In 2022, against all odds, Shanghai achieved its development goals with its tenacious people, marking a great start to China’s 14th Five-Year Plan period (2021–2025). This year, it will build on this momentum to create a new chapter in its development and contribute its part to the implementation of the spirit of the 20th CPC National Congress and the achievement of the second Centenary Goal of building an all-round modern socialist country.

Shanghai has always resolutely headed towards greater achievements. Over the past decade, it has been pursuing high-quality development based on a modern economic system, and has achieved a substantial improvement in overall economic strength: It has generated a GDP of over RMB 4 trillion for 2 consecutive years, ranking 4th overall economic strength: It has generated a GDP of over RMB 4 trillion for 2 consecutive years, ranking 4th globally. Guided by the “Shanghai Spirit” of open-mindedness, inclusive economy, cultural diversity, and pursuit of excellence, it has showcased its charm as an international metropolis to serve the national 14th Five-Year Plan and create a new chapter revolving around the vision of “Better City, Better Life”.

Shanghai has been committed to developing as an inclusive city opening up to the world. Pudong New Area, a pioneer of Shanghai’s opening-up, has developed into a leading pilot area for socialist modernization. Breakthroughs have also been made in the Ling-gang Special Area of China (Shanghai) Pilot Free Trade Zone through the cultivation of several special economic functions, Shanghai Stock Exchange’s operation of the Science and Technology Innovation Board (the STAR Market) and the registration-based IPO system, and in the implementation of the national strategy of integrated development of the Yangtze River Delta (YRD) region, demonstrating the advantages of the city’s open economy. Shanghai has always been a firm advocate of reform and innovation, leading China’s socio-economic development and constantly enhancing international competitiveness. Underpinned by its core values of “openness, innovation and inclusiveness”, Shanghai has been showcasing its charm as an international metropolis and a key contributor to China’s reform and opening up.

Shanghai has kept forging ahead to deliver results. Devoted to building a city by the people and for the people, the Shanghai government has endeavored to deliver tangible and significant benefits to its residents by carefully investigating their needs and opinions. In the new era, citizens in Shanghai can enjoy a more convenient and comfortable life, thanks to more and higher-quality employment opportunities, improved social security, increased fiscal spending on public welfare, and inclusive and convenient public services. Strides have been made to promote digitalization, power the modern urban governance. The Single Platform for Urban Management has been built and upgraded. The infrastructure construction has been enhanced, and the digital indicator system for city management has been launched. In the face of great changes and challenges, Shanghai is ready to unwaveringly undertake its missions to serve the national 14th Five-Year Plan and create a new chapter revolving around the vision of “Better City, Better Life”.

In an era where ongoing challenges coexist with new opportunities, Shanghai has not only made steady socio-economic progress, but has also shown large growth potential. Guided by the “Shanghai spirit” of open-mindedness, inclusiveness, cultural diversity, and pursuit of excellence, it will continue to step up efforts to build a modern socialist metropolis with international appeal.
Chapter I
Overview of Shanghai

Comprehensive Strength at a Glance

- No.8 in The World According to GaWC 2022
- No.6 in the 2022 Global Asset Management Center Index
- The world’s 10th city with the most millionaires according to the Henley Global Citizens Report 2022 Q3
- No.6 in the 2022 Global Financial Centres Index (GFCI)
- The world’s 4th largest city by GDP in 2022 RMB 4.46 trillion
- No.6 among the Global Innovation Index (GII) 2022 Top 100 Science and Technology Clusters
- No.8 in the Global Science and Technology Innovation Centers Assessment Report 2022
- No.3 among the 2022 Global Famous E-sports Cities
Data Per Day in Shanghai

- GDP: RMB 12.23 billion
- General public budget revenue: RMB 2.08 billion
- Sales of goods: RMB 45.07 billion
- Retail sales of consumer goods: RMB 4.51 billion
- Import and export volume: RMB 11.51 billion
- Paid-in foreign direct investment: USD 65 million

Port throughput: 2.01 million metric tons
Airport passenger throughput: 79,200
Electricity consumption: 478 million kWh
Public transport passenger numbers: 8.53 million

Overview of Economic Growth

Economic Rebound with Bright Prospects
In 2022, Shanghai’s economy revealed a V-shaped trend from an unexpected decline to a rapid, steady recovery. Its core urban functions worked well and new economic drivers continued to demonstrate their vitality.

Continuously Optimized Economic Structure
In 2022, the added value of the primary, secondary and tertiary sectors made up 0.2%, 25.7% and 74.1% of Shanghai’s GDP respectively.

Accelerated Transformation and Upgrading of the Secondary Sector
In 2022, the added value of the secondary sector in Shanghai was over RMB 1.14 trillion. In new energy, high-end equipment, biology, new-generation information technology, new materials, new energy vehicles (NEVs), energy conservation and environmental protection, digital creativity and other strategic emerging industries, enterprises above the designated size generated over RMB 1.74 trillion of total output value, accounting for 43.0% of Shanghai’s total.

Foreign Investment Hitting New Highs
Over the past decade, most of the multinationals that settled in Chinese Mainland have established regional headquarters in Shanghai. Since the beginning of the 14th Five-Year Plan period, Shanghai has taken the lead in implementing national opening-up policies and continued to enhance its appeal for foreign investors. As the amount of foreign capital is reaching new highs, Shanghai has become a preferred investment destination across the world.

Economic Growth Secured by the Tertiary Sector
In 2022, the added value of the tertiary sector in Shanghai was nearly RMB 3.31 trillion, up by 6.2%. The emerging service industries kept growing. The added value of information transmission, software and IT services was over RMB 378.85 billion, a year-on-year growth of 6.2%; the business revenue increased by 7.9% year on year, with the revenue of Internet and its related services growing by 14.6%. The business revenue of scientific research and technology services rose by 5.9%.

A Top Choice for Foreign Investors
- 4,352 new foreign-funded enterprises;
- 60 new regional headquarters (RHQs) of multinational companies (MNCs) and 25 new foreign-funded R&D institutes;
- China’s first local regulations on foreign investment;
- Dedicated service mechanisms such as complaint centers for foreign-funded enterprises and special windows for foreign-related services.

Note: 1. Industrial enterprises above the designated size refer to those with an annual main business revenue of RMB 20 million or more.
"Four Functions" and "Five Types of Economy"

**Strengthening "Four Functions"**

Allocating Global Resources
- Building Shanghai into a resource allocation center to connect, serve and facilitate trade in the global market.
- Promoting globalization of factor markets, facilitating free trade and investment, and improving the capacity of shipping services to gather more global resources and develop stronger links with the world with wider presence.

Nurturing Sci-Tech Innovations
- Developing national strategic sci-tech powerhouses, improving basic research and original innovation, and promoting deep integration of innovation and industry chains;
- Highlighting the core role of innovation in overall development, seeking self-reliance in science and technology, further improving the industry concentration and visibility of Zhangjiang Comprehensive National Science Center, and striving to make significant achievements in basic research, basic research aimed at specific and immediate applications, and core technologies.

**Promoting "Five Types of Economy"**

In July 2022, Shanghai issued the Opinions on Developing "Five Types of Economy". This document focuses on new technologies, new market segments and new development potentials and proposes strengthening functional platforms to improve urban capacities and core competitiveness.

**Development Goals**

Shanghai has been promoting the coordinated and integrated development of "Five Types of Economy" and fostering an ecosystem featuring the service economy at its core, innovation with strong momentum, highly-concentrated headquarters, efficient accumulation of resources, and deep integration into the global economy.

- Steadily rising Shanghai's position in global city rankings;
- Increasing the number and ranking of Shanghai-based businesses in China's and the world's prestigious lists of market entities;
- Enhancing the new momentum and contribution of "Five Types of Economy" for the development of Shanghai;
- Attracting eminent professionals, urgently-needed experts, and distinguished young talent;
- Creating globally influential "Shanghai Brands", "Shanghai Prices", and "Shanghai Standards";
- Gathering RHQs of foreign MNCs, domestic MNCs, and new-generation leading enterprises;
- Opening up channels for two-way investment flows, resource exchange, and institutional alignment;
- Nurturing flux platforms with over 100 million users, RMB 1 trillion-level trade platforms, and world-class cultural event and exhibition platforms.

**Five Key Measures**

**Increasing the capacity of the service economy**
- Enhancing the price-setting power of Shanghai in financial services, accelerating the development of international financial asset trade platforms and the national commodity warrant registration center, and developing Shanghai as an international petroleum and natural gas trading center and a global asset management center;
- Piloting innovative business environment reforms, including redefining market access and business operation standards to adapt to new development models and business formats of the service sector;
- Facilitating the industry application of technologies and the integration of the manufacturing and service industries as well as production-oriented and consumer-oriented services.

**Strengthening leading role of the headquarters economy**
- Promoting resource sharing and coordinated development of RHQs and quasi-RHQs with higher market share and stronger global influence to further promote the development of industry chains;
- Exploring comprehensive pilot projects to develop Pudong New Area into a special economic area;
- Promoting the integrated development of the YRD region and factor markets in key fields, and facilitating the alignment of standards and regulations across the region;
- Developing digital trade and improving cross-border settlement services.

**Amplifying the spillover effects of the flux economy**
- Allowing international and domestic giants to pool capital, goods, technologies and talent in Shanghai, and facilitating digital industrialization and industry digitization while aggregating online and offline resources;
- Piloting digital docks in Shanghai by creating major platforms such as digital twin, urban OS for resource allocation and public intelligent computing platforms.
Chapter II
Government Policies

As a pioneer in the national initiative of reform and opening up, Shanghai has taken the lead in implementing the national policies and measures in this regard by releasing a series of policies for promoting foreign investment. These efforts have contributed to China’s further engagement in international economic circulation, marking new achievements of Shanghai as a forerunner of innovation-driven development.

**Negative List for Market Access (2022 Edition)**

Since the nationwide negative list system for market access was launched in 2018, China’s market access system has been gradually improved. Compared with the 2018 edition, the **Negative List for Market Access (2022 Edition)** has cut the total number of industry restrictions from 151 in 2018 to 117, a reduction of 23%. Changes have also been witnessed in the list regarding key sectors like news media, finance and the platform economy.

**Highlights**

- For prohibited items, market entities are forbidden from entering, and administrative authorities shall not grant approvals or endorsements, nor process any relevant formalities;
- For restricted items, market entities may alternatively apply for admission to enter (administrative authorities shall determine whether to grant admittance in accordance with the law and regulations), or shall comply with entry conditions and procedures specified by the government;
- For any industry, field and business not included on the list, all types of market entities can enter equally in accordance with the law.

**Catalogue of Industries for Encouraging Foreign Investment (2022 Edition)**

The Catalogue of Industries for Encouraging Foreign Investment (2022 Edition) was released by the National Development and Reform Commission and the Ministry of Commerce in October 2022. As an important policy document to encourage foreign investing, it not only helps foreign enterprises enhance their expectations and confidence in investing in China, but also facilitates them to participate in the high-quality development of China’s economy.

**Highlights**

- Emphasizing the positive role of foreign-funded enterprises in technological iteration. This Catalogue continues the focus of attracting foreign investment to sectors such as key instruments and equipment, key components and R&D of new materials, and has added or modified many entries;
- Promoting foreign-funded enterprises to take an active part in China’s green development. Many energy-saving and environmental protection related entries have been added in the Catalogue to help drive green and low-carbon development which prioritizes ecology, conservation and intensive use of resources.

**Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition)**

The negative list for foreign investment access is an integral part of the administrative system of pre-establishment national treatment plus negative list, and also the most immediate demonstration of China’s open approach towards the world.

**Key Changes**

- Expanding Opening-up of the Manufacturing Industry
  - In automobile manufacturing, the negative list eliminates the restriction on foreign shareholding ratio for whole passenger vehicles manufacturing, and no longer requires to cap the number of joint ventures for the same type of whole vehicles;
  - In television broadcasting facilities manufacturing, the negative list deletes the restriction on foreign investment in the manufacturing of ground receiving facilities and key components for satellite television broadcasting, and both Chinese and foreign investors are subject to the same regulatory approval to invest in this sector.

