INVEST IN SHENZHEN
Dear friends, it is my great honor to give a speech on Shenzhen, on this beautiful city we all love. Shenzhen is a city of miracles. In just 40 years, Shenzhen people, with their hard work and wisdom, transformed a small fishing village with only tens of thousands of residents to a beautiful, comprehensive and modern international metropolis with a population of more than ten million.

Shenzhen is a city of innovation. It is a place for you to pursue your career and dreams. A batch of competitive and well-known multinational companies such as Huawei, ZTE, Tencent, Ping'an, BYD Auto, BGI Group, DJI, Royole and Kuang-Chi established their headquarters here. Shenzhen is the first national demonstration city for innovation in China. It is now developing itself into a national innovative demonstration city for sustainable development, hoping to become a city of innovation that is competitive in the whole world. As a rising international innovation center, Shenzhen has attracted a large amount of high-tech talents and skilled personnel.

Shenzhen is a city of vitality. It is young, enthusiastic, inclusive and diverse. In this city where Chinese young people love most, you can get close to all China’s local cultures and enjoy the most internationalized business environment. Shenzhen welcomes all talents. Once you’ve come, you’re a Shenzhener.

Shenzhen is a city of green. It is situated between mountains and seas and the climate is warm and pleasant. With a coastline of around 260 km and 942 parks, Shenzhen is one of the most beautiful cities in China, enjoying a green coverage ratio in the built-up area of more than 45%.

Shenzhen is a city of opportunities. It is one of the most dynamic cities in China in terms of economy. Currently, Shenzhen jumps on the bandwagon of development of Guangdong-Hong Kong-Macao Greater Bay Area, greatly develop economy in the Bay Area and work with other cities to build a G2.S2 Science and Technology Innovation Corridor. Shenzhen is also committed to developing itself into an international center that excels in technology development, industrial innovation, financial services, advanced manufacturing, trade logistics and fashion innovation. Shenzhen is adjacent to Hong Kong and back by the Pearl River Delta urban agglomeration which is the largest consumption market in China. Here, you can keep up with the times and connect with the world.

Shenzhen has another beautiful name—Peng Cheng, meaning a Chinese roc. In this new era, we warmly welcome all of you here to share with us Shenzhen’s development results. I believe we can realize the win-win cooperation and create a bright future, just like a Chinese roc soaring into the sky.
Shenzhen, as a special economic zone, a national economic central city, and a national innovation-oriented city, emphasizes that it should play a leading role in accelerating the establishment of a modern international city and striving to become a city of innovation and creativity with world influence.

Promote the construction of the "Southern Shenzhen-Hong Kong-Macao Science and Technology Innovation Corridor".

**Shenzhen in Guangdong-Hong Kong-Macao Greater Bay Area**

Support Shenzhen in developing a capital market with the Shenzhen Stock Exchange at the core in accordance with relevant regulations, and accelerate the opening up and innovation of the financial sector.

Support Shenzhen in building an insurance innovation and development pilot zone, promote the connectivity of the Shenzhen and Hong Kong financial markets and finance cooperation with characteristics of Shenzhen and Macao, carry out pilot projects in science and technology finance, and strengthen the development of fintech careers.

Shenzhen is one of the most important ports with the highest throughput in the world.

An aviation hub with international influence.

The core engine of regional development.

The center of a world-class advanced manufacturing industry cluster, such as electronic information, with global influence and competitiveness.

A global economic centricity.

An international transportation hub.

A national innovation-oriented city.

The hub of the international roadway connecting the Pan-Pearl River Delta region (PPMR) and the RGMAP countries.

A global marine central city.

An experiment zone for insurance innovation development.

**SHENZHEN BASICS**

**Geography**
Shenzhen is a municipality located along the south coast of China in southern Guangdong Province. Shenzhen is bordered by Daya Bay and Miwa Bay to the east, and the mouth of the Pearl River and Lingshuiyang Bay to the west. The Shenzhen (Sham Chun) River connects Shenzhen with Hong Kong to the south, while the municipality adjoins the cities of Dongguan and Huizhou to the north. Shenzhen's expansive maritime territory connects the South China Sea and the Pacific Ocean.

**Climate**
Shenzhen has a subtropical maritime monsoon-influenced climate that is warm and pleasant, with plentiful precipitation, and an average annual temperature of 23°C.

**Population**
Registered population: about 20 million

**Area**
1997.3 square kilometers

**Language**
Mandarin is the official language and Cantonese and English are also widely used.

**Administrative Divisions**
Shenzhen is a part of Guangdong Province, and is one of the seven sub-provincial cities with separate planning status. The municipality has six administrative districts (Futian, Luohu, Yantian, Nanshan, Baoan, Longgang, Longhua, and Pinghu) and two new districts (Gangming and Daping).
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Chapter 1

INVESTING IN SHENZHEN

Why Shenzhen?
INVEST

Innovation is great

Innovation is in the blood of Shenzhen. As the first national demonstration city for innovation in China, Shenzhen is accelerating the pace of developing itself into an international technology and industrial innovation center. Its industries such as electronic information, Internet, biology and new energy are in the leading position. A lot of high-tech companies such as Huawei, ZTE, Tencent, BYD Auto, BGI Group, DJI, Kang-Chi and Royole established their headquarters here. It is true to call Shenzhen A city of Innovation.
Nature is great

Located in the south of the Tropic of Cancer and between tropical and subtropical areas, Shenzhen is a beautiful city with warm and pleasant climate. With a coastline of around 260 km, the coastal scenery is magnificent, and the natural environment is picturesque. Apart from having great ecological environment, Shenzhen attaches great importance to the development philosophy of Green and Low Carbon. With green and low carbon as its new personalities, Shenzhen encourages better economic development that consumes less resources and energy.

