development due to their different locations and they support they can get.

In Zhejiang Province, the salary levels of managers and workers in the parks in Hangzhou and Ningbo are higher than the rest of the parks in the province and their living costs are higher. In Jiangsu Province, managers in Suzhou, Kunshan and Changshu have higher salaries than that in the other cities but the workers are at a similar level. In terms of living costs, Suzhou, Kunshan, Taicang, Wuxi and Nanjing are more expensive than the other cities in the province.

Our research also shows that living costs have more impact on workers than managers. That’s why many companies try to maintain them through 1) increasing their income by providing overtime fees and 2) reducing their living costs by providing accommodations and staff cafeterias, which also helps with their sense of belonging.
Diagram 34: Salary Levels of Managers and Workers in Yangtze River Delta
(RMB/Month)

Diagram 35: Living Costs (RMB/Month)
Industrial park site selection is a comprehensive progress requiring strong knowledge of policies and technology, and is critical to foreign invested projects in China. Site selection will not only impact a project’s initial investment, feasibility study and setup, but also the investment return during the operation phase and the long-term success of investment in China.

The industrial parks in Yangtze River Delta have been and continue to be in a primary position in the nation’s Five-Year Plans. These parks have different strengths and challenges in the development speed and quality, logistics convenience, taxation benefits, policy support, and infrastructure, etc. All the research and comparisons reflected in this paper only focus on a single factor while site selection is a more comprehensive process. Therefore, even though an industrial park is not very strong in one area, it doesn’t mean this park cannot be considered at all for a particular project. In practice, companies should take their own situation and requirements into consideration and evaluate various factors that are specific to their potential project to make a comprehensive analysis to support the final decision.

Due to the limited length, this paper doesn’t include the detailed database for industrial parks for site selection purposes. However, Mortenson is willing to share the information with potential investors in Yangtze River Delta.

Appendices include a list of the industrial parks in Yangtze River Delta and a brief introduction to the Top 31 industrial parks as mentioned in the above sections.
**EPILOGUE: BRIEF INTRODUCTION TO MORTENSON SITE SELECTION SYSTEM**

Mortenson China has successfully provided site selection research services for quite a few domestic and foreign invested enterprises and established close contact with many industrial parks. Based on these experiences, Mortenson has established a unique and effective site selection system as well as a comprehensive database of the parks, providing first-hand information for site selection.

Mortenson Site Selection System (MS³) is a standard and systematic analyzing and selecting process, meaning the decisions are based on logical and step-by-step analysis with support in theory and successful experiences. It is mainly a flexible way to process the scoring system and procedures of a park. The core steps are:

1) **“Analytic Hierarchy Process” (AHP)**
   The most important step in MS³ is to establish a model using AHP. In our evaluation system, the various factors are mathematically analyzed through scientific, systematic and hierarchical steps and the priority ratio and evaluation model is established. This is an ongoing process and the specific project requirements from the investor are also taken into consideration.

2) **First Round Qualitative Selection**
   After having a general understanding of each industrial park, we follow a refining pattern to identify 8 to 10 candidates. As there is still a lot of information to verify and confirm, qualitative research works better in terms of flexibility, scale and accuracy. Measurement standards should be established to meet the specific needs of a project. Based on our experiences of site selection in North America and the mainland of China, we can control the deviation to the minimum level.

3) **Second Round Quantitative Selection**
   After identifying the 8 – 10 candidates, we will communicate with owners for further information and scale down to 6 – 8 options. The next step is to do an on-site survey to further verify the accuracy of the standards, after which, a more comprehensive and systematic quantitative analysis and parallel comparison will be conducted to evaluate every single factor. By combining the scores of the single factors and the priority ratio, we are able to get the final score for each option and select 3 – 5 finalists for investors to choose.

4) **MS³ Process**
   Based on our experiences and service-oriented principles, Mortenson Site Selection can be summarized as follows:
Key Industrial Parks in the Yangtze River Delta

Collect and compare information of industrial parks in the greater China area

Establish initial communication with Owner to understand project functions and needs and site selection requirements

Analyze Owner’s requirements and project features to list critical factors

Conduct qualitative parallel comparison to identify 8 – 10 candidates

Communicate with Owner again to choose 6 – 8 options from the original pool and confirm the feasibility of these options

On-site survey of the options and the cities they are in to verify the accuracy of information gathered for each factor

Conduct quantitative analysis of the options and generate total scores to recommend the top 3 or 5 to Owner

Assist Owner to set up initial meeting with local government and parks

Finalize the scores based on meeting results and prepare draft site selection report

Finalize report based on Owner's comments and feedback

Assist Owner to continue communication with local government and parks (business and technology)

Owner to confirm site

Assist Owner to acquire land and sign contract

Complete site selection
## Appendix I: List of Industrial Parks in Yangtze River Delta

### Shanghai Municipality

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<tr>
<th>State-Level</th>
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<tbody>
<tr>
<td>Jinqiao Export Processing Zone</td>
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<tr>
<td>Caohejing Pujiang Hi-Tech Park</td>
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<tr>
<td>Hongqiao Economic and Technological Development Zone</td>
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<tr>
<td>Minhang Economic and Technological Development Zone</td>
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<tr>
<td>Zhangjiang Hi-Tech Park</td>
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<td>Lingang Industrial Park</td>
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<tr>
<th>Municipal Level</th>
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<tbody>
<tr>
<td>Zizhu Science-based Industrial Park</td>
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<td>Songjiang Industrial Zone</td>
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<td>Qingpu Industrial Park</td>
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<td>Chongming Industrial Park</td>
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<td>Pudong Kangqiao Industrial Park</td>
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<td>Shanghai Chemical Industrial Park</td>
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<td>Xinyang Industrial Park</td>
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<td>Pudong Heqing Industrial Park</td>
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<td>Nanhui Industrial Park</td>
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<td>Fengcheng Industrial Park</td>
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<td>Baoshan Industrial Park</td>
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<td>Yueyang Industrial Park</td>
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<tr>
<td>Fusheng Economic Development Zone</td>
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<td>Pudong Airport Industrial Park</td>
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<td>Jiading Industrial Park</td>
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<tr>
<td>Jiading Automobile Industrial Park</td>
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<tr>
<td>Xinzhuang Industrial Park</td>
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<td>Songjiang Economic Development Zone</td>
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<td>Xijiao Economic Development Zone</td>
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<td>Xinghuo Industrial Park</td>
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<td>Fengjing Industrial Park</td>
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<tr>
<td>Fengxian Economic Development Zone</td>
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<td>Jingshan Industrial Park</td>
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<td>North Industrial Park</td>
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<td>Zhujing Industrial Park</td>
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<tr>
<td>Future Island Hi-Tech Park</td>
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### Jiangsu Province

#### State-Level

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<thead>
<tr>
<th>Park Name</th>
<th>Park Description</th>
<th>Zone Name</th>
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<tbody>
<tr>
<td>Suzhou Industrial Park</td>
<td>Suzhou National New &amp; Hi-Tech Industrial Development Zone</td>
<td>Kunshan Economic and Technical Development Zone</td>
</tr>
<tr>
<td>Nanjing Economic and Technological Development Zone</td>
<td>Changzhou National Hi-Tech District</td>
<td>Nantong Economic and Technological Development Zone</td>
</tr>
<tr>
<td>Wuxi New District</td>
<td>Taizhou National Medical Hi-Tech Development Zone</td>
<td>Lianyungang Economic and Technological Development Zone</td>
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<td>Zhangjiagang Free-Trade Zone</td>
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#### Province and City Level

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<th>Park Name</th>
<th>Park Description</th>
<th>Zone Name</th>
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<tbody>
<tr>
<td>Su-Tong Science and Technology Park</td>
<td>Yixing Economic Development Zone</td>
<td>Wuxi Liyuan Hi-Tech Industrial Park</td>
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<td>Wuxi Huishan Economic Development Zone</td>
<td>Xishan Economic Development Zone</td>
<td>Jiangyin Economic Development Zone</td>
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<td>Changzhou Qishuyan Economic Development Zone</td>
<td>Wujin Hi-Tech Industrial Park</td>
<td>Jintan Economic Development Zone</td>
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<td>Liyang Economic Development Zone</td>
<td>Suzhou Xushuguan Economic Development Zone</td>
<td>Wuzhong Economic Development Zone</td>
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<td>Wujiang Economic Development Zone</td>
<td>Changshu Economic Development Zone</td>
<td>Haimen Industrial Park</td>
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<td>Nantong Chongchuan Economic Development Zone</td>
<td>Nantong Port Gate Economic Development Zone</td>
<td>Haimen Economic Development Zone</td>
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<td>Qidong Economic Development Zone</td>
<td>Tongzhou Economic Development Zone</td>
<td>Rugao Economic Development Zone</td>
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<td>Lianyungang Hi-Tech Industrial Park</td>
<td>Ganyu Economic Development Zone</td>
<td>Huai’an Economic Development Zone</td>
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<td>Yancheng Economic Development Zone</td>
<td>Sheyang Economic Development Zone</td>
<td>Funing Economic Development Zone</td>
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<tr>
<td>Yangzhou Economic Development Zone</td>
<td>Yizheng Economic Development Zone</td>
<td>Jiangdu Economic Development Zone</td>
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APPENDIX II: 31 KEY INDUSTRIAL PARKS BRIEF INTRO

SHANGHAI

Jinqiao Export Processing Zone

Overview

Shanghai Jinqiao Export Processing Zone is a key state-level development zone approved by the State Council. It was recognized by the Ministry of Science and Technology as Jinqiao High-Tech Park in 1998. The zone is mainly focused on the development of modern industry, modern residence, modern commerce and trade. It is a high-level comprehensive development zone operated in accordance with international practices with multi-functions of manufacturing, residence, trade, commercial services and community administration.

The Zone, with a planned area of 20 square kilometers, is divided into two parts by the north-south Jinqiao Road. The eastern part, about 16 square kilometers, is for a modern industrial park, modern commerce and trade park. The western part of about four square kilometers is for modern residential park, administration and service center.

Jinqiao Modern Industrial Park

Located at the east part of the zone, Jinqiao Modern Industrial Park covers about 16 square kilometers, six square kilometers of which is approved by Shanghai Municipal Government as “Jinqiao High-Tech Park.” Jinqiao Modern Industrial Park meets the “seven supplies of utilities and one leveling” standard in China, and it also provides central heating and satellite communication through VSAT. It is one of the development zones with the best infrastructure. The park can provide land, standard plant as well as international standard management and services for various industrial projects, especially high-tech industries.

The GDP of Jinqiao Export Processing Zone reached RMB 146.7 billion in 2006, which accounted for 10% of Shanghai’s GDP and one-third of Pudong’s.

Land: N/A
Location
It is located in central Pudong New Area, bordering Lujiazui Finance and Trade Zone in the west, Waigaoqiao Free-Trade Zone in the north and Zhangjiang Hi-Tech Park in the south, thus enjoying favorable geographical location and convenient traffic. The zone is 15km away from Shanghai Railway Station, 25km away from Shanghai Hongqiao International Airport, 15km away from Shanghai Pudong International Airport, and 9km away from Waigaoqiao port area.

Transportation
3km from Shanghai Outer Ring Expressway, 12km from Inner Ring Expressway, 10km from Pudong Airport, 30km from Hongqiao Airport, 19km from Waigaoqiao Port and 50km from Yangshan Deep-Water Port, Jinqiao Export Processing Zone (South Area) can be conveniently accessed by air, by sea and by land transportation.

Infrastructure
The zone has transferable industrial land of 400,000 square meters meeting the standard of “seven supplies of utilities and one leveling,” and has fully furnished plant and warehouse of 110,000 square meters. Phase II covers 1.2 square kilometers, which is to be developed.

Industry Structure
The zone focuses on five leading industries: telecommunication, automobile and automobile components, modern home appliance, new material, food and pharmacy.

Foreign Investment
51 MNCs have invested 60 projects in the zone. More than half of the MNCs in Pudong are located in Jinqiao, including General Motors, General Electric, Coca-Cola, Whirlpool, SC Johnson, Kodak, HP, Rosemount, Hughes, Molex, International Paper, Mitsui, Mitsubishi, Ito, Hitachi, Sharp, Ricoh, Fujita, Kyocera, Omron, Siemens, Festo, Leica, Bosch, Boehringer Ingelheim, Alcatel Bell, Schindler, Christian Dior, Rhone-poulenc, and Philips. 21 Fortune 500 companies now have sites in Jinqiao.

Talent Advantage
The abundant human resources and the attraction for talents moving to Shanghai guarantee the supply of a skilled workforce.

Preferential Policy
- Bonded processing can be carried out in Jinqiao Export Processing Zone (South Area). Manufacturing equipment, materials and parts are duty-free. Products after processing can be sold at domestic and international markets.
- Bonded logistics can be carried out in the South Area to provide international procurement
and distribution business for companies in and out of Customs. Foreign goods brought into the South Area are exempted from import tariffs.

- Tax can be refunded for export of goods into South Area as general trade conducted by domestic enterprises out of the zone. Export of goods into the South Area as processing trade conducted by domestic enterprises out of the zone can be treated as export out of port.

- Enterprises engaged in processing and logistics in the South Area can transport goods without substantial processing abroad or to domestic enterprises out of the zone according to the needs of production or after sale services.

- Enterprise in the South Area can carry out R&D operations. Tariffs are exempted for equipment, raw materials, reagents and etc. imported for R&D purposes.

- Enterprise in the South Area can carry out testing business. Commercial testing for high value-added products with advanced technology is allowed. Companies engaged in import and export inspection should obtain the approval from the General Administration of Quality Supervision, Inspection and Quarantine.

- Enterprise in the South Area can provide maintenance services. Maintenance for exported goods made in China after sale is allowed but maintenance for the purposes of disassembly or renovation is forbidden.

**Caohejing Pujiang Hi-Tech Park**

**Overview**

Caohejing was approved by the State Council as a state-level economic and technological development zone in 1988, and then was approved by the government as state-level hi-tech industrial development zone in 1991. In July, 2004, expansion was approved and Caohejing Pujiang Hi-Tech Park was started. The park covers about 10.7 square kilometers, 9.4 square kilometers of which is a hi-tech industrial area, and 1.3 square kilometers is a service area. Prior to that, Caohejing Export Processing Zone was approved by the State Council to be set up inside the zone in March 2003. Phase I of about 0.9 square kilometers was launched in March, 2004. Caohejing Pujiang Hi-Tech Park strives to be a world-class development zone with R&D capability, hi-tech manufacturing and technical services.