- More Openness in Service Industry in Pilot FTZs
  - Market surveys are no longer limited to joint ventures, except that radio and television listening and rating surveys shall only be limited to companies majority-owned by Chinese entities or persons;
  - The prohibition to invest in social surveys has been deleted for foreign investment, but the proportion of Chinese shares shall not be less than 67%, and the legal representative shall have Chinese nationality.
Measures of Shanghai Municipality for High-quality Implementation of the Regional Comprehensive Economic Partnership (RCEP)

In January 2022, China officially implemented the Regional Comprehensive Economic Partnership (RCEP). In active response to this move, Shanghai introduced the Measures of Shanghai Municipality for High-quality Implementation of the Regional Comprehensive Economic Partnership (RCEP).

**High-quality Development of Trade in Goods**
- Increasing efforts to attract investment from other RCEP member countries, optimizing the layout of industry chains, and boosting the advanced manufacturing industry.

**Innovative Development of Trade in Services**
- Fostering digital trade, specialized services trade, and premier financial services.

**Deepening Bilateral Investment**
- Increasing efforts to attract investment from other RCEP member countries, optimizing the layout of industry chains, and boosting the advanced manufacturing industry.

**Highlight: Combination of Three Aspects**
- **Strengthening intellectual property rights protection** in international trade, establishing a mechanism to protect the rights and interests of Chinese enterprises doing business abroad, and tracking international standards to facilitate international trade.
- **Creating a World-class Business Environment**
- Defining clearly the scope of administration to tap into specialized demonstration zones, and expanding the Southeast Asian market through joint efforts with Yunnan Province;
- Enhancing Services for Enterprises

**Establishing Platforms for Regional Cooperation**
- **Tapping into** specialized demonstration zones, and expanding the Southeast Asian market through joint efforts with Yunnan Province;
- **Creating a World-class Business Environment**
- Defining clearly the scope of administration to tap into specialized demonstration zones, and expanding the Southeast Asian market through joint efforts with Yunnan Province;
- Enhancing Services for Enterprises

Research shows that 92.97% of the 128 surveyed enterprises in Shanghai expressed satisfaction with the RCEP, which is 8.84 percentage points higher than the national average, demonstrating remarkable progress in implementing the RCEP. According to the respondents, the top three benefits from the RCEP are "tariff reduction lowering production costs", "more convenient customs clearance reducing the costs and improving the efficiency of customs clearance", and "further opening-up of the market enabling better engagement in international competition". The satisfaction rates of the three aspects in Shanghai are also higher than the national average respectively.

**Procedures of Shanghai Municipality on the Administration of Approval and Filing of the Projects with Foreign Investment**
To standardize the approval and filing of foreign investment projects, improve government services, and facilitate foreign investment, the Shanghai municipal government issued the Procedures of Shanghai Municipality on the Administration of Approval and Filing of the Projects with Foreign Investment in accordance with the Foreign Investment Law of the People’s Republic of China, Regulations on the Implementation of the Foreign Investment Law of the People’s Republic of China, Regulations on the Administration of Approval and Filing of Enterprise Investment Projects, Shanghai Regulations on Foreign Investment, and Procedures on the Administration of Approval and Filing of the Projects with Foreign Investment.

**Scope of Application**: Newly established or acquired fixed-asset investment projects by foreign investors and foreign invested enterprises in Shanghai;
- **Administration Modes**: Projects in the areas beyond the negative list for foreign investment access, whether domestic or foreign invested, shall be subject to the same administration procedures (foreign-invested projects listed in Article 1 to 10 of the Detailed Rules for the Catalogue of Investment Projects Subject to the Approval of the Shanghai Municipal Government shall be subject to approval administration in accordance with the rules therein; and other projects shall be subject to filing administration). Projects in the non-prohibited investment areas prescribed in the negative list shall be subject to approval administration;
- **Service Channel**: Government Online-Offline Shanghai Portal.

Supportive Policies for Headquarters

The headquarters economy is of strategic significance in facilitating a city’s economic transformation and upgrading, and in moving China up the global value chain. Shanghai issued the revised Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters (Shanghai Municipal People’s Government [2022] No.17) in October 2022, with a view to developing a vibrant headquarters economy with global influence by encouraging more multinational corporations (MNCs) to establish RHQs in the city. This will help Shanghai maintain its No.1 position as a city with the most concentrated cluster of multinational RHQs in the Chinese Mainland. Shanghai will continue to drive high-quality development of the headquarters economy in support of MNCs with RHQs in this city to better serve the world.

**Certification Criteria for Headquarters Entities**
- **RHQs of MNCs**
  - A sole head office established in Shanghai in the form of investment or authorization by its overseas-registered parent company to perform investment, management, and service functions for the company’s operation in China and beyond.
  - A foreign invested enterprise with independent legal personality;
  - The overseas parent company holds, directly or indirectly, at least 50% of its shares, and has a total asset value of no less than USD 200 million;
  - Minimum registered capital of USD 2 million.
- **Quasi-RHQs of MNCs**
  - A foreign-funded enterprise (or a branch office), established in Shanghai in the form of investment or authorization by its overseas-registered parent company or by a foreign-funded holding company, which fails to meet the criteria for RHQs but actually undertakes the functions (such as investment, management, marketing, settlement, and support services) of a headquarters for the company’s operation in China and beyond.
  - A foreign invested enterprise or its branch office with independent legal personality;
  - The overseas parent company holds, directly or indirectly, at least 50% of its shares, and has a total asset value of no less than USD 100 million;
  - Registered capital of no less than USD 1 million; and in the case of a branch office, total working capital appropriated by its parent company in the last three years should be no less than USD 1 million.
- **Business Unit Headquarters of MNCs**
  - An entity established in Shanghai in the form of investment or authorization by its overseas-registered parent company that has a business unit framework divided by functions, business segments, products, brands and services, or by a foreign-funded holding company, to serve as the only head entity that undertakes the investment, management, and service functions of the business unit for its operation in China and beyond.
  - Meet the certification criteria for RHQs;
  - Over one year of continuous operation in Shanghai, with a revenue of no less than RMB 1 billion for the previous year, accounting for no less than 10% of that of the overseas parent company’s business unit.

The headquarters economy is an important driver for a city’s high-quality development. Since the revised Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters came into effect on November 1, 2022, an increasing number of MNC RHQs and foreign-funded R&D centers have settled in Shanghai, demonstrating improved capacity of the city’s headquarters economy. On February 2, 2023, Shanghai issued certificates to the 36th batch of MNC RHQs and foreign-funded R&D centers. Most of these certified corporations are from the city’s key industries, including 6 companies in biomedicine, 5 in intelligent manufacturing, 5 in automobile and components, and 7 in trading, logistics, and information services.
Application Procedures

Application and materials submission by enterprises

Preliminary review by district commerce department (within 5 working days)

Second review by municipal commission of commerce (within 5 working days)

Denial

Approval

Dynamic follow-up assessment

Disqualification for companies failing to meet the criteria

Application Materials:
- An application form signed by the legal representative and bearing the common seal.
- An authorization document regarding the basic functions of the RHQs, quasi-RHQs or business unit headquarters signed by the authorized representative of the parent company, and authorization documents of this representative.
- The audit report of the parent company or investment company for the previous year, and business revenue report for business unit headquarters.
- Photocopies of business licenses or registration certificates of domestic and foreign companies that the applicant enterprise is authorized to manage.
- Documents proving the appropriation of operating capital by the head office if the quasi-RHQ is a branch.

Capital Support Policies (Measures for the Use and Management of Earmarked Funds for the Development of Regional Headquarters of Multinational Corporations in Shanghai)

Incentive | Description
--- | ---
Subsidy for Establishment | An eligible RHQ will be given a start-up subsidy of RMB 5 million, payable in three years at the annual rate of 40%, 30% and 30%.
Office Subsidy | An eligible RHQ that rents an office space for its own use is entitled to a three-year rental subsidy at the annual rate of 30%.
Performance Rewards | An eligible RHQ which purchases or builds an office space for its own use is entitled to a lump sum subsidy equivalent to the total amount of the three-year rental subsidy.
Subsidy for Establishment of Higher-capacity RHQs | An eligible RHQ covering Asia, Asia-Pacific or broader regions will be given a lump sum subsidy of RMB 3 million.

Convenient Services

Incentive | Description
--- | ---
Trade Facilitation | Headquarters companies are supplied to develop offshore trade, distribution centers, bonded maintenance services and other emerging international trade. The tax refund service for trustworthy headquarters companies is optimized, and key headquarters companies are given dedicated support to become advanced Authorized Economic Operators.
Sci-Tech Innovation | Headquarters companies are encouraged to apply for government scientific research programs. Eligible headquarters companies can be included in the pilot program of white list for biomedical R&D products import to enjoy facilitated customs clearance.
Talent Recruitment | Headquarters companies’ talent can enjoy preferential treatment regarding employment, household registration in Shanghai, professional titles review, children education and healthcare, as well as priority in the nomination for the Magnolia Gold and Silver Awards.
Simplified Entry-Exit Procedures | Employees of headquarters companies are offered convenient services in entry-exit and permanent residence permit application in China.

Policies for Foreign-funded R&D Centers

The rise of foreign-funded Open Innovation Platforms has promoted Shanghai to issue better supportive policies and systems, such as the Provisions on Encouraging Establishing and Developing Foreign-funded R&D Centers in Shanghai officially implemented in 2020. During the 14th Five-Year Plan period, Shanghai will continue to focus on higher-quality foreign investment attraction and encourage foreign investors to set up foreign-funded R&D centers and open innovation platforms, in a bid to build a sci-tech innovation center with global influence.

Criteria for Certifying Foreign-funded R&D Centers

Foreign-funded R&D Centers
- Institutions set up by foreign investors to conduct R&D and experimental development in natural science or related fields.
- Having a specified R&D field and projects, as well as necessary conditions such as a fixed space and equipment.
- Having a total R&D investment of no less than USD 2 million.

Foreign-funded Open Innovation Platforms
- R&D centers offering facilities and equipment, spaces and professional guidance to support project cooperation with small and medium-sized enterprises as well as other innovation teams, in a bid to realize integrated innovation.
- Having a total investment of no less than USD 2 million.
- Having R&D spaces no smaller than 1,000 m².
- Having no less than 10 cooperative innovation projects.
- Having the necessary facilities, equipment and professional international guidance for integrated innovation, as well as resources such as international technology and a talent pool.

How to apply?
- Applications can be processed through the Government Online-Offline Shanghai Portal. The department responsible for the certification shall decide on the approval or refusal within 5 working days from the receipt date of application materials.

Global R&D Centers
- Global institutions which boast exclusive R&D technology platforms, and are responsible for key procedures and most sections of global R&D projects.
- Meeting all the criteria for foreign-funded R&D centers.
- Being authorized by the parent company as its highest global level R&D center, and controlling global R&D projects.
- Having an accumulated R&D investment of no less than USD 10 million; the proportion of investment in the previous year accounting for no less than 10% of the parent company’s total investment.

Deloitte Perspectives

Thanks to China’s advancing high-level opening-up, continuously optimized business environment, and accumulation of domestic innovative R&D factors and talent reserves, foreign-funded enterprises are constantly expanding their investment in China, from sales to opening branches, and then to establishing RHQs and R&D centers. Meanwhile, stronger support for the existing R&D centers and scientific research talents also helps Shanghai build itself into a global sci-tech innovation center and integrate into the international R&D network, contributing to the development of an innovation economy.
Policies for Foreign-funded R&D Centers (Continued)

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<th>Type</th>
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<tr>
<td>Eligible foreign-funded R&amp;D centers can apply for patent demonstration units and enjoy relevant policies.</td>
<td>- Foreign-funded R&amp;D centers that obtain invention patents granted in China and abroad will receive financial support in accordance with relevant provisions issued by the municipality; - Foreign-funded R&amp;D centers can apply for patent demonstration units and enjoy relevant policies.</td>
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<tr>
<td>Foreign-funded R&amp;D centers can enjoy convenient services for their imported R&amp;D items after completing filing procedures;</td>
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<td>Second-hand special key R&amp;D equipment to be imported temporarily for no more than one year, upon the approval of the Customs, may be granted a reasonably extended period of stay.</td>
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<tr>
<td>Financial institutions within Shanghai’s banking system are encouraged to optimize their procedures for foreign exchange settlement under non-trade accounts to provide foreign-invested R&amp;D centers with green access to contract filing and tax determination.</td>
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<td>Foreign-funded R&amp;D centers are directly included as a category in the “Shanghai Sci-Tech Innovation Profession List”</td>
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</tr>
<tr>
<td>High-caliber foreign professionals employed by foreign-funded R&amp;D centers will be prioritized when applying for the Confirmation Letter for High-level Foreign Talent;</td>
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</tr>
<tr>
<td>Qualified foreign personnel can apply for a work permit by means of “Notice + Commitment” and “Pre-acceptance of Cases in Need of Further Information Submission”.</td>
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Supportive Sci-Tech Innovation Policies

In recent years, as a sci-tech innovation pioneer, Shanghai has focused on both institutional innovation and sci-tech innovation, using institutional reforms to stimulate innovation vitality. Therefore, the city has introduced a series of robust policies to support sci-tech innovation.