- Elected one of UNEP’s Global 500 Roll of Honour, and China’s first International Golden City
- Has one of the eight best coasts in China
- One of the 37 Places to Go listed by The New York Times
- Shenzhen comes in 2nd in Lonely Planet’s Top 10 Cities to Visit in 2015
- One of the Top 3 Most Popular Cities in Mainland China with foreign talents by International Talent
- At present, there are 942 parks in Shenzhen, and the green coverage ratio of the built-up area exceeds 49%
- Energy consumption and water consumption per USD 1.493 (RMB 10,000)
- GDP are at the lowest level among cities in Mainland China
- Ranks top in terms of air quality in Mainland China
Vitality is great

Shenzhen is a window for China’s Opening up and a new city for migrants. With a large amount of talents gathering here, Shenzhen is vigorous. A well-known slogan in Shenzhen goes like this—Once you’ve come, you’re a Shenzhener. Shenzhen’s unique demographic structure makes it a dynamic market with many talents gathering here together, which forms its open, inclusive and innovative personalities. Here in Shenzhen, people can enjoy different cultures and exchange different ideas. Innovations, creative ideas and inventions emerge in an endless stream, making Shenzhen a city for global makers.
Economy is great

Shenzhen is the most "market-oriented" city and the first special economic zone in Mainland China. The market economy is fully developed and perfected. The market environment is fair and the enterprises are fully respected. In 2018, Shenzhen's GDP exceeded USD 358.2 billion (RMB 2.4 trillion), making it one of the fastest growing cities in the world. It has transformed itself from a small fishing village into one of the most developed cities in China.

There are seven Fortune Global 500 companies that established in Shenzhen, namely Ping An, Huawei, China Merchants Bank, Amor, Vanke, Tencent and Evergrand. Shenzhen is not only a world-class entrepreneur homeland, but also a cradle of startups.

The total volume of 3.05 million commercial entities in Shenzhen rank the 1st in China in terms of the volume and density.

In terms of economic competitiveness, Shenzhen ranks the 5th in Global Competitiveness Report 2018-2019.

Shenzhen is home to seven Fortune Global 500 companies (Tencent, Huawei, China Merchants Bank, Amor International Group, Vanke, Ping An Insurance and Evergrand Group).

One of the first batch of the Broadband China demonstration cities and pilot cities for information benefits.

One of the Most Successful SEZ among 4,300 SEZs in the world by the Economist.

The 20th of the GFCI Global Financial City and the 3rd among those listed in Mainland China.

GDP exceeds USD 358.2 billion (RMB 2.4 trillion) in 2018, ranking top 5 in Asian cities.

Over 280 of the Fortune Global 500 companies have invested in Shenzhen.
Service is great

The Shenzhen Municipal People’s Government is one of the most efficient governments in China. It advocates a government under the rule of law, a service-oriented government, and a clean government. Shenzhen makes full use of the advantages of its legislative power as a special economic zone and makes unremitting endeavor to build a fair, transparent and easy business environment. As the first special economic zone in China, Shenzhen is the window and experimental field of China’s reform and opening up.

In order to achieve marketization, rule of law and internationalization, Shenzhen has carried out a number of reform projects, streamlined administration and delegate power to the lower levels, optimized the process of business, and took the lead in promoting the reform of the commercial registration system in China, simplifying the process of establishing companies, and stimulating entrepreneurial enthusiasm. The registering for companies has been shortened from 20 working days to one working day.
Transportation is great

Adjacent to Hong Kong, Shenzhen enjoys unique geographical advantages. It is a significant transportation hub in the Asia-Pacific region under the Belt and Road Initiative. The international deep-water port, large international airport, the largest land port, important expressways, national railways and passenger lines all meet here in Shenzhen.

The Pearl River Delta, where Shenzhen is located, has unparalleled capabilities of providing hardware support in the world. With Shenzhen as the center, it can enable people to purchase various industrial supporting elements within one-hour drive. Scientific research results can be quickly transformed into innovative products. Shenzhen is close to the most developed markets in the world. With the 24-hour customs clearance service, people can go to Hong Kong at any time. It only takes them 23 minutes to get to Hong Kong from Shenzhen, and one hour drive to Hong Kong Airport. After the products are manufactured, they can be sent to the world through the Shenzhen-Hong Kong ports within an hour.
Four pillar industries of Shenzhen

▶ High-Tech industries
In 2018, with another 3,000 newly established national high-tech companies in Shenzhen, the total number exceeds 14,000. Shenzhen is home to a cluster of enterprises spread throughout a variety of high and new technology sectors, of which the electronic information sector is one of the most prominent. This has allowed Shenzhen to become an important nationwide center for the conversion of fruitful high-tech research into successful industrial products.

▶ Finance
Shenzhen is one of China’s three major financial centers. In 2018, the added value of Shenzhen’s financial industry exceeded USD 44.8 billion (RMB 300 billion), accounting for 12.7% of GDP. Shenzhen also takes the lead in fin-tech. Shenzhen is the place where Shenzhen Stock Exchange established. The financial cluster includes Futian District, Luohu District and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone which is going to be a demonstration area for the opening up of China’s financial industry with comprehensive fin-tech ecosystem.

▶ Modern Logistics
In 2018, the added value of the logistics industry in Shenzhen was USD 37.9 billion (RMB 254.158 billion), achieving a year-on-year increase of 9.35% and accounting for 10.49% of Shenzhen’s GDP. In 2018, Shenzhen became one of the first 22 cities in China to run the green freight transportation demonstration program; SF Express and other two key logistics companies entered the Fortune China 500 list. With a throughput of 25.74 million TEUs throughout the year, Shenzhen continued to be the fourth largest container port. Shenzhen Baoan International Airport established routes to 15 new international passenger destination cities, achieving a total cargo and mail throughput of 1.218 million tons and ranking fourth in China.