**Land:** N/A

**Location**

Located at south Shanghai, Caohejing Pujiang Hi-Tech Park is close to Outer Ring Expressway,
Xupu Bridge and Lupu Bridge in the north, and Pudong Airport Expressway and Minpu Bridge in the south, thus enjoying convenient transportation. There are three stations of Metro Line8 in the zone that make it easily accessed by public transportation.

**Transportation**
13km from Shanghai-Hangzhou Highway; 28km from Shanghai-Nanjing Highway; 3km from Outer Ring Expressway; 4.5km from Mid Ring Expressway; 21km from Hongqiao International Airport; 38km from Pudong International Airport; 48km from Yangshan Deep-Water Port.

**Infrastructure**

**Power:**
One 35kV substation and a 35kV switchyard ensure the uninterrupted power supply of 35kV and 10kV.

**Water:**
Water is supplied by the nearby Linjiang Water Plant. 600-800mm diameter pipes have been set under Puxing Road. 300-500mm diameter distribution network pipes have been set under Sanlu Road, Chenhang Road and Jiangyue Road.

**Sewage treatment:**
The zone has a separate diversion system for sewage and rainwater. Sewage is disposed to an efflux system under Outer Ring through pipes under Sanlu Road.

**Rainwater:**
Rainwater disposal makes full use of the dense river network in the zone. Rainwater flows into rivers through the drainpipes underground.

**Gas:**
Gas is supplied by a natural gas field in East China Sea. There are gas pipes under Puxing Road (300mm diameter / mid-pressure), Sanlu Road and Jiangyue Road (200mm diameter). More pipes (200mm diameter / 0.4Mpa) are planned to be set under Chenhang Road.

**Telecommunication:**
Cable laid through the zone can meet various needs of telecommunication.

**Industry Structure**
Caohong Pujiang Hi-Tech Park and Caohong Export Processing Zone focus on the development of microelectronics, optoelectronics, new material, new energy, biomedicine, environmental technology and other high-tech industries, as well as related high-end supporting industries.

**Foreign Investment**
There are 49 foreign invested enterprises in the zone now. More than ten Fortune 500 companies have launched projects in the zone.
Talent Advantage

Shanghai is one of the cities with richest high quality workforce in China. The human resources in high-tech industries are particularly excellent. There are over 20 universities and 120 research institutions near Caohejing Hi-Tech Park. With that, plus the good living environment, companies in the park can easily attract high quality talents and professionals.

Incentive Policy

General policies for state-level development zones are applied. There is no special incentive at this stage.

Hongqiao Economic & Technological Development Zone

Overview

Hongqiao Economic & Technological Development Zone was planned in 1979, built in 1983 and became one of the first 14 state-level economic and technological development zones in 1986. It is the only commercial and trade zone in China integrating the functions of exhibition, office, residence, dining, and shopping. A foreign consular area has also been established in the zone. After over 10 years’ development, it is now one of the busiest commercial centers in Shanghai.

It covers a total area of 652,000 square meters, with a construction area of 310,900 square meters, a greenery area of 195,400 square meters and a road area of 143,900 square meters. It plans to construct an exhibition and display area of 300,000 square meters, office buildings of 300,000 square meters, hotels and restaurants of 300,000 square meters, residence of 300,000 square meters, public facilities and consular area of 300,000 square meters.

Land: N/A
**Location**
Hongqiao is located in the west part of the urban area of Shanghai, to the east of West Zhongshan Road, west of Gubei Road, north of Xianxia Road, south of Hongqiao Road.

**Transportation**
All the roads within the zone are connected to each other, and it connects with Inner Ring Expressway and Yan’an Elevated Highway. Hongqiao International Airport and Hongqiao Traffic Hub are only 5.5km away.

**Infrastructure**
Four substations in the zone can ensure the power supply to the zone. Gubei Telecom Office can respond to customers’ needs in a timely manner. Underground pipelines (for water, electricity, gas, telecommunication including broadband) have been laid in place.

**Industry Structure**
Hongqiao is the only development zone featuring foreign trade in China and integrating the functions of exhibition, office, residence, dining, shopping, and foreign affairs.

**Foreign Investment**
By the end of 2005, the actual use of foreign investment reached US$2.491 billion.

**Talent Advantage**
The abundant human resources and the attraction for workforce moving to Shanghai guarantee the supply of skilled staff.

**Incentive Policy**
There is no special incentive at this stage.
Minhang Economic and Technological Development Zone

Overview

The Minhang Economic and Technological Development Zone was established in 1983, and was approved by the State Council as state-level economic and technological development zone in 1986. With a total area of 3.5 square kilometers, it is the smallest state-level development zone in China.

By the end of 2009, Minhang had attracted 171 projects with a total investment of USD3.1 billion. Average investment on individual project has exceeded USD18.31 million. Accumulated sales revenue in the recent 20 years has reached RMB305.5 billion with accumulated profit of RMB33.1 billion. Through the upgrade of industrial structure, intensive use of land and improvement on services during recent years, major economic indicators of the zone achieved 20% growth in six consecutive years. The zone ranks first among national development zones in terms of profit, tax paid and industrial added value per unit area. Minhang has acquired ISO14000 environmental management certification and ISO9000 quality management certification. The zone has also made great achievements on energy saving. The energy and water consumed for output of RMB10,000 in the zone is only 22% and 47% of the average consumption by manufacturing industry in Shanghai.

Land: N/A

Location

Located at South-West Shanghai, Minhang is 30km from downtown.

Transportation

Air transportation:
Hongqiao International Airport is 27km away, within a 30min drive. Pudong International Airport can be accessed via Outer Ring Expressway.

Water transportation:
The pier of the zone is located by the Huangpu River. The zone is 15km away from Longwu Port and 43 kilometers from Zhanghuabang Container Wharf, via which goods can be shipped to the major ports all over the world.
**Land transportation:**

The nearby Shanghai-Minhang Highway, Shanghai-Nanjing Highway, Shanghai-Hangzhou Highway, and sub line of Xinming Railway make the zone easily connected to the national highway and railway network.

**Infrastructure**

*Power:*

Power is supplied by East China Grid Co. The zone has its own power grid. Low voltage is 380V 3-phase and 220V single-phase; and high voltage is 10kV. 35kV 50Hz AC power is available for high power consuming enterprises. There are two 220V substations, one 110V substation, two 35kV substations and four 10kV substations in the zone.

*Water:*

Water is supplied by Minhang Water Plant and water pressure is 200kPa.

*Gas:*

Heating value of the gas supply is 14.63-15.88MJ/m³ and pressure is over 1200Pa.

**Sewage treatment:**

There are 54 pipes for rain and sewage drainage, with a total length of 41.9km. Six pumping stations have been built with drainage capacity of 21.16 m³/second.

**Telecommunication:**

Program-controlled telephone system and lines are available.

**Industry Structure**

The zone is focused on mechanical and electrical industry (such as rail transportation and power equipment), pharmaceutical and medical industry (such as blood products and common drugs), and light industry (such as food and beverage).

**Foreign Investment**

By the end of 2009, the zone had attracted 171 projects with a total investment of US $3.1 billion. Average investment on individual project has exceeded US $18.31 million. Investors are mainly Fortune 500 companies and well-renowned MNCs. 10+ key enterprises contribute an average annual output of RMB2 billion.

**Talent Advantage**

The abundant human resources and the attraction for talents moving to Shanghai guarantee the supply of talents.

**Incentive Policy**

Minhang enjoys policies for state-level development zones.
Zizhu Science-based Industrial Park

Overview
Zizhu Science-based Industrial Park, a.k.a. Zizhu Hi-Tech Industrial Development, is co-invested by seven shareholders, namely Minhang District Government, Shanghai Jiao Tong University, Zijiang Holdings, Shanghai Alliance Investment Ltd., and etc. The foundation stone was laid on June 25, 2002, with the planning area of Phase I of 13 square kilometers. It was listed as municipal hi-tech development zone in 2003, and then was approved as provincial development zone in March, 2006. Then Zizhu was approved by the state as “National Bio Industry Base in Shanghai” in Sept 2009, and “Innovation and Entrepreneurship Base for High-Level Overseas Talents” in Oct 2009. In June 2011, upgrade to state-level hi-tech industrial development zone was approved by the State Council. The park consists of University Park, R&D base and Zizhu Peninsula. Its GDP reached RMB281 million in 2007.

Land: N/A

Location
Zizhu is located at east of Minhang Old Town which used to be a satellite town of Shanghai. The park borders Huangpu River in the south and east, and A20 Highway (which is only a 5min drive away) in the west. It connects with Shanghai-Hangzhou Highway, Shanghai-Nanjing Highway, Inner Ring Expressway and Xupu Bridge through Jianchuan Road Interchange, thus enjoying convenient access to either hubs of sea transport, land transport or air transport.

Transportation
Air transportation:
45km / 40min drive from Pudong International Airport; 25km / 30min drive from Hongqiao International Airport

Sea transportation:
44km / 45min drive from Wusong Port; 15km / 18min drive from Longwu Port; 45km / 48min
drive from Waigaoqiao Port; 50km / 55min drive from Yangshan Deep-Water Port

*Land transportation:*

10km / 15min drive from Shanghai-Hangzhou Highway; 22km / 30min drive from Shanghai-Nanjing Highway; 0km / 2min from Outer Ring Expressway; 16.5km / 22min drive from National Highway 312; 15km / 22min drive from National Highway 318

*Rail transportation:*

11km / 18min drive from Xinlonghua Marshalling Yard; 8km / 12min drive from Xinzhuang Station of Metro Line 1

The biggest logistic center in China is planned to be built in Minhang District, which will make the logistics of the zone smoother.

**Infrastructure**

<table>
<thead>
<tr>
<th>Voltage</th>
<th>380v/220v</th>
<th>10kV</th>
<th>35kV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average rate (RMB/kW)</td>
<td>0.553</td>
<td>0.547</td>
<td>0.54</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Voltage</th>
<th>380v/220v</th>
<th>10kV</th>
<th>35kV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08:00-11:00</td>
<td>0.871</td>
<td>0.865</td>
<td>0.859</td>
</tr>
<tr>
<td>18:00-21:00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period of normal demand</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>06:00-08:00</td>
<td>0.568</td>
<td>0.562</td>
<td>0.556</td>
</tr>
<tr>
<td>11:00-18:00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21:00-22:00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low use period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22:00-06:00</td>
<td>0.295</td>
<td>0.289</td>
<td>0.283</td>
</tr>
<tr>
<td>Basic power rate (RMB/kW/Month)</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
</tbody>
</table>

*Water:*

Water is supplied by two water plants in Minhang.

*Sewage treatment:*

The planned serviced area in the zone is 12.74 square kilometers, with an average daily sewage disposal of 35400 tons and peak flow of 2050 tons per hour. Industrial wastewater must be treated to meet Grade-3 Disposal Standard before discharged into sewage pipe system. Wastewater treatment charge is included in the water supply charge. However, before connecting to the pipes and obtaining permit for pollutant discharge, disposal charge of RMB518 per ton and inspection fee of RMB30,000 should be paid.

Telecommunication: Telecommunication facilities include telephones, data communication, broadband, mobile communication, intelligent platform, CDMA wireless network, satellite communication, cable network and CCTV surveillance system.
Industry Structure

Zizhu focuses on six pillar industries: IC and software, new energy, aerospace, digital technology, new material and life science, and aims to attract tenants like regional headquarters, R&D centers, venture capital firms and hi-tech manufacturing.

Foreign Investment

Foreign enterprises in Zizhu include Intel Channel Platform Group, Intel China, Microsoft Campus, ST Microelectronics, Coca-Cola, and etc.

Talent Advantage

The park favors from the research and talent advantages from the cooperation with Shanghai Jiao Tong University and East China Normal University located at the University Park. The University Park can provide high quality human resources and technology to Zizhu tenants, and new technology can also be incubated in the zone. Donghai Vocational & Technical College and Shanghai Dian Ji College can also provide skillful technicians.

Incentive Policy

There is no special incentive at this stage.

Songjiang Industrial Zone

Overview

Songjiang Industrial Zone is the first municipal industrial zone in Shanghai suburbs as well as the largest foreign investment base in Southwest Shanghai. It covers a total area of 44 square kilometers, 9 square kilometers of which has been developed since its operation launched in July 1992.

Land

An area of 40 mu for industrial use (floor area ratio is around 0.6-1.2) listed in June 2010 was priced at RMB310,000/mu.

Location

It is located at Songjiang Old Town at Southwest Shanghai. The state-level Songjiang Export Processing Zone is located inside the Zone.
Transportation
It’s 30km from Shanghai downtown and 2km from Songjiang town center. The zone is close to Shanghai-Hangzhou Highway, and is crossed by Shanghai-Hangzhou Railway. Its marshalling yard is 5km away from the zone. Therefore the zone enjoys convenient land and rail transport. For sea transport, it is 50km from Wusong Port and 35km from Jinshan Container Port. For air transport, Hongqiao International Airport is 22km away.

Infrastructure
The zone meets the standard of “seven supplies of utilities and one leveling”.

Power:
Power is supplied by East China Grid. There are three 35kV substations with total capacity of 86300KVA, and two 35kV substations under planning.

Water:
Daily supply capacity is 200,000 tons.

Sewage treatment:
Sewage is discharged to the Songjiang Wastewater Treatment Plant through pipes in the zone. Daily treatment capacity is 100,000 tons.

Gas:
Daily supply capacity is 300,000 m3.

Industry Structure
Pillar industries: electronics and information technology, modern equipment, fine chemicals, new materials, and biomedicine.

Foreign Investment
There have been 173 foreign funded projects with total investment of USD1.6 billion. Twenty-six Fortune 500 companies have launched projects in the Zone.

Talent Advantage
The Zone can benefit from the nearby Songjiang University Town.

