

OVERVIEW OF FOREIGN INVESTMENT POLICIES IN SHANGHAI

2023



SHANGHAI MUNICIPAL COMMISSION OF COMMERCE

Preface

Shanghai is an important destination for global foreign investment in China. In the first half of 2023, 2,541 new foreign-invested enterprises were established in Shanghai, with an increase of 63.3% over the same period in 2022. Amount of foreign investment used was US\$12.777 billion, with an increase of 7.1% over the same period in 2021. Among them, the actual use of foreign investment in the service industry amounted to US\$12.294 billion, accounting for 96.2% of Shanghai's total actual use of foreign investment. More than 60,000 foreign-invested enterprises in Shanghai contribute more than a quarter of the city's GDP, about one-third of the tax revenue and nearly two-thirds of the city's foreign trade import and export value. Foreign investment becomes an important force driving Shanghai's economic and social development.

The “2023 Overview of Foreign Investment Policies in Shanghai” is based on the latest policies of attracting and utilizing foreign investment at the national, municipal and district levels, focusing on attracting and utilizing high-quality foreign investment and the concerns of foreign investors and foreign-invested enterprises. More than 100 foreign investment policies have been sorted out to provide policy guidelines for foreign investors to invest in Shanghai and for the high-quality development of foreign investment in Shanghai.

The declaration conditions, requirements, validity period, specific amount and other details of each policy can be found in the original text of the policy (Scan QR Code). The final right of interpretation of the policies belongs to the related government department.



Catalog



CHAPTER 1: CONTINUOUSLY PROMOTING HIGH-LEVEL OPENING-UP TO THE WORLD 1

- 1.1 Important Opening-up Policies
- 1.2 Priority Opening-up Areas

CHAPTER 2: OPTIMIZING AND UPGRADING THE INDUSTRIAL STRUCTURE 14

- 2.1 Optimizing the Industrial Structure
- 2.2 Promoting Green, Low-Carbon and Digital Transformation
- 2.3 Supporting Enterprises to Improve Quality and Capacity

CHAPTER 3: STRENGTHENING ESSENTIAL FACTOR SUPPORT AND SERVICE ASSURANCE 61

- 3.1 Essential Factor Support
- 3.2 Service Assurance

Chapter 1

Continuously Promoting High-Level Opening-Up to the World



1.1 Important Opening-up Policies



1.1.1 Catalogue of Industries for Encouraged Foreign Investment

The Catalogue of Industries for Encouraged Foreign Investment is an important policy for the promotion of foreign investment in China, providing important guidelines for supporting the development of foreign investment, guiding the direction of foreign investment and optimizing the regional layout of foreign investment. Catalogue of Industries for Encouraged Foreign Investment (Version 2022) has a total of 519 items in the national catalog, with 39 new items and 85 amended items. It guides foreign investment in advanced manufacturing, modern service industry, high and new technology, energy saving and environmental protection, etc., and helps industrial transformation and upgrading, and coordinated regional development.

01 Catalogue of Industries for Encouraged Foreign Investment has added new items in advanced manufacturing industry

- Forestry biomass energy new technology, new product development, production and application
- Pharmaceutical manufacturing related consumables development, production
- High-tech non-ferrous metal materials and their products production
- High-performance photoresist development, production
- Glow discharge mass spectrometer development, production

02 Catalogue of Industries for Encouraged Foreign Investment has added new items in modern service industry

- Carbon environmental protection green energy-saving and water-saving advanced system integration technology and services
- Professional design services
- Vocational Schools
- Human Resource Services
- Clean Production Evaluation Certification and Auditing

03 The following policies are available for the areas in the Catalogue of Industries for Encouraged Foreign Investment

- Tariff exemption for equipment imported for self-use within the total investment amount (except for products not exempted by state regulations)
- Priority land supply for encouraged industrial projects with intensive land use, and the reserve price of the land can be set at no less than 70% of the corresponding minimum price of the industrial land to be offered in the location
- Investments in the western region and Hainan Province shall be subject to an enterprise income tax rate of 15%

1.1.2 Negative List for Foreign Investment Access

The Special Administrative Measures for Foreign Investment Access (Negative List) is an important policy for China to explore in depth the implementation of the Negative List Management System of Pre-entry National Treatment for Foreign Investment and to continuously improve the level of opening-up, with the aim of implementing comprehensive opening-up in a wider scope, broader fields and at a deeper level, and to promote high-quality development of the economy.

01 The Negative List (2021 Edition) has been reduced to 31 areas, further deepening the opening-up of the manufacturing industry

- In the field of automobile manufacturing, the restriction on the ratio of foreign shares in the manufacture of passenger cars and the restriction that the same foreign investor may establish two or less joint ventures in the country to manufacture the same type of vehicle products have been abolished.
- In the field of radio and television equipment manufacturing, removing restrictions on foreign investment in the production of satellite television broadcasting ground receiving facilities and key components.