▶ Cultural and Creative Industry
Shenzhen was the first Chinese city to utilize a culture-based strategy for city development. In 2018, the added value of Shenzhen’s cultural and creative industry reached USD 35.1 billion (RMB 262.77 billion), accounting for more than 10% of GDP. Shenzhen was the first city nationwide to receive the title of “City of Design” from UNESCO. Design sectors such as industrial design and graphic design are in the vanguard of the nation, and Shenzhen enterprises have led China the IPP Design Awards winner for several times.
Seven strategic emerging industries

With innovation as the core, Shenzhen is focused on seven strategic emerging industries, namely new generation information technology, manufacturing of high-end equipment, green and low-carbon industry, biomedicine, digital economy, new material and marine economy. By implementing innovation-driven development strategy, Shenzhen has substantially enhanced technology content in industries and accelerated the creation of industrial clusters with global competitiveness which worth USD 149.25 billion (RMB 1 trillion) and USD 14.93 billion (RMB 100 billion). It will facilitate the development of more industries with comparative advantages to become pillar industries and consistently lead the industrial upgrading and high-quality economic development.

Integrated circuit: Build an industrial ecosystem with synergies to support the upgrading of new generation information technology industry in Shenzhen. Artificial intelligence: Fully leverage Shenzhen’s comparative advantages in manufacturing of terminal hardware of AI, storage of user data, innovation in application models, thus building it as the leader in global AI industry. 5G technology of mobile communication: Grasp the development window of 5G technology, to consolidate Shenzhen’s leading position in global communication industry. New type display: Consolidate its advantage as manufacturing base for high generation large-size panel, and promote new type display industry to become a new growth pole in electronic information industries in Shenzhen. IoT (Internet of Things): Create a well-functioned sustainable development landscape where upper stream and lower stream industries are closely connected. IVC (Intelligent connected vehicle): Build demonstration areas for IVC applications. Flexible electronics: Meet the needs in wearable devices, and grasp the high ground of next generation electronic manufacturing industry.

Intelligent equipment: Consistently promote the deep integration of information technology and manufacturing industry, foster demonstration areas of intelligent manufacturing and guide the transformation of manufacturing companies to modern manufacturing service providers. Additive manufacturing: Accelerate the establishment of manufacturing innovation center for 3D printing, form a full industrial chain covering product design, material, key components, equipment and application to strongly underpin advanced manufacturing and precision manufacturing.

Energy conservation and environmental protection: Build the base and innovation center for energy-saving and environmental protection industries in fuel cell, semiconductor lighting, household appliances, environmental governance and other competitive areas. Hydrogen economy: Improve the whole industrial chain and continuously develop hydrogen economy around aerospace, aircraft, automobile and military industries. With hydrogen-fueled electric vehicle, it will improve the whole industrial chain and constantly developing hydrogen economy.

Precision medicine: Implement the “Healthy China” strategy and conduct technological original innovation to solve the source and key issues in precision medicine and its applications. Achieve major breakthroughs in gene test and individualized treatment technology, establish first-class precision diagnosis and treatment platform and clinical transformation system around the world. Set up healthcare big data platform and launch “Big Science Initiative” for healthcare to build a leading demonstration area for precision medicine globally.

Financial technology: Accelerate the establishment of financial technology research institutions to achieve breakthroughs in key technologies of digital currency wallet, verification and management of smart contract, Intelligent analysis of financial big data, etc. Enhance the financial technology applications and proactively explore new application scenarios in order to become the leading financial technology center around the world.

Graphene: Build high-level innovation platform by sticking to application-oriented approach. Micronano material and components: Reinforce the connection of fundamental research and application study. Accelerate the industrialization to underpin further development of information, material, energy, manufacturing and other industries.

Further boost overall marine economic strength and marine technological innovation capability of Shenzhen while sticking to the innovation-driven strategy of integrated development of land and marine economy so as to build Shenzhen into a global marine center city with international appeal, competitiveness and implication.
**Overview of Company Operating Costs and Supporting Policies in Shenzhen**

<table>
<thead>
<tr>
<th>Cost of Leasing Office Space in Prominent Areas of Shenzhen</th>
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<tbody>
<tr>
<td>Average rent in Shenzhen's Grade A office buildings</td>
</tr>
<tr>
<td>35.37 USD/m²</td>
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<table>
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<tr>
<th>Salary Standard</th>
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<tbody>
<tr>
<td>Shenzhen's minimum wage</td>
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<tr>
<td>328.36 USD/Month</td>
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<table>
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<tr>
<th>Price of Industrial-use Electricity</th>
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</thead>
<tbody>
<tr>
<td>ordinary industrial and commercial industries and other industries during peak periods</td>
</tr>
<tr>
<td>During peak periods</td>
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<tr>
<td>0.17 USD/KWH</td>
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<tr>
<td>During normal periods</td>
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<tr>
<td>0.13 USD/KWH</td>
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<tr>
<td>During low-use periods</td>
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<tr>
<td>0.04 USD/KWH</td>
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</tbody>
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<table>
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<tr>
<th>Price of Industrial-use Water</th>
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<tbody>
<tr>
<td>Industrial-use water</td>
</tr>
<tr>
<td>0.56 USD/cubic meter</td>
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<tr>
<td>The Wastewater Treatment Fee</td>
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<tr>
<td>0.16 USD/cubic meter</td>
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<tr>
<td>Water for use in the commercial, service, and construction industries</td>
</tr>
<tr>
<td>0.56 USD/cubic meter</td>
</tr>
<tr>
<td>the wastewater treatment fee for these industries</td>
</tr>
<tr>
<td>0.18 USD/cubic meter</td>
</tr>
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Shenzhen Government Offers Preferential Policies for Headquarters Companies