Incentive Policy
There is no special incentive at this stage.
Zhangjiang Hi-Tech Park

Overview
Zhangjiang Hi-Tech Park, founded in July 1992, is located in mid Pudong New Area with a planned area of 25 square kilometers, consisting of a technological innovation zone, a hi-tech industry zone, a scientific research and education zone, and a residential zone. In August 1999, the Shanghai Municipal Committee and Municipal Government rolled out the strategy of “Focus on Zhangjiang” and identified integrated circuit, software, and biomedicine as the leading industries of the park to play a proactive role in innovation. By end of 2010, a total of 1905 enterprises had settled in the park achieving industrial output of RMB57.75 billion with total revenue of RMB155.6 billion.

Land: N/A

Location
ZJ Park is located in mid Pudong New Area.

Transportation

<table>
<thead>
<tr>
<th>Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZJ Park is 25km away from Shanghai Hongqiao International Airport, and 21km away from Shanghai Pudong International Airport. Both are within 30min drive.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Port</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZJ Park is 25km away from Waigaoqiao Port which is the largest port in China with shipping lines to all the major ports around the world.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highway</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZJ Park is 3.6 km away from Nanpu Bridge, 13km away from city center, 9km away from Bund, and can access airport, harbor, railway station and commercial center conveniently. Longdong Avenue, located north of the park, is the main road connecting Inner Ring Expressway and Pudong International Airport. Luonan Avenue, located west of the park, connects with Inner Ring Expressway and Outer Ring Expressway.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Railway</th>
</tr>
</thead>
<tbody>
<tr>
<td>The park is 17km away from Shanghai Railway Station.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>The park can be easily accessed by Metro Line 2 which links Hongqiao and Pudong airports.</td>
</tr>
</tbody>
</table>
Infrastructure

Power:
Power is supplied by East China Grid. The Park will be equipped with three 220kV substations and twenty-one 35kV substations as planned. Another 220kV substation is being built at Micro-Electronic Industry Base (Phase 2).

Water:
Both domestic and industrial water used in the park are circulating water supplied by Shanghai Water Co. The park is paved with water supply pipes (Φ300mm - Φ800mm). Water pressure is 156kPa. The water quality meets state standard GB5749-85 for drinking water.

Sewage:
Two sewage pumping stations have been built at the park with maximum discharge capacity of 2504L/S and average discharge capacity of 1926L/S (i.e., daily capacity is 166,406m3). Sewage is discharged through pumps to main drainage of South Shanghai for disposal.

Gas supply:
The natural gas is transmitted at pressure of 1.5-0.6mPa and distributed at pressure of 0.4-0.2mPa.

Heating:
Central heating is available. Two steam heating stations have been built. One station has an output of 30 ton/hour with outlet pressure of 1.6mPa and temperature of 250℃. The other has an output of 40 ton/hour with outlet pressure of 2.5mPa and temperature of 400℃. New steam stations will be built as needed by the Micro-Electronic Industry Base.

Telecommunication:
Cable internet access is available in the park. In addition, high speed internet is now being built for the park, which can provide 10M/100M/1Gbps internet connections.

Industry Structure

Integrated circuit, software, and biomedicine are the leading industries of ZJ Park. The following industry bases have been set up in the park: 1) National IC Industry Base; 2) National Semiconductor Lighting Industrial Base; 3) National Biomedicine Industry Base; 4) National Software Industry Base& National Software Export Base; 5) National Online Game and Animation Industry Base; 6)China Eastern Information Security Industry Park; 7)Photoelectron Industry Base.

Foreign Investment

By end of 2010, total foreign investment had exceeded RMB15 billion with contracted foreign investment of USD0.95 billion. Five of the top ten integrated circuit companies have presence in the park. 1,007 intellectual copyrights have been filed.

Talent Advantage

The abundant human resources and the attraction for a workforce moving to Shanghai guarantee the supply of skilled workers.
Incentive Policy
The Zone enjoys policies for state-level development zones.

Lingang Industrial Park

Overview
With the total area of about 200 square kilometers, Lingang Industrial Park consists of the Heavy Equipment Manufacturing Zone, International Logistics Park, Comprehensive Industrial Zone, and Innovation Park as well as four residential areas as supporting facilities to the industrial zone. The Heavy Equipment Industrial Zone includes six major manufacturing bases; Lingang Logistics Park consists of bonded port and International Logistics Park; Comprehensive Industrial Zone consists of five major industrial clusters; and Innovation Park is divided into three parts for intellectual, technological and industrial innovation. By 2009, GDP of Lingang Industrial Park has reached RMB25 billion.

Land: N/A

Location
Sitting on the coast of East China Sea, Lingang Industrial Park is 75km away from downtown Shanghai.

Transportation
Air transportation:
The park is 25km from Shanghai Pudong International Airport which has the capacity of 70 to 80 million passengers annually and the ability to handle 5 million tons of air freight.

Sea transportation:
The park is 45km away from Yangshan Deep-Water Port. Yangshan Port is 104km away from international navigation routes. With depth up to 15.5m, the port can accommodate Panamax ship. The heavy load dock in the park is located on north coast of Hangzhou Bay. With a depth of 8m and a shoreline length of 7.8km, the dock can accommodate ships of 5000-10000 tons.

Land transportation:
Lingang can be connected with Donghai Bridge, Lianggang Avenue, G1501 Highway, Outer Ring Expressway and Yingbing Expressway via S2 Expressway.
**Rail transportation:**
The railway network inside the park can easily access the national railway network.

**Metro:**
South section of Metro Line 11 is now under construction.

**Infrastructure:** N/A

**Industry Structure**
Heavy Equipment Manufacturing Zone: designed for manufacturing and maintenance of marine equipment, port machinery and logistics equipment, large-scale power generation equipment, China independent brand automobile, aviation industry, and rail transportation.

International Logistics Park: with its ideal location, it aims to be the shipping center of Northeast Asia.

Comprehensive Industrial Zone: focused on civil aviation, optical instrument and electronics, information technology, and general machinery. It will also develop industries such as high-end equipment manufacturing, new energy and new material. With the south section of Metro Line 11 under construction, the Comprehensive Industrial Zone will serve as commercial center combining general commerce, shipping commerce and R&D, aviation R&D, office buildings and hotels.

**Foreign Investment:** N/A

**Talent Advantage:** N/A

**Incentive Policy**
The park enjoys policies for state-level development zones.

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**SUZHOU, JIANGSU PROVINCE**

**Suzhou Industrial Park**

**Overview**
Suzhou Industrial Park was approved by the State Council in Feb 1994. SIP has a total jurisdiction area of 288 sq km, of which, the China-Singapore cooperation
area covers 80 sq km with a registered population of 352,000 and a resident population of 695,000.

SIP stands for flagship cooperation between Chinese and Singapore governments. It is one of China's fastest-growing development zones with most international competitive edges. With 30% average annual growth in key economic indicators, SIP ranks second among national development zones in comprehensive development index. It has also realized four "Hundreds of Billions" achievements: RMB133 billion of GDP, RMB165 billion of accumulated taxes paid, USD18.9 billion of accumulated utilized foreign investment and RMB197.2 billion of accumulated registered domestic capital.


### Land

<table>
<thead>
<tr>
<th>Serial Number</th>
<th>Area (m²)</th>
<th>Floor Area Ratio</th>
<th>Usage</th>
<th>Date of Transaction</th>
<th>Price (0.000 RMB)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1.2-1.5</td>
<td>Industrial</td>
<td>2011-8-11</td>
<td>1081</td>
</tr>
</tbody>
</table>

### Location

Suzhou is an historical city close to Shanghai. Relying on the development of Pudong, it has become one of the most developed cities in East China as well as one of China's most influential industrial centers. Suzhou Industrial Park lies to east of Suzhou old downtown and is connected
to major cities around the world through a well-developed network of highways, railways, waterways, and airlines.

Transportation

Air transportation:
- 80km from Shanghai Hongqiao International Airport;
- 120km from Shanghai Pudong International Airport;
- 200km from Nanjing International Airport;
- 10km from Suzhou Guangfu Airport

Water transportation:
- 100km from Shanghai Port; 96km from Zhangjiagang Port; 70km from Taicang Port; 60km from Changshu Port.

Land transportation:
- China National Highway 204 (Yantai-Qingdao-Suzhou-Shanghai); China National Highway 312 (Shanghai-Suzhou-Xinjiang); China National Highway 318 (Shanghai-Suzhou-Xizang); Shanghai-Nanjing Highway; Airport Highway (Suzhou - Shanghai Hongqiao International Airport); Beijing-Shanghai Highway (Beijing-Suzhou-Shanghai); Sujiahang Expressway (Suzhou-Jiaxing-Hangzhou)

Railway transportation:
- Beijing-Shanghai High-Speed Railway

SIP provides a convenient logistics system. There is an independent customs inside the park. The State Council has approved the integration of ground crossings, export processing zone and bonded logistic center, thus SIP can actually enjoy the functions of a “free-trade zone.”

Infrastructure

SIP has realized the standard of “nine supplies of utilities and one leveling.”

Industry Structure

Leading industries: IT and machinery manufacturing will be further developed in accordance with high-end and large-scale development strategy.

Modern service industry: Making full use of the advantages of Demonstration Base of Service Trade Innovation, SIP will focus on finance, corporate headquarters, outsourcing, creative culture, trading and logistics, tourism, convention and exhibition with the finance industry as a start.

Emerging industries: nanotechnologies as leading industry; with development focused on optical
energy, biomedicine, unified communication, software & animation & game, and environmental protection.

Foreign Investment
By December 2010, 4209 MNCs have settled in SIP, with a total contracted investment of USD40.25 billion, and actual received amount of USD18.9 billion, among which, 50% invested by US and European companies; 22% invested by Hong Kong, Macau and Taiwan companies; 13% invested by Japanese companies. There have been 134 projects by far invested by 83 Fortune 500 companies in the park. 112 of them are funded by over one hundred million USD each, and 6 of them are funded by over one billion USD.

MNCs located in SIP include Lilly, Pfizer, Black & Decker, Baxter, Honeywell, Emerson, Delphi, DuPont, Eaton, Johnson & Johnson, Wyeth, General Motor, L'Oreal, GlaxoSmithKline, BP, Siemens, Daimler-Chrysler, BASF, and etc.

Talent Advantage
18 domestic and international universities, such as University of Science and Technology of China, Renmin University of China, Xi'an Jiaotong University, University of Liverpool, and National University of Singapore, are located in Dushu Lake Sci-Edu Innovation Park, with a total of 66,800 students. Another three schools are under planning. For R&D institutions, there is one state-level research institution as well as 144 R&D institutions of various types including key laboratories, engineering centers, technical centers, and post-doctoral research stations.

With a strategy of promoting talent-based economy, SIP has a talent fund of RMB 200 million annually which can be used on wage subsidy, social welfare, housing and children schooling for top talents. SIP has attracted over 3000 professionals with overseas education background. Professional and technical personnel accounts for over 60% of total workforce in SIP, and about 190,000 employees hold junior college degree or above, ranking first among development zones in China.

Incentive Policy
- Relatively independent authority on approvals of larger-scale projects;
- The first pilot project as integrated free-trade zone
- Preferential policies for R&D, bio-tech, software, integrated circuit design, animation, intellectual copyrights industries
- The only demonstration base for “technology oriented service outsourcing industry”. The companies recognized in this category can have reductions in CIT and personal income tax
- Service industries can enjoy policies in entering the market, funding, industry support, etc.
- Incentive policies for high-level talents in technology development and renovations
Suzhou National New & Hi-Tech Industrial Development Zone
(Also known as Suzhou New District - SND)

Overview
SND was set up in November 1990, and was approved by State Council as state-level development zone in November 1992. It became one of the first industry parks opened to attract foreign investors from APEC countries in 1997. Then in 2000, SND was approved as an export base for technology-related services and products. It became the first “National Environmental Protection Industrial Park” in 2001. State-level export processing zone was approved to be set up in March 2003. In 2008, SND became the first “National Eco-Industrial Demonstration Park”.

SND covers an area of 223.36 square meters, and is functionally divided into Central Business District (for commercial, financial, entertainment and residential use); Hengtang Int’l Education Park (an area combining educational, scientific, cultural and tourism functions); Xuguan-Tong’an Industrial District (including industrial area, export processing zone and bonded logistics park); Suzhou Technopolis (an ecological area which can be used for R &D as well as manufacturing); Lakeside Area (for eco-agriculture and ecotourism).

Land: N/A

Location
Located west of the Suzhou old town, east of Taihu Lake, SND enjoys a perfect combination of natural landscape and ancient Suzhou culture.

Transportation
SND is 90km from Shanghai Hongqiao International Airport, 130km from Shanghai Pudong International Airport, 100km from Shanghai Port, 90km from Zhangjiagang Port, 70km from Taicang Port, and 60km from Changshu Port. Shanghai-Nanjing Highway, National Highway 312, Beijing-Shanghai Railway, Beijing-Hangzhou Grand Canal and Suzhou Loop Expressway can be easily accessed.

For logistics, SND is one of the first export bases for technology-related services and products. It
has a land crossing customs (Type 2) and agency to coordinate import/export claims. (Note: land crossing with sea and river transportation is defined as type 1, otherwise type 2.)

Infrastructure
Infrastructure of SND meets the stand of “seven supplies of utilities and one leveling” (supplies of power, water, gas, drainage, telecommunication, heating, traffic access, and leveled ground)

Power:
Power is supplied by Eastern China Power Grid. SND has 16 substations with a total capacity of 2,457,500kV, including four 220kV substations, twelve 110kV substations, and two 35kV substations. Voltage grade: 10kV, 35kV, 110kV, 220kV; reliability: 99.9%; wave: ±5%; frequency: 50Hz.

Water:
Source: from Taihu Lake.
Total capacity: two water plants with a total capacity of 300,000m³ per day.
Pipe diameter: φ200mm; φ1200mm; φ1400mm; φ1800mm; φ2200mm, connected to the boundary of recommended sites.
Outlet pressure: ≥ 0.2mPa.

Gas:
Natural gas: heat value is 8500 kCal/m³ and outlet pressure is 0.15mPa,
Capacity: 380 million m³
Industrial gases: can provide oxygen, nitrogen and etc.

Telecommunication:
Broadband, ISDN, DDN, T1/T3, ADSL, PBX and etc. are available. Tenants can also apply for satellite receivers.

Drainage, Sewage and Solid Waste Treatment:
Rainwater and sewage are discharged separately. SND has five sewage treatment plants with a daily treatment capacity of 240,000 tons. One of them treats 80,000 tons/day, while each of the other four treats 40,000 tons/day.
Solid wastes treatment can be subcontracted by certified vendors.

