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Beijing's Two Zones

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1. GENERAL FACTS OF BEIJING

1.1 ECONOMY

The economy of Beijing reached new heights in recent years, with its gross domestic product surpassing 3 trillion yuan (\$450 billion) for the first time in 2018 and exceeding 4 trillion yuan (\$596 billion) in 2022. The city’s per capita GDP also ranked first among all provinces and municipalities in China, surpassing 180,000 yuan (\$26000). As a post-industrial city, Beijing has a strong tertiary industry, which accounted for over 80% of the city’s GDP in 2021. The service sector was the major contributor to this figure, while the remaining 20% was attributed to the manufacturing sector, or secondary industry. Beijing is well-known for its advanced industries in finance, services, R&D, culture, and education.

1.2 DEMOGRAPHIC GEOGRAPHY

1.2.1 Geographical Location

Spanning 16,410.54 square kilometers, Beijing Municipality is situated in the northern part of the North China Plain and borders Tianjin Municipality to the east and Hebei Province on all other sides. The Western Hills, part of the Taihang Mountains, and the Jundu Mountain, part of the Yanshan Mountains, intersect in Beijing’s Guangou Valley, forming a large semi-circle known as “Beijing Bay”. This unique geography has earned Beijing a reputation as a land of peace and prosperity since ancient times.

1.2.2 Topographic Features

Beijing is characterized by a higher elevation in the northwest and a lower elevation in the southeast. It is encircled by mountains to the west, north, and northeast, while the North China Plain slopes towards the Bohai Sea in the southeast. Approximately 62% of the municipality’s area is mountainous, with Dongling Mountain being the highest peak at 2,303 meters above sea level. Five significant rivers, flowing from west to east, traverse the municipality: the Juma, Yongding, Beiyun, Chaobai, and Jiyun rivers.

1.2.3 Climate

Beijing has a temperate, continental monsoon climate with short springs and autumns, hot and rainy summers, and cold and dry winters. The average yearly temperature ranges from 11 to 14 degrees Celsius. Approximately 75% of the city’s annual precipitation falls during the summer months, with the heaviest rainfall taking place in July and August.

1.2.4 Time Zone

Beijing is located in the GMT+8 time zone. It is six hours ahead of Brussels, which finds itself in GMT+2. The standard time for all of China is referred to as “Beijing time”.

1.3 POPULATION

The 2020 7th National Population Census recorded that the population of Beijing reached 21,893,095, accounting for 1.55% of China’s total population and marking a 0.09% increase from



the 2010 Census. The ratio of males to females in Beijing was 51.14% to 48.86%, which is consistent with the national average. The population can be defined in three categories, 11.84% of the population were aged 0-14, 68.53% were aged 15-59, and 19.63% were aged 60 or above. China has been conducting a national population census every decade since the 1990s.

1.4 ADMINISTRATIVE DISTRICTS

1.4.1 Yangqing District

Yangqing District lies in northwest Beijing, known for its cool summer and cold winter. It covers 1,993.75 square km, rich in shallow geothermal and solar energy resources. Yangqing has 357,000 residents and is a national ecological conservation and development area. It is home to the Badaling Great Wall and Guishui Park, the largest water park in Beijing. The district is developing the green economy and striving to build a green and high-tech industrial system.

1.4.2 Huairou District

Huairou District is situated in northeast Beijing with a total area of 2,122.8 sq km, mostly mountainous. It has a permanent population of 422,000 and a GDP of 32.8 billion yuan in 2019. The climate is warm and semi-humid with four seasons, hot and rainy in summer, and cold in winter with little snow. The average temperature is 9-13 degrees Celsius. Yanqi Lake International Convention Center has hosted high-level meetings and events, including APEC and the Belt and Road Forum. The China Meeting Industry Convention and Beijing International Film Festival are permanently located in Huairou.

1.4.3 Miyun District

Miyun District is found in northeastern Beijing and functions mostly as a source for drinking water and an eco-conservation area. It has a population of 527,683, which is the largest district in Beijing, covering 2 sub-districts, 17 towns, and 1 village. The Miyun Reservoir is important for supplying drinking water to Beijing and has a maximum water surface area of 188 sq km and storage capacity of 4.375 billion cubic meters. Miyun is a national ecological zone, known for its high forest coverage rate (73.63%) and good air quality. It is also a popular recreational and habitable site, known for its high content of negative oxygen ions and ecological quality.