- Shenzhen will offer a subsidy of USD 1.49 million (RMB 10 million) for newly-established headquarters companies that have been introduced to the city that promise to generate output value and pay tax to the local government as required within a certain period of time.
- The city will offer a cash reward of up to USD 2.99 million (RMB 20 million) for eligible headquarters companies.
- Headquarters companies that do not have fixed office space and rent offices will receive a subsidy of up to USD 0.22 million (RMB 1.5 million) each year.
- Headquarters companies that do not have fixed office space and purchase offices for the first time will receive a subsidy equivalent of 10% of the total purchase price and capped at USD 7.46 million (RMB 50 million).
- Eligible headquarters companies can enjoy preferential policies such as receiving a subsidy to purchase office space and services from senior officials as well as residential buildings, education, healthcare and expected exit and entry through customs.

Shenzhen Municipal Government Policies to Support Enterprise Competitiveness

- Enterprises that are selected to the Fortune Global 500 for the first time are given a reward of 6.48 US dollars (30 million yuan); enterprises that are selected to the China Fortune 500 for the first time are given a reward of 1.49 US dollars (10 million yuan).
- Comprehensive support is given using a "customized" model to state-owned enterprises that move to Shenzhen or to establish new companies in Shenzhen, or to large enterprises that move to Shenzhen and achieve the standards for qualifying as a "headquarter enterprise."
  - To promote investment in key industry links, and to support projects in weak industry links in Shenzhen, a one-time reward of 0.45 US dollars (1 million yuan) is available for eligible projects.
  - Support is available for key industrial enterprises (such as those enterprises in the "industry 100" that have annual value-added industrial output growth of more than 15%).
  - Enterprises that take on national Strong Industrial Foundation projects are given accompanying support at 50% of the national subsidy.
  - Enterprises that take on the task of building national manufacturing industry innovation centers can receive 1.49 US dollars (10 million yuan) in subsidies annually for three consecutive years.
  - Enterprises that take on military industrial scientific research projects can receive up to 35% of the project's contract value as a subsidy (maximum subsidy of 0.75 US dollars (5 million yuan)).

Shenzhen Municipal Government Supporting Policies for the Promotion of Innovation in Science and Technology

- A maximum of 4.48 US dollars (30 million yuan) in support is available for the establishment of branch organizations in Shenzhen by national-level innovative entities.
- A maximum of 1.49 US dollars (10 million yuan) in support is available for those that take on the task of establishing provincial and municipal engineering laboratories, technological centers and other innovative entities.
- A maximum of 1.49 US dollars (100 million yuan) is available for the building of scientific laboratories named after scientists.
- A maximum of 14.93 US dollars (100 million yuan) in support is available for the establishment of novel specialized scientific research institutions centered around innovative teams made up of high-level talented personnel.
- A maximum of 1:1 matching support is available for those that carry out national or provincial scientific and technological plan (task) projects.
- A maximum of 1.49 US dollars (10 million yuan) in support is available for those that carry out Shenzhen's foundation- al, cutting-edge, and/or key (core) technological projects.
- To support enterprises in setting up R&D reserve fund systems, a maximum of 1.49 US dollars (10 million yuan) is available in post-project support for eligible R&D projects.
- High and new technology enterprises are encouraged to give scientific researchers stock equity rewards, and some personal tax payment regulations have been relaxed to allow taxes to be paid in installments within a five year period.
- The share equity percentage that management and core staff at structurally reformed converted scientific research institutes, high and new technology enterprises, and science and technology service-type enterprises are allowed to hold has been increased to 50%.

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"Business License" issued by Shenzhen Municipal Market Supervision Administration

Registration Process for Enterprises with Domestic Investment
- Prepare materials according to the Guidelines for the Establishment of Domestically Funded Enterprises
- Name approval by Shenzhen Municipal Market Supervision Administration
- "Business License" issued by Shenzhen Municipal Market Supervision Administration
- Relevant industry administrative license approval
Imports and Exports

In 2018, Shenzhen saw its imports and exports hit 447.37 billion US dollars (2,997.39 billion yuan), a 7% year-on-year growth, ranking No.2 in large and medium-sized Chinese cities, accounting for 9.8% and 41.9% of the national and provincial import and export respectively, where exports accrued 242.84 billion US dollars (1,627.02 billion yuan), down 1.6% compared with a year earlier, which topped the list among large and medium-sized Chinese cities for 16 consecutive years and accounted for 9.9% and 38.1% of the national and provincial exports respectively; imports were 204.53 billion US dollars (1,370.73 billion yuan), 10.4% higher than the previous year, the third among the list, accounting for 9.7% and 47.4% of the national and provincial imports respectively. In dollar terms, the city's imports and exports were sequentially 453.59 billion US dollars in 2018, a 9.5% year-on-year increase. Among them, exports were 245.98 billion US dollars, up 0.7% year-on-year; imports were 202.61 billion US dollars, up 22.3% year-on-year.