Land:
Land for industrial use includes both bedrock hill engineering geology and alluvial plain geology,
which makes a favorable condition for constructions in SND.

SND is 4.48 ~5.20 meters above sea level (benchmark: Shanghai Wusong). Average soil bearing capacity is 20 tons per square meter. Piling, reinforcing building foundation or seismic processing is usually unnecessary for building ordinary plants.

Plants:
Investors can either buy or rent a standard plant. SND can also build based on investors’ requirements.

Industry Structure
IT, precision machinery, biopharmaceuticals and fine chemicals are four leading hi-tech industries in SND.

SND encourages advanced manufacturing in line with China’s Foreign Investment Guidance and environmental protection regulations, i.e., manufacturing featuring hi-tech, high profit, innovation, less energy consuming and environmental friendliness.

SND encourages existing manufacturing enterprises to develop its research and trading functions, especially to set up regional headquarters.

SND can provide incentive policies and first-class facilities of Suzhou Technopolis and Suzhou Innovation Park for research institutions, software developing companies and BPO companies to invest in SND.

Service-related industries encouraged in SND include: 1) industrial services – logistics, warehouse, distribution, transportation, certification, management consulting, production training and industrial design; 2) residential – catering, market, shopping mall, retail, fitness center, entertainment facility, theme park, and hotel; 3) public services – school, hospital, library, cinema, and exhibition center.

Foreign Investment
By the end of 2007, registered foreign invest capital reached USD13 billion, of which USD 6.8 billion had been paid in. Over 1,500 foreign companies were incorporated, and over 40 Fortune 500 companies invested 67 projects in the zone.

Breakdown by industry (based on investment scale):

- Electronics and telecommunication products: 45%
- Precision machinery: 30%
- Fine chemicals: 15%
- Others: 10%

Breakdown by source of capital (based on investment scale)
• Japan: 33%
• North America and Europe: 30%
• Hong Kong and Taiwan: 27%
• South Korea and Southeast Asian countries: 10%

Talent Advantage: N/A

Incentive Policy
The Zone enjoys policies for state-level development zones.

Kunshan Economic and Technical Development Zone

Overview
Kunshan Economic and Technical Development Zone was founded in 1985 and approved by State Council in August, 1992 as state-level development zone. It has a total area of 115 square meters. The major economic indicators have been growing by 30% annually, with information technology, machinery and household products manufacturing as three leading industries. From 2001, Kunshan has been listed top 4 among The Evaluation of Investment Climate of 54 State-Level Development Zones.

Land
A land covering 7.3 mu with floor area ratio of 1.0 and building density of more than 40% was sold to a telecommunication enterprise at the price of RMB225,000 per mu on May 12, 2010.

Location
Located in the south of Yangtze River Delta, Shanghai is 50km away from its east and Suzhou is 35km away from its west.

Transportation
Air transportation:
Shanghai Hongqiao International Airport: 45km away; 45min drive
Shanghai Pudong International Airport: 100km; 90min drive
Water transportation:
Shanghai Port: 60km away
Zhangjiagang Port: 100km away

Rail transportation:
Kunshan is only 20min from Shanghai by high-speed train. Beijing-Shanghai High-Speed Railway passes through the zone, and it takes less than 6hrs to Beijing.

Land transportation:
Shanghai-Nanjing Expressway
State Highway 312
Tongshan Expressway
Suzhou-Kunshan-Taicang (SuKunTai) Expressway

Infrastructure

Water:
Water is supplied by Kunshan Tab Water Supply Group for both industrial and domestic use. Daily supply capacity is 1 million tons

Sewage:
A complete drainage system covers the whole zone.

Power Supply:
8 substations of 220kVA; 25 substations of 110kVA; 1 substation of 500kVA

Telecommunication:
Landline telephone; broadband; ADSL; cable Internet

Warehouse:
There are three bonded warehouses in the zone and one of 400,000 square meters under construction.

Industry Structure
Pillar industries in the zone include information technology, machinery and household products manufacturing. In 2009, the gross industrial output from enterprises in the information technology sector in the zone surpassed RMB 289.1 billion, accounting for 77% of the zone's total. The zone has attracted information technology giants including Compal, Acer, Foxconn
China and Altek. The machinery and household products manufacturing industries realized RMB 48.2 billion and RMB 13.5 billion in gross industrial output, contributing 12.8% and 3.6% of the zone’s total, respectively.

Foreign Investment

By the end of 2009, Kunshan had total attracted 1,642 foreign-invested projects. The cumulative contracted FDI and utilized FDI in the zone were US$14.8 billion and US$8.4 billion, respectively. Fifty-four Fortune 500 enterprises have commenced business in the zone, including Toyota and LG. The zone has the largest concentration of Taiwanese enterprises anywhere in China.

Talent Advantage

There are 7 colleges and 3 vocational schools in Kunshan. In addition, Duke University is developing a 200-mu global campus in Kunshan, anchored by the Fuqua School of Business. As education and research opportunities develop, the campus will also include Duke University’s Global Health Institute as well as programs from the Stanford School of Public Policy and Nicholas School of the Environment.

However, the zone still has a limited talent pool to draw from. The permanent population in Kunshan is only 690,435.

Incentive Policy

The Zone enjoys policies for state-level development zones.

Taicang Economic Development Area

Overview

Founded in 1991, Taicang Economic Development Area was approved by Jiangsu Province as provincial level development zone in 1993. With a total area of 80 square meters, Phase I of 15 square meters has been developed into an area combing commercial, residential and industrial functions; Phase II of 25 square meters is focused on modern industries including a service area of 10 square meters with commercial, residential and entertainment facilities; Phase III of 40 square meters is a hi-tech park. By 2010, it has realized gross industrial output of RMB 54.1 billion, rising by 27.68%.

Land
Listed land price: RMB250,000/mu

**Location**
Taicang borders Yangtze River in its east, Shanghai in its south, and Suzhou in its west. TEDA is located at east of Taicang old town.

**Transportation**
45km from Shanghai downtown, 35km from Shanghai Hongqiao Int’l Airport, 80km from Shanghai Pudong Int’l Airport, 35km from Shanghai port and 50km from Suzhou, the area enjoys convenient transportation. Taicang can access national highway network within 5min through the highway along Yangtze River and Suzhou-Taicang Expressway. It only takes 30min to Shanghai Hongqiao Int’l Airport, and 20min to Taicang Port.

**Infrastructure**

**Water:**
Supplied by Taicang Water Plant, daily capacity is 100,000 tons meeting state standard for drinking water. Domestic water is charged at RMB 2.4/ton and industrial water is charged at RMB 2.55/ton.

**Power:**
Abundant power supply is provided by five power plants under East China Power Grid.

**Telecommunication**
Capacity of telephone exchanges is 175,000 lines and capacity of mobile switching is 160,000 subscribers. Broadband such as ADSL can be installed.

**Gas:**
Bottled or piped LPG is provided. Piped gas is available for part of the area. Industrial LPG: RMB1900-2100/ton depending on the source of gas.
Gas for domestic use: RMB2.2/m3
Gas for commercial use: RMB3/m3
Gas for industrial use: RMB3.06/m3
Installation for industrial gas costs RMB200,000 for daily consumption under 2000m3, and for consumption above 2000 m3, it’s charged at RMB100/ m3.
Industrial steam costs RMB 226/ton, and RMB 232/ton for domestic use. Pipe installation fee is RMB 1000/meter. Steam pressure is 10kg, and temperature is 160-200°C. Enterprises are not allowed to have their own Steam boiler.

Industry Structure
Leading industries are information technology, precision machinery and new materials.

Foreign Investment
Taicang has attracted investments from US, UK, Germany, France, Austria, Spain, Netherlands, Japan, Korea, Hong Kong and Taiwan. More than 10 Fortune 500 companies have commenced business, including Bayer, Siemens, Alcatel, Nike, Staples, Unilever, Ingersoll Rand, and etc. With 130 Germany invested companies, this area is the largest concentration of German enterprises. By far, about 400 foreign funded projects have attracted nearly USD 5 billion.

Talent Advantage
Vocational and technical colleges/schools in Taicang such as Chien Shiung Institute of Technology, Taicang Worker Training Center for German Enterprises, Bavarian Worker Training Center, and Schaeffler (China) Training Center can provide plenty of skilled workers for enterprises in Taicang.

Incentive Policy
Imported equipment tax: national encouraged projects – duty free
CIT: generally 25%. 15% for hi-tech enterprises (approved by Jiangsu Technology Department)
Local portion of CIT: N/A
VAT: 17%
Stamp duty: 0.1% of contract value, 0.05% of added fund
Property tax: N/A
Vehicle license tax: RMB20 – 168/year depending on the type
Business tax: 5% for service industries, free for manufacturing industries
GST: 3% - 45%, free for manufacturing industries

NANJING, JIANGSU PROVINCE

Nanjing Economic and Technological Development Zone

Overview

Nanjing Economic and Technological Development Zone was set up on September 18, 1992 and was approved by State Council as state-level economic and development zone in March, 2002. A state-level export processing zone was approved to be set up in the zone in March, 2003. The zone has an area of 100 square meters which is divided into Xingang District and East Development District.

Started in 1992, Xingang District has formed four function areas for industry, bonded warehousing, finance & trade and comprehensive service, with information technology, biomedicine, light machinery and new materials as the leading industries. Over 400 foreign invested enterprises have settled in the district, attracting more than USD 8 billion.

East Development District was set up in January, 2009, consisting of four provincial level development zones – Qixia Economic Development Zone, Longtan Logistics Zone, Sanjiangkou Industrial Park and Xianlin Hi-Tech Park. Favored by the advantages of Longtan Deep Water Port as river and sea transport hub at Yangtze River Delta and the scientific and technology resources of Xianlin Hi-Tech Park, the district will be focused to develop information technology, pharmaceutical & food, equipment manufacturing, environment protection & new energy, and modern service industries.

Land

An area of 60 mu located at East Zone was sold at the price of RMB224,000/mu.

Location

It is situated in the northeast suburbs of Nanjing, 5 km from downtown. It is close to Second
Yangtze River Bridge and Nanjing Xinshengwei Port, the largest inland-river foreign trade port in China.

**Transportation**

*Air transportation:*
Nanjing International Airport, fifth largest airport in China, is 40km away within 30min drive. It runs over 100 domestic and overseas direct flights to destinations including US, Germany, Korea, Singapore, Taiwan, Hong Kong and etc.

*Water transportation:*
Xinshengwei Port has fifteen 10,000 DWT berths with shipping routes to 188 ports in 78 countries.
Longtan Deep Water Port, the country’s biggest inland river container port, has three 10,000 DWT berths with annual container handling capability of one million.

*Railway transportation:*
Nanjing North City Ring Railway can be directly accessed and connects the zone with Tianjin-Pukou, Shanghai-Nanjing, Anhui-Jiangxi Railway lines through Yaohuamen marshalling yard which is the biggest marshalling yard in East China.
With the high speed train, it only takes less than 1.5hr from Nanjing to Shanghai.

*Land transportation:*
Nanjing Loop Expressway, Airport Expressway as well as six national highways (Shanghai-Nanjing, Hangzhou-Nanjing, Nanjing-Ma'anshan, Hefei-Nanjing, Nanjing-Lianyungang, and Nanjing-Nantong) can be conveniently accessed via Qixia Avenue and Second Yangtze River Bridge.

*Subway:*
Metro Line 1 and Line 2 will be extended to the zone.

**Logistics:**
Warehouses are available in the zone. There is also import bonded warehouse, export supervised warehouse, and bonded logistics center.

**Infrastructure**

*Power:*
Double-loop uninterruptible power supply is available in the zone. There are five substations
with total capacity of 640,000kVA.

*Water:*  
Daily capacity of water supply is 120,000 tons.

*Drainage:*  
Rainwater and sewage are discharged separately in the zone. The diameter of drainage pipes ranges from 80cm to 200cm. Daily sewage treatment capacity is 200,000 tons.

*Steam:*  
Central heating is provided with capacity of 100 ton per hour, and pressure is 8-13kg/cm².

*Telecommunication:*  
Services include domestic and international telephones, telegram, fax, internet access, and etc.

**Industry Structure**  
Information technology, flat panel display, biomedicine, light machinery and new materials are the pillar industries in the zone.

**Foreign Investment**  
NETDZ hosts more than 400 foreign-funded enterprises from over 20 countries and regions, 36 of which are Fortune 500 companies such as LG, Sharp, and Siemens.

**Talent Advantage**  
There are 48 universities with over 50,000 students in Nanjing. With 557 research institutions, 79 CAS (China Academy of Science) and CAE (China Academy of Engineering) Academicians and 320,000 scientific and technological personnel, Nanjing is one of the cities with most competitive science and technology strength in China.

**Incentive Policy**  
Certain incentives can be made available on a case-by-case basis.
Nanjing Jiangning Economic and Technological Development Zone

Overview
Set up in June 1992, Jiangning Economic and Technological Development Zone was approved as provincial level ETDP in 1993, and a state-level hi-tech industrial park was approved to be built inside JNDZ. Then in November, 2010, JNDZ upgraded to state-level ETDP under the approval of State Council. The zone has become a concentration of foreign investment and hi-tech industries in Nanjing. It occupies an area of 143 square meters.

Land
According to two recent transactions on May 10, 2010, one area of 136 mu with floor area ratio of 0.7-1.5 the other of 40 mu with floor area ratio of 0.9-1.5 were sold at the price of RMB260,000/acre.

Location
JNDZ is located at south of Nanjing, and close to Nanjing International Airport. With an area of 6597 square meters and a population of 8.4 million, Nanjing is one of the most competitive cities in China.

Transportation
Air Transportation:
Nanjing Lukou International Airport is 7.5km away from the zone.

Water transportation:
Located by Yangtze River, Nanjing Port is the intersection of water and railway transportation in Yangtze River Delta. It’s 347km from Shanghai Wusong Port and 20km from Nanjing Xinshengwei Port, the largest inland river port. Nanjing Port now has fourteen 10,000 DWT berths and fifty one 1,000 DWT berths.