02 The Negative List in Pilot Free Trade Zones (2021 Edition) has been reduced to 27 areas, with manufacturing areas zeroed out for the first time, and opening-up in service industry

- Abolish the restrictions on the ratio of foreign shares in the manufacture of passenger cars and the restriction that the same foreign investor may establish two or fewer joint ventures in the country to produce the same type of vehicle products.
- Removal of restrictions on foreign investment in the production of satellite television broadcasting ground receiving facilities and key components.
- Allow foreign investment in social surveys but require that the Chinese party's shareholding is not less than 67%, and the legal representative should have Chinese nationality.
- In the field of market research, except for radio and television listening and viewing surveys, which must be controlled by the Chinese side, the restrictions on foreign investment are canceled.

1.1.3 Comprehensive Pilot Area for Expanding the Opening-up of Services Industry

China's comprehensive pilot area for the expanding the opening-up of service industry has been implemented since 2015 in Beijing, and has now been expanded to 11 provinces and cities across the country, with more than 1,100 policies and measures for early and pilot implementation in the fields of science and technology, finance, culture, etc., in order to stimulate new vitality of market players, enhance the competitiveness of modern industries, and expand the international influence of China's cities through the expanding the opening-up of service industry at a high level.

01 Expanding the opening-up in logistics and transportation

- Encouraging international container liner companies to carry out pilot coastal piggyback business and exploring the feasibility of opening-up access to foreign markets for marine fuel oil.
- Promoting the pilot resumption of international cruise lines in Shanghai, attracting more international cruise brands to berth in Shanghai, and actively seeking to optimize and upgrade the 144-hour visa-free transit and 15-day visa-free entry policies for cruise ships.
- Supporting the intelligent cross-border trade insurance platform to dock with the national international trade "single window". Relying on the Shanghai Insurance Exchange to build an offshore reinsurance business window.
- Striving for the implementation of VAT exemption policy for the ship operation fees of international ship management enterprises managing the cross-border income and expenditure of overseas ships.

02 Expanding the opening-up in financial, economic and trade areas

- Supporting foreign-funded securities, funds, futures, life insurance, pension management, wealth management and finance companies to take the lead in settling in Shanghai and expanding their scope of operation.
- Supporting foreign-invested enterprises to list on the Shanghai, Shenzhen and Beijing stock exchanges, list on the New Third Board and regional equity markets, and issue corporate credit-type bonds to raise capital.
- Providing financial services and financing support for foreign-invested enterprises, expanding financing channels for foreign-invested SMEs, and organizing bank-enterprise policy matching activities on a regular basis.
- Broadening foreign investment channels for QFLP funds, simplifying foreign exchange registration, implementing balance management, and supporting direct domestic investment and revolving investment in China with the foreign RMB collected.
- Encourage combined pledge financing of intellectual property, equity and related real assets, and support standardized exploration of intellectual property securitization.





03 Expanding the opening-up in medical care, education, telecommunications, and the Internet

- Encouraging foreign-invested enterprises to conduct clinical trials of overseas listed cell and gene therapy drugs within the country. Optimizing the declaration procedures for transferring listed overseas-produced drugs to domestic production.
- Allow foreigners working in Shanghai to take China's relevant professional and technical qualification examinations (excluding legal vocational qualification examinations) in accordance with regulations.
- Supporting foreign-invested enterprises in advanced manufacturing, modern services, digital economy and other fields to carry out vocational education and training with various types of vocational colleges and universities and vocational training institutions.
- Increasing the number of pilot areas for the opening-up of value-added telecommunication businesses such as domestic Internet virtual private networks (with no more than 50% foreign equity), information services (app stores only), Internet access services, etc.
- Establishing green channels for foreign-invested enterprises, efficiently carrying out security assessments of important data and personal information out of the country, and promoting the safe, orderly and free flow of data.

1.1.4 Other Important Opening-up Policies

01 Promoting quantity and quality of foreign investment based on advanced manufacturing and modern service industries

- In advanced manufacturing and high-tech areas, focusing on encouraging foreign investment in high-end equipment, basic components, key components and other fields.
- In modern service industry, encourage foreign investment in R&D and design, modern logistics and other fields.
- In the area of energy conservation and environmental protection, encourage foreign investment in new energy, green and low-carbon key technological innovation and demonstration applications.
- Supporting foreign-invested enterprises to locate their R&D and design processes in China to create an industrial chain community.
- Encourage foreign investors to participate in the construction of intelligent manufacturing demonstration factories, national demonstration bases for new industrialization industries, advanced manufacturing clusters and other projects, and support foreign-invested enterprises to undertake national science and technology programs.

02 Promoting stable growth of foreign trade scale and innovative development of foreign trade model

- Supporting automobile manufacturers to temporarily apply for automobile export licenses. The new energy vehicles and other products transported by railroads such as the China-Europe liner are not managed as dangerous goods.
- Supporting integrated circuit enterprises to speed up import and export customs clearance by applying the modes of early declaration, two-step declaration and summary tax collection.
- Exempting from affixing Chinese labels on medical equipment products entering special customs supervision areas or bonded logistics centers for "both ends are outside" re-export trade.
- Encourage commercial banks, based on applications, to temporarily distressed foreign trade enterprises to give appropriate extension of the loan period, deferred payment of interest and non-repayable renewable loans and other support to meet the conditions of deferred payment of interest exempted from interest penalties.
- Encourage commercial banks to continue to increase the reduction and waiver of account service fees and settlement handling fees for foreign trade enterprises and support small and medium-sized foreign trade enterprises in applying for import and export business-related credit and trade financing products from financial institutions online through the Shanghai E-Port.