Shenzhen's Imports & Exports

- **447.37 billion US dollars** (2,997.39 billion yuan)
  - A 7% year-on-year increase

Shenzhen's Exports

- **242.84 billion US dollars** (1,627.02 billion yuan)
  - Down 1.6% compared to a year earlier

Shenzhen's Imports

- **204.53 billion US dollars** (1,370.73 billion yuan)
  - Up 10.4% compared to the previous year

Foreign Investment

- **Amount of foreign capital used actually remained stable**
  - **14834**
  - Number of foreign-funded enterprises throughout the city
  - **119.54%**
  - Year-on-year increase

- **China (Guangdong) Free Trade Zone Qianhai & Shekou Area of Shenzhen (FTZ) held a share of more than half**
  - **4103**
  - Number of newly-established enterprises established in FTZ

- **Foreign investment centered at modern service industry**

- **Hong Kong and other places continued to occupy a dominant position in investment sources**

The top three countries/regions regarding amount of foreign capital used actually:

- **Hong Kong**
- **Germany**
- **France**

Approval Process for Enterprises with Foreign Investment

- Prepare materials for approval pursuant to the Instructions for the Establishment of Foreign-funded Enterprises
- Name approval by Shenzhen Municipal Market Supervision Administration
- "Certificate of Approval for Establishment of Enterprises with Foreign Investment in the People's Republic of China", issued by Shenzhen Municipal Commerce Bureau or competent commerce departments of each district
>> The Commerce and Trade Circulation Industry

- **Basic information on the commerce and trade circulation industry**
  - Total Retail Sales of Consumer Goods
    - US$92.07 billion
    - Up by 7.6%
  - Retail Sales of Lodging and Catering
    - US$11.11 billion
    - Up by 8.4%
  - Retail Sales of Wholesale and Retail
    - US$8.096 billion
    - Up by 7.4%
  - Total Sales of Goods of Shenzhen
    - US$493.75 billion
    - Up by 9.3%
  - Total Wholesale Sales
    - US$14.281 billion
    - Up by 9.7%

- **Main measures**
  - Strengthen industry administration and guidance. The 14th Five-Year Plan for the Development of Shenzhen's Commerce and Trade Circulation Industry, Shenzhen's Work Plan for Cultivating Emerging Consumption Hotspots and Shenzhen's Key Action Plan for Stimulating Consumption (2017-2021) were successively issued to strengthen industry administration and guidance.
  - Introduce more supporting policies. The 2018 Shenzhen Government's Issuance of Measures to Further Promote the Growth of Consumption called to encourage commerce and trade enterprises to become bigger and stronger; further enhance consumer carriers; vividly new modes and new formats; accelerate cultivation of new consumption supply; explore and stimulate consumer potential; and increase government support with 26,055-44.78 billion US dollars (200-300 million yuan) of planned funds each year.
  - Constantly initiate activities. The “Shenzhen Happy Shopping” campaign had been carried out for six consecutive years in all major holidays; all media resources, as well as enterprises and district governments were combined to promote promotion campaigns with coverage of 10 districts, more than 20 business areas and 1,000 branches. These activities have boosted passenger flow and sales and created a good shopping atmosphere throughout the city.

>> Bonded Zone

Shenzhen, among the list of cities with the most diversified bonded zones, is blessed with four special customs supervision zones, namely Futian Bonded Zone, Yantian Comprehensive Bonded Zone, Shenzhen Export Processing Zone and Qianhai Bay Bonded Port Area. It boasts 9.42 km² approved red line area and 6.76 km² bonded area.

- **Spectrums of preferential policies are accessible in special customs supervision zones as follows.**
  - **Tax Policy**
    - Enterprises importing self-use articles, equipment are exempt from tax, and goods trading between enterprises in the same area is not subject to VAT and consumption tax; overseas imported products are temporarily exempt from tariff and enterprises can carry out bonded leases of import equipment in and out of the area; bonded port areas, comprehensive bonded areas and export processing zones enjoy the tax rebate policy upon entry, that is, domestic products entering the zone are considered as export and can apply for tax rebate.
  - **Trade Policy**
    - Import and export quotas and license management are not implemented in the special customs supervision zones (except as otherwise provided by laws, administrative regulations and rules).
    - The special customs supervision zones carry out the first-line and second-line separate management with higher customs clearance efficiency and lower corporate cost through innovative policies such as “batch delivery and centralized declaration, the general taxpaying pilot, separate management of domestic and foreign products and the air and land transport”; Processing trade enterprises in the zone do not implement the book management and deposit account system; products sold in domestic market will gradually realize the independent tax payment according to the finished products or materials.
  - **Regulatory Policy**
    - Enterprises in the zone do not implement system of cancelling foreign currency collection for export and payment for import after verification. Enterprises can open RMB accounts and foreign exchange accounts at the same time; products in and out of the zone (within the country and outside the zone) can be paid in foreign currency or RMB.

In addition to the above preferential policies, the Qianhai Bay Bonded Port Area also enjoys the policies applied to the Shenzhen-Hong Kong Modern Service Industry Cooperation Zone and the Pilot Free Trade Zone, as listed in the Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, Futian Bonded Zone, connected to Hong Kong via Luohan Bridge, hosts a closed No.1 dedicated corridor with a daily traffic capacity of 40,000 vehicles and a dedicated customs and frontier inspection station. Foreign vehicles which have actually invested more than 256.425 million Hong Kong dollars (35 million US dollars) are allowed into the Zone. HNKF container trucks are free to enter and exit Futian Bonded Zone and Hong Kong with the special sign issued by the Zone.
Shenzhen is a city full of vitality with a high concentration of quality talents. Shenzhen is one of the most popular cities among university graduates and one of the prime choices for overseas Chinese students to start up their businesses after they finish their overseas education.

Currently, the number of total talents in the city exceeds five million. Third, the city continues its effort to optimize its innovation environment and practices strict intellectual property rights protection according to the law. China (Shenzhen) Intellectual Property Rights Protection Center and China (Southern) Intellectual Property Rights Operation Center were officially opened. The "Peiheheng Talent Plan" was released and a national-level human resources service industry park was established. The annual number of newly introduced talents from other cities was 285,000, an increase of 6.4%. The number of new full-time academics was 11, leading to a 6.9% increase of the total number of full-time academics in the city. The number of new high-level talents was 2,678, an increase of 13.9%.