Land transportation:
National Highway 104, Airport Expressway and Nanjing-Changzhou Highway pass through the zone, and connect with Shanghai-Nanjing Highway, National Highway 312 and Nanjing-
Ma’anshan Highway. Nanjing Loop Expressway is only 1km from the zone.

**Infrastructure**

**Power:**
Four substations including one 550kV substation can provide double-circuit power of 10kV, 35kV, 110kV and 220kV.

**Water:**
Daily capacity is 300,000 tons, supplied through pipes of 300mm and 500mm diameter.

**Drainage:**
Rainwater and sewage are discharged separately. There is one sewage treatment plant with daily treatment capacity of 80,000 tons.

**Heating:**
The cogeneration plant in the zone can provide central heating for both domestic and industrial use. Steam is charged at RMB226/ton.

**Gas:**
Piped gas can be accessed by part of the zone, and will be extended to cover the whole zone. Heating value: 3900-4200kcal/Nm3; pressure: 0.02-0.03mPa.

**Telecommunication:**
The zone is equipped with switching center with the capacity of 155,000. 10M, 100M and 1000M internet access is available.

**Industry Structure**

**Information technology:** Large IT companies such as Ericsson, Siemens, Toppoly and Compal have formed industry chains of panel display and mobile communication.

**Automotive:** 6 vehicle manufacturers including Shanghai Volkswagen and Ford; 120 auto components manufacturers.

**Smart grid & power automation:** consisting of grid, power plant and power control & protection industries with leading players in terms of production capacity and market share.

**Software development:** over 40 leading enterprises in this sector including Motorola, Inventec, ZTE, and etc.
Foreign Investment
45 Fortune 500 companies have started business in the zone, such as Volkswagen, Ford, Mazda, Krupp, Siemens, Motorola, Ericsson, Hitachi and Prologs.

Talent Advantage
There are 48 universities with over 50,000 students in Nanjing. With 557 research institutions, 79 CAS (China Academy of Science) and CAE (China Academy of Engineering) Academicians and 320,000 scientific and technological personnel, Nanjing is one of the cities with most competitive science and technology strength in China.

Incentive Policy
The Zone enjoys policies for state-level development zones.

CHANGZHOU, JIANGSU PROVINCE
Changzhou National Hi-Tech District

Overview
Established in 1992, Changzhou National Hi-Tech District was one of the 52 earliest state-level development zones with a planned area of 5.63 square meters. In April, 2002, the area Changzhou was expanded to 439.16 square meters due to the establishment of Xinbei District. Its GDP reached to RMB 40.5 billion in 2009.

Land
Listed price is RMB 224,000/acre.

Location
The district is located to north of Changzhou old town. Changzhou is halfway between Shanghai and Nanjing.
**Transportation**

I: Immediate highway access within 15 minutes:

- Shanghai-Nanjing Highway
- Nanjing-Hangzhou Highway
- Beijing-Hangzhou Highway

II: Railway stations within 30 minutes:

- Shanghai-Nanjing Railway Changzhou Station (passenger, cargo)
- Shanghai-Nanjing Intercity High-Speed Railway Changzhou Station (passenger)
- Beijing-Shanghai High-Speed Rail Changzhou Station (passenger)
- Shanghai-Nanjing Railway Changzhou Benniu Station (cargo)

III: Airports

- Changzhou Airport within 30min drive; daily flights available between Beijing, Guangzhou, Shenzhen, Harbin, Shenyang, Dalian, Qingdao, Xiamen, and etc.
- 1hr drive to Nanjing Lukou International Airport
- 2hr drive to Shanghai Hongqiao International Airport; 2.5hr drive to Shanghai Pudong International Airport

IV: Direct access to port within 30 minutes

- Changzhou Yangtze River Port, with import/export clearance in Changzhou port and transshipment via Shanghai Port.

Bonded warehouses: 24 x 7 available
Infrastructure

The district meets the standard of “seven supplies of utilities and one leveling”.

Power:

Power with frequency of 50Hz and voltage of 10kV, 35kV, 110kV or 220kV is provided. There are eight 220kV and twenty-two 110kV substations in the district.

Water:

Daily capacity of water supply in the district is 360,000 tons.

Rainwater:

Drainages and pumping stations have been built to discharge rainwater into rivers.

Sewage Treatment:

There are three sewage treatment plants in the district, one for domestic sewage treatment with daily capacity of 150,000 tons and the other two for industrial sewage with total capacity of 130,000 tons.

Gas:

Low, medium, and high-pressure pipelines are used in the gas distribution network in the district.

Steam:

The capacity of steam supply is over 150 tons/hour.

Industry Structure

Changzhou has developed equipment manufacturing and new chemical materials as two leading industries. The district also encourages three emerging industries – creative, photovoltaic, and biomedicine.

Foreign Investment

28 Fortune 500 companies have already set up business in the district.

Talent Advantage

In recent years, Changzhou has launched “Guidance in Recruiting Talents from Overseas” and “Notice for Speeding Entrepreneurship in Changzhou” to attract more high-level talents.
Built in 2003, Changzhou Science and Education Town was defined as a public platform for education, research and social services, with one university and five vocational schools. There are over 80,000 students and around 20,000 graduates each year.

The cost of human resources is relatively low. However, limitation lies in the lack of a prestigious university.

**Incentive Policy**

Direct customs clearance in the district.

**CHANGSHU, JIANGSU PROVINCE**

**Changshu Economic and Technological Development Zone**

**Overview**

Set up in 1992, Changshu Economic and Technological Development Zone was approved by State Council as state-level development zone in December, 2010. With an area of 71 square meters, the zone consists of functional divisions of Riverside Industrial Park, Fluor Chemical Industrial Park, Tonggang Industrial Park, Hi-tech Park, and Riverside New City.

**Land**

An area of 500 mu with floor area ratio of 0.7-1.2 for industrial use was sold at RMB198,000/acre in July, 2010.

**Location**

Changshu is located at southeast of Jiangsu Province, covering an area of 1266 square meters, close to Shanghai, Suzhou, Wuxi and Nantong.

**Transportation**

*Air transportation:*

85km from Shanghai Hongqiao International Airport; 130km from Shanghai Pudong International Airport; 200km from Nanjing Lukou International Airport; 60km from Wuxi Shuifang Airport.
Water transportation:
Changshu Port is one of ten largest inland river ports in China, as well as an international port connect with 203 ports in 46 countries and regions. Bonded logistics zone has been set up inside port area.

Railway transportation:
40km from West Suzhou Station (for cargo) of Shanghai-Nanjing Railway
5km from Shanghai-Nantong Railway (for both passenger and cargo, under construction)

Highway:
The zone can conveniently connect with Suzhou-Jiaxing Highway (Changshu-Suzhou-Jiaxing-Hangzhou), Yangtze River Highway (Shanghai-Changshu-Jiangyin), Xi’an-Taiyuan Highway (Wuxi-Changshu-Taicang), Changshu-Kunshan Highway and Sutong Bridge (Changshu-Nantong). Suzhou and Wuxi are within 30min drive, and Shanghai is within 50min drive.

Infrastructure
Power:
There are two power plants in the zone, with capacity of 1200MW and 1980MW respectively. Power with voltage of 10KV, 35KV, 110KV and 220KV is available.

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</tr>
</tbody>
</table>

Normal hours: 12:00-17:00; 21:00-24:00
Peak hours: 8:00-12:00; 17:00-21:00
Low use hours: 0:00-8:00

Water:
Daily capacity is 700,000 tons. Maximum pipe diameter is 1000mm. Pressure is 0.3mPa. Water is charged at RMB 2.57/m3.

Drainage:
Rainwater and sewage is discharged separately. There are two sewage treatment plants with
capacity of 10,000 tons and 60,000 tons respectively. Sewage can be discharged to treatment plants after pretreatment. Sewage treatment is charged at RMB 0.2 per ton.

**Natural gas:**
Capacity: $6.5 \times 10^4$ Nm$^3$/h  
Pressure: 1.6~2.5 mPa (adjustable per tenant’s request)  
Heating value: 36.33~40.28 mJ/ Nm$^3$

**Industrial gas:**
Various industrial gases such as hydrogen, nitrogen, oxygen and etc. are provided by Air Liquide in the zone.

**Steam:**
*Capacity: 215 tons per hour*

**Telecommunication:**
Telephone, PBX, ISDN, DDN, and high speed internet access are available.

**Industry Structure**
Leading industries are electronics, special steel, paper making, fine chemicals, automotive parts, equipment manufacturing, new material, logistics and scientific research.

Riverside Industrial Park, Changshu Export Processing Zone and Fluoro Chemical Industrial Park are the core function areas in CEDZ. With Changshu Port located inside the park, Riverside Industrial Park is focused on port-oriented industries, export processing and logistics. Fluoro Chemical Industrial Park, with its location close to the port, is ideal for Fluoro chemicals, functional polymer materials and biochemical manufacturers.

**Foreign Investment**
The zone has attracted foreign investment of USD13.6 billion. There are 35 projects invested by Fortune 500 companies in the zone. Quite a few famous MNCs like DuPont, AAM, Tyco, UPM, Novartis, Sharp and etc. have set up business in the zone.

**Talent Advantage**
There are two colleges (Changshu Institute of Technology and Beijing Foreign Studies University Changshu Campus) and 6 vocational schools in Changshu. There are 33,613 people with college
degree or above, over 70,000 professional technicians, and 330,000 skilled workers. Average salary is about 30-50% lower than cities nearby.

**Incentive Policy**
The zone enjoys policies for state-level development zones.

**NANTONG, JIANGSU PROVINCE**

**Su-Tong Science and Technology Park**

**Overview**
Su-Tong (Suzhou-Nantong) Science and Technology Park is a cooperated project between Suzhou and Nantong. Suzhou Industrial Park (SIP) is one of the co-investors. With a planning area of 50 square meters, the park will be developed in three phases. Phase I, of 9.5 square meters, was started in May, 2009. Based on the success of SIP, the park aims to develop itself into an international eco hi-tech zone combining functions of industry, commerce and residence within 10 years.

**Land:** N/A

**Location**
The park is located at north side of Su-Tong Bridge which connects south part of Jiangsu Province with Shanghai.

**Transportation**

*Air transportation:*
90km from Shanghai Hongqiao International Airport; 130km from Shanghai Pudong International Airport; 250km from Nanjing Lukou International Airport; 16km from Nantong Airport

*River transportation:*
Su-Tong has 27.3km of Yangtze River shoreline, and has built 7 ports accommodating vessels up to 10,000 DWT and 3 ports accommodating vessels up to 1,000 DWT. There is a storage area of 730,000 square meters for liquid chemical tanks. It enjoys convenient storage and transportation for container, bulk cargo, chemicals, petroleum, and liquefied gas.
Nantong Port consists of three sea ports and nine river ports. Among which, Yangshan Port is the only deep-water port along central China coast which can accommodate vessels up to 200,000 DWT. Yangshan Port has become the new path from Yangtze River to sea. River transport and sea transport can be connected with canal. Tonghai Port is a comprehensive foreign trade port.

*Land transportation:*
Through Nanjing-Nantong Highway, Su-Tong is only 2.5hr drive away from Nanjing. Su-Tong Bridge passes through the park, through which Shanghai is within 1hr ride. Su-Tong Bridge connects with Nanjing-Nantong Highway and Yancheng-Nantong Highway in the north, and connects with Shanghai-Nanjing, Suzhou-Jiaxing-Hangzhou Highway and Yanjiang Highway in the south.

*Railway transportation:*
Xinyi-Changxing Railway and Nanjing-Qidong Railway runs across Nantong. There are three railway stations – Nantong Station, Rugao Station and Haian Station. Nantong Station has been included in national railway network, and can connect with places all over the country. Nantong Station will be the hub in East China after the completion of Shanghai-Nantong Railway Bridge.

*Infrastructure*
Power, water, gas, drainage, sewage treatment, telecommunication, heating, access to port and leveled ground are available.

*Industry Structure*
New energy, new material, biomedicine, information technology, precision machinery and service are the pillar industries in the park.

*Foreign Investment: N/A*

*Talent Advantage*
Nantong has a population of 7.66 million which accounts for 10.5% of that of Jiangsu Province. 3 million are between 20-44 years old, and workforce population is about 5.3 million.

There are 6 colleges with 81,000 students and 9 vocational schools with 49,338 students in Nantong.

*Incentive Policy*
1) Local financial support. For companies that are i) in the categories of ship maintenance
and supplies, large equipment manufacturing, electronic information, biomedicine, new materials, new energy and contemporary services, ii) meet the qualifications of national and local encouraged projects, iii) operated in the park for over 10 years, they can get partial rebate of local portion of CIT and this part of the reward shall be used for technology upgrade and improvement.

2) Partial reward to high-level talents.

WUXI, JIANGSU PROVINCE

Wuxi New District

Overview

Wuxi New District, formerly known as Wuxi Hi-Tech Industrial Development Zone, was approved by State Council in 1992, and then with the expansion in 1995 it changed its name to Wuxi New District. With a total area of 220 square meters, it consists of Wuxi (Taihu Lake) International Science and Technology Park, Wuxi Airport Park, Wu Culture Expo Park, Industrial Expo Park, Wuxi-Singapore, Wuxi-Singapore Industrial Park, and Wuxi Export Processing Zone. It achieved RMB 80 billion of GDP in 2009.

Land

Land is sold at an average price of RMB 320,000-400,000/acre. A minimum investment of RMB 5 million and at least RMB 3 million per acre is required.

Location

Wuxi New District is situated at southeast of Wuxi City. Wuxi is the transportation hub in East China, 120km away from Shanghai, 200km away from Hangzhou, and 180km away from Nanjing.

Transportation

Airport transportation:

Wuxi Airport is located inside the District, which is capable of accommodating B-737 business jets. 20 regular domestic flights have been launched by the end of 2009. In addition, there is one daily flight from Wuxi to Hong Kong and three flights a week to Osaka, Japan. In the long run, Wuxi Airport will be developed into mid-size international passenger airport and regional cargo airport. Shanghai Hongqiao International Airport is approximately 110km away. Shanghai
Pudong International Airport is 180kms away.

**Water transportation:**
Shanghai Port is about 250km west of Wuxi with international freight services. Two ports on Yangtze River are within 50km away from Wuxi. Wuxi Port on the Grand Canal can accommodate vessels up to 300 tons.