03 Shanghai Foreign Investment Global Partner Program

- For foreign investment projects introduced and promoted by global partners, global partners will be given certain financial incentives according to the amount of actual foreign investment or the level of the organization.
- Excellent global partners are recommended to become members of the Shanghai Mayor's International Entrepreneurship Consultation Conference, and the main person in charge of the global partners is recommended to participate in the Magnolia Friendship Award Series in Shanghai.
- The investment personnel of global partners can enjoy the relevant talent policies of the city and apply for residence permits for overseas talents (Certificate B), work permits for foreign high-end talents (Class A) and foreign professionals (Class B).
- Provide convenience and protection for the investment personnel and targets of global partners in applying for visas at ports of entry, residence documents, multiple-entry visas for Hong Kong and Macao, and APEC business travel cards.

1.2 Priority Opening-up Areas



Relevant Policies

1.2.1 China (Shanghai) Pilot Free Trade Zone

China (Shanghai) Pilot Free Trade Zone, established on September 29, 2013, is a regional free trade zone set up by the Chinese government in Shanghai. It is located in Pudong, with an area of 120.72 square kilometers, covering the Waigaoqiao Free Trade Zone, Waigaoqiao Bonded Logistics Park, Yangshan Bonded Port Zone, Shanghai Pudong Airport Comprehensive Bonded Zone, Lujiazui Financial Zone, Jinqiao Development Zone and Zhangjiang High-Tech Zone.

01 Meeting high international standards of development

- Supporting the pilot expansion of global maintenance products in special customs supervision zones within the Shanghai Pilot Free Trade Zone. Supporting the development of pilot projects for the import of remanufactured products in key industries.
- Temporary entry of professional equipment, goods used for exhibitions or demonstrations, etc., can be exempted from payment of customs duty, import VAT and consumption tax after the taxpayer provides guarantee to the Customs at the time of entry.
- Goods shall not be denied preferential tariff treatment solely on the basis of minor errors in certificates of origin such as printing errors, typographical errors, omission of non-critical information, or minor discrepancies between documents.
- Except for specific new financial services, if a Chinese financial institution is allowed to carry out a new financial service, a foreign financial institution in the pilot region shall be allowed to carry out the same type of service.
- Allow enterprises registered in the pilot region and individuals working or living in the pilot region to purchase offshore financial services across the border, and allow all compliant transfers related to foreign investors' investments to be freely remitted in and out of the region without delay.

02 Support for new offshore international trade

- According to the degree of comprehensive contribution of the enterprise's new offshore international trade business to the city, certain support will be given, and the previous year's support funds will be realized in the current year. No more than 10,000,000 yuan subsidy for each enterprise every year. For enterprises with particularly outstanding contributions, the amount of support can be determined in a "case-by-case" manner.



03 Supporting commercial and consumption upgrading

- Support commercial streets, shopping malls and commercial enterprises to carry out digital transformation, new consumption patterns and other commercial innovations, and provide incentives to projects that generate good economic and social benefits and have promotional value and demonstration effects.
- Support enterprises to carry out hardware transformation and upgrading such as environmental upgrading and facility renovation for shopping malls, shopping districts and characteristic commercial streets around consumption upgrading, and give awards to the projects with leading performance after evaluation every year.
- Support international brand enterprises, local independent brand enterprises and their authorized agents to open the first store in Asia, the first store in China (Mainland) and the first store in Shanghai in Pudong and provide one-time subsidies for settlement after evaluation.
- Support domestic and foreign famous brands to carry out influential new product debut, debut show, debut exhibition and other activities in Pudong, and give certain incentives after evaluation every year.
- Encourage the development of influential thematic key activities to promote consumption, and continuously organized for 3 years or more, to form a brand of business, tourism, and cultural activities, and annually assessed, and rewarded for the activities of the leading performance of enterprises.

04 Support the development of cross-border e-commerce in the Free Trade Zone

- Newly relocated to the region or the region's own cross-border e-commerce platform enterprises, recognized as meeting the conditions, can be given a one-time award.
- For cross-border e-commerce enterprises whose annual transaction amount reaches a certain scale, financial support will be given according to the recognized annual transaction amount in different grades.
- Provide a certain percentage of financial support to enterprises stationed in municipal cross-border e-commerce demonstration parks in the FTZ for the rental fees generated from the import and export business of cross-border e-commerce.
- Provide a certain percentage of financial support to comprehensive cross-border e-commerce service enterprises that provide cross-border e-commerce enterprises in the zone with independent stations, cross-border live broadcasting, overseas digital marketing services, etc., based on the actual service fees of the year.