Shenzhen has been awarded as one of the "Top Ten Most Attractive Cities to Foreign Talents" for seven consecutive years by SAFEA Information Research Center of International Talents and its magazine international Talent.

Shenzhen was awarded by LinkedIn as the second among the most attractive cities for the millennials.

Shenzhen was ranked among the top three again in the list of the Top 50 Most Attractive Cities to Move to for Work in 2017.

Shenzhen was ranked the third most attractive city in the Chinese Urban Research Report, 2018 Q4 published by Baidu Maps.

Shenzhen Municipal Government Policies to Support Talents

- The newly elected academicians of the Chinese Academy of Sciences and Chinese Academy of Engineering and the newly introduced Outstanding Talents in Shenzhen will be awarded with USD 1.48 million per person as working subsidies and USD 855,522 (RMB 6 million) per person in the grants and awards.
- High-level talents will receive grants and awards of USD 2.38 million to 4.7 million (RMB 16 million to 30 million) per person.
- High level talent will receive a maximum of subsidy of USD 1.43 million (RMB 100 million).
- High growth potential will be awarded USD 763,958 (RMB 5 million) as subsidy at maximum per person.
- Subsidy for Postdoctoral Mobile Station and its Sponsor shall be increased to USD 1.1 million (RMB 7 million).
- Subsidy for Postdoctoral Innovation Base shall be increased to USD 1.82 million (RMB 10 million).
- An any qualified outstanding talent may choose either a rent-free dwelling of approximately 100 m² for 10 years or the subsidy of USD 800,000 (RMB 5 million).

Other qualified high-level talents may choose other monthly rental subsidy of USD 1,469 (RMB 10,000) at a maximum up to 3 years or rent-free dwellings of 110 m² at a maximum up to 3 years.

Shenzhen provides tax-free rental and living subsidy for newly introduced basic talents in USD 2,230 (RMB 15,000) per month, USD 3,711 (RMB 25,000) per quarter, and USD 6,471 (RMB 40,000) per PhD, without any restrictive conditions.
The Qianhai & Shekou Free Trade Zone

The Qianhai & Shekou Area of Shenzhen (part of the China (Guangdong) Pilot Free Trade Zone) was established with a planned area of 28.2 square kilometers, and is divided into the Qianhai and Shekou subzones.

Qianhai is located on the east bank of the Pearl River on the western side of the Shekou peninsula, and its free trade zone plot has a land area of 14.92 square kilometers. Qianhai is blessed with a favorable geographical location close to Hong Kong and Shenzhen’s two international airports and two large international ports. Qianhai is the nation’s only Shenzhen-Hong Kong modern service industry cooperation zone.

On April 27, 2015, the Shenzhen Qianhai & Shekou Area of the China (Guangdong) Pilot Free Trade Zone was officially launched. As part of this development, Qianhai is to serve as a showcase for the combination of three major national strategies—China’s pilot free trade zones, “Shenzhen-Hong Kong Cooperation”, and the “One Belt-One Road” policy. A “three zone” model featuring the overlapping of the cooperation zone, the pilot free trade zone, and a bonded port area is also utilized in Qianhai; that is, Qianhai enjoys not only the nationwide policies conferred upon a pilot free-trade zone, but also the preferential policies established for the Qianhai Cooperation Zone alone, rendering its comparative advantages even more pronounced.
Preferential Policies
The State Council has already approved twenty-two advance trial policies to be implemented in six major sectors (finance, taxation, law, talent, education, medicine, and telecommunications) in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.

Finance
Advance trial policies and models have been implemented to achieve innovation and reform in the financial sector. These include the launch of services in areas such as the repatriation of RMB to China from financial activities abroad, Hong Kong Offshore RMB services, cross-border RMB service innovation, RMB lending for overseas projects, yuan denominated bonds, new transaction platforms, and financial headquarters.

Taxation
Tax reductions and exemptions have been granted (for business tax, corporate and personal income tax, etc.) to enterprises that qualify in their industry/sector and other preferential conditions. For example, the collection of corporate income tax has been reduced to 15% for qualifying Qianhai enterprises, such as those operating in the modern logistics, information services, and cultural and creative industries.

Law
It has the SCA South China International Economic and Trade Arbitration Commission, also known as the Shenzhen Court of International Arbitration, the first commercial arbitration institution across Guangdong, Hong Kong, and Macao, which provides independent and impartial commercial dispute resolution services for foreign investors and promotes an international legal environment.

Talented Professionals
Qianhai will feature the construction of a special zone beneficial to Shenzhen and Hong Kong talented professionals that permits expert personnel who have been licensed are qualified in Hong Kong to directly provide services in Qianhai. It permits Hong Kong specialists who have obtained Certified Accountant qualifications in China to serve as partners in Mainland Chinese accounting firms, creates a convenient working and living environment for all types of talented personnel. Non-Mainland Chinese specialists and talented professionals in fields of special need who work in Qianhai and meet the developmental needs of Qianhai’s planned industries are able to enjoy a 15% preferential personal income tax policy.

Education and Medicine
Support is provided for the opening of pilot cooperation programs between Shenzhen and Hong Kong in areas such as education and medicine. For example, Hong Kong service providers can establish wholly-owned hospitals and wholly-owned international schools (among other projects) in Qianhai following approval.