**Land transportation:**
Beijing-Shanghai Highway, Tongjiang-Sanya Highway and Shanghai-Chengdu Highway all intersect in Wuxi, while Shanghai-Nanjing Highway, Zhejiang-Shanghai-Jiangsu Highway, National Highway 312 and National Highway 104 run directly across the city. With Jiangyin Yangtze River Bridge, Wuxi has become an important transportation hub connecting Shanghai with other parts of the country.

**Railway transportation:**
Wuxi is the intersection of Shanghai-Beijing Railway and Xincheng Railway. One station of Shanghai-Nanjing Intercity High-Speed Railway is located in the district, with which it’s only 30min ride from Shanghai to Wuxi.

**Infrastructure**

**Power:**
There are more than 20 substations of 110kV and 220kV in the district. The 500kV substation located in the district is one of the largest of this kind of facilities in China.

**Water:**
Daily capacity of water supply is 300,000 tons. Water pipes of Φ300-500mm have been laid under the district.

**Sewage:**
There are four sewage treatment plants with daily treatment capability of 250,000 tons.

**Gas:**
Natural gas is available with pressure of 0.02-0.04mPa. Gases for industrial use such as hydrogen, oxygen and nitrogen as well as LPG are also available.
Steam:
Daily capacity is 200 tons, and pressure is 4-8kg/cm².

Telecommunications:
Telephone, broadband internet, DSL and etc. are available.

Industry Structure
Information technology, precision machinery, biomedicine, medical devices, fine chemical, new materials, service outsourcing, software

Foreign Investment
54 Fortune 500 companies have invested 88 projects in the district, including AstraZeneca, Bridgestone, Caterpillar, GE, Panasonic, Robert Bosch, Sony, Siemens, Volvo, Sumitomo, and etc.

Talent Advantage: N/A

Incentive Policy
The district enjoys policies for state-level development zones.

TAIZHOU, JIANGSU PROVINCE

Taizhou National Medical Hi-Tech Development Zone

Overview
Taizhou National Medical Hi-Tech Development Zone was set up in May, 2009, covering an area of 25 square meters. It consists of R&D Zone, Manufacturing Zone, Convention Center, Health and Medical Zone, and comprehensive facility zone. It is the only state-level medical development zone in China.

Land: N/A
Location
Taizhou lies by Yangtze River, and is located to the west of Shanghai and east of Nanjing.

Transportation

Air transportation:
2hr drive to Shanghai Pudong International Airport and Nanjing Lukou International Airport

Water transportation:
Taizhou has 60km of deep water coastline which is an important development area along Yangtze River. Taizhou Port is an inland river port area including six river ports with over 60 berths, 5 of which can accommodate vessels of 10,000 DWT. The annual container handling capability of Taizhou Port is 100,000 tons TEUs.

Land transportation:
Jiangyin Yangtze River Bridge, Runyang Yangtze River Bridge and Taizhou Yangtze River Bridge (under construction) connect Taizhou with Shanghai, Nanjing and south Jiangsu Province. Beijing-Shanghai Highway, Guanglin-Jingjiang Highway, Nanjing-Nantong Highway, Yancheng-Jingjiang Highway, and National Highway 328 can be accessed.

Rail transportation:
Xinyi-Changxing Railway and Nanjing-Qidong Railway intersect in Taizhou. 65 cities including Beijing, Nanjing, Lanzhou, Shenzhen, Haerbin, Qingdao, Chengdu and Hangzhou can be reached by train from Taizhou.

Infrastructure
The zone meets the standard of “supplies of seven utilities and one leveling”.

Industry Structure
Leaded by pharmaceutical manufacturing with the support of R&D, convention and health & medical services, the zone is targeted to develop into the largest medical base with complete industry chain in China.

Foreign Investment
The Hamner Institutes for Health Sciences and Texas Medical Center have launched projects in the zone. It has also signed cooperation agreement with Dr. Chen Fanqing from Lawrence
Berkley National Laboratory to set up Nano-Life Science Institute and Life Science Instruments R&D Center in the zone.

**Talent Advantage:** N/A

**Incentive Policy**
The zone enjoys policies regulated by relevant state, provincial and municipal government authorities.

**LIANYUNGANG, JIANGSU PROVINCE**

**Lianyungang Economic and Technological Development Zone**

**Overview**
Approved in December, 1984, Lianyungang Economic and Technological Development Zone was one of the first state-level development zones. Covering an area of 126 square meters, the zone consists of state-level export processing zone, state-level new pharmaceutical industry base, state-level high-tech new material industrial base, provincial level international outsourcing service demonstration zone, provincial level high-performance fiber inspection center, overseas Chinese students innovation park and software park.

**Land**
Lianyungang enjoys abundant land resources. There are 200 square meters of salt pan around the zone planned to develop. Salt pan is encouraged by the government to be developed into land for industrial and logistic use. The construction of an area of 76 square meters with basic infrastructure has been completed near the port, which can meet the needs of land for various projects.

**Location**
Lianyungang is situated to the north of Yangtze River Delta, and south of Bohai Bay. It is the eastern end of the New Eurasian Land Bridge and the proposed Northern East West Freight Corridor. Lianyungang holds a strategic position in the regional economic development in China.
Transportation

Lianyungang is one of seven national comprehensive transportation hubs. It has an extensive transportation network covering sea, railway, land transport as well as air and inland river transport.

Air transportation:
The zone is 20km away from Lianyungang Airport with flights to Beijing, Shanghai, Guangzhou and etc. Lianyungang Airport plans to operate charter flight to Hong Kong and Korea. In the long run, it will be developed into an international airport.

Sea transportation:
Lianyungang Port is the largest sea port in Jiangsu Province and one the ten largest sea ports in China. It is the most convenient and economical sea port for Midwest area of China. Now the port has over 40 berths which can accommodate vessels of 10,000 DWT or above, and the biggest bulk cargo berth can accommodate vessels up to 300,000 DWT. The navigation channel of the port can accommodate vessels up to 150,000 DWT. Depth of water is 16.5m, which makes it capable of accommodating bulk carrier up to 200,000 DWT and 10,000-TEU container ship. Bonded logistic center (Type B) has also been set up. Lianyungang Port connects with nearly 1000 ports in 160 countries and regions.

Inland river transportation:
Lianyungang-Shanghai Shipping Route is expected to be completed by 2013. It will overcome the capacity limit of railway transportation and cost less compared to land transportation, thus greatly enhancing the transportation capability of Lianyungang.

Railway transportation:
Lianyungang is the eastern end of the New Eurasian Land Bridge which is the overland rail link between East Asia and Europe, running through over 30 countries and regions. The western end is at Rotterdam. 14 countries and regions are involved in the transportation via the Bridge, including Japan, Korea, Hong Kong, Russia, Germany and US. Since its launch in December 1st, 1992, Lianyungang Port has handled over 90% of the total international transit containers.

For domestic railway, Lianyungang is connected with national railway network by Lianyungang-Lanzhou Railway, Beijing-Kowloon Railway and Beijing-Shanghai Railway. Lianyungang-Yancheng Railway along the coastal area of Jiangsu Province is under construction and estimated to be completed in 2013.

Land transportation:
Lianyungang is one of the 45 highway hubs to be developed in China. Lianhuo Highway (from
Lianyungang to Khorgas, Xinjiang Province) and Tongsan Highway (from Tongjiang, Heilongjiang Province to Sanya, Hainan Province) intersect in Lianyungang. With the extensive highway network, it takes 3hr drive to Nanjing, 5hr drive to Shanghai, 4hr drive to Suzhou, and 2hr drive to Qingdao.

**Infrastructure**

**Power:**
The zone is equipped with double-loop substation with capacity of 110kV and 63,000kW.

**Water:**
Daily capacity is 200,000 tons.

**Heating:**
Central heating is provided.

**Telecommunication:**
Telephone exchange capacity is 12,000.

**Industry Structure**
Based on its location, the zone is focused on port-oriented industry, new medicine, new energy, new materials, and new equipment manufacturing. At the same time, logistics and export processing industries will be further promoted.

Port-oriented industry is the leading industry in the zone. New medicine is represented by new chemical compound drugs, traditional Chinese medicine and medical devices. New materials mainly include carbon fiber, silicon materials and electronic packaging materials. New energy includes clean energy such as wind energy and crystalline silicon with high purity. Large port equipment & marine equipment, aerospace equipment, and automotive & automotive parts have shaped the equipment manufacturing industry in the zone. With export processing zone and provincial level international outsourcing service demonstration zone located in the zone, information technology, export processing, logistics, software and service outsourcing industries are gathering and growing rapidly in the zone.

**Foreign Investment**
Actual utilized foreign investment in 2009 was USD 300 million. 11 Fortune 500 companies such as DuPont, Mitsubishi, Henkel and Deutsche Post have established business in the zone.
Talent Advantage: N/A

Incentive Policy
The Zone enjoys policies for state-level development zones as well as other incentives designed by the Zone.

ZHANGJIAGANG, JIANGSU PROVINCE
Zhangjiagang Free-Trade Zone

Overview
Approved by State Council in October, 1992, it was the first inland river port free-trade zone in China with a planned area of 4.1 square meters. In 2008, the integration of Zhangjiagang Free-Trade Zone and Zhangjiagang Bonded Logistics Zone was approved, which formed the free-trade port zone. With an extended area of 147 square meters, Zhangjiagang Free-Trade Zone consists of free-trade port zone, Yangtze River Chemical Park, New Materials Industrial Park, Recycling Resources Demonstration Zone, Industrial Equipment Park, Binjiang New Town, and Shuangshan & Xiangshan Tourism Zone.

Land: N/A

Location
Situated at the center of Yangtze River Delta, Zhangjiagang is the intersection of China’s coastal economic zone and Yangtze River economic zone. It lies to the east of Wuxi, north of Suzhou, west of Shanghai, and south of Yangtze River.

Transportation
Zhangjiagang Port is one of the largest international trading ports in China. It is a main distribution port for container, wood, grain & edible oil, steel and chemical as well as a main cargo transshipment port, with annual cargo throughput up to 2 million tons and container throughput up to 1.2 million TEUs.
By highway, it’s 1hr drive to Shanghai, 1.5hr to Nanjing, 40min to Suzhou and Wuxi. After the completion of Shanghai-Nantang Railway, north side of Yangtze River can be conveniently accessed. Zhangjiagang will be the hub of the under construction or planning railways (Shanghai-Nantong Railway, Yangtze River Intercity Railway, and Nantong-Suzhou-Jiaxing Railway), which will make the city easily reach the other part of Yangtze River Delta. For airports closeby, there are Shanghai Pudong International Airport, Shanghai Hongqiao International Airport, Wuxi Shuofang Airport, and Nanjing Lukou International Airport.

**Infrastructure**
The zone meets the standard of “seven supplies of utilities and one leveling”.

**Industry Structure**
Export processing, bonded storage, are the main functions foreign trade and exhibition of the zone. Electrical machinery, grain and edible oil, textile and logistics are the leading industries.

**Foreign Investment**
By 2009, over 430 foreign invested companies have been set up in the zone, including over 20 Fortune 500 companies like Corning, Dow and Wacker Chemie as well as 11 Top 50 Global Chemical Enterprises.

**Talent Advantage**
Jiangsu University of Science and Technology Zhangjiagang Campus was launched in September, 2007. There are 4 state-level and 1 provincial-level vocational schools in Zhangjiagang. The city has over 80,000 professional technical personnel. And over 6000 undergraduates are employed every year.

**Incentive Policy**
The zone enjoys policies for state-level free-trade zones. It has integrated all types of free-trade zones.
YIXING, JIANGSU PROVINCE

Yixing Economic Development Zone

Overview

Yixing Economic Development Zone is a provincial level industrial zone located at northeast Yixing city. The zone consists of industrial zone, logistic zone and administrative & commercial facility zone.

Land: N/A

Location

Yixing is at the center of Shanghai-Nanjing-Hangzhou delta area. Shanghai is 180km away from its east, Nanjing is 150km away from its west, and Hangzhou is 150km away from its south; all are within 1hr-1.5hr drive. 16 cities including Shanghai, Nanjing, Hangzhou, Suzhou and Wuxi are within 2hr ride.

Transportation

Air transportation:
180km from Shanghai Hongqiao International Airport; 230km from Shanghai Pudong International Airport; 120km from Nanjing Lukou International Airport; 130km from Hangzhou Xiaoshan International Airport; 70km from Changzhou Airport; 70km from Wuxi Shuofang Airport.

Water transportation:
The city is covered by extensive waterway network which can accommodate vessels of 100-300 tons. Shanghai, Zhangjiagang and Nanjing can be accessed through Wushen (Wuhu, Anhui Province-Shanghai) Canal which can accommodate vessels up to 500 tons.

Land transportation:
Shanghai-Nanjing Highway, Beijing-Shanghai Highway and Yangtze River Highway can be connected via Wuxi-Yixing Highway. Nanjing-Hangzhou Highway runs through Yixing. Shanghai, Nanjing and Hangzhou can be accessed through Nanjing-Hangzhou Highway and Shanghai-Yixing Highway.

Rail transportation:
Yixing is one of the stations of Xinyi-Changxing Railway. Nanjing-Hangzhou High-Speed Railway is under construction and will have one stop in Yixing.

**Infrastructure**

**Power:**
There are two 220kV substations, five 110kV substations, and one 35kV substations.

**Water supply and sewage treatment:**
Water supply and sewage treatment system has been set up in the zone. There are two sewage treatment plants with daily capacity of 50,000 tons and 100,000 tons respectively.

**Gas:**
Natural gas is available.

**Heating:**
Steam is available.

**Telecommunication:**
DDD, IDD, ADSL, Internet and etc. are available.

**Industry Structure**
Optoelectronic materials, photovoltaic solar energy and advanced equipment manufacturing are leading industries in the zone.

**Foreign Investment**
Foreign funded enterprises such as Nakano, Maeda, Marubeni, Akzo Nobel and etc. have set up business in the zone.

**Talent Advantage: N/A**

**Incentive Policy**
The zone enjoys policies for state-level development zones as well as other incentives designed by the zone.
HANGZHOU, ZHEJIANG PROVINCE

Hangzhou Economic & Technological Development Zone

Overview

Hangzhou Economic & Technological Development Zone was approved as state-level development zone in April, 1993. With an area of 104.7 square meters, HEDA consists of Export Processing Zone, Jiangdong Industrial Park, Singapore-Hangzhou Science & Technology Park, Xiasha Higher Education Park, Comprehensive Industrial Park, Northern Industrial Zone, Modern Logistics Park, High-Tech Incubator, Riverside Residence Park, Administration and Business Zone.