1.2.2 China (Shanghai) Pilot Free Trade Zone Lingang New Area

On August 20, 2019, China (Shanghai) Pilot Free Trade Zone Lingang New Area was listed and established, which is a major strategic deployment for Shanghai's further development and opening up, with the goal of establishing a relatively mature system of investment and trade liberalization and facilitation system, creating a number of functional platforms with a higher degree of openness, gathering a number of world-class enterprises, significantly enhancing the creativity and competitiveness of the region, and significantly increasing the economic strength and economic aggregate will jump up significantly.

01 Accelerating the construction of Lingang New Area into an independent and comprehensive node city

- Liberalize the access restrictions on foreign investment in value-added telecommunication businesses such as Internet data centers and improve the access and regulatory system for foreign investment in new industries such as cloud computing.
- Accelerating the construction of an international financial asset trading platform in Lingang New Area to facilitate the allocation of global financial assets by domestic and foreign investors.
- Supporting the introduction of foreign talents in specialized fields in Lingang New Area and expanding the scope of "Single Window for Foreigners' Work and Residence" from Class A to Class B work permits.
- Supporting the establishment of schools for children of foreigners and supporting the introduction of foreign high-level applied universities to carry out Chinese-foreign cooperative education.
- Further improving the convenience of work and life for foreign talents holding permanent residence ID cards. Foreign talents with permanent residence ID cards can enjoy online registration and medical appointment services at designated hospitals in the new Lingang area.

02 Accelerating scientific and technological innovation in Lingang New Area

- No more than 6,000,000 yuan awarded for each enterprise to supporting the construction of open innovation centers.
- No more than 5,000,000 yuan awarded for each enterprise to encourage investment in R&D.
- No more than 1,000,000 yuan awarded for newly recognized SRDI small giant enterprises. No more than 250,000 yuan awarded for newly recognized SRDI enterprises.
- No more than 5,000,000 yuan awarded for new innovative enterprise headquarters of which the paid-up registered capital exceeds 100 million yuan.
- No more than 10,000,000 yuan awarded for the R&D institutions built by famous overseas universities, scientific research institutions and multinational companies in Lingang New Area.

03 Supporting the development of emerging financial industry in Lingang New Area

- Support domestic and foreign financial institutions, investment institutions and leading science and technology enterprises to set up financial technology companies, financial technology divisions, R&D centers, and open innovation platforms in Lingang New Area.
- Supporting international capital and domestic institutions to initiate or set up cross-border equity investment funds and management organizations, attracting overseas projects, technologies, capital, and other high-end innovation factors to Lingang New Area.
- Explore tax policies conducive to the development of fund management centers, reinsurance, foreign investment, and offshore business of multinational corporations on the premise of not leading to tax base erosion and profit shifting.
- Supporting overseas multinational companies to carry out full-featured cross-border capital pooling business through FTN accounts, to realize the facilitation of centralized capital operation.
- Encourage high-quality institutions in Lingang New Area to issue various types of free trade bonds and offshore bonds for global investors and support financial institutions to participate in underwriting.

04 Supporting the development of intellectual property rights in Lingang New Area

- Provide subsidies of 3% of the actual licensing and transfer costs for enterprises to license or transfer patents to unrelated foreign entities in Lingang New Area through the authentication of Shanghai Intellectual Property Operation Comprehensive Service Base.
- Subsidize 50% of the actual loan interest for the first loan and 40% of the actual loan interest for the non-first loan for enterprises that obtain loans from commercial banks by pledging intellectual property rights.
- For units that successfully carry out overseas intellectual property layout, overseas intellectual property risk prevention, overseas intellectual property rights defense and dispute response, 50% of the actual expenditure will be granted upon evaluation, not exceeding 300,000 yuan.
- For the successful project of intellectual property rights defense, according to the actual litigation fees and other reasonable costs incurred, the maximum funding does not exceed 50% of the actual costs, and the total amount of funding for the same unit does not exceed 200,000 yuan.
- Provide incentives to the permanent representative organizations of foreign patent agencies or international high-end intellectual property service organizations that have newly settled in Lingang New Area.

05 Promoting the development of building economy in Lingang New Area

- According to the actual area and usage of the enterprise's lease, after verification by the relevant departments of the Administrative Committee, the Administrative Committee will subsidize the enterprise according to the standard of RMB 1.00/m²/day, and the final amount of subsidy will not exceed the actual rent paid by the enterprise. Focusing on supporting key industries in the new area. (integrated circuits, artificial intelligence, biomedicine, etc., modern service industry, headquarters economy and other functional projects)



06 Promoting the development of legal services in Lingang New Area

- No more than 2,000,000 yuan awarded for supporting well-known foreign arbitration institutions and other dispute resolution organizations to set up business institutions in Lingang New Area.
- No more than 2,000,000 yuan awarded for supporting outstanding domestic law firms and foreign law firms to set up joint offices in Lingang New Area, or to set up joint law firms with Hong Kong and Macao law firms in Lingang New Area.
- No more than 1,500,000 yuan awarded for supporting world-renowned foreign law firms or Hong Kong and Macao law firms to set up representative offices in Lingang New Area.
- No more than 2,000,000 yuan awarded for supporting the organization of legal thematic activities with great influence at home and abroad in Lingang New Area.