Telecommunications
Support has been provided for the construction of a special international telecommunication channel, to meet the international telecom service needs of Qianhai’s enterprises. Support has also been provided for the operation of telecom services and the establishment of joint ventures by between Hong Kong and Macau telecom operators and Mainland China telecom operators pursuant to CEPA. Additionally, feasibility studies will be conducted regarding the formulation of preferential telecommunication billing plans and in other areas.
The ShenShan Special Cooperation Zone

The Shenzhen-Shantou Special Cooperation Zone is located in southeast Guangdong Province, with a total area of 468.3 km² and an available construction area of 145 km². In 2018, the Shenzhen-Shantou Special Cooperation Zone will adhere to the development concept of "innovation leads development, industriousness creates a new city", the development model of "headquarters and base, research and production" and the development mindset of "planning leads, base precedes, platform achieves". Great effort will be made to turn the zone into the revitalization center of Guangdong, a region for the expansion of Shenzhen's autonomous innovation and a livable, workable, and enjoyable new coastal city. Driven by a Tencent cloud computing data center, a next-generation China Resources data center and other key enterprises, the Shenzhen-Shantou Special Cooperation Zone will strive alongside firms to create a hotspot for investment.
Shenzhen-Hong Kong Cooperation Zone for Technology and Innovation

Lok Ma Chau Loop C area
(including Huanggang Port and Futian Port)
takes up about 1.67 square kilometers

Futian Bonded Zone
(within enclosed area)
accounts for about 1.35 square kilometers

Lok Ma Chau Loop A area
occupies about 0.87 square kilometers

Advantages
Outstanding Location Advantage; Unique Boundary Crossing
Located in the Shenzhen-Hong Kong Direct Link, it has a unique location advantage

Outstanding System Advantages; Unique One Area Two System Conditions
Dual Systems advantages of Hong Kong Special Administrative Region (HKSAR) and Shenzhen Special Economic Zone

Unique Spatial Carrier; Controllable Risks in Limited Areas
The cooperation zone covers an area of approximately 4km². Futian Bonded Zone belongs to a special customs supervision area and implements physical fence management. Thus problems can be prevented beforehand and traceable in the case of happening

Interconnected Advantages of Both Sides, Maximized Effect of Cooperation Scale
Both Hong Kong and Shenzhen could complement to their advantages and make the best of both sides, which would be the best site to integrate both sides’ strength and lever for developing Hong Kong’s technology and innovation and the construction of the International Centre for Technology and Innovation

Development Task
To jointly build a number of infrastructures for breakthrough and cutting-edge national major scientific researches
To jointly build a group of world-class major scientific facilities clusters
To build a world-class technology incubation centre
To build a new landmark cluster region in Shenzhen and Hong Kong and a world-class urban landscape zone
To establish an international business environment conducive to the technology innovation industry
To achieve convenient and effective flow of innovative elements
Shenzhen is strengthening its housing support continuously. In 2016, the Municipal Talents Housing Group was established with the registered capital of USD 14.93 billion (RMB 100 billion). In 2017, the city government supplied 46,163 dwellings to talents and increased the talent housing subsidy limit. Throughout 2018, the city government raised money for and built 93,000 dwellings of talents housing and social security housing, of which, 46,000 dwellings were distributed. The city also started the renovation of 7,880 dwellings in old and dilapidated residential areas. The substantial progress made in maintaining steady housing prices, leasing prices and expectations has given investors in Shenzhen their peace of mind.

In 2018, the total number of schools of various levels and categories (including kindergartens) in Shenzhen was 2,531, among which, the number of public schools (kindergartens) was 579 and that of private schools (kindergartens) 1,972. The total numbers of students enrolled in schools of various levels and categories, graduates of 2018, new enrollment of 2018, and teaching and administrative staff were 2,202 million, 500,000, 636,100 and 207,200 respectively. Improvement of Shenzhen's education has been rapid. The numbers of newly added places in kindergartens and public schools (primary and secondary) were 35,000, and 6,000 respectively. 150 modern public kindergartens and 116 inclusive kindergartens were added. Improvement of 261 under-performing kindergartens with assistance provided by their guiding partner kindergartens was accomplished. 75% of all schools implementing compulsory education provided lunches and midday treats.

Shenzhen performed best in the province, according to the national compulsory education quality watch. Four universities including Shenzhen University and Southern University of Science and Technology made it on the list of provincial key universities and were included in the curriculum development plan. Harbin Institute of Technology (Shenzhen) independently recruited and enrolled bachelor students. Sun Yat-sen University started the construction of its Shenzhen campus. Shenzhen Technology University was established after successful preparation. Tsinghua University's Shenzhen Graduate School was approved. The official signing ceremony of University of Chinese Academy of Sciences, Shenzhen Institute of Advanced Technology was held. Shenzhen Polytechnic was awarded the special award for national teaching achievements.

Shenzhen has well-developed public-interest cultural facilities and hosts colorful cultural activities. In 2018, the city successfully hosted a number of large celebratory events such as the exhibition titled "Tides Surge in Pearl River" for the celebration of Guangdong's 40th anniversary of Reform and Opening up, the evening performance titled "Pursuing Dreams: Embarking on Another Start of Reform and Opening up" China International Cultural Industries Fair, the National Book Expo, China Design Exhibition, Shenzhen Design Week and Shenzhen Global Design Award, the "Belt and Road" International Music Festival, and Shenzhen Reading Month, showcasing the city's cultural brands brilliantly. Shenzhen is pushing on with its planning and building of the city's ten new major cultural attractions including Shenzhen Opera House, Shenzhen Science and Technology Museum and Shenzhen branch of the National Museum. The city has also started its construction of the new Art Museum, China Mangrove Museum, Shenzhen Culture Plaza and Baotian Public Culture and Art Center. The city has also finished the building of Pinghan Cultural Center, refurbished the ten major special culture districts including the ancient city of Nanshan, prepared and then constructed the new Shenzhen Industrial Exhibition Hall.
Healthcare
The city’s medical and health services are experiencing accelerated improvement with 2,555 newly added hospital beds, and four hospitals have been included in the provincial key hospital development plan. Eight new 3A-grade hospitals and tertiary hospitals were added and 57 high-level medical teams were brought in. The number of newly added community healthcare institutions reached 41 and the proportion of crucial population who signed contracts with family doctors was 67%. The city implemented the mother and baby safety action plan and the healthy children plan, inoculating children against chickenpox and flu and providing public health services such as pit and fissure sealants for free. Shenzhen Health and Aged Care Institute was founded and the municipal aged care center started its operation with 1,000 newly added aged care beds. The building of a “Healthy Shenzhen” is advancing at an accelerated pace.