Implementing the Transformation of Sci-Tech Achievements to Drive Social Innovation

A Global Sci-Tech Innovation Community in the YRD Region

Since promoting integrated development of the YRD region was recognized as a national strategy in November 2018, Shanghai, Jiangsu, Zhejiang and Anhui have been working together towards integrated and high-quality development. Shanghai, as a sci-tech innovation center, has initiated a series of government policies, striving to jointly build a globally influential sci-tech innovation community with Jiangsu, Zhejiang and Anhui.

Sci-Tech Innovation Policies in the YRD Region

- Cooperation Mechanism for the Joint Research and Development of Science and Technology Innovation Community in the Yangtze River Delta Region
- Implementation Opinions on Promoting the Development of Science and Technology Innovation Vouchers in the Yangtze River Delta Region
- G60 S&T Innovation Valley of Yangtze River Delta
  - The “G60 Star Chain” program with a total investment of more than RMB 30 billion advances steadily, successfully completing the launch of multiple test satellites such as “G60” and “Sengiang”.
  - The fully digitalized satellite manufacturing factory has been under construction; aiming to become the first “lighthouse factory” of satellite manufacturing in the YRD region, and form a whole industry value chain integrating source technology supply and breakthroughs in core technologies. The satellite manufacturing, launch operation and maintenance, data services, and ground equipment.
- The Valley has clustered high-level major sci-tech innovation platforms, including the G60 Brain Intelligence Innovation Park, the Shanghai Center for Plant Stress Biology of the Chinese Academy of Sciences, and AVIC Shanghai Aero Measurement Controlling Research Institute, as well as world-class digital research laboratories, including Keen Security Lab of Tencent and Tencent YouTu Lab.
Shanghai has implemented a series of measures focusing on the major concerns of enterprises and requirements for a stable financial market, and optimized its financial services to boost the high-quality development of enterprises and better empower the real economy.

### Sci-Tech Innovation Driven by Financial Reforms

#### Overall Plan of Shanghai, Nanjing, Hangzhou, Hefei and Jiaxing for Building Pilot Financial Reform Zones to Spur Science and Technology Innovation in the Yangtze River Delta Region

In November 2022, the Overall Plan of Shanghai, Nanjing, Hangzhou, Hefei and Jiaxing for Building Pilot Financial Reform Zones to Spur Science and Technology Innovation in the Yangtze River Delta Region was released jointly by eight top government departments, including the People’s Bank of China. Centered on integrating sci-tech innovation into the financial industries, the plan has aimed to facilitate high-level sci-tech supply and high-quality regional development, using financial reforms to promote collaborative innovation in the YRD region.

#### Establishing a Comprehensive Organizational System of Sci-Tech Innovation Financial Institutions

- Encouraging banks to establish sci-tech finance departments, sci-tech branches, and sci-tech innovation finance agencies in the pilot zones;
- Supporting nonbank financial institutions, including insurance, security, and fund companies, to improve services for sci-tech innovation enterprises; and diversify the development of sci-tech innovation finance;
- Promoting the development of supportive services for sci-tech innovation finance, such as law, accounting, assessment, and entrepreneurship incubation services, to provide sci-tech innovation enterprises with more diversified and comprehensive financial services.

#### Promoting the Rollout of New Sci-Tech Innovation Financial Products

- Encouraging commercial banks to strengthen cooperation with venture capital institutions and equity investment institutions;
- Supporting insurance providers to develop products tailored for sci-tech innovation enterprises;
- Attracting more long-term insurance capital for sci-tech enterprises from financial equity investments of insurance companies.

#### Leveraging the Multi-level Capital Market System

- Optimizing the bond issuance registration system to provide highly efficient approval services for sci-tech enterprises in the pilot zones;
- Strengthening the cooperation between investment funds, universities, and scientific research institutes in the pilot zones, and using the existing sci-tech innovation sub-funds to promote the transformation of sci-tech achievements.

#### Key Points of the Supportive Policies

- During the 14th Five-Year Plan period, commercial banks and insurance companies in Shanghai will strive to realize the vision of offering credit to all municipal-level and above specialized and sophisticated enterprises that produce new and unique products, with the minimum ratio of credit financing being no less than that in the previous year, and financing costs being no more than that in the previous year;
- Focusing on the services tailored to specialized and sophisticated enterprises that produce new and unique products, banks and insurance companies in Shanghai will innovate their financial products and improve the overall service capability, and forge stable partnerships with these enterprises to pool more financial resources for well-performing innovative SMEs.
Business environment is an important driving force for high-quality economic development. Since the Action Plan for Optimizing Business Environment and Accelerating the Development of New Systems for the Open Economy in Shanghai was issued in December 2017, the city has continued rolling out newer versions of the action plan at the end or beginning of each year and held municipal meetings to make specific arrangements. Such action plans have always been a model for other regions across the country.

Achievements in Business Environment Optimization

- **No.1 in China**
  - Comprehensive economic competitiveness
  - Hard business environment competitiveness

  In the China Urban Competitiveness Report 2021, Shanghai ranked No.1 in terms of comprehensive economic competitiveness and hard business environment competitiveness.

- **No.10 in the World**
  - Urban business environment index

  In the 2020 Global Urban Business Environment Assessment Report issued by Shanghai Development Strategy Institute, Shanghai ranked No.10 among the top 20 cities across the globe with the best business environment.


- Under the 5 previous versions, 756 reform measures were implemented in total;
- Version 6.0 released in early 2023 contains 195 tasks and measures under 27 topics in 4 areas.

World-leading Separating business licenses from administrative permits

- Equal market access
- Fault tolerance for innovation
- Integrated development of the YRD region

Fair competition Government Online-Offline Shanghai Portal

- Exploratory model
- Quick response to requests without disrupting daily business operations

Innovative Implementation of One Integrated License Reform

- After the One Integrated License reform launched across Shanghai, market entities only need to apply for one integrated license instead of the formerly required five, with one set of materials submitted at one time. This reduces the administrative processing duration from the original 38 working days to 5 working days;
- In 2022, Pudong New Area took further actions to pilot the One Integrated License and One Code system in 8 industries supervised by market regulatory authorities, including convenience store, supermarket, restaurant, coffee shop/teahouse and bar, expanding multi-scenario application of the “market entity identity code”.

Improving Service Capacity Through the Government Online-Offline Shanghai Portal

Since the official launch of the Government Online-Offline Shanghai Portal in October 2018, Shanghai has witnessed an ongoing enhancement of its soft power. This achievement would not have been made possible without the functional transition of the government, inter-departmental collaboration as well as big data sharing and applications promoted by the Portal reform. Meanwhile, the innovation and reshaping of governance modes and restructuring of governance systems have enabled the development of a new digital governance paradigm and Shanghai’s digital transformation.

- 2 Local regulations have been issued to provide institutional support;
- A comprehensive service system has been established and provided access to nearly 3,600 services involving 36,000 specific terms, covering almost all services closely related to businesses and residents in Shanghai;
- 150 frequently requested services have been integrated into a one-stop system;
- 100 frequently requested services are equipped with online human assistants who guarantee a first response within 1 minute and help resolve 90% of issues;
- The footprint of the Portal has been expanded across the YRD region with 138 services accessible to all users in the region. 37 types of frequently used electronic licenses and certificates have been mutually recognized, and over 6.38 million cases have been handled. Over 450 million pieces of data have been shared and exchanged in the YRD region.

Establishing Mechanisms for Government-Enterprise Communication

- Enhanced interactions between the government and enterprises through roundtable meetings, online government service platforms, Weibo, WeChat, and mobile client applications;
- Improved government-business communications by designating dedicated government staff to contact and visit enterprises regularly;
- Established channels such as the “12345” hotline and Shanghai Enterprise Service Cloud for foreign investors and foreign-invested enterprises to submit their appeals, opinions, and suggestions.

The Regulations of Shanghai Municipality on Optimizing Doing Business Environment 6.0 places greater emphasis on the following four aspects:

- **System integration**: Making synergistic efforts in improving government services, market regulations, public services, supervision and law enforcement, and legal environment to enhance the comprehensive advantages of the business environment;
- **Life-cycle services**: Providing government, policy, factor and talent services throughout an enterprise’s life cycle from registration, business growth, public listing to cancellation;
- **Digital empowerment**: Optimizing intelligent pre-filing, pre-review and approval functions of online and offline services for enterprises and building a fully-integrated, ubiquitous and accessible service system through “AI + government services” capacity building;
- **Integration and openness**: Giving prominence to the building of a well-coordinated and fully-integrated business environment in the YRD region.
Service System for Promoting Foreign Investment

Equal treatment to all foreign investment is a solemn promise China has made to the world. As a leader of reform and opening-up and a forerunner of innovative development, Shanghai has been committed to building a comprehensive investor rights protection mechanism. This includes improving the legal framework to ensure that foreign-invested enterprises are equally treated as domestic enterprises in market competition, and facilitate international resource cooperation and exchanges.

Foreign Investment Promotion Services

- Establishing the Shanghai Foreign Investment Promotion Service Platform;
- Expanding the project, resource and activity databases for foreign investment promotion;
- Providing online and offline services including policy information look-up and project matching for foreign investment.

Dedicated Platform

- Joint participation

- Chambers of commerce
- Professional agencies
- Enterprises

Partnerships

- Establishing the Shanghai Foreign Investment Promotion Service Platform;
- Expanding the project, resource and activity databases for foreign investment promotion;
- Providing online and offline services including policy information look-up and project matching for foreign investment.

International Exchanges

- Setting up the Shanghai Investment Promotion Team

Key Investment Protection

Foreign Investor Protection System

Complaint Resolution Mechanism for Foreign-invested Enterprises

Shanghai has established a diversified dispute resolution mechanism that integrates and coordinates mediation, business arbitration, administrative adjudication, and litigation, providing efficient and convenient channels for foreign-invested enterprises to deal with disputes.

- Establishing the Yangtze River Delta Arbitration Integration Development Alliance
- Action Plan for Implementing the Rule of Law in Shanghai (2021-2025)
- White Paper on Financial and Business Trials in both Chinese and English

Diversified Dispute Resolution Mechanism

Chambers of Commerce & Associations

Shanghai has established a diversified dispute resolution mechanism that integrates and coordinates mediation, business arbitration, administrative adjudication, and litigation, providing efficient and convenient channels for foreign-invested enterprises to deal with disputes.

- Establishing the Shanghai Foreign Investor Protection System
- A “1 + 16 + 2” complaint handling center for foreign-invested enterprises
- Providing online and offline services including policy information look-up and project matching for foreign investment.

Shanghai Investment Promotion Events

- “1 + 9 + N” Promotion Events Series
- Establishing six-city partnerships or friendly exchange relationships with cities of multiple countries to facilitate all-round communications in economic, cultural and other fields.

Shanghai City Promotion Convention

- During the 2022 Shanghai City Promotion Convention themed “Embracing the CIIE, Sharing a Future”, 18 key projects with a total investment of about RMB 30 billion were signed, covering major industries including biomedicine, ICs, AI, high-end equipment, and life science and healthcare.

Foreign Investment Promotion Platforms

- Shanghai Foreign Investment Promotion Service Platform (Shanghai Foreign Investment Development Center)
- Shanghai Foreign Investment Association

Scan the QR code for more information

2023 White Paper on Environment for Foreign Investment in Shanghai
High-level Talent Development

As one Chinese old saying goes, “When talent can fulfill their potential, all businesses will succeed, and prosperity will naturally follow.” In recent years, Shanghai has given top priority and been continuously devoted to strategic talent development from making favorable plans and policies to providing premium services and environments. Shanghai has attracted outstanding talent from all over the world with its open mind and brought a win-win result for both the city and its talent.