1.4.4 Changping District

Changping District is in northwest Beijing, covering 1,343.5 sq km with a 6000-year history. It's known for its cultural sites like the Ming Tombs & Juyongguan Great Wall and is a hub for innovation, being part of the National Sci-Tech Innovation Center. It's part of the core area of Zhongguancun National Independent Innovation Demonstration Zone.

1.4.5 Shunyi District

Shunyi District is localized in northeastern Beijing, 30 km from the city centre. It is home to the Capital International Airport and has a population of 1.228 million, spread across 19 towns and 6 sub-district offices. The district has excellent transportation links with over 100 million passenger trips per year, 2 subways, and 6 expressways, making it a leading area for regional economic promotion and development driven by innovation. It is also a core area of the international aviation centre, a harmonious and habitable demonstration area, and the site of the Beijing



Tianzhu Free Trade Zone, which is the only comprehensive bonded zone in Beijing and China that includes airport cargo ports.

1.4.6 Pinggu District

Pinggu District lies in northeast Beijing and has a temperate continental monsoon climate with four seasons. The district covers 948.24 sq km and has a population of 462,000 as of 2019. It has a wide history, dating back to the Paleolithic Age and is known for the Shangzhai Culture. The district is a national forest urban area with a vegetation coverage rate of 67.94%. Its focus is on agriculture and is referred to as the "Hometown of Peaches" in China. It has been recognized as an ecotourism county and the main venue of the 2020 World Leisure Games is the Jinhai Lake International Convention and Exhibition Center in the district.

1.4.7 Mentougou District

Mentougou District is found in the western mountainous area of Beijing, with a total area of 1,455 sq km and a population of 344,000 as of 2019. There is a continental monsoon climate and its GDP in 2019 was 24.93 billion yuan. The district is home to the oldest temple in Beijing, the Tanzhe Temple, which was built in the Jin Dynasty and still maintains its appearance from the Ming and Qing dynasties.

1.4.8 Haidian District

Haidian District lies in northwest Beijing with 430.77 sq km. As of 2019, it had a population of 3.237 million and a GDP of 792.6 billion yuan, ranking first in the city for GDP and third for growth rate. Haidian is known for its high education and cultural standing with many universities and research institutes. Zhongguancun is a key national centre for science and technology with many high-tech enterprises. The district also offers various tourist attractions including scenic mountains, temples, and parks such as the Summer Palace.

1.4.9 Chaoyang District

Chaoyang District is located in the south-central part of Beijing, covering an area of 470.8 sq km and has a population of 3.473 million people by the end of 2019. It is known for being an important centre for Foreign Affairs and hosting most of the foreign embassies and international media organizations in China. The district is also a hub for international exchange in science, technology, culture, and sports, and is home to Zhongguancun Chaoyang Park, a national high-tech park. Additionally, Chaoyang is rich in cultural and athletic resources, including Workers' Stadium, National Olympic Sports Center, and Capital Library.

1.4.10 Xicheng District

Xicheng District is a historic and cultural centre in Beijing, known for its imperial and folk heritage, and a hub for international exchanges. It covers 50.7 sq. km and has a GDP of CNY 500.73 billion in 2019, with the tertiary industry accounting for 94.4% of its GDP. Xicheng is home to numerous cultural and historical sites including Shichahai, Dashilan, Prince Gong's Mansion, and 18 conservation districts of historic sites. It also houses top modern cultural facilities such as the National Center for the Performing Arts and the Beijing Tianqiao Performing Arts Center, as well as cultural exchange institutes like the Geological Museum of China and Capital Museum.



1.4.11 Dongcheng District

Dongcheng District is a core functional area in Beijing, which covers 41.86 sq km. It governs 17 sub-districts and 177 communities, with a permanent population of 0.794 million and a registered population of 0.988 million. Dongcheng District is located on the east side of the central axis of Beijing and has a history of over 700 years, with three world cultural heritage sites: the Forbidden City, the Temple of Heaven, and the Yuhe watercourse in the Grand Canal. Dongcheng District is also home to many intangible cultural heritages such as cloisonné and lacquer engraving, embodying the charm of ancient imperial and folk culture.