Transportation
Shenzhen possesses a comprehensive, “10” transport network. Shenzhen’s public transportation carries an average of more than 10,000,000 rides per day, and a public transport stop can be found within 300 meters of almost anywhere in the city. An average of 10,000,000 rides are taken on Shenzhen’s public transportation. Shenzhen is an advocate for green, healthy travel, and its public and shared bicycle programs provide convenience for outings by city residents.

Sports
Competitive sports of Shenzhen have made rapid progress. In 2011, the city successfully hosted the 26th Summer Universiade. The residents of Shenzhen engage in extensive city-wide fitness activities. Sports centers of 825 public schools (primary and secondary) are open to the public, where the city-wide fitness day, major’s marathon day, city-wide fitness month and “Shenzhen 100 km walking” were successfully organized with high level of public participation. 146 new fitness centers to facilitate public participation have been built including 12 community sports pubs. The city has also won the deal to host the WTA Finals for ten years. The influence of events such as the Shenzhen International Marathon and the China Cup International Regatta is becoming stronger continuously. The city is strengthening its cultural soft power.

Tourism
Shenzhen is a famous Chinese tourist city with rich characteristics of a modern coastal metropolis, one of the “Excellent Tourist Cities” named by the Chinese government. There are more than 100 diverse tourist attractions (areas) including theme parks, natural resorts and beaches. In 2018, the city received in total 199,323,881 million visitors, a YoY increase of 5.07%. The gross tourism revenue reached 24,022 billion US dollars (165.91 Billion yuan), a YoY increase of 8.32%. Shenzhen comes in 2nd in Lonely Planet’s Top 10 Cities to Visit in 2019.
SHENZHEN IN MY EYES

Irina Bokova, Director-General of UNESCO

Shenzhen is a clean and green city. The entire city's layout and architecture really gives one a sense of design, and of obvious energy and individuality. Shenzhen is a deeply memorable and moving city that is developing in a sustainable direction, and is one I'll never forget. I'd like to give my most sincere well-wishes to the people of Shenzhen.

Graham Mather, Chairman of the World Free Zone Convention

Is there another place like Shenzhen, a city that is a testament to the importance of both building a road to sustainable development and implementing structural reform? Through my research of Shenzhen, I've discovered a string of processes and achievements that showcase the Municipality's striking economic performance.

Zhou Wenzhong, Secretary General of the Boao Forum for Asia

Each day seems to bring something new for Shenzhen's reform, development, and city building. I welcome Shenzhen's involvement in the Boao Forum for Asia, and welcome Shenzhen's establishment of special activities and processes that better showcase the Special Economic Zone's developmental achievements and city characters, to promote exchange and cooperation between major international cities.
Josaia Voreqe Bainimarama, Prime Minister of Fiji

Shenzhen is China’s first special economic zone, and has achieved enormous developmental successes in just the last 35 years. It is an excellent reflection of China’s reform and development, and has also provided an outstanding example and reference for Fiji’s development.

Tim Cook, CEO of Apple

It feels really great to be back to Shenzhen. On my way here, I thought to myself what it was like 20 years ago. Now Shenzhen has made remarkable changes and become a world-class metropolis, so we are honored to be part of it.

Tom Enders, CEO of Airbus

“Shenzhen is the Silicon Valley of China and has many high tech companies, high potential companies, and companies who can be good partners. We have come here to absorb innovative experience and new ideas. We hope to become better partners to Chinese innovative companies. It is vitally important to establish our Shenzhen innovation center in order to soak up Shenzhen’s innovative potential and help us engage in better innovative activities globally.”

Satya Nadella, CEO of Microsoft

Microsoft is very optimistic about the Chinese market. Shenzhen is the Silicon Valley of smart hardware and has a rich and diversified ecosystem. 3nod has an excellent platform in Shenzhen and our collaboration with 3nod will be multi-layered and diverse. In the future, both parties will engage in in-depth cooperation in areas including consumer electronics, the education market, and innovation and entrepreneurship."
Commerce Bureau of Shenzhen Municipality is the "first stop" for investors coming to Shenzhen.

Commerce Bureau of Shenzhen Municipality is the organization responsible for the task of attracting investment assigned by the municipal government. Commerce Bureau of Shenzhen Municipality tasks are to promote and consolidate Shenzhen’s investment environment and business advantages, and the agency is committed to bringing in investment projects and teams of talented professionals that match the city’s positioning and industry policies. Commerce Bureau of Shenzhen Municipality is also dedicated to providing premium and professional government services for investors and aiding both domestic and overseas enterprises’ growth in Shenzhen— Commerce Bureau of Shenzhen Municipality is the "first stop" for investors coming to Shenzhen.

01
Providing information on the investment environment and industry supporting policies

02
Assisting investors coming to Shenzhen to begin their initial investigations and gathering, aiding investment negotiations, and other activities

03
Introducing suitable domestic or overseas partners for investments and promoting project cooperation between enterprises

04
Providing whole-process follow-up services for major investment projects and professional consultations, preferential application and corporate site selection services

05
Providing high-quality services and visiting sites to aid the successful growth of outside investors’ undertakings in Shenzhen
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