Improve relocation policies for new college graduates
- Adjusting the scoring method of household registration in Shanghai for new college graduates from other provinces;
- Further optimizing household registration policies for new college graduates who work in the “Five New Towns”.

Optimizing recruitment and relocation policies for returned overseas graduates
- Returned overseas graduates from global top 50 universities can directly apply for household registration after getting a full-time job in Shanghai;
- Returned overseas graduates from global top 50 universities who have obtained bachelor’s degrees or above in urgently needed fields, such as science, technical engineering and mathematics, are recruited by designated key employers, are eligible to apply for household registration after keeping a full-time job in key enterprises or institutions for 6 months in Shanghai. Meanwhile, the limit on social insurance contribution base will be lifted.

Innovating measures for attracting and retaining foreign talent
- Foreign talent hired by key employers to serve as mid- and senior-level technical experts in scientific research positions can enjoy fast service when applying for a work permit in China;
- Foreign sci-tech professionals applying for a work permit in China for the first time are covered by the “Notice and Pledge” system without the need to submit proof of no criminal record abroad.

Increasing financial support
- Piloting a talent loan of up to RMB 10 million for an individual and up to RMB 30 million for a talent-intensive enterprise;

Promoting innovation in technology industries
- Enhancing the support of “Sci-Tech Innovation Vouchers” for talent-intensive companies;
- Providing qualified companies with fast and direct policy support.

Shanghai Human Resources Development Services Center has formulated the Supporting Measures for Attracting and Retaining Talent to Boost Economic Recovery and Revitalization in technologically follow”. In recent years, Shanghai has given top priority and been continuously devoted to strategic talent development from making favorable plans and policies to providing premium services and environments. Shanghai has attracted outstanding talent from all over the world with its open mind and brought a win-win result for both the city and its talent.

Incentive Policies for Talent Recruitment

2015
- 20 policies for high-quality talent recruitment

2016
- 30 policies for high-quality talent recruitment

2018
- The action plan for addressing the shortage of top-notch talent

2019
- The talent pool project to introduce high-level and urgently needed talent

2020
- Opinions on Implementing the Talent-driven Development Strategy in Shanghai in the New Era

2022
- Shanghai Pudong Talent Program

GGTS cloud job fairs
- No less than 200,000 jobs in government agencies, enterprises and social organizations have been offered, many of which are located in rapidly developing regions;
- A package of activities have been held for high-caliber talent and college graduates from all around the world.

GGTS
• Global Talent Ambassadors for Global Talent
• Global Talent Innovation and Entrepreneurship Competition
• Global Talent Innovation and Entrepreneurship Demonstration Base

Shanghai Technology Entrepreneurship Foundation for Graduates
- 3-year interest-free loan and angel investment without dividends
- Current students or graduates who have graduated within the past eight years, with Chinese nationality

Support for young entrepreneurs
- A series of GGTS activities such as the innovation and entrepreneurship competition and summit have been held;
- The city has established partnerships with globally renowned universities, institutes, enterprises and foundations;
- More GGTS competitions will be held in the YRD region and major countries, regions or cities overseas, with stronger support for the winners.

Solving talent’s housing pressures
- Providing qualified companies with fast and direct policy support.

Deloitte Perspectives

In recent years, all districts in Shanghai have introduced housing policies to provide more subsidies and support for various types of returned overseas professionals and graduates. In January 2023, Shanghai issued the Action Plan for Enhancing Confidence. Expanding Demand, Stabilizing Growth and Promoting Development in Shanghai, which clearly requires further improvement of policies and services related to housing, education and healthcare to attract and retain talent.

With the implementation of a housing availability project, Shanghai has stepped up efforts to construct subsidized rental housing and develop a multi-level rental housing supply system. The implementation of housing policies has remarkably contributed to enhanced talent supply and quality.
In 2002, Shanghai, the largest economic hub of China, initiated the issuance of the Interim Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters to proactively attract multinational corporations. Shanghai’s encouragement and support for the RHQs of MNCs have been a successful example of using foreign investment to deepen opening-up. Over the past 20 years, the RHQs in Shanghai have continued to increase their capacity and bring about profound spillover effects, contributing to the city’s sustainable and stable economic growth.

Shanghai holds China’s largest cluster of foreign-invested R&D centers which are transforming from independent innovation “silos” to open innovation platforms in the digital era. By the end of 2022, 531 foreign-funded R&D centers had been settled in Shanghai. Meanwhile, the thriving of foreign-invested open innovation platforms will facilitate the establishment of better policies and systems.

What attracts HQs to Shanghai:
- Main advantage – openness
- Primary development momentum – innovation
- Most valuable resource – talents

What attracts RHQs of MNCs and Foreign-invested R&D Centers

Overview of RHQs of MNCs and Foreign-invested R&D Centers

In 2002, Shanghai, the largest economic hub of China, initiated the issuance of the Interim Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters to proactively attract multinational corporations. Shanghai’s encouragement and support for the RHQs of MNCs have been a successful example of using foreign investment to deepen opening-up. Over the past 20 years, the RHQs in Shanghai have continued to increase their capacity and bring about profound spillover effects, contributing to the city’s sustainable and stable economic growth.

In October 2022, the revised Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters was officially issued, adding new momentum to the establishment and development of MNC HQs in Shanghai.

- Featuring multiple improved facilitating measures, the revised provisions have adjusted the recognition criteria of HQs, added the “business unit headquarters of MNC” as a new type of RHQ, and allowed more entities to set up HQs in Shanghai;
- Municipal and district-level HQ service specialist mechanisms have been launched, and the government service and communication platform has been established with the support of industry organizations such as municipal and district-level foreign investment associations and Shanghai-based chambers of commerce.

By the end of 2022, foreign investors had set up a total of 891 RHQs of MNCs in Shanghai, among which nearly 80% are from Europe, the US, Japan and other developed countries and territories, mostly in industries such as biomedicine, automotive manufacturing, intelligent manufacturing, as well as commerce and trade, logistics, and inspection and testing.

- About 21% were RHQs for the Greater China region and beyond.

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<th>RHQs of MNCs</th>
<th>Foreign-invested R&amp;D Center</th>
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| Improving the Capacity of HQs | Shanghai holds China’s largest cluster of foreign-invested R&D centers which are transforming from independent innovation “silos” to open innovation platforms in the digital era. 
- By the end of 2022, 531 foreign-funded R&D centers had been settled in Shanghai. Meanwhile, the thriving of foreign-invested open innovation platforms will facilitate the establishment of better policies and systems. |
| Increasing Economic Contribution of HQs | 
- RHQs of MNCs in Shanghai, whose number accounted for only 1.1% of that of foreign-invested companies, have contributed 18.2% of the city’s tax revenue from these companies;
- 20% of the MNC RHQs’ tax revenues have exceeded RMB 100 million;
- 57 HQs have been listed in Shanghai’s top 100 foreign-invested enterprises. |

• Integrating foreign-funded open innovation platforms into the global network of sci-tech innovation, and supporting SME- and team-based innovation and entrepreneurship to provide a sound foreign investment environment.

• Embedding foreign-funded open innovation platforms deeply into Shanghai’s industry chain, innovation chain and value chain, and combining the platforms with “Five Types of Economy” to develop the city into a global sci-tech innovation center.

• Using foreign-funded open innovation platforms to usher in the economic transformation from “Made in China” to “Created in China”. |
In 2022, Shanghai continued to focus on its economic and social development, contributing to enhanced economic resilience, further efforts in reform, opening-up and innovation, continuously improved livelihood, and the city's upgraded capacity and core competitiveness. Shanghai has gradually become an international economic, financial, trade and shipping center, and formed the basic framework of a sci-tech innovation center with global influence.

Major Achievements of the “Five Centers” Initiative

01 An International Economic Center
Shanghai is accelerating the transformation and upgrading of the manufacturing industry and the expansion and opening-up of the service industry to facilitate the development of the high-end manufacturing industry and modern service industry and build itself into an international economic center.

Achievements:
• GDP per capita reached approximately RMB 178,000;
• Strategic emerging industries had an added value of nearly RMB 1,064.12 billion, accounting for 23.8% of Shanghai's GDP;
• The total output value of strategic emerging industries accounted for about 43% of that of enterprises above the designated size in 2022, up from 30.8% in 2017;
• The total number of market entities increased over 2.25 million in the past five years, up by 52.7% compared with the last reference period, and the number of enterprises per 1,000 people reached 111.1, ranking No.1 in China.

02 An International Financial Center
Shanghai has been speeding up its development as an international financial center by deepening financial reform and innovation and further opening up the financial industry. These efforts delivered great progress, steadily turning Shanghai into an international financial center that matches China's economic strength and the internationalization of RMB.

Achievements:
• The Shanghai Stock Exchange ranks third in the world in terms of total market value of stocks and first in IPO fundraising; Shanghai Futures Exchange is one of the world's three largest copper pricing centers; Shanghai International Energy Exchange has emerged as the third largest crude oil futures market in the world; Shanghai Gold Exchange has ranked first in the world in terms of gold spot trading volume for many consecutive years. In a word, the international influence of the “Shanghai prices” is growing;
• The Cross-Border Interbank Payment System (CIPS) covers the majority of global economies;
• Shanghai features up to 1,736 licensed financial institutions, among which about 30% are foreign-funded. Around 50% of foreign-funded banks, insurance institutions and fund management companies in the Chinese mainland are located in Shanghai, and 17 out of the world's top 20 international capital management institutions have been operating in Shanghai.

03 An International Trade Center
Shanghai's consistent endeavors to develop a vast market for domestic and international trade have contributed to an invigorating ability to allocate international and domestic resources, a more open urban economic system, and an elevated foreign trade capacity. As a result, the city has been recognized as one of the world's most important trade ports.

Achievements:
• In 2022, Shanghai Port handled a transit container throughput of more than 47.3 million TEUs, ranking NO.1 worldwide for 13 consecutive years;
• In 2022, the port handled 670 million metric tons of cargo;
• Successfully held two sessions of the North Bund Forum;
• Started the Xiaoyangshan North Operation Area construction project in Yangshan Port;
• Completed China's first LNG refueling service for international vessels.

04 An International Shipping Center
The shipping industry is a building block of Shanghai’s development, as the city is located by the sea where marine resources abound. Shanghai closely follows the new development trends and requirements of the maritime industry and seizing opportunities generated by green, low-carbon and intelligent development to realize the goal of basically building a world-class international shipping center.

Achievements:
• Completed China’s first LNG refueling service for international vessels.

05 A Sci-Tech Innovation Center with Global Influence
Shanghai has implemented an innovation-driven development strategy and strengthened its efforts to develop core technologies in key areas. The city has also strengthened, supplemented and consolidated the industry chain to increase the chain’s resilience and stability, and stimulated corporate innovation vitality to improve its self-innovation capability, thus facilitating breakthroughs in the development of a sci-tech innovation center and a series of significant achievements.

Achievements:
• 17 new-type R&D institutions, and 15 functional platforms for promoting R&D and achievement transformation are in operation;
• A new batch of national key sci-tech infrastructure, including SSRF Phase-II and soft X-ray devices, has commenced operation, and a total of 20 major municipal-level sci-tech projects have been launched;
• The first WLA Prize laureates were announced, the International Innovation Center for Human Phenome Standardization was inaugurated, and a total of 34 international joint laboratories were built along the Belt and Road.
An International Economic Center with Influential Industry Clusters

Shanghai has focused on building itself into an international economic center, and it will strengthen industrial support for the international economic center and accelerate the development of a modern industry system, aiming to greatly improve the “Shanghai solution” for the three leading industries.

**Impressive Foreign Investment Statistics**

From January to February in 2023:

- A paid-in foreign capital of over USD 4.96 billion
- A paid-in foreign capital in the tertiary industry of over USD 4.76 billion
- 641 new foreign-funded enterprises

**Main Sources of Foreign Investment**

- Hong Kong, Singapore, and the British Virgin Islands were the top three sources of paid-in foreign capital in Shanghai from outside Chinese Mainland.
- Hong Kong about USD 3.11 billion
- Singapore about USD 0.47 billion
- British Virgin Islands USD 0.33 billion

**A Faster Clustering of Trade-based Headquarter hubs**

Trade-based headquarters functions as a driving force for the headquarters economy in Shanghai. In 2022, 29 trade-based headquarters were newly certified, making the total accumulating to 261.