1.4.12 Shijingshan District

Shijingshan is a central urban district in Beijing, covering 85.74 sq. km with 9 sub-districts. It had 572,000 permanent residents in 2019 and is located 14 km from Tian'anmen Square with convenient transport options, including airports and metro lines. Shijingshan District is home to the Shijingshan Park of Zhongguancun Science Park, New Shougang Comprehensive High-End Industry Services Park, and Beijing Banking & Insurance Business Park, a globally influential demonstration area for banking and insurance innovation and development.

1.4.13 Fengtai District

Fengtai District is a central urban district in south Beijing covering 306 square km. It has 14 sub-districts, 2 semi-urban areas, 3 townships, and 2 towns, with a permanent population of 2.025 million by 2019. Fengtai is convenient for transportation with major hubs. The Beijing Garden Expo Park in Fengtai is a national 4A-level tourist attraction and hosts the 9th China International Garden Expo. Lize Financial Business District is the last large development area within the Third Ring Road, positioned as a clustering area for the emerging financial industry and a pilot area for financial reform.

1.4.14 Fangshan District

Fangshan District is located in the southwest of Beijing, covering 2,019 square km. By the end of 2019, it had a permanent population of 1.255 million and a total financial capacity of 45.335 billion yuan. It boasts a superior ecological environment with landmarks like Fangshan Global Geopark, Shangfangshan National Forest Park, and North China's largest group of karst caves. The district has convenient transportation, with major expressways and rail lines, and is a half hour drive from Beijing Daxing International Airport and within an hour's drive from Xiong'an New Area and the core area of Beijing.

1.4.15 Daxing District

Daxing District is based in the south of Beijing and covers an area of 1,036 square km. It's a key satellite district of Beijing, 13 km from Tiananmen Square, and the nearest outer suburb to the city. Yizhuang, the Beijing Economic and Technological Development Zone, aims to commercialize scientific and technological achievements. Key transportation networks such as the Daxing Airport Expressway and rail transit Daxing Airport Line have been put into operation.

1.4.16 Tongzhou District

Tongzhou District, located in southeast Beijing and the northern end of the Beijing-Hangzhou Grand Canal, covers 906 sq. km and is home to Beijing's subsidiary administrative centre.



Tongzhou is close to Beijing’s Central Business District and has therefore a ton of location advantages, bordering Tianjin and Hebei, making it easy to participate in the coordinated development of the BTH Region. It is 15 minutes from the Capital International Airport, 35 minutes from the Daxing International Airport, and an hour to the Xiong’an New Area.

2. GENERAL OVERVIEW OF BEIJING’S INTERNATIONAL INVESTMENT AND TRADE

China’s strategy of opening up to the world includes attracting foreign investment. Foreign businesses have contributed significantly to China’s fast economic growth, including in Beijing. The Beijing Municipal Commerce Bureau releases a yearly “Beijing Foreign Investment Development Report” to inform international investors. With a 6% annual GDP growth rate from 2016 to 2020, Beijing has a strong economy with a combined GDP of \$537.3 billion, comparable to developed countries.

Foreign investment in Beijing was \$82.98 billion between 2016 and 2020, accounting for over 12% of China’s total. The city is a major gateway for China’s global economic interactions. By the end of 2020, over 45,000 foreign businesses from 165 nations and regions were registered in Beijing, making it home to the most Fortune 500 headquarters in the world for 10 years in a row. High-tech industries received 68.5% of foreign direct investment (FDI), amounting to \$9.66 billion. The city also welcomed 736 new high-tech foreign-invested firms.

3. THE “TWO ZONES”

The National Comprehensive Demonstration Zone for Expanding the Opening-up of the Service Industry and the China (Beijing) Pilot Free Trade Zone, also known as the “Two Zones,” are Beijing’s main platforms for future opening up. On September 4, 2020, Chinese President Xi Jinping expressed support for the development of these zones during his opening address at the 2020 China International Fair for Trade in Services. The focus of these zones will be on scientific and technological innovation, the opening-up of the services sector, and the digital economy. Beijing is unique in having a National Comprehensive Demonstration Zone that covers the entire city, aimed at boosting the opening-up of various industries. Additionally, its Pilot Free Trade Zones concentrate on promoting openness and implementing innovative policies within their boundaries.

The development of the “Two Zones” in Beijing as a platform for high-level opening up has seen impressive progress in the past two years, including hundreds of institutional innovations, the launch of over 140 major projects and functional platforms, and nationwide promotion of 11 of Beijing’s best practices. In the future, the Two Zones will actively align with the standards of high-level international free trade agreements, lead the country in creating a first-class, internationally institutionalized business environment, and drive high-quality development through high-level opening up.