07 Promoting the development of cultural, sports and tourism industries in Lingang New Area

- No more than 3,000,000 yuan awarded for supporting enterprises to use XR and other technologies to organize virtual-reality fusion festivals and events and encouraging enterprises to build online platforms for culture and tourism, such as virtual performances and virtual tourism scenes.
- No more than 30,000,000 yuan awarded for supporting the construction of high-tech film and television production bases in line with international industry standards.
- No more than 8,000,000 yuan awarded for supporting the sports new industry projects (water sports, ice sports, outdoor camping, sports e-sports, leisure and fitness, etc.).
- No more than 1,000,000 yuan awarded for supporting the introduction of high-end amusement games and other related equipment from abroad.

1.2.3 Hongqiao International Central Business District

Hongqiao International Open Hub is an important bearing place for the implementation of the national strategy for the integration of the Yangtze River Delta, which was approved by the State Council in 2021. It is located in the west side of the central city of Shanghai, with a total area of 151 square kilometers. It spans four administrative districts, namely Minhang, Changning, Qingpu and Jiading. Taking international conference and exhibition, high-end service and headquarters economy as the strategic pivot, it creates a distribution center for import and export commodities that links the Yangtze River Delta, serves the whole country and radiates to the Asia-Pacific region, and innovates and develops a new type of international trade.

01 Upgrading of Hongqiao International CBD

- Support Hongqiao International CBD to take the lead in cooperating with relevant countries to pilot international high-standard e-commerce rules and explore new modes of cooperation for mutual benefit and win-win results.
- Support Hongqiao International CBD to introduce more trade promotion agencies, chambers of commerce, associations and other functional institutions of international economic and trade organizations and cultivate the development of knowledge-intensive service trade, such as digital content distribution and intellectual property rights trading.
- Supporting the Hongqiao International CBD to take the lead in piloting the policy of integrated capital pooling of multinational corporations in local and foreign currencies, allowing enterprises to purchase foreign exchange within a certain amount, and permitting the centralized collection and payment of local and foreign currencies of overseas member enterprises to be carried out within the country.
- Establishing a list system for recognition of international vocational qualifications, allowing international talents who have obtained corresponding vocational qualifications abroad or certifications from international professional organizations to take up their jobs after being recognized for their competency levels or filed with the relevant departments.
- Supporting the establishment of a national guiding organization for responding to overseas intellectual property disputes, setting up a pool of experts for guiding overseas intellectual property disputes, and continuously improving the mechanism for responding to intellectual property disputes in overseas business around key industries.

02 Supporting the development of functional platforms in Hongqiao International CBD

- Focusing on supporting the functional platforms and enterprises established in the business district to serve the integrated development of the Yangtze River Delta, the construction of new international trade platforms, and the undertaking and amplification of the spillover effect of the Import Expo.
- Support in the form of rental subsidies of up to RMB 3.5/m²/day per year, start-up grants of RMB 0.1-1.5 million, and special subsidies of up to RMB 2 million per year.

03 Supporting the development of headquarters enterprises in Hongqiao International CBD

- The maximum subsidy for a trade-oriented headquarter enterprise is RMB 30 million according to the comprehensive contribution of the enterprise.
- Encourage qualified trade-oriented headquarter enterprises to apply for recognition of technologically advanced service enterprises. For certified technologically advanced service enterprises, the corporate income tax is at rate of 15%.
- Provide subsidies to core talents such as senior executives and senior R&D personnel based on their comprehensive contribution to the enterprise, with a maximum amount of RMB 2 million.
- Supporting the application for foreigner residence permits valid for three to five years for foreigners residing permanently in trade-oriented headquarters enterprises. Supporting foreign high-level talents to apply for permanent residence on a priority basis.

04 Supporting the development of modern service industry in Hongqiao International CBD

- For specialized factor markets, property rights trading centers and other trading platforms: start-up subsidies of up to 2 million yuan, housing purchase subsidies of up to 1.6 million yuan, rental subsidies of up to 5 yuan/m²/day.
- For international brand distributors (agents) and large-scale business services chain headquarters: start-up funding of up to 1 million yuan, housing purchase subsidies of up to 1.6 million yuan, rental subsidies of up to 5 yuan/m²/day.
- Large commercial complex with 50,000m² or above and store opening rate of 70% or more within one year of operation: start-up funding of up to 2 million yuan.
- Holding influential branded and internationalized high-end business activities in the region: the activity subsidy shall not exceed 50% of the actual expenses incurred for the activity, and the maximum amount shall not exceed RMB 1 million for each activity.
- Securities, futures and other financial institutions with an annual economic contribution of 15 million yuan or more: start-up subsidy of up to 1 million yuan, housing purchase subsidy of up to 1.6 million yuan, rental subsidy of up to 5 yuan/m²/day.

05 Supporting the development of legal service industry in Hongqiao International CBD

- Recognized foreign, Hong Kong and Macao law firms, overseas well-known arbitration institutions, commercial mediation institutions and other legal service institutions: rent subsidies of RMB 1.5-3.5/m²/day for three years, start-up subsidies of RMB 0.5-1.5 million.