- 9 state-owned enterprises;
- 10 foreign-funded enterprises, representing 34% of the total certified enterprises, up 15 percentage points from the previous year;
- 10 private-owned enterprises.

**A Trillion-level Development Plan for the New Segments**

In June 2022, Shanghai announced the development plans for the four new segments, namely the Metaverse, low-carbon economy, intelligent terminals and the digital economy.

- The total turnover of 24 enterprises reached RMB 570.3 billion. Among them, 1 enterprise has a turnover of over RMB 100 billion and 22 companies over RMB 10 billion.

- The total turnover of 24 enterprises reached RMB 570.3 billion.
- The industry scale will exceed RMB 700 billion.
- The industry scale will exceed RMB 350 billion.
- The industry scale will exceed RMB 500 billion.

**Diversified New Systems of Modern Industry**

Shanghai was issued to promote 8 specialized projects and the brand of “Shanghai Manufacturing”.

- Data Factor Value Improvement Project
- Infrastructure Upgrading Project
- Cybersecurity System Development Project
- Service Optimization Project
- Digital Technology Capacity Improvement Project
- Step-by-step Incubation Project
- Intelligent Demonstration Factory Project
- “Platform + Park” Integration Project

Focusing on clear development directions, outstanding construction space and healthy industrial ecology, Shanghai built a total of 40 specialized industry parks in 2020 and 2021. On June 16, 2022, Shanghai launched the third batch of 13 specialized industry parks by concentrating on the “new segments.”
Shanghai has substantially achieved its strategic goal of building itself into an international financial center by moving beyond resource clustering, high-speed growth, and scale expansion to function improvement, high-quality development, and capacity elevation.

### Increased Capacities of the International Financial Hub
Shanghai is home to financial market trading platforms for stock, bond, foreign exchange, gold, futures and insurance, and financial infrastructure for registration, custody and clearing of financial products.
- The added value from the financial industry in Shanghai reached over RMB 862.63 billion, accounting for 19.3% of the city’s GDP and 8.9% of the country’s added value from the financial industry, making Shanghai the largest financial contributor among all Chinese cities.
- The total transaction volumes in Shanghai’s financial markets hit RMB 2,932.98 trillion, a year-on-year increase of 16.8%.
- The total turnover of the Shanghai Stock Exchange reached RMB 496.09 trillion, and the bonds turnover hit RMB 21.83 trillion, an increase of 29.1%.
- The turnover of Shanghai’s inter-bank market increased by 23.8%.
- Shanghai Futures Exchange saw many of its futures rank among the world’s top ten in terms of transaction volumes.

### Strengthened Capability to Serve the Real Economy
With more accounts set up for free trade and accelerated two-way opening-up of the financial market, including inter-bank bonds, foreign exchange and currencies, Shanghai has continuously improved its financial services to provide stronger support for the real economy.
- RMB 700 billion of loans granted credits on the Xinyidai platform.
- 124 companies listed on the SSE STAR market.
- 50% growth rate of loans.
- RMB 240 billion IPO financing amount.
- Over 66.83 million completed transactions.

### Comprehensive Future Development Goals
Shanghai is focusing on increasing its capacities to build a market-oriented and law-based international financial center featuring digital and green development.

- **International Market-oriented**
- **Digitalized**
- **Green**
- **Law-based**

**Development Goals During the 14th Five-Year Plan period**
- **Two Centers:** Global asset management center, fintech center
- **Two Hubs:** International green financial hub, RMB cross-border use hub
- **Two Highlands:** International financial talent highland, financial business environment highland
**An International Trade Center Connecting the World**

International trade is crucial for Shanghai to build itself into a central point for China’s domestic economic circulation and a strategic link connecting domestic and international markets. In recent years, Shanghai has made significant progress in improving its capacity as an international trade center. The city will also develop itself into a global trade hub, a investment gateway of the Asia-Pacific region and a trade and investment system innovation highland at a faster but steady pace.

### Considerable Goods Trade Volume

- **A port import and export volume of RMB 10.4 trillion**
- **Remaining the world’s biggest port city**
- **A goods import and export volume of RMB 4.2 trillion**
- **Imported consumer goods accounting for 27.4% of China’s total**

### Steady Growth in Digital Trade

- **“International Data Port” in the Ling-gang Special Area**
  - Lin-gang Special Area has introduced 14 top sci-tech innovation institutions, such as Peking University International Innovation Center and the Science and Technology Innovation Platform for Smart Manufacturing at Shanghai Jiao Tong University;
  - It has also established the International Dedicated Connectivity (IDC) and put the National (Shanghai) New-type Internet Exchange Point into pilot operation.
- **“Global Digital Trade Port” in the Hongqiao CBD**
  - The CBD is speeding up the introduction of leading cross-border e-commerce platform enterprises to fuel its function as a cross-border trade digital economy center;
  - Endeavors are being made to build a number of high-end digital trade service platforms and projects, introduce or support the development of international innovation incubation platforms for digital trade, and explore new models of cross-border cooperation between enterprises involved in the digital economy.

### Expanded Opening-up Through Trade Platforms

Five sessions of China International Import Expo (CIIE) have been successfully held in Shanghai. Major achievements of the 5th CIIE:
- The “Digital CIIE” platform were initiated, with an intend-ed annual turnover of USD 73.52 billion, up by 3.9% year on year;
- A total of 145 countries and territories as well as inter-national organizations participated in the 5th CIIE. During the five sessions of CIIE:
  - Up to 60 “6 + 365” trading services platforms were certif-ied, and nearly 270,000 kinds of CIIE exhibits were introduced.

### Effectively Implemented Trade Policies

In January 2022, the Regional Comprehensive Economic Partnership (RCEP) came into force, aiming to help Shanghai develop new advantages for opening-up, cooperation and global competition, seize the opportunities of the open economy and foster novel growth drivers.

In February 2022, the Measures for the High-Quality Implementation of the Regional Comprehensive Economic Partnership (RCEP) in Shanghai was issued to further open up trade in services and expand market access;

An inquiry system of RCEP optimal tariffs has been rolled out to provide tailored services for enterprises of all countries and further promote regional trade development.

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**An International Shipping Center Allocating Global Resources**

According to the 2022 Xinhua-Baltic International Shipping Center Development Index Report published in July 2022, Shanghai retained its position as the 3rd largest international shipping center in terms of comprehensive strength in 2022, which indicates that considerable progress has been made in the development of Shanghai into an international shipping center.

### Striving for Excellence in Shipping

- **Shanghai Port remains the 1st worldwide in container throughput for the 13th consecutive year, with a total throughput reaching 47.30 million TEUs.**
- **Shanghai handled an annual air cargo and mail throughput of about 3.3 million metric tons.**
- **The “Shanghai Shipping Index” registered by the Shanghai Shipping Exchange includes the most compre-hensive shipping indices in the world, among which, the China Contain-tered Freight Index (CCI) and Shanghai Contain-tered Freight Index (SCI) have become the begetter of the global container shipping market.**

### Pursuing Greater International Cooperation

- **Signing the Memorandum of Cooperation with the International Maritime Organization (IMO)**
  - Based on the previous joint support for the construc-tion of the Asian Maritime Technology Cooperation Center, Shanghai is committed to further deepening technological cooperation with the IMO, promoting the implementation of the Initial IMO GHG strategy, and working together with other interested parties to ad-dress major issues in the shipping sector, such as maritime safety and security, protection of sailors’ rights and interests, and intelligent shipping.

- **Co-building a “Green Shipping Corridor”**
  - **Shanghai Port and the Port of Los Angeles have jointly proposed to achieve port-to-port shipment in the cleanest and most low-carbon way.**
  - **Shanghai Port has deepened cooperation with the Port of Rotterdam and the Port of Antwerp-IJmuiden, as part of the “ Belt and Road Initiative”.**

### Breakthroughs in Key Areas

- **Delivery of China’s First C919 Large Aircraft**
  - The C919 aircraft is the nation’s first large passen-ger jet aircraft, independently developed and de-signed for China’s civil aviation industry.

- **Bonded LNG Refueling in Yangshan Port**
  - On March 14, 2022, Shanghai Yangshan Port made history by being the first Chinese port to offer bonded LNG bunkering for ships engaged in international shipping. Shanghai Port has become one of the few ports in the world with the capability to provide simultaneous ship-to-ship LNG bunkering.

### Delivery of High-end Shipping Equipment

China’s first river-sea intermodal LNG ship, “Lagenda Suntai” was delivered for use;

- **China’s first and the world’s largest ultra-large container ship was also delivered.**

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Deloitte Perspectives

On May 31, 2022, the first foreign carrier engaged in coastal cabbage in China set sail from Shanghai Yangshan Deep Water Port. Coastal cabbage provided by foreign liner companies in China involves qualified foreign-flagged vessels from these companies to engage in domestic transportation of loaded containers for foreign trade between Chinese coastal ports.

The opening of China’s cabbagage market for foreign carriers will improve Shanghai’s strengths in clustering and allocating international voyages and cargo resources, and attracting global transshipment businesses, thereby boosting develop-ment of Shanghai into an international shipping center. Moreover, the Ling-gang Special Area will be better leveraged to acceler-ate joint development with the YRD region to become a shipping hub that extends globally.
**A Sci-Tech Innovation Center with Global Influence**

- **Ranking No.1 in China** in terms of the comprehensive index of scientific and technological progress for 5 consecutive years.
- **Responsible for major national sci-tech projects** with a total value of over RMB 33.3 billion.
- **R&D Expenditure Accounting for 4.2% of GDP**.
- **531 Foreign-funded R&D Centers**.
- **44 State Key Laboratories**.
- **178 academicians in Shanghai from the Chinese Academy of Sciences and Chinese Academy of Engineering**.
- **4,649 projects approved by the National Natural Science Foundation of China**.
- **38,265 recognized and registered technology contracts**.
- **2,600+ sci-tech “little giant” enterprises**.

**Enhanced Industry Innovation Capacity**
- ICS: 40% IC specialists and 50% innovation resources of the sector in China have been concentrated in the city.
- Biomedicine: 4 Class I innovative drugs were approved to enter the market, and 178 obtained permission for clinical trials.
- AI: The four-arm laparoscopic surgical robot was approved to enter the Chinese market for the first time, the world’s first AI-discovered anti-fibrotic drug was approved for Phase I clinical trials, and a general AI model “INTERN 2.0” was released.
- Other cutting-edge industries: A batch of test satellites was successfully launched, the orders for C919 airplanes reached 1,035, deep-sea exploration equipment and technology continued to advance, and digital infrastructure was constructed at a faster pace.

**Optimized Mechanisms for Innovation Talent Attraction**
- Creating “digital portraits” for nearly 1.34 million global high-level sci-tech innovation experts across 333 disciplines.
- Implementing supportive policies and measures to attract and retain international innovation talent, such as the Notice on the Matters Related to Online Approval for Foreigner’s Work Permit in China (Version 5.0). By the end of 2022, Shanghai was home to about 11,000 overseas sci-tech professionals.

**Increasingly Clustered Innovation Resources**
- **High-capacity Innovation Platforms**
  - Accelerating the development of the National Innovation Center par Excellence;
  - Establishing new high-level research institutions, such as Shanghai Advanced Research in Physical Sciences, Shanghai Zhangjiang Academy of Mathematics and Zhangjiang-Fudan International Innovation Center;
  - Encouraging 9 industry leaders, including COMAC, MicroPort and Shentong Metro, to establish corporate open innovation centers and innovation consortia.

**An International Consumption Center Leading Trends**

Shanghai has been recognized as one of the first cities in China to build an international consumption hub. To this end, the city has adopted a host of measures to enhance business vigor, including developing new business districts and the night-time economy. Meanwhile, the surge of new consumption scenarios and the increase of experiential consumption have further unleashed the potential of consumption.

- **Total retail sales of consumer goods** RMB 1.64 trillion in 2023.
- “Double Five Shopping Festival” held for 3 years in row.
- E-coupons worth RMB 1 billion issued to boost consumption.
- 4,881 new first stores.
- No.1 in China City Night Economic Index.