3.1 THE INTEGRATED DEMONSTRATION ZONE FOR OPENING UP THE SERVICE SECTOR

In September 2020, Chinese president Xi Jinping announced at the 2020 China International Fair for Trade in Services that to better play Beijing’s leading role in the opening up of China’s service industry. He will support Beijing in building a comprehensive demonstration zone to expand and open up the national service industry.

As the first comprehensive demonstration zone for the expansion and opening up of the national service industry, Beijing undertakes the mission of exploring new paths for the opening and reform of the national service industry, accumulating new experience for the coordinated development of Beijing, Tianjin and Hebei, and accumulating new momentum for the high-quality development of Beijing. Over the past five years, the service industry has expanded and opened up. The Integrated Demonstration Zone has fully implemented 403 tasks approved by the State Council and formed more than 120 nationally pioneered or most effective opening-up innovation measures. In addition, it has promoted 6 batches of 25 pilot experience and best practice cases apart from several representative projects have landed in Beijing. The added value of Beijing’s service industry, the use of foreign capital in the service industry, and service trade have continuously stepped up to a new level. Which lead to accumulating beneficial experiences for the country to build a new high-level open economic system. The capital has received new momentum for high-quality development.

Based on the positioning of Beijing’s “four centres”, the Integrated Demonstration Zone highlights Beijing’s advantageous industries and accelerates the formation of Beijing’s open and innovative industrial chain and promotes openness and upgrading.

In addition, it deepens reforms and expands opening up in nine key industries; including finance, technology services, digital economy and trade, internet information, cultural tourism, education, health care, professional services, and aviation services. The Integrated Demonstration Zone focuses on “industry + region + policy” and promotes the “three cities and one district”.

It will expand the opening demonstration in the specific area of the airport economic zone of Daxing International Airport, the financial street, the national fintech demonstration zone, the Lize financial business district, and the demonstration of national cultural and financial cooperation and the National Cultural Industry Innovation Experimental Zone.

Furthermore, the Integrated Demonstration Zone concentrates on cross-border service trade, investment, and trade liberalization, adhering to a negative list approach. It aims to enhance fiscal and taxation support policies, bolster supervision and service standards, reinforce the safeguarding and utilization of intellectual property rights, and foster the coordinated growth of industrial and supply chains. The ultimate goal is to create an innovation system that aligns with international standards.

The focus is on policy linkage innovation, prioritizing the replication and promotion of open innovation measures from the pilot free trade zone. Institutional innovation should be strengthened in areas like facilitating cross-border capital flow, ensuring secure and orderly cross-border data exchange, streamlining cross-border employment procedures, providing land and technical support, optimizing factor supply for the open service industry, and establishing a sustainable mechanism for its long-term development. The objective is to create an environment



conducive to open innovation, attract investments, and foster a globally competitive service industry aligned with international standards.

3.2 CHINA (BEIJING) PILOT FREE TRADE ZONE

In August 2020, the State Council approved the establishment of the China (Beijing) Pilot Free Trade Zone (hereinafter referred to as the Beijing Pilot Free Trade Zone). The implementation area of Beijing Pilot Free Trade Zone is 119.68 square kilometers, covering three areas: 31.85 square kilometers of technological innovation area, 48.34 square kilometers of international business service area (including 5.466 square kilometers of Beijing Tianzhu Comprehensive Free Trade Zone), and 39.49 square kilometers of high-end industry area.

The Beijing Pilot Free Trade Zone takes institutional innovation as the core, takes replicability and promotion as the basic requirements, fully implements the central government’s requirements for in-depth implementation of innovation-driven development, and promotes the Beijing-Tianjin-Hebei coordinated development strategy, and helps build a technological innovation center with global influence , speed up the establishment of a pilot zone for expanding the opening up of the service industry and a digital economy pilot zone, and strive to build a high-level opening-up platform for the coordinated development of Beijing, Tianjin and Hebei.

After three to five years of reformation and exploration, the aim is to benchmark international advanced rules, enhance original innovation, technological innovation, open innovation, and collaborative innovation advantages. This endeavour seeks to cultivate a range of institutional innovations that are highly competitive on the global stage. The accumulated practical experience during this period will pave the way for further opening up to the outside world.