06 Supporting the construction of “Smart Hongqiao” in Hongqiao International CBD

- Support 5G business district demonstration, smart exhibition, smart trade, smart government management, smart building, smart park, smart community, smart transportation projects. The support amount does not exceed 40% of the total project investment and the maximum amount of support for a single project does not exceed 30 million yuan.

07 Supporting the construction of Low Carbon Area in Hongqiao International CBD

- The support standard for two-star green building is up to 50 yuan/m² and the support standard for three-star green building is up to 100 yuan/m². The maximum amount of support for a single project shall not exceed RMB 30 million.
- The subsidy standard for regional centralized energy supply projects is up to RMB 30 million.
- The subsidy standard for sponge city construction is up to RMB 30 million for each project.

Chapter 2

Optimizing and Upgrading the Industrial Structure



2.1 Optimizing the Industrial Structure

2.1.1 Three Leading Industries



Relevant Policies

Integrated Circuit



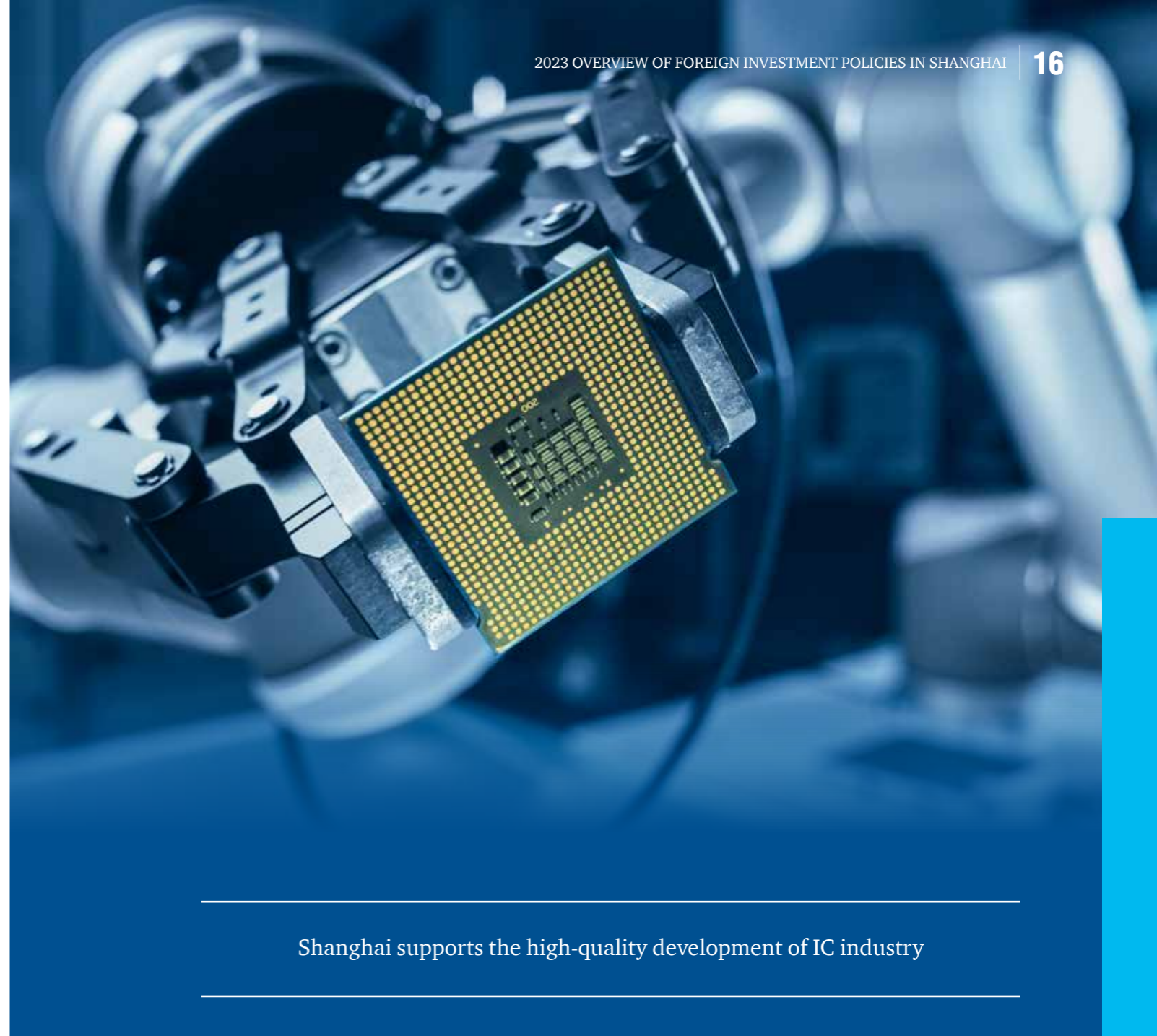
Shanghai supports the high-quality development of IC industry