**Improved Urban Business Layout**
- Shanghai boasts high-quality shopping malls covering an area of more than 12 million m².
- As of the first half of 2022, 77% of international consumer brands were available in Shanghai and the city had 14 shopping malls whose sales have exceeded RMB 2 billion, ranking No.1 in China.
- The Nanjing Road Pedestrian Street has been extended eastward to the Bund, creating new chapter in its century-old history;
- Plaza 66 on West Nanjing Road has the highest sales per square meter in China, and has attracted over 100 world-famous high-end fashion brands and global flagship stores;
- The upgrading of characteristic commercial areas and the renovation of Hangpu (Hengshan-Fuxing Road) Historical Conservation Zone rooted in Shanghai-style culture have contributed to creating cultural leisure blocks for people to enjoy a slow-paced life;
- West Bund, Kintanari business district and Wukang Road have become highly sought-after tourist destinations.

**Up-to-date Consumption Patterns Influenced by Fashion Trends**

- **Developing Digital Fashion as a New Growth Driver**
  - Shanghai is encouraging the development of virtual fashion, digital fashion products and specialized consumer platforms, and is actively building itself into a favored destination for digital fashion product debut and brand incubation, as part of its efforts to take the lead in digital consumption, adding new momentum for the development of a global consumption hub.

**Promoting Domestic Brands**
- Shanghai will continue to develop more cutting-edge brands and revitalize time-honored local brands, underpinning efforts to build an international consumption center.
  - Shanghai boasts a total of 3,000 stores owned by 222 time-honored brands, including 69 century-old brands and 20 brands each with annual sales of over RMB 1 billion;
  - Shanghai Fashion Week has nurtured more than 1,000 top-selling domestic brands whose quarterly orders hit over RMB 600 million, placing itself No.4 in the world in the Fashion Week Vitality Index and No.1 in Asia in terms of quarterly orders;
  - Shanghai had 90 of the top 500 new brands listed in 2020 on Alibaba’s biggest e-commerce platform Tmall, ranking No.1 in China.

By 2025, Shanghai aims to enhance the influence of about 260 leading local brands and see a range of new online consumer brands in vertical markets targeting different customers.
Chapter V
An Opening-up Hub

Shanghai 2035: A New Development Landscape

An influential CBD, coordinated development of Pudong and Hongqiao, booming growth of new towns, and transformation of Baoshan and Jinshan Districts

An influential CBD with increasingly improved service capacity
Comprised of Central Downtown, main urban areas, and parts of Gaoqiao and Gaodong Towns that are close to Central Downtown, with a total area of around 1,161 km² and a planned permanent population of about 14 million.

Coordinated development of Pudong and Hongqiao, which serve as opening-up hubs and reform pioneers in the new era
Comprised of Lin-gang Special Area of SHFTZ, Demonstration Zone for Integrated Ecological and Green Development of the YRD Region, and Hongqiao International CBD.

Booming growth of new towns as independent and comprehensive nodes
Comprised of five New Towns (Jiading, Qingpu, Songjiang, Fengxian and Nanhui). Featuring integrated industry and urban functions, comprehensive supporting facilities, balanced business and residential development, eco-friendly environment and convenient transport.

Transformation of Baoshan and Jinshan Districts with accelerated adjustment of functional layout and upgrading of economic structure
Accelerating transformation of Nanda and Wusong areas in Baoshan, making the district one of the main fronts of Shanghai’s sci-tech innovation center initiative. Promoting Jinshan’s industry transformation and upgrading as an important function area piloted by advanced manufacturing.

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Chapter V
An Opening-up Hub
Pudong New Area and China (Shanghai) Pilot Free Trade Zone

**Major Achievements in 2022**

- Regional GDP reached RMB 1.6 trillion, representing 35.9% of the city’s total.
- The total industrial output value of enterprises above the designated size increased by 3.4%, reaching RMB 1.33 trillion.
- The import and export trade volume increased by 2%, amounting to RMB 2.43 trillion.
- The paid-in foreign capital increased by 3%, with an aggregate amount of USD 11 billion.

**Policy Support**

- The “city brain” 4.0 featuring an integrated industry licensing and integrated supervision system featuring integrated industry licensing and integrated supervision has been implemented.
- 9 new regulations tailored to Pudong New Area have been introduced, making a total of 15 administrative measures have been issued, bringing the total number to 13.
- 104 cutting-edge industry projects were signed with a total investment of RMB 420 billion.
- Over 400 financial enterprises settled and formed an industry investment fund system of RMB 283 billion.
- Over 64,000 new enterprises were registered.
- A special economic zone was established.
- The number of high-value invention patents per 10,000 residents reached 1,170, representing over 16% of the city’s total.

**Policy Support**

- The YRD region capital market service base has expanded its service network to cover 1,170
- The IC industry scale reached RMB 370 billion.
- The IC industry scale reached RMB 370 billion.
- Contributing to 1/4 of Shanghai’s GDP and 2/5 of the city’s trade volume while occupying only 1/50 of its land mass.
- More than 99% of foreign-funded enterprises were established through record-filing formalities.
- Measures for further opening up the service and manufacturing industries totaled 54, with 4,200 projects successfully launched.
- Cross-border RMB settlement volume reached RMB 8,123 billion, accounting for 1/2 of the city’s total.

**Pioneer in Greater Opening-up**

- Measures for further opening up the service and manufacturing industries totaled 54, with 4,200 projects successfully launched.
- Cross-border RMB settlement volume reached RMB 8,123 billion, accounting for 1/2 of the city’s total.

**A Forerunner in Increasing Domestic Needs**

- The sales value of commodities totaled RMB 5.9 trillion and the gross retail sales of consumer goods reached RMB 370 billion.
- 203 first stories were established, representing over 16% of the city’s total.
- 127 new specialized and sophisticated enterprises that produce new and unique products were established.
- The number of high value invention patents per 10,000 residents reached 52.

**A Demonstration Area of Modern Urban Governance**

- The “city brain” 4.0 featuring 150 signs of the city’s operation has been officially launched.
- More than 58,000 government-subsidized housing units have been made available for leasing.
- 27 HHQs of MNCs have been newly certified, accumulating to a total of 416; and 40 new headquarters of large companies and private-owned enterprises and RHQs of domestic companies have been added.
- 28 new licensed institutions have been established, pushing the total number to 1,170; and 120 foreign-invested asset management companies have clustered in Lujiazui.
- The YRD region capital market service base has expanded its service network to cover 35 cities, providing service to over 5,000 enterprises.

Lin-gang Special Area of SHFTZ

**A New Highland for Opening-up**

- More than 260 policies have been issued by the central and Shanghai municipal government, and the administrative committee of the Lin-gang Special Area.
- 87 exemplary innovation cases have been presented, among which 36 cases are listed as national firsts.
- A strategic growth pole.

**Specialized Industry Parks**

- Oriental Microchip Port
- Life Science & Tech Park
- Large Aircraft Industrial Park
- Azure Innovation Park
- Infinity Isle
- China-Japan (Shanghai) Regional Development Cooperation Demonstration Zone

**Major Achievements in 2022**

- The total output value of enterprises above the designated size reached RMB 348.2 billion in 2022, a year-on-year increase of 30%.
- The investment in the manufacturing industry reached RMB 36 billion, up by 25.7% year on year;
- 104 cutting-edge industry projects were signed with a total investment of RMB 138.95 billion.
- The total international service trade volume exceeded USD 10 billion, up by 40% over the previous year.

**A Model of Urban Development**

- 65 km of newly constructed urban green roads;
- 91.7% days of the year having good air quality;
- 100% coverage of school clustering in the compulsory education stage.

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**Specialized Industry Parks**

- Oriental Microchip Port
- Life Science & Tech Park
- Large Aircraft Industrial Park
- Azure Innovation Park
- Infinity Isle
- China-Japan (Shanghai) Regional Development Cooperation Demonstration Zone

**Hashtags for Lin-gang**

- The only Special Area in China
- A critical and independent node in the YRD region
- An important channel for China’s deep integration into the world’s economy
- A new hub for the clustering of the world’s high-end resources
- The core area for the Global Power City
- A special economic zone
Major Achievements in 2022

- The total value of import and export goods reached RMB 61.66 billion, with an increase of 8.6% from the previous year.
- “China-Europe Shanghai Express” departs from “Greater Hongqiao” and directly and indirectly serves more than 2,000 import and export enterprises in the YRD region;
- A total of 177 companies opened free trade accounts by recommendation;
- The paid-in foreign capital increased by 100% year on year;
- The total industry investment increased by over 60% from the previous year;
- The cumulative number of legal entities exceeded 61,000;
- Home to 287 specialized and sophisticated SMEs that produce new and unique products within the Shanghai part of Hongqiao International Opening-up Hub, accounting for 56.6% of the city’s total;
- Gathered more than 14,000 scientific research and technology services companies, accounting for 17.5% of the total.

Innovation Economy

- The proportion of scientific research and technical service enterprises is 3.4 times the city’s average level;
- Leading digital enterprises and unique companies, represented by iQiyi and EcoPlants, have emerged.

Open Economy

- 607 trade-based companies settled in Hongqiao Import Commodity Exhibition and Trading Center;
- Over 500 exhibitors having signed to participate the 6th CIIE, with an exhibition area of over 200,000 m²;
- Successfully built professional trade platforms such as Hongqiao International Coffee Port.

Flux Economy

- “Air-rail multimodal transport” products covering 41 hub cities and reaching 645 railway stations in China;
- The 6th CIIE attracted more than 2,800 exhibitors from 127 countries and regions.

Other Key Areas – Zhangjiang Science City

Major Achievements in 2022

- The total industrial output value of enterprises above the designated size reached RMB 370.2 billion, up 6.1% year on year;
- Fixed-asset investment totaled RMB 44 billion, up 3.3% year on year;
- Paid-in foreign capital reached USD 2.6 billion, up 12% over the previous year;
- 12 national sci-tech infrastructure projects have been either constructed, under construction or planned;
- 100 specialized incubators have been gradually launched.

By 2025:

- 3-5 new world class scientific research institutions;
- 3,200 certified high-tech enterprises within the validity period;
- About 200 high-value invention patents per 10,000 residents.

Hashtags for Zhangjiang

- More than 800 pipelines of innovative drugs, over 50% of which are Class-1;
- More than 80,000 employees;
- 2 Class-1 new drugs having been approved to enter the market and 3 innovative medical devices;
- From January to October 2022, total industry value reached RMB 50.3 billion (RMB 31.3 billion from the manufacturing sector and RMB 19 billion from the service sector).

Remarkable Progresses

- 73 projects having been completed in the first round of construction except for the Shanghai Hard X-ray Free-Electron Laser Facility project;
- 1,943 certified high-tech enterprises within the validity period;
- 188 foreign-invested R&D centers;
- 162 venture capital institutions and 28 banks.

Enterprise Clusters

- About 500,000 employees;
- About 14% employees with a master’s or doctoral degree.

Biomedicine

- More than 800 pipelines of innovative drugs, over 50% of which are Class-1;
- More than 80,000 employees;
- 2 Class-1 new drugs having been approved to enter the market and 3 innovative medical devices;
- From January to October 2022, total industry value reached RMB 50.3 billion (RMB 31.3 billion from the manufacturing sector and RMB 19 billion from the service sector).

ICs

- From January to October 2022, the sales revenue totaled RMB 156 billion, up 26.3% year on year;
- Over 600 AI enterprises covering the whole hardware-to-software AI R&D chain;
- About 60,000 employees.

Deloitte Perspectives

Tsukuba Science City, the first of its kind in Japan established to achieve the goal of technology-driven growth, is a representative of world-class national research centers with research institutions and universities as its core. The city focuses on dozens of research fields, including high-energy physics, electronic information, bioengineering, mechanical engineering, and environmental science, and is home to more than 50% of national laboratories, 30% of research institutions and 40% of researchers in Japan. Likewise, Deloitte believes that by benefiting from favorable policies, Zhangjiang Science City can attract numbers of top universities and research institutes, foreign-invested R&D centers and sci-tech talents, accelerating momentum to transform itself into a high-tech park with significant global influence.
Five New Towns as an integral part of Shanghai’s new development landscape will be built into independent comprehensive hubs with spill-over effects to the YRD city cluster to empower the high-quality integration of the YRD region. In such endeavors, these towns will not only be of great significance, but also serve as important channels for the implementation of national strategies, the building of a new development pattern and the participation in international cooperation and competition.