Land

An area of 80 mu (53,866sqm) for machinery and manufacturing use was sold on December 21, 2009 at the price of RMB 25.87 million, i.e., RMB320,000 per mu. Floor area ratio is 1.2-1.5, so the cost of floor area is RMB 320-400/m² (=unit price of the land/planned floor area ratio).

Location

HEDA is located at east of Hangzhou, south of Hangzhou Bay, and downstream of Qiantang River. Shanghai, Suzhou and Ningbo are all within 1.5hr driver. Hangzhou CBD (Qianjiang New Town) is only 20min drive from the zone.

Transportation

Air transportation:

Hangzhou Xiaoshan International Airport is 30min drive from Hangzhou Xiaoshan International Airport, which is one of China's largest airports in terms of passenger and cargo throughput. It operates 193 flights covering 94 cities and regions. With Phase II expected to be ready by the end of 2011, the airport will be able to accommodate A380 aircraft.

Water transportation:

Grand Canal (Beijing-Hangzhou Canal) is connected with Qiantang River; therefore national water transportation network can be accessed conveniently.
Rail transportation:
Hangzhou is an important railway hub in East China. With high-speed train, it only takes 45min to Shanghai. Nanjing and Ningbo are within 2hr ride.

Land transportation:
Shanghai-Hangzhou-Ningbo Highway, Hangzhou-Nanjing Highway, Hangzhou-Jinhua-Quzhou Highway, Hangzhou-Qiandaohu Highway, Hangzhou-Anhui Highway, Hangzhou-Jingdezhen Highway and Hangzhou-Pudong Highway can be accessed, by which most of the major cities at Yangtze River Delta can be reached within three hours. Hangzhou Bay Bridge connects with Shanghai.

Subway:
The under construction Subway Line 1 will have 7 stops including Xiasha New City, Xiasha Higher Educational Zone, Riverside Residence Park and etc. The construction will be completed at the end of 2011, by then HEDA can be accessed within 20min from downtown.

Infrastructure
By the end of 2009, infrastructure facilities have covered 36 square meters of the zone.

Power:
There are two 220kV substations, six 110kV substations and one thermal power plant in the zone.

Water:
Water supply capacity is 200,000 tons per hour with pressure of 3.0kg.

Sewage:
Planned daily sewage treatment capacity is 1.2 million tons. Phase I and Phase II have been in use with a total capacity of 600,000 tons, and Phase III with 600,000 tons is under construction.

Heating:
260 tons of steam can be provided per hour. Heating pipes have covered most area of the zone.

Gas:
Natural gas supply capacity is 3000m3/hour with pressure of 3.0kg. Gas pipes have covered most area of the zone.

Telecommunication:
Various telecommunication services can be provided per tenant’s request.
Industry Structure
Information technology, biomedicine, equipment manufacturing (auto parts) & household appliance manufacturing, and food & beverage are four pillar industries in HEDA.

Foreign Investment
By 2010, 608 foreign funded projects have been approved with total investment capital of USD 14.26 billion. 65 Fortune 500 companies have established manufacturing base in HEDA, including Siemens, LG, Panasonic, Mitsubishi, and etc.

Talent Advantage
Xiasha Higher Educational Park in HEDA is one of the largest all over Zhejiang Province. There are 14 universities with over 150,000 students, over 20 key national and provincial laboratories and over 100 scientific research institutes located in the Park.

<table>
<thead>
<tr>
<th>Over 45,000 students graduate from colleges in Xiasha Higher Education Park every year. Below is part of the quantity of undergraduates from key majors in 2010.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Language (English &amp; Japanese)</td>
</tr>
<tr>
<td>Finance &amp; Accounting</td>
</tr>
<tr>
<td>Mechanical-Electronic System</td>
</tr>
<tr>
<td>Information Technology</td>
</tr>
<tr>
<td>Software and Computer Applications</td>
</tr>
</tbody>
</table>

Incentive Policy
Qualified enterprises can enjoy tax reductions in export and import duty and processing and trade areas.
Hangzhou Hi-Tech Industry Development Zone

Overview
Hangzhou Hi-Tech Industry Development Zone, hereinafter referred as HHTZ, is an integrated platform based on the merger of Hi-Tech District and Binjiang District. Hi-Tech District was set up in 1990 and was one of the first hi-tech industrial development zone approved by State Council. With an area of 11.44 square meters, Hi-Tech District is the origin of hi-tech industries as well as innovation hub and incubator for startups in Hangzhou. Binjiang District was set up in 1997, lying on the south bank of Qiantang River and covering an area of 73 square meters. Hi-Tech District and Binjiang District merged in 2002, and since then it has been operated as Hangzhou Hi-Tech Industry Development Zone.

HHTZ has become the most influential base for industrialization of scientific and technological achievements as well as the technological innovation hub in Zhejiang Province. It has won the reputation of “Paradise Silicon Bay” in China. HHTZ ranks the 9th among 54 state-level development zones in 2009.

Land: N/A

Location
With a total area of 85.64 square meters, HHTZ is geographically divided into Jiangbei area (north side of Qiantang River), Jiangnan area (south side of Qiantang River) and Xiasha area. Jiangbei area, of 11.44 square meters, is located at urban area of Hangzhou city. It is the innovation hub and incubator of Hangzhou. Jiangnan area covers an area of 73 square meters and is the sub-center of Hangzhou city. Xiasha area is located near Hangzhou Economic and Technological Development Zone.

Transportation
Second Qiantang Bridge and Forth Qiantang Bridge connects the north and south banks of Qiantang River. Shanghai-Hangzhou-Ningbo Highway, Hangzhou-Jinhua-Quzhou Highway and Hangzhou International Airport can be conveniently accessed. Zhejiang-Jiangxi Railway and Hangzhou-Ningbo Railway runs through the zone.
Air transportation:
Hangzhou Xiaoshan International Airport is 30min drive from Hangzhou Xiaoshan International Airport, which is one of China’s largest airports in terms of passenger and cargo throughput. It operates 193 flights covering 94 cities and regions. With Phase II expected to be ready by the end of 2011, the airport will be able to accommodate A380 aircraft.

Water transportation:
Grand Canal (Beijing-Hangzhou Canal) is connected with Qiantang River; therefore national water transportation network can be accessed conveniently.

Rail transportation:
Hangzhou is an important railway hub in East China. With high-speed train, it only takes 45min to Shanghai. Nanjing and Ningbo are within 2hr ride.

Land transportation:
Shanghai-Hangzhou-Ningbo Highway, Hangzhou-Nanjing Highway, Hangzhou-Jinhua-Quzhou Highway, Hangzhou-Qiandaohu Highway, Hangzhou-Anhui Highway, Hangzhou-Jingdezhen Highway and Hangzhou-Pudong Highway can be accessed, by which most of the major cities at Yangtze River Delta can be reached within three hours. Hangzhou Bay Bridge connects with Shanghai.

Infrastructure
Infrastructure facilities are available inside the zone, including supplies of power, water, drainage, gas, telecommunication as well as ground transportation.

Industry Structure
Telecommunication equipment manufacturing, software, IC design & manufacturing, digital TV, animation & online game are the leading and encouraged industries in the zone.

Foreign Investment
There are 19 projects invested by Fortune 500 companies in the zone, such as Bosch, Cisco, Toyota, Nissay, Fuji Heavy Industries and NEC. Microsoft, Intel, Motorola, Samsung, Nokia Siemens Networks, EUTech and etc. have set up R&D institutes in HHTZ.

Talent Advantage
There are 36 universities with 390,000 students in Hangzhou. Zhejiang University is one of the
China

There are 42111 employees engaged in software industry (including IT and electronics R&D) in HHTZ. 346 of them hold doctor degree and 3628 hold master degree, i.e., 9.4% of them hold master degree and above.

Incentive Policy

HHTZ enjoys policies for state-level development zones as well as other incentives designed by the zone.

Xiaoshan Economic and Technological Development Zone

Overview

Xiaoshan Economic and Technological Development Zone was set up in August, 1990, and was approved as state-level development zone in May, 1993. Xiaoshan cover an area of 193 square meters. It is the most intensive area for Japanese and Taiwanese investors in Zhejiang Province. After over one decade’s development, Xiaoshan has become an advanced export-oriented industrial zone. GDP of 2009 reached RMB 15.7 billion.

Key functional zones located in Xiaoshan include provincial-level Jiangdong Industrial Park, provincial-level Xiaoshan Hi-Tech Park and National Software Industrial Base in Hangzhou (Xiaoshan Division). Jiangdong Industrial Park is focused on advanced manufacturing. Zhejiang CNC Equipment Manufacturing Base and Hangzhou Automobile Industry Park are located in there. For Xiaoshan Hi-Tech Park, there have been 14 companies certified as “Hi-Tech Enterprise” by 2006. The incubator in Xiaoshan Hi-Tech Park is focused on startups engaged in information technology, software development, fine chemicals and biomedicine.

Land

Rental of standard factory: RMB 10-12/month/m2 according to its official website.

Location

The zone is located at Xiaoshan District which is lies at south side of Qiantang River. Hangzhou is situated at south of Yangtze River Delta.
Transportation

Air transportation:
Hangzhou Xiaoshan International Airport is 10 km away from the zone.

Water transportation:
The zone is 170km and 150km away from Shanghai Port and Ningbo Port respectively.

Land transportation:
Shanghai-Hangzhou-Ningbo Highway, Hangzhou-Jinhua-Quzhou Highway, the expressway connecting with Xiaoshan Airport as well as National Highway 104 run through the zone.

Rail transportation:
The railways from Zhejiang to Jiangxi and from Hangzhou to Ningbo intersect Xiaoshan. South Hangzhou Railway Station (formerly known as Xiaoshan Station) is only 2km away.

Infrastructure

Power:
Two substations of 110kV and 35kV provide double-loop electricity.
Electricity charge rate determined by three periods:
Peak hours (7pm-9pm): 0.961/kWh
Normal use hours (8am-11am; 1pm-7pm; 9pm-10pm): 0.718/ kWh
Low use hours (11am-1pm; 10pm-8am): 0.351/kWh

Electricity charge rate determined by two periods:
Peak hours (8am-10pm): 0.639/kWh
Low use hours (10pm-8am): 0.417/kWh

Water:
Daily water supply capacity is 360,000 tons.
Water for domestic use: 1.10/m3
Water for printing & dyeing: 1.90/m3
Water for general industrial use: 1.70/m3
Water for restaurant use: 2.50/m3
*Steam:*

The maximum supply of steam is 160tons/hour. Average steam charge is RMB130/ton, depending on the amount of use.

*Drainage:*

Rainwater and sewage are discharged separately. Daily sewage treatment capacity is 120,000 tons. Cost is RMB250/ton.

*Telecommunication:*

Broadband up to 2.5G is available.

*Industry Structure*

Leading industries in the zone include advanced equipment manufacturing, automobile & auto parts, new energy, information technology, innovation culture industry and modern service industry.

*Foreign Investment*

By the end of 2007, over 450 foreign invested enterprises have been set up in the zone with a total investment amount of USD4.9 billion and contracted foreign investment of USD2.65 billion. GE, Ericsson, Fiat, Marubeni, Itochu, Aisin Seiki and Yamaha have established business in the Zone.

*Talent Advantage*

There are 36 universities with 390,000 students in Hangzhou. Zhejiang University is one of the leading universities in China. Besides, there are more than twenty vocational schools located in Xiaoshan District, which can provide well-trained technicians to the enterprises in the zone.

*Incentive Policy*

The zone enjoys policies for state-level development zones.
JIAXING, ZHEJIANG PROVINCE

Jiaxing Economic and Technological Development Zone

Overview
Jiaxing Economic and Technological Development Zone was set up as provincial level development zone in 1992, and then was upgraded to state-level in 2010. It is one of five key development zones in Zhejiang Province.

With a planned area of 110 square meters, Jiaxing consists of three industrial zones (Machinery & Auto Parts Zone; Electronics & Textile zone; and Xinan New Industrial Zone), two logistic zones, one hi-tech innovation zone, one college park and one international commercial zone.

Land
An area of 6687.3 square meters for industrial use was sold at the price of RMB247,000/mu in March, 2010.

Location
Located at urban area of Jiaxing, the zone is 3km away from downtown.
Jiaxing is located at coastal area of East China. It lies at the border of Shanghai, Jiangsu Province and Zhejiang Province.

Transportation
Due to its location, Jiaxing enjoys an extensive and convenient transportation network. Shanghai-Hangzhou Highway is 9km from the zone.

It’s 90km from Shanghai, 70km from Suzhou, and 90km from Hangzhou. Pinghu-Jiaxing-Suzhou Highway and National Highway 320 run through the zone. Jiaxing is 1hr from Shanghai Hongqiao International Airport; 1hr and 20min from Shanghai Pudong International Airport; 1hr and 10min from Hangzhou Xiaoshan International Airport. The zone is 120km from Shanghai Port, 40km from Jiaxing Port and 280km Ningbo Beilun Port. Inland container transshipment port is located inside the zone, and cooperates with Shanghai Port for sea transportation. Jiaxing Railway Station is 3km from the zone, and most of major passenger and cargo trains stop at Jiaxing Station.
Infrastructure
Utilities including power, water, drainage, gas, steam and telecommunication are available.

Industry Structure
Auto parts, textile, information technology, precision machinery and food processing are leading industries.

Foreign Investment
Over 600 foreign funded companies have been set up with contracted foreign investment of USD 2.5 billion and actual utilized capital of USD 1.1 billion.

Talent Advantage
There are 8 colleges and 19 vocational schools in Jiaxing. About 7700 local graduates are employed each year.

Incentive Policy
The zone enjoys policies for state-level development zones.

HUZHO, ZHEJIANG PROVINCE
Huzhou Economic and Technological Development Zone

Overview
Huzhou Economic and Technological Development Zone was set up in 1992 and upgraded to state-level development zone in 2005. With a total area of 80 square meters, it consists of Huzhou Hi-Tech Park, Taiwan Investment Zone and Huzhou Innovation Park for Overseas Students. The zone achieved a total output of RMB 11 billion in 2009.
Land
For the latest transaction, the land was sold at RMB 198,000 per mu.