- No more than 100 million yuan awarded for major projects to achieve a breakthrough in IC components and IC raw materials and realize the actual sales.
- The amount of support is no more than 100 million yuan for major projects of EDA, basic software, industrial software and information security software.
- The amount of support is no more than 100 million yuan for qualified design enterprises to carry out flow services that are conducive to promoting the application of IC line widths of 28 nanometers or less.
- Subsidies for the first equipment and materials for integrated circuits. 1 million yuan awarded for a single equipment validation and 500,000 yuan awarded for each batch of material validation.
- No more than 30 million yuan awarded to the core team for breaking through the annual main business income of integrated circuit-related enterprises, with no more than 500,000 yuan awarded individually.
- Special discounts on long-term preferential interest rate credit for bonds issued to participate in the Integrated Circuit Industry Investment Fund and the Equipment and Materials Fund.

Scale
During the “14th Five-Year Plan” period, the scale of the IC industry is targeted to grow at an average annual rate of about 20%.

Fields
Focus on high-end chip design, key devices, core equipment and materials, EDA design, etc.

Layout
Create a “**main body, two wings**” spatial layout with Zhangjiang as the main body and Lingang, Jiading as the two wings.



Key layout areas of integrated circuit in Shanghai

01 Pudong New Area

- For integrated circuit enterprises purchasing IP to develop high-end chips and carrying out IP products licensing services, no more than 3 million yuan incentives annually for each enterprise.
- For IC enterprises purchasing EDA design tools and software, no more than 2 million yuan incentives annually for each enterprise.
- For IC design enterprises carrying out the first round of wafer flow of engineered products, no more than 2 million yuan incentives annually for each enterprise.
- For IC design enterprises carrying out MPW (multi-project wafer) projects, no more than 2 million yuan incentives annually for each enterprise.
- No more than 40 million yuan incentives for enterprises to implement key core technology research in the field of integrated circuits in Zhangjiang National Innovation Demonstration Zone.

02 Jiading District

- Support the technology research and development for high-end general-purpose devices and key equipment. No more than 5 million yuan of incentives for projects which reach the international and domestic advanced level.
- Support R&D for integrated circuits and MEMS design enterprise, the total annual support for a single enterprise does not exceed 5 million yuan.
- Enterprises carrying out engineering prototype function, performance and other aspects of testing and verification, according to the actual costs of test and certification, the total annual support for a single enterprise does not exceed 2 million yuan.
- Annual incentives do not exceed 5 million yuan for each type of chip self-developed by IC enterprises, with cumulative sales exceeding 5 million yuan.
- The annual amount of subsidies do not exceed 2 million yuan for smart sensor-related enterprises to purchase EDA design tool software or design simulation software.

03 Lingang New Area

- IC design enterprises whose annual sales exceed 50 million, 100 million, 300 million, 500 million and 1 billion yuan for the first time will be given one-time incentives of up to 1 million, 1.5 million, 2 million, 3 million and 5 million yuan respectively.
- IC manufacturing packaging and testing enterprises whose annual sales exceed 500 million, 1 billion, 5 billion and 10 billion yuan for the first time will be given one-time incentives of up to 2 million, 8 million, 12 million and 15 million yuan respectively.
- IC equipment and materials enterprises whose annual sales exceed 50 million, 100 million, 500 million and 1 billion yuan for the first time will be given one-time incentives of up to 2 million, 8 million, 12 million and 15 million yuan respectively.
- Successful mergers and acquisitions of domestic and foreign IC industry chain related enterprises or key R&D institutions, the subsidy is up to 10 million yuan.
- Annual subsidy up to 30 million yuan for enterprises engaged in EDA design tool R&D.