**Overview**

Five New Towns are located in the west of Shanghai, adjacent to Jiangsu Province and Zhejiang Province, and cover a total area of 91.1 km². The town will build itself into a gateway to the Shanghai metropolitan area and a crucial node in the Demonstration Zone for Integrated Development of the YRD Region.

**Development Priority**

**International Smart Auto Hub**

- The electric, smart, intelligent-connected and shared automotive industry
- Intelligent sensors and IoT
- Online new economy

**Development Priority**

**Yangtze River Delta Digital Trunk Line**

- Next-generation network communications
- Modern logistics
- Industrial internet

**Development Goals**

- Total industrial output: RMB 1 trillion
- Number of high-tech enterprises: Exceeding 1,400
- Coverage of intelligent transportation: 100%
- Coverage of inclusive childcare services: 90%

**Hashtags for Five New Towns**

- Jiading New Town – rich in culture
- Qingpu New Town – style of Jiangnan
- Nanhui New Town – cradle of sages
- Fengxian New Town – scattered with waterscapes

**Policy Support**

- Introducing at least 2 municipal-level SOE headquarters or Quasi-RHQs in each new town
- Attracting around 100 private enterprise headquarters and Quasi-RHQs

**Resources Pooled into Five New Towns**

- Carrying out the Great Art Gallery Program and the Great Museum Program, to establish long-term coordination mechanisms between the five new towns and museums such as Shanghai Museum and China Art Museum
- Supporting the new towns in hosting opening and closing ceremonies along with some activities of large-scale cultural festivals such as Shanghai Tourism Festival and Shanghai International Film Festival
- Giving priority to the new towns regarding the application of events and encouraging the building of venues for events and new sites for major regional and municipal-level competitions
- Utilizing existing exhibition venue resources to introduce a batch of high-quality convention and exhibition projects in favor of the development of new towns

**Missions for the 14th Five-Year Plan Period**

- Total permanent residents will reach about 3.6 million
- Total GDP of these districts where the new towns are located will record RMB 1.1 trillion
- Each of the new towns will gather about 1 million permanent residents

**Development Goals**

- Total industry output: RMB 1 trillion
- Number of high-tech enterprises: Exceeding 1,400
- Coverage of intelligent transportation: 100%
- Coverage of inclusive childcare services: 90%

**Implementation Plan for Promotion of Resources Pooled into Five New Towns**

- Public Services
- Digital and Intelligent Manufacturing
- Intelligent NEVs
- Next-generation network communications
- Modern logistics
- Industrial internet
- Beauty and health
- Intelligent connected NEVs
- The economic and strategic emerging industries
- GDP of Nanhui New Town: RMB 500 billion
- Per capita public green area: 17 m²
Other Key Areas – Baoshan and Jinshan Districts

Baoshan and Jinshan, located in the north and south of Shanghai respectively and housing major traditional industries, have contributed over 50% of Shanghai’s petrochemical production and nearly 100% of its steel production. As crucial nodes and gateways connecting Shanghai with the northern and southern parts of the Yangtze River Delta (YRD) region, the two districts serve as pivots for the transformation of northern and southern Shanghai during the 14th Five-Year Plan period.

Development Goals

Baoshan and Jinshan Districts are to become models for modern transformation featuring integrated industry and urban development, clusters of the emerging industries, and a favorable environment for living and working. Industry Transformation

Transformation of Baoshan District

By 2025:
- Total GDP of the two districts: RMB 400 billion;
- Newly added output value of industrial enterprises above the designated size: over 20% of Shanghai’s total increment.

Transformation of Jinshan District

Major Achievements in 2022
- The output value of industrial enterprises above the designated size is expected to reach RMB 160 billion;
- The contractual foreign investment reached USD 490 million, an increase of 6.4%);
- Total import and export volume reached RMB 113.5 billion, an increase of 21%);
- Four key industries accounted for 79.7% of the output value generated by industrial enterprises above the designated size;
- The emerging industries accounted for 32% of the output value generated by industrial enterprises above the designated size;
- 850 new invention patents were granted, an increase of 16.8%);
- 731 technology contracts were signed, with a transaction amount of RMB 3.91 billion increased by 128.1%;
- The number of high-tech enterprises surpassed 1,250, an increase of 20%.

Industry Development Priority

The High-end and Eco-friendly Chemical Industry
- Focusing on fine chemicals and building an RMB 100 billion-worth industry
- New Materials: Focusing on polymer materials, high-performance alloy materials, high-end composite materials, and electronic information materials
- Intelligent Equipment: Focusing on unmanned aerial vehicles and civil aviation parts, intelligent manufacturing and control equipment, and intelligent equipment sets
- Life Science and Healthcare: Focusing on biomedicine, medical devices, healthy food, and medical aesthetics
- IT: Focusing on new displays, ICs, and electronic communication

Key Areas

Northern Area
- A pilot zone for industry cooperation
- A practice zone for rural development and common prosperity
- A high-end industry cluster on the north coast of Hangzhou Bay

Central Area
- Development Goals
- An important node on the southward expansion belt of Hongqiao International Opening-up Hub
- A new economic growth pole in southern Shanghai

Southern Area
- Key Areas
- Business Environment
- Plans and Schemes

Policy Support

Wusong Area
- Key Areas
- Business Environment
- Plans and Schemes

Strategic Goals

A city of sci-tech innovation with leading innovative capabilities
A city of opening-up driving overall development
A city with an eco-friendly environment featuring green development
A city of happiness placing people at the core
Chapter VI
Infrastructure

Commercial Facilities

Shanghai is well equipped with an abundance of multifunctional commercial facilities, including office buildings of varying sizes, conference and exhibition venues serving different purposes, and star-rated hotels offering quality accommodation for business travelers, to satisfy any kind of business needs.

Office Buildings
Shanghai boasts a variety of eco-friendly office buildings complete with an integrated service system catering to all kinds of corporate needs.

- Lujiazui has 110 buildings hosting companies which generated a total annual tax revenue of over RMB 100 million, including 32 of over RMB 1 billion, 20 of over RMB 2 billion, and 4 of over RMB 6 billion;
- By the end of 2022, Shanghai had 16.50 million m² of class-A office building space, whose supply increased on a quarter-on-quarter basis, with 810,000 m² of office space added to the market in the year.

Star-rated Hotels
Shanghai boasts one of the largest and densest clusters of high-end hotels in the world. These hotels stand out for their high international standard, vast array of brands and styles, and wide distribution in the city:

- By the end of 2022, Shanghai had 165 star-rated hotels, including 61 five-star hotels which ranked first in the country, and 55 four-star hotels.

Exhibitions and Conventions

- As the city which hosts the most exhibitions and conventions in China, Shanghai attracts many large international events and has been increasingly recognized as a market-oriented professional event center. It has become the preferred destination for global brands to hold business exhibitions and conventions in China;
- In 2022, Shanghai held 21 exhibitions and events occupying a total area of nearly 1.05 million m², including 7 international exhibitions, 4 domestic exhibitions and 10 events with an area of 932,000 m², 57,000 m² and 60,000 m² respectively.

New Infrastructure
Extensive Coverage of 5G Network

- A city-wide 5G network coverage has been basically attained;
- Over 68,000 5G outdoor macro sites and 270,000 5G indoor small cells have been established;
- The number of 5G network end users has reached over 15.23 million.

Great Progress in “Dual Gigabit Networks” Construction

- The gigabit optical network has been accessible to 9.61 million households;
- The interprovincial outbound internet bandwidth has reached 56800 Gbps, an increase of 26220 Gbps against the end of last year.

The Longemont Shanghai
Grand Hyatt Shanghai
The Portman Ritz-Carlton, Shanghai
Dongjiao State Guest Hotel
InterContinental Shanghai Jing’An
Jin Jiang Hotel
Swissotel Grand Shanghai
Pudong Shangri-La, Shanghai
Grand Central Hotel Shanghai
The Peninsula Shanghai
Human Resources

Driven by the accelerated development of Shanghai into a science and technology innovation center with global influence, Shanghai faces a more urgent demand for talent. With a broad mind, Shanghai continues to attract the most needed top-notch talent in various fields and is becoming a place where talent from near and far can fulfill their dreams.

A Prominent Hub for International Talent
Since a unified work permit system for foreign employees was implemented across China in April 2017, Shanghai had achieved the following by the end of March 2023:
- A total of over 390,000 work permits for foreign employees had been issued, about 19% (or over 70,000) of which were for foreign high-end talent (Category A).
- The city ranked 1st in China in both numbers of foreign talent and foreign high-end talent;
- 1,487 Confirmation Letter for High-level Foreign Talent had been issued.

Remarkable Achievements in Strategic Talent Training
- Among the professionals in the Shanghai Rising-Star Program, 17 have been selected as academicians of the Chinese Academy of Sciences and Chinese Academy of Engineering, 209 have been sponsored by the National Science Fund for Distinguished Young Scholars and 207 by the Excellent Young Scientists Fund of the National Natural Science Foundation of China (NSFC);
- More than 60% of the 1,344 professionals in the Shanghai Rising-Star Program have been sponsored by the Young Scientists Fund and 14 by the Excellent Young Scientists Fund of the NSFC;
- Zhangjiang Demonstration Zone has gathered more than 1,000 national-level overseas high-end experts and more than 1,000 Eminent Professionals in Shanghai.

Educational and Medical Facilities

Educational Facilities
- Well-developed Basic Education Resources
  • Public schools: 888 general middle schools, 671 primary schools, and 31 special education schools;
  • Private schools: 12 general middle schools, 169 schools for compulsory education (including those for children of migrant workers), and 662 kindergartens.
- Leading International Educational Resources
  • Shanghai has 39 international schools with almost 30,000 students, 33 institutions and 125 programs are run under Chinese-foreign cooperation.

Medical Resources
- Overview
  By the end of 2022:
  • 455 hospitals
  • 1,430 outpatient departments
  • 249 community health service centers (stations)
  • 19 disease control and prevention centers
  • 17 health supervision institutions (centers)
  • 246,200 medical personnel
  • 88,000 licensed (assistant) physicians
  • 111,300 registered nurses
- Improved Healthcare Services
  • The dynamic adjustment mechanism of medical service prices has been improved;
  • 2 new national medical centers have been established, and 4 suburban municipal-level hospitals are under integrated management with their parent hospitals in the central urban area.
- Medical Service Integration in the YRD Region
  • As of the end of July 2022, inter-provincial direct settlement was available in 802 designated medical institutions in Shanghai, and covered all 41 cities and 11,553 medical institutions in the YRD region, which makes Shanghai one of the regions with the largest amount of cross-region outpatient settlement in China.
- Highly Accessible Family Doctor Services
  • Shanghai’s “1 community family doctor, 1 district-level hospital and 1 municipal-level hospital” contract service mechanism has been well practiced. About 9.16 million or 37% of local residents have signed the contract, among whom 4.87 million are from key groups of medical service users, a signing rate of approx 80% and 3.55 million are people over age 65 with a signing rate of about 88%.
- Enhanced Capacity of Pre-hospital First Aid
  • There are 201 first aid substations set in the outer suburbs, ensuring an average first aid response time within 12 minutes across the city.
  • 6 new emergency medical substations have been set up.
Splendid Cultural Charm

Shanghai, a modern city with traditional Chinese elements, has integrated its unique Shanghai-style culture with modern civilization perfectly during the past century. Classical Western-style buildings in the Bund face contemporary skyscrapers in Pudong New Area. The choir in Xujiahui Cathedral echoes with the chant in Jade Buddha Temple. Shanghai opera and farce in small theaters are juxtaposed with symphony and ballet in Shanghai Grand Theater. Local cuisines in Shanghai Classical Restaurant and western delicacies in Red House Restaurant both whet visitors’ appetite, accompanied by pot of tea in the teahouses on Shanghai Old Street or a glass of wine in the bars on Hengshan Road. The past and present, East and West, blend together in Shanghai and create a colorful and splendid living experience.