The objective is to endeavour in constructing a high-standard and high-quality free trade park that encompasses convenient trade and investment, an excellent business environment, a first-class innovation ecosystem, high-end industry concentration, comprehensive financial services, vibrant international economic exchanges, efficient and secure supervision, and remarkable radiation and driving effects.

Additionally, efforts will be made to strengthen the connection between the reform of the Pilot Free Trade Zone and the reform initiatives in Beijing. All qualified reform pilot tasks will be fully executed within the Zhongguancun National Independent Innovation Demonstration Zone and subsequently extended throughout Beijing as part of a gradual popularization process.

4. “TWO ZONES” INDUSTRY POLICIES

4.1 FOREIGN INVESTMENT

The Two Zones initiative is aimed at attracting more foreign investment by implementing relaxed access restrictions and improving industry access for companies of all types of ownerships. It seeks to support wholly foreign-owned companies in becoming private equity fund managers through equity investment and asset management businesses. Qualified private equity securities and investment fund management companies may also transform into public equity fund



management companies. To encourage foreign investments, a series of open policies have been set up for key industries, including information services, business services, education, and culture. These strategic measures are expected to enhance the attractiveness of the Two Zones and stimulate economic growth by fostering a competitive and dynamic business environment that welcomes and nurtures foreign investments.

4.1.1 Permitting Sole Proprietorship

- Establish aircraft maintenance companies
- Establish human resources organization
- Set up performance agency
- Expand entertainment industry, operate theaters and performance agencies

4.1.2 More Investment Opportunities

- Audio and video production industry
- Domestic internet virtual private network services (VPN)
- Cultural performance groups
- Education and training academies
- Establish and operate vocational training academies
- Travel agencies wholly-owned by foreign investors or co-funded with Chinese investors may engage in overseas tourism business

4.1.3 Relaxed Regulations

- Application conditions for the establishment of foreign investment company
- Access of private non-enterprise units to the foreign-funded non-profit pension institutions
- Qualification requirements for foreign lawyers to serve as legal advisers
- Subject qualification scope for qualified domestic institutional investors
- Lift restrictions on the share ratio of the foreign investors engaging in the valued-added telecommunications services such as App Stores (in specific areas)
- Requirements for foreign-invested enterprises to operate as certification bodies
- Newly-established or restructured solely foreign-owned banks or Chinese-foreign joint venture banks may apply to engage in Renminbi business upon submitting applications for business opening
- New drugs developed overseas are allowed to be put in phase I clinical trials at home and abroad at the same pace
- A pilot system of medical apparatus registrants is launched, allowing Beijing’s medical apparatus registrant to the production to manufacturers of medical apparatus in Beijing-Tianjin-Hebei region
- Carry out overseas investment pilot projects of qualified domestic limited partners

4.2 TAX INCENTIVES

- Implement preferential policies for individual income tax for overseas talents.
- Launch a pilot project for technology transfer income tax preferential policies, increasing technology transfer tax exemption from CNY 5 million to 20 million, and appropriately relaxing the scope and regulations for technology transfer tax benefits.
- Carry out tax benefit pilot projects for venture capital investment companies.
- Relaxed standards for high-tech enterprises approved by the city government, implementation of approval after filing and tax benefits.



4.3 CONVENIENT CUSTOMS CLEARANCE

- Expand the use of "single window" service. Utilize block chain technology to build a customs clearance logistics data sharing platform for Beijing-Tianjin-Hebei.
- Lengthen the temporary import period for R&D test vehicles to two years.
- Explore new ways to streamline cooperation between aircraft maintenance aviation component companies and repair sub-contractors and their businesses.
- Establish an air cargo electronic information platform, which integrates vehicles, personnel, warehouses and other information to automatically match and finalize customs clearance in seconds.
- Support the bonded goods stocking business of cross-border e-commerce, and implement bonded import for online shopping on a trial basis (regulatory code 1210).
- Explore the possibility of allowing eligible outside the areas under special customs supervision to engage in bonded maintenance service with both material source and target market overseas. We also support the development of aviation supplies platform and build an aviation supplies exhibition and trading center.
- Promote the bonded logistics model with the logistics chains of headquarters enterprises as units, and accelerate the pilot program of sharing bonded support for aviation supplies.
- Adopt electronic manifest management for international transfers.
- Streamline the quarantine and approval procedures for international exhibits and exempt relevant exhibits from inspection.

4.4 INTELLECTUAL PROPERTY PROTECTION

- Open a "green channel" for priority review of patent applications.
- Establish an IPR evaluation mechanism that will be more fair and equitable and will improve the registration system for IPR pledge, the risk sharing mechanism for IPR pledge financing, and the pledged IPR disposal mechanism.
- Further reform IPR adjudication in an innovative manner, improve the judicial protection system for IPR.
- Implement the pilot program of IPR insurance.
- Launch the patent pre-review service in key industries and realize fast patent review and registration.
- Actively promote the new collateral loan models featuring the combination of IPR, equity and physical assets.
- Explore guarantee insurance for financing by using IPR as a collateral.
- Improve the diversified mechanisms to settle IPR disputes and promote the work for fast IPR protection.

4.5 FINANCIAL GUARANTEES

- Support foreign-fund institutions to participate in a pilot for overseas investment with qualified domestic limited partners.
- Support the establishment of RMB international investment funds in Beijing.
- Fully implement a registration system to thoroughly improve the liquidity of the "New Third Board" market.
- Support qualified financial and securities companies as well as other financial institutions to obtain qualifications for foreign exchange settlement and sales.
- Create a globalized national-level financial technology and professional service innovation demonstration zone.



4.7 DATA FLOW

- Cross-border data flow pilot. Building an international information industry and digital trading port
- Explore a software based on ID certification and data source as a monitory system
- Build a digital rights trading platform

5. INDUSTRIAL PARKS

5.1 ZPARK

ZPark is a 2.6 sq km high-end IT park in Beijing’s Haidian District, part of Zhongguancun Science Park and a key player in building a world-class software city. It is a gathering of leading tech companies from various industries that showcases China’s innovation-driven strategy. ZPark is known for its cutting-edge tech cluster, including cloud computing, mobile internet, AI, etc.

It has developed an ecosystem for innovation and entrepreneurship by providing policy guidance, innovation platforms, international cooperation, and more. ZPark has built a specialized, featured, and innovative technology service system by integrating innovation chains and capital chains.

5.2 BEIJING FINANCIAL STREET

Beijing Financial Street is a 4 million sq m financial hub in the heart of the capital, housing 1,800 financial institutions including “one bank and two commissions.” It manages 40% of the country’s financial assets, generating CNY 362.8 billion in annual tax revenue. The street serves as the location for high-end financial headquarters, which include state-owned banks, asset management companies, insurance group headquarters, and other prestigious institutions. It has the world’s highest concentration of top 500 companies and is the location of the third national securities exchange, the National Equities Exchange and Quotations, contributing to a multi-level financial market system. Financial institutions with significant impact are rapidly developing in Beijing Financial Street.

5.3 FUTURE SCIENCE CITY

Future Science City, in Changping, has a layout of “Two Zones and One Center”. The “Two Zones” are East & West, serving as a base for a research & innovation community and the “One Center” is an Ecological Green Center that connects the zones & contributes to eco-friendly development. The East Zone, with a planned area of 43.5 sq km, will be a tech innovation center, and the West Zone will have Shahe University Town, Zhongguancun Life Science Park, Engineering Tech Innovation Park, and Science & Technology Service.

5.4 HUIAIROU SCIENCE CITY

Huairou Science City is a 100.9 sq km planned development in Beijing’s Huairou and Miyun districts, with 68.4 sq km in Huairou and 32.5 sq km in Miyun. The city focuses on 5 cutting-edge “hard science and technology” industries, such as new materials, life and health, and



environmental protection. It aims to strengthen the role of emerging industries, promoting the link between basic research and industrial development, and accelerating the transformation of scientific achievements into commercialization. Huairou Science City will form a coordinated industrial development system by combining introduction and cultivation.

5.5 LIZE FINANCIAL BUSINESS DISTRICT

Lize Financial Business District is located in Southwest Beijing, with a total area of 8.09 sq km and a construction area of 5.4 million sq meters. It is a cluster of emerging financial industries and a pilot area for capital financial reform. Lize is a "National Smart City Pilot" and a "Beijing Information Infrastructure Improvement Comprehensive Demonstration Zone" among other things. Over 350 financial companies, accounting for over 70%, have settled in the district, including the Asset Management Association of China and China Securities Finance Corporation, which are driving the development of emerging finance.

6. LATEST UPDATES

6.1 ESTABLISHMENT OF INDUSTRIAL PARKS IN XICHENG DISTRICT

Xicheng District plans to prioritize consumption and opening up in 2023 to improve the open economy. It aims to implement high-standard projects for the development of the "Two Zones" (Integrated National Demonstration Zone for Opening up the Services Sector and the China (Beijing) Pilot Free Trade Zone). In 2022, Xicheng District signed major projects worth CNY 15.5 billion at the China International Fair for Trade in Services, and USD 7.935 billion at the Beijing-Hong Kong Economic Cooperation Symposium.

In 2023, the district has ambitious plans to introduce and execute projects of exceptional standards. These initiatives will target the growth of the service industry and will be supported by the implementation of a comprehensive "Work Plan 2.0." Additionally, in order to maintain a stable and conducive environment for foreign investment and trade, the district will formulate ten policies dedicated to this purpose. These measures seek to bolster economic development and further strengthen the district's position as an attractive destination for both domestic and international investors and traders. The district will also continue to develop the "Three Lists" (preferential policies, spatial resources, target enterprises) and enhance project management for the "Two Zones."

6.2 PROJECTS IMPLEMENTED IN SHUNYI DISTRICT IN 2022

Shunyi District attracted and implemented 365 projects in 2022 for the "Two Zones" development, a 38.8% increase YoY. Shunyi ranked first in Beijing for the number of implemented projects, newly established enterprises, and registered projects in the related database.

6.3 THE OPENING OF NEW GOVERNMENT SERVICE STATION

The Financial Street Forum 2022 Annual Conference was held in Xicheng District, Beijing, and a government service station was opened at the New Actuation Fintech Center. The station,



located in an office building, offers 563 services, including policy consulting and applications for business changes, through an intelligent terminal window. Personnel provide custom lists of government services, on-site help, and door-to-door policy explanations, offering fast and convenient services for businesses.

6.4 NEW SMART LOGISTICS HUB IN BEIJING DAXING DISTRICT

Meituan’s smart logistics hub project has recently been scheduled to start construction in the Beijing Daxing International Airport Economic Zone in 2023, with completion slated for 2025. The project includes a smart retail logistics base and a digital community center. The goal is to create a closed-loop supply chain for retail and a high-end distribution center for food.

The project aims to promote the growth of the digital economy and turn Beijing into an international consumption center. The Beijing Daxing International Airport Economic Zone has attracted nearly 4,000 enterprises with its favourable policies and business environment.

7. FUTURE OUTLOOK OF THE “TWO ZONES”

In the next five years, Beijing has set its sights on establishing itself as a world-class center for the high-end service industry. To achieve this goal, the city will continue to implement innovative policies and services that ensure a highly efficient and well-served environment. This includes making full use of the benefits of the digital economy by establishing a digital trade demonstration zone.

In addition, Beijing is dedicated to the growth of key industries, such as biomedicine and green finance. To attract relevant high-end talent, the city will create a supportive and inclusive environment that encourages them to move there. This, in turn, will drive the development of these key industries and help establish Beijing as a hub for cutting-edge innovation.

To facilitate the high-quality construction of the “Two Zones”, Beijing will mainly focus on the following three aspects: attracting foreign investments from all over the world, adopting favorable policies and enhancing the quality of services, and consolidating rules and creating a quasi-overseas business environment.

Firstly, this means that Chaoyang District will implement a global vision in the construction of the Two Zones, in order to be able to compete with strong international market competitiveness and to enhance its ability to attract foreign high-end investments. Secondly, Chaoyang district will leverage the “project + policy” approach to its full potential, capitalizing on accumulated experiences and expanding their application. This strategy aims to facilitate significant advancements in key industries, particularly the financial and science & technology sectors, while also fostering sustainable development throughout the district. Thirdly, aiming to create a world-class business environment, the district will continuously improve its government services, legal norms and intellectual property protection and facilitate the cross-border flow of capital, talent and data by constructing its International Arbitration Center.

As Beijing becomes increasingly open, the “Two Zones” will play a critical role in positioning the city as a center for reform and innovation. International high-end service providers will be welcomed with open arms and encouraged to invest and expand their businesses in Beijing. The



city is confident that with its commitment to growth, innovation, and progress, it will achieve its goal of becoming a world-class center for the high-end service industry.

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