Artificial Intelligence



Scale

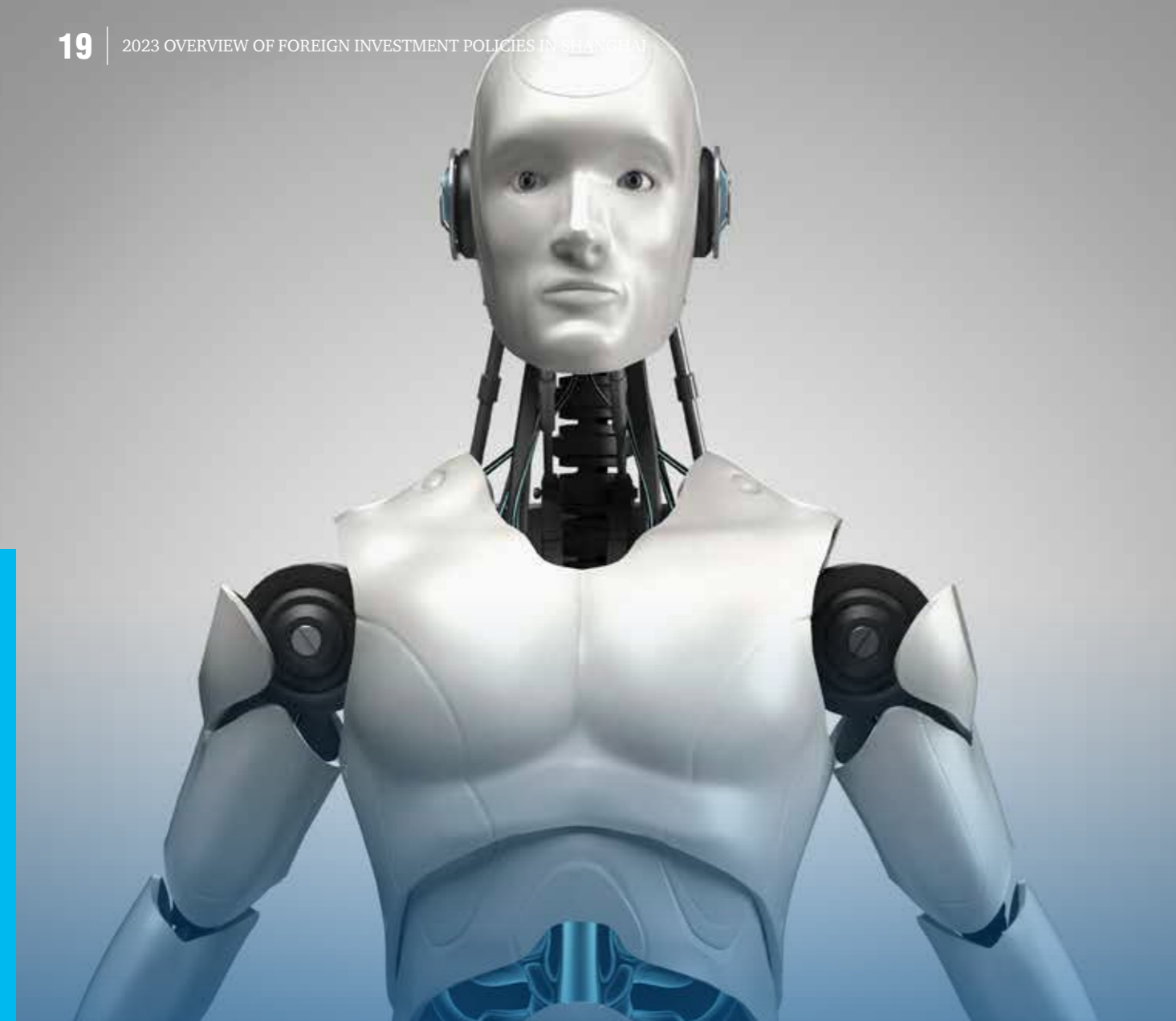
During the “14th Five-Year Plan” period, the average annual growth rate of artificial intelligence industry scale reaches about 15%.

Fields

Focus on intelligent chips, intelligent software, automatic driving and intelligent robots.

Layout

Four advantageous industrial clusters: Pudong Zhangjiang, Xuhui Binjiang, Minhang Maqiao and Lingang New Area.



Shanghai builds an artificial intelligence industry highland and cultivates artificial intelligence industry clusters

- No more than 20 million yuan incentives for supporting the key projects such as smart chips, core algorithms, operating systems, and basic software.
- Supporting the organization and introduction of international high-level academic conferences and joint innovation institutions related to artificial intelligence and providing an international cooperation platform for relevant subjects to participate in the development and governance of the artificial intelligence industry.
- Supporting the construction and open application of arithmetic infrastructure based on self-developed AI-specific computing architectures by relevant subjects.
- Supporting relevant subjects to deeply integrate data with industry knowledge and develop data products to serve the needs of algorithm design, model training, product validation and scenario application.
- Supporting the independent research and development and industrial application of operating systems, proprietary chips and core components for intelligent networked vehicles, as well as AI-assisted diagnostic algorithms, surgical positioning and navigation, and integrated brain-computer interfaces.

Key layout areas of artificial intelligence in Shanghai

01 Pudong New Area

- No more than 20 million yuan subsidies for innovative and leading projects in line with the development direction of digital transformation of the economy.
- Subsidies of up to 250,000 yuan will be given to enterprises that have passed the “Data Management Capability Maturity Evaluation Model”.
- Provide one-time rewards of 1 million yuan and 500,000 yuan to service-oriented manufacturing demonstration enterprises, platforms and projects recognized by relevant departments of the State and Shanghai Municipality respectively.
- For artificial intelligence and software projects supported by Shanghai municipal-level policies, a reward of no more than 50 million yuan obtained.
- No more than 40 million yuan subsidies for enterprises implementing key core technology research and development in the field of artificial intelligence in Zhangjiang National Innovation Demonstration Zone.

02 Lingang New Area

- For projects leading industrial development or making subversive technological breakthroughs, a maximum of 20 million yuan subsidies will be given as financial support. For particularly significant projects, it can be supported for three consecutive years.
- Supporting enterprises to develop independently controllable AI open source frameworks, giving up to 30 million yuan of R&D cost support, and giving up to 1 million yuan of annual operating fund support to platforms.
- Supporting the establishment of AI training datasets, standard test datasets and other resource databases, giving up to 3 million yuan of financial support for dataset construction and up to 1 million yuan of annual operating expense financial support.
- Supporting the establishment of industry-specific datasets