Various Sports Facilities and Events

- 92 newly built and reconstructed fitness trails, 612 community fitness spots, 77 multi-functional sports fields, and 92 fitness stations;
- 17 new type sports service complexes;
- A per capita sports facility area of 2.5 m²;

Resurgent Recreation Activities

- The box office in Shanghai exceeded RMB 1.15 billion in 2022, 3.8% of the national total.
- No. 2 teaching hospitals in China;
- The seven-day box office in Shanghai during the Spring Festival was RMB 262 million, ranking No. 1 among all cities in China;

Shanghai has won the right to host world-class events including 2024 Four Continents Figure Skating Championships, 2025 World Rowing Championships, and 2026 UCI Track World Championships.

- 31,582 commercial performances;
- 22.8 performances per day in professional theaters, and a total of 5,263 performances in 2022;
- Almost 5.69 million audiences.

Loving a City for a Play

TV play: Like a Flowing River
Urban new Huai opera: Hanmei
Dance drama: The Eternal Wave

Shanghai opera: Secret No.1
Movie: The Climbers
Modern Kunqu opera: There Are Certainly Successors

- 6,320 online and offline competitions with more than 8.30 million participants;
- Shanghai Marathon, Head of Shanghai River Regatta, “Shanghai Cup” Chess Masters Open and other signature events organized by the city were successfully held;
- Shanghai has won the right to host world-class events including 2024 Four Continents Figure Skating Championships, 2025 World Rowing Championships, and 2026 UCI Track World Championships.

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- 22.8 performances per day in professional theaters, and a total of 5,263 performances in 2022;
- Almost 5.69 million audiences.
As China’s largest economic center and a central city conveniently located beside the Yangtze River Estuary in Eastern China, Shanghai boasts vast hinterlands and a multimodal transportation network made up of airways, waterways, highways, and railways. These advantages have put Shanghai on the path to becoming a more competitive and charming global metropolis dedicated to sustainable development.

**Air Transportation**

The ranking of Shanghai in the Development Index on China’s Aviation Logistics Hubs 2022 was 3rd nationally. The passenger throughput at Shanghai’s two major airports surpassed 28.85 million, ranking 3rd in the country. The air cargo and mail throughput at Pudong International Airport ranked 3rd worldwide for more than ten consecutive years. The smart cargo station program of the Phase IV Expansion Project of Pudong International Airport is expected to be completed by the end of October, 2024, ensuring a yearly capacity of over 1 million tons of import and export goods.

**Water Transportation**

Shanghai’s prosperity is closely connected to the flourishing of its port. In recent years, by accelerating the development of its shipping industry, Shanghai has gradually evolved into an international shipping center with the capacity to distribute global shipping resources. Shanghai is also striving to become a world-class shipping hub by 2025. As the world’s largest container terminal, by leveraging its intermodal transportation network, Shanghai Port has fueled local economic growth, and enhanced connectivity along the Maritime Silk Road as well as international economic and trade cooperation.

**Rail Transportation**

As the center of the transportation system in the YRD region, the Shanghai rail hub is the largest in Eastern China, serving as the departure point for a host of trunk lines including the Beijing-Shanghai, Shanghai-Ningbo, Shanghai-Hangzhou and Shanghai-Kunming Railways.

In recent years, Shanghai has been developing a railway network connecting the downtown area as the core to its suburbs and neighboring towns and cities in the region, contributing to the building of a YRD-shaped railway network. Statistics show that the passenger flow of round trips from Shanghai to northern and central Suzhou has reached 38,000 per day. In July 2022, the construction of the Shanghai-Suzhou-Nanjing Railway began, enabling the establishment of two super stations, namely Shanghai Baoshan Railway Station and Shanghai East Railway Station, which will optimize Shanghai’s city layout and help integrate Pudong New Area into the national high-speed train network.

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**Smart Transportation**

- **Self-driving Vehicles**
  - Shanghai boasts 5 full self-driving metro lines with the running mileage extending to 167 km, leading the world in terms of scale for the first time.
  - A total of 926 roads (1,800 km) are opened for intelligent connected vehicles (ICVs) testing.
  - Breakthroughs have been made in many scenarios such as fast lane and intelligent heavy-truck commercial application, with over 15,000 scenarios tested.

**Green Transportation**

- **New Energy Buses**
  - 1,500 new energy buses and 60 fuel cell vehicles will be launched or upgraded.

- **New Energy Taxis**
  - 3,000 new energy taxis will be launched.
  - 10,000 new public and exclusive charging piles will be installed.

Deloitte Perspectives

Building Digital Ports and Airports

Since the issuance of the Implementation Opinions on Shanghai Transportation Industry’s Digital Transformation (2021-2023), Shanghai International Port (Group) (SIPG) has focused on the building of the “digital port”, and has pioneered the digital port system at Yangshan Phase IV Automated Terminal. By leveraging the new-generation information technology's ability of situational awareness, optimized process, smart interaction, and smart decision to digitize the business and create new digital business, Shanghai Airport (Group) has promoted the smart development in 8 aspects, including safety, operation and services. According to the Deloitte Perspective, a well-developed transportation network will bring more benefits and happiness to local residents, and effectively arrange and allocate passengers and cargo, thus injecting strong momentum to the local economic development. In line with the times, digital transformation is a sure path to the advancement of transportation industry in order to meet diverse demands.
Transportation Networks (Continued)

Road Network
Shanghai’s extensive road network enables direct and fast access to destinations inside and outside the city. It features the basic layout of two ring expressways, twelve radial expressways, one running from north to south, one from east to west and many interconnected, with a total length of 13,000 km. Beiheng Passageway is China’s first extraordinarily wide urban fast road through the downtown area in complex environment. The construction of its main west section was completed, and its surface road is expected to be opened to traffic at the end of June 2023, upon the completion of overhead cable and street pole improvement projects in relevant districts.

Rail Transit Network
Shanghai also boasts an extensive metropolitan rail transit network:
- The operational metro lines totaled 831 km, remaining the longest rail transit system in the world.
- The total ridership recorded about 2.28 billion in 2022;
- The construction of Line 21 Phase I, Line 23 Phase I, and some stations and routes of Chongming Line have already started.

Metro Line 21 Under Construction
As one of Shanghai’s major tasks for 2022, the Metro Line 21 Phase I was launched in January 2022. The Metro Line 21 Phase I project is planned as an important north-south urban line under the Phase III development plan for Shanghai’s rail transit network, which will be built underground with a total length of about 28 km and 18 stations designed. Upon completion of the Phase I project, Metro Line 21 will become an integral part of the city’s rail transit network, bridging southern and northern sections of Pudong New Area and reducing the passenger flow of Line 6.
Summary and Prospect

A Pioneer to Lead China's Modernization
As a pioneer of China’s opening-up, Shanghai will further leverage its advantage of inherent openness to undertake the crucial responsibility of driving strategic development. Guided by the concept of pursuing harmony in diversity, Shanghai has held five consecutive sessions of the CIIE, with cumulative intended deals reaching USD 350 billion. The event truly is an epitome of China’s high-level opening-up and a successful model of shaping a dual-circulation development pattern which relies on both domestic and international economic markets. SHFTZ, China’s first pilot free trade zone, has piloted more than 300 institutional innovation programs which have been adopted in varied sectors and at different administrative levels in China. The Lin-gang Special Area of SHFTZ boasts a fair, open, and efficient business environment and is committed to providing supportive industry policies, a well-developed industry ecosystem and improved laws and regulations for enterprises. Since its inauguration over three years ago, the Area has built a rule-based opening-up system to enable free investment, trade, capital, transportation, and mobility of human resources, and the seamless flow of information. It has presented 87 exemplary innovation cases including 36 national firsts. Embarking on a fresh journey in serving the national goal of building a modern socialist country, Shanghai will promote the transition from opening-up based on the flow of goods and production factors to that based on institutions, spearheading China’s modernization and embracing further progress.

A World-leading Sci-Tech Innovation Center
Shanghai has successfully established a fundamental framework to build itself into a global sci-tech innovation center and is now accelerating the improvement of its core functions. During the past seven years since the beginning of the sci-tech innovation center initiative, the city has built a series of national sci-tech facilities and promoted the development of R&D institutions. According to the China Regional Sci-Tech Innovation Evaluation Report 2022, Shanghai ranked No.1 in China for many years in terms of its comprehensive sci-tech innovation capabilities, with an R&D expenditure of RMB 161.57 billion, accounting for 4.2% of local GDP. Zhangjiang Science City has experienced 30 years of rapid development, leading to the formation of the world’s largest, most diverse and comprehensive photonic science facility cluster. Taking advantage of its open innovation platforms, the Science City is devoted to incubating innovative enterprises to enter global markets. With the expansion of the Zhangjiang Science City, Shanghai will further optimize its high-tech business incubators, create a world leading ecosystem for innovation and promote integrated development of diverse functions to provide comprehensive services for innovators and entrepreneurs. Furthermore, Shanghai will accelerate its transformation into a global sci-tech innovation center, contributing to consolidating the country’s self-reliance and strength in science and technology.

A Strategic Link Connecting Domestic and International Markets
Shanghai plays an important role in driving domestic economy and connecting China with international markets. With a view to strengthening its “Four Functions” and promoting the “Five Centers” initiative, the city has largely enhanced its core functions and improved its global resource allocation capabilities. It has made great achievements in business environment reforms, including separating business licenses from administrative permits in all industries, deepening the one integrated license reform, implementing a notification and commitment system, and promoting a comprehensive market supervision system featuring random selection of both inspectors and inspection targets, prompt release of results, and integration with credit rating-based regulation. Working towards the goal of creating a market-targeted, rule-based, and globally oriented business environment for integrated innovation, Shanghai has released the Business Environment Reform Version 6.0 which aligns with the latest international assessment systems to strengthen its comprehensive advantages and take the lead in domestic business environment development. In 2023, consumption recovery will drive economic development and boost economic circulation within the country’s borders. In response to the change of demands in and outside China, the city will continue to implement the strategy of expanding domestic demand and improving the balance between domestic and external demand, with the aim of enhancing its comprehensive strength to a new level.
Afterword

The White Paper on Environment for Foreign Investment in Shanghai ("White Paper") is published annually since 2006 to provide updated information on the investment environment and opportunities available to foreign investors and enable their informed decision-making regarding their investment and operation in Shanghai. Based on the information and data related to the economic and industry development of Shanghai, the annual White Paper aims to demonstrate the progresses Shanghai has made in all aspects of its investment environment over the year, serving as an effective channel of communication between the municipal competent authorities and foreign-invested enterprises in the city. This White Paper is a joint project made possible with the strong support and great contribution from various government departments in Shanghai, including Shanghai Municipal Development and Reform Commission, Shanghai Municipal Commission of Economy and Informationization, Shanghai Municipal Science and Technology Commission, Shanghai Municipal Education Committee, Shanghai Municipal Human Resources and Social Security Bureau, Shanghai Municipal Bureau of Planning and Natural Resources, Shanghai Municipal Bureau of Ecology and Environment, Shanghai Municipal Health Commission, Shanghai Municipal Market Supervision Administration, Shanghai Municipal Financial Regulatory Bureau, Shanghai Municipal Statistics Bureau, Shanghai Landscaping & City Appearance Administrative Bureau, Shanghai Intellectual Property Administration, Pudong New Area Government, Administrative Committee of the Lin gang Special Area of SHFTZ, Administrative Office of Zhangjiang Science City, and Administrative Committee of Hongqiao Central Business District. We are grateful for their admirable efforts to collect and provide information and data during the preparation of this White Paper.

Our special appreciation is also extended to Deloitte China ("Deloitte"). Engaged by the Shanghai Municipal Commission of Commerce, Deloitte has developed this brand new 2023 White Paper featuring a professional, objective and all-round analysis and overview. Inheriting the features of previous editions, this year’s edition has put a greater focus on new platforms and opportunities that foreign investors can tap into in Shanghai where they can base to "serve the world", as the city has embarked on a new development journey towards achieving its 14th Five Year Plan goals and building itself into a central point for China’s domestic economic circulation and a strategic link connecting domestic and international markets. Meanwhile, presented in an international perspective and supported by typical examples, this edition is more readable and professional.

To benefit more investors with feasible information on the foreign investment environment in Shanghai, this year’s White Paper, available in both Chinese and English versions, provides an overview of the investment environment in Shanghai with regards to its open landscape, hubs, policies, systems and infrastructure. Comments and suggestions will be greatly appreciated.

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