Location
Huzhou is located at the center of Yangtze River Delta. Situated to the west of Shanghai, north of Hangzhou, east of the border of Jiangsu Province and Anhui Province, and south of Taihu Lake, Huzhou is within 200km away from most of the major cities in Yangtze River Delta including Shanghai, Hangzhou, Ningbo, Nanjing, Suzhou and etc. 16 large and medium-sized cities in Yangtze River Delta are within 2hr ride to Huzhou.

Transportation
Air transportation:
The zone is 50min from Hangzhou Xiaoshan International Airport; 60min from Shanghai Hongqiao International Airport; and 90min from Shanghai Pudong International Airport.

Water transportation:
Changxing-Huzhou-Shanghai is an important inland river shipping route in Yangtze River Delta. It takes 10hrs from Huzhou to Shanghai. Annual throughput is 110 million tons.

Rail transport:
There are stations inside the zone for both cargo and passengers. Xuancheng (Anhui Province)-Hangzhou Railway runs through the zone.

Land transport:
National Highway 318 & 104, Hangzhou-Huzhou-Nanjing Highway, Shanghai-Jiangsu-Zhejiang-Anhui Highway, and Shanghai-Jiaxing-Huzhou Highway run through the zone. It takes 45min drive to Hangzhou by Shanghai-Hangzhou Highway, 1.5hr to Nanjing, and 70min to Shanghai via Shanghai-Jiaxing-Huzhou Highway.

Infrastructure
Power:
There are seven 110kV substations in the zone.

Water:
Two water plants are capable of providing 200,000 daily.
**Sewage treatment:**
Daily treatment capacity is 90,000 tons.

**Heating:**
There is one thermal power plant capable of providing 150 tons of steam per hour with pressure of 10Pa and temperature of 170-200°C. Steam is charged at RMB157/ton.

**Telecommunication:**
ISDN, broadband multimedia, DDN and etc. are available.

**Industry Structure**
Biomedicine, water treatment, new energy, new materials, automotive and auto parts, food processing, innovative culture and information technology are leading industries, especially biomedicine and water treatment which are the fastest growing and most competitive industries in the zone.

**Foreign Investment**
Famous MNCs such as Dow, Anglo American, BASF and etc. have set up enterprises in the zone.

**Talent Advantage**
There 3 colleges and 26 vocational schools in Huzhou. It is also trying to attract talents and intellectual support from prestigious universities in Shanghai, Hangzhou and Nanjing.

**Incentive Policy**
The zone enjoys policies for state-level development zones.
NINGBO, ZHEJIANG PROVINCE

Ningbo Economic and Technical Development Zone

Overview

Ningbo Economic and Technical Development Zone was approved by State Council in October, 1984. With an area of 29.6 square meters, it was then one of the earliest and largest state-level development zones in China. In 2002, it merged with Beilun District. Now the New Beilun District occupies an area of 593 square meters, consisting of five state-level development zones including NETD, Ningbo Free-Trade Zone, Ningbo Export Processing Zone, Daxie Development Zone and Meishan Free-Trade Port. NETD positions itself as an important part of Northeast Asia Shipping Hub, manufacturing base in East China, regional advanced logistics center and modern coastal city.

Land: RMB380,000/mu

Location

NETD is located at northeast of Ningbo city, in the rear of Beilun Port. It’s 27km away from downtown.

Ningbo is an important base for machinery, energy, chemicals, and raw materials in East China. With its favorable location at metropolitan area of Yangtze River Delta, Ningbo has become the distribution center of raw materials for automobile parts, energy, chemicals and electronics.

Transportation

Air transportation:

Ningbo Lishe International Airport, Hangzhou Xiaoshan International Airport, Shanghai Hongqiao International Airport and Shanghai Pudong International Airport are nearby.

Water transportation:

Ningbo has gradually become the logistics hub of South Yangtze River Delta. Ningbo Port is the second largest port and one of the four major deep-water transit ports in China. With 309 diversified berths including 33 berths ranging from 50,000 DWT to 250,000 DWT, it has the largest amount of deep-water berths in mainland China.
**Rail transportation:**
NETD is connected with national railway network with Xiaoshan-Ningbo Railway, Zhejiang-Jiangxi Railway, Shanghai-Hangzhou Railway and Anhui-Hangzhou Railway.

**Land transportation:**
Shanghai-Hangzhou-Ningbo Expressway, Ningbo-Jinhua Expressway, Ningbo-Taizhou-Wenzhou Expressway and Hangzhou Bay Bridge are conveniently connected with the zone. With Hangzhou Bay Bridge, the ride to Shanghai only takes 2hr.

**Infrastructure**

**Power:**
There are 9 power plants in use and under construction in the zone with a total capacity of 10.41 million kW.

**Water:**
Daily capacity is 410,000 tons.

**Heating:**
6 heating plants in the zone can ensure sufficient steam supply.

**Sewage:**
There are two sewage treatment plants with daily maximum treatment capability of 180,000 tons.

**Telecommunication:**
Available telecom services include telephone, ISDN, ADSL, DNN and etc.

**Gas:**
A wide range of industrial gas is provided by professional vendors. Chunxiao Natural Gas Field lying in East China Sea provides natural gas for the zone. LPG is also available.

**Standard plant:**
800,000 square meters standard plants are available for rent. Plant can also be customized based on the requirements of tenants.
### Key Industrial Parks in the Yangtze River Delta

<table>
<thead>
<tr>
<th>Category</th>
<th>Voltage</th>
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</table>

### Industry Structure

Port orientated industries: steel, petrochemical, energy, shipbuilding, paper making

Equipment manufacturing industries: plastics, auto parts, molding, forging, power transmission equipment, monitoring equipment, instruments, CNC machine tool, metal processing

Emerging industries: semiconductor, new material, information technology

Service industries: logistics, manufacturing services, IT outsourcing

### Foreign Investment

By June 2009, 1416 foreign funded enterprises had been established in the zone with total investment of USD 23 billion and contracted foreign investment of USD 11.8 billion. Exxon Mobile, DOW, DuPont, Coca Cola, BP, Esselte, Philips, Linde, Itochu, Mitsubishi, Samsung, APP have already set up business in the zone.

### Talent Advantage

There are 15 universities and colleges in Ningbo such as Ningbo University, Nottingham University Ningbo China, Zhejiang University Ningbo Institute of Technology and etc. Those schools can provide 100,000 graduates with bachelor degree or above every year. There are also over 170 scientific research institutions.

There are 8 vocational and technical schools in NETD which provide trainings closed related to the industries in the zone.

### Incentive Policy

The zone enjoys policies for state-level development zones.
Ningbo Free-Trade Zone (NFTZ)

Overview
Ningbo Free-Trade Zone was approved by State Council in November 1992, and covers an area of 2.3 square meters. Ningbo Export Processing Zone, of 3 square meters, was set up in June 2002 and put into operation in March 2004. As one of the trials zones to integrate the operation of export processing zone with port, Ningbo Bonded Logistic Zone was set up in August 2004 with a planning area of 0.95 square meters, and passed inspection of government authority in August, 2005.

Land: N/A

Location
NFTZ lies on the west coast of the Pacific Ocean and south of Yangtze River Delta. Ningbo, close to Shanghai, is an international port city in East China and the economic center of south Yangtze River Delta. As a key area for China’s Opening-up strategy, Ningbo enjoys provincial level of economic administration authority. It is one of the best areas in terms of comprehensive investment climate.

Transportation
Air transportation:
International Airport, Hangzhou Xiaoshan International Airport, Shanghai Hongqiao International Airport and Shanghai Pudong International Airport are within 0.5hr-3hr drive.

Water transportation:
Beilun Port, near Ningbo FTZ, is the second largest deep-water port in China. The integrated operation between Ningbo FTZ and Beilun Port forms free-trade port. It has 39 berths which can accommodate vessels of 10,000 DWT and above. The port is connected with more than 600 ports in over 100 countries and regions.

Land transportation:
Shanghai-Hangzhou-Ningbo Highway, Tongsan Highway (from Tongjiang, Heilongjiang Province to Sanya, Hainan Province), and Ningbo-Jinhua Highway can be accessed. Hangzhou is within 1.5hr drive. With Hangzhou Bay Bridge, now it only takes 1.5hr to Shanghai and 2hr to Suzhou by car.
Rail transportation:
Xiaoshan-Ningbo Railway is extended to the zone, through which Beijing-Shanghai Railway and Beijing-Kowloon Railway can be connected.

Infrastructure
Power:
Double-loop electricity is provided by one 3 million kW power plant and one 1.05 million kW power plant.

Water:
Water for domestic use is charged at RMB1.65/ton, and for industrial and commercial use charged at RMB2.25/ton.

Drainage:
Rainwater and sewage are discharged separately. Daily sewage treatment capacity is 180,000 tons.

Steam:
Two thermal power plants can provide sufficient steam.

Telecommunication:
Programmed telephone, IDD, ISDN, ADSL, DDN, and etc. are available.

Industry Structure
International trade, hi-tech industries (TFT-LCD, IC, and computer), and logistics are leading industries in the zone.

Foreign Investment
855 foreign enterprises have been established with contracted investment of USD2.9 billion. 171 of them are hi-tech projects.

Talent Advantage
There are 15 universities and colleges in Ningbo such as Ningbo University, Nottingham University Ningbo China, Zhejiang University Ningbo Institute of Technology and etc. Those schools can provide 100,000 graduates with bachelor degree or above every year. There are also over 170 scientific research institutions.
Incentive Policy
NFTZ enjoys relevant policies for free-trade zone, export processing zone and bonded logistic park.

SHAOXING, ZHEJIANG PROVINCE

Shaoxing Paojiang Economic and Technical Development Area

Overview
Shaoxing Paojiang Economic and Technical Development Area was set up in July, 2000. As one of the three major districts in Shaoxing, the area is targeted to become an important part of Shaoxing as well as an internationally competitive manufacturing base leaded by hi-tech industries. The area plans be one of the development zones with best facilities in Zhejiang Province by 2020.

Land: N/A

Location
The area is located at north suburb of Shaoxing, near the entrance to Shanghai-Hangzhou-Ningbo Highway. It is 100km away from Ningbo, 50km from Hangzhou, and 230km from Shanghai.

Transportation
Airport:
- 25km from Hangzhou Xiaoshan International Airport (20min drive)
- 100km from Ningbo Lishe Airport (1hr drive)
- 230km from Shanghai Hongqiao International Airport and Pudong International Airport (2hr drive)

Port:
- 230km from Shanghai Port (2hr drive)
- 120km from Ningbo Port (1hr drive)
Infrastructure
Six phases of constructions have been finished in the area. As a result, an area of 60 square meters has been completed with infrastructure which meets the standard of “nine supplies of utilities and one leveling”. The zone is now one of the development zones with largest infrastructure area in Zhejiang Province.

Industry Structure
Advanced textile, biomedicine, information technology, food & beverage, and plastic packaging are the five major industries in the area.

Foreign Investment
Over 400 foreign invested companies have been set up in the area.

Talent Advantage
Shaoxing Science & Technology Innovation Center was set up in 2004 in the zone, which serves as an incubation for technology start-ups. By far, 83 enterprises have been established and 55 of them are under incubation now. Shaoxing Innovation Park for Overseas Students and Post-doctoral research station were also set up in 2004 in the zone to provide a good platform for high-level talents.

Incentive Policy
Investment Service Center is available in the area providing coordination and services for procedures in different government sectors.
**Xishan Economic and Technical Development Zone**

**Overview**

Xishan Economic and Technical Development Zone was founded in 1992 and approved by State Council in June 29th, 2011 as state-level development zone. It has a total area of 125 square kilometers. The development zone applies a fast-paced and high-tech-oriented strategy, with information technology, auto-parts, bio-medical, and machinery equipment as the leading industries. Up to 2010, Xishan has realized a total GDP of RMB 23.1 billion, with an annual expansion rate of 24%.

**Land**

A land covering 125 square kilometers, with 75 square kilometer available for development. Asking price for land is RMB250,000. The required investment density is RMB1.9 million/mu.

**Location**

Located in the center of the Yangtze River Delta, east of the Wuxi City. 8km from downtown Wuxi and 2km from the Shanghai-Nanning freeway.

**Transportation**

*Air transportation:*
- Shanghai Hongqiao International Airport: 103km away; 84min drive
- Shanghai Pudong International Airport: 150km; 115min drive
- Wuxi Airport (15 km);

*Water transportation:*
- Shanghai Port: 130km away
- Taicang Port: 50km away
- Jiangyin Port: 30km away (river)
- Zhangjiagang Port: 40km away (river)

*Rail transportation:*
- Kunshan is only 20min from Shanghai by high-speed train. Beijing-Shanghai High-Speed Railway passes through the zone, and it takes less than 6hrs to Beijing.
Land transportation:
Shanghai-Nanjing Expressway
State Highway 312
Tongshan Expressway
Suzhou-Kunshan-Taicang (SuKunTai) Expressway

Infrastructure

Water:
The development zone has a 150,000 ton/day capacity of water supply. 800mm diameter water pipes have been extended to the rims of the development zone.

Sewage:
Processing capacity 70,000 ton/day. Charge RMB1.00/ton for foreign investment and RMB1.5/ton for domestic investment.

Power Supply:
2 substations of 220kVA; 5 substations of 110kVA;

Warehouse:
Complete system of storage and warehouse.

Industry Structure
Three pillar industries in the zone include information technology, machinery and equipment, and auto-parts. The information technology industry realized an output value of 20.3 billion RMB, and machinery and equipment industry 13.2 billion RMB, and auto-parts industry 2 billion RMB.

Foreign Investment
Over 700 companies including 15 of Fortune 500 companies have entered the development zone. The high-quality international enterprises include: TE Connectivity from USA, Bolzoni Auramo Group from Italy, and Japan’s largest and the world’s third largest PS aluminum plate manufacturer—Furukawa-Sky.

By the end of 2011, Xishan has attracted $304 million USD foreign-investment.
Talent Advantage
Jiangnan University and other technology colleges are located nearby, but the zone still has a limited talent pool to draw from.

Incentive Policy
The Zone enjoys policies for state-level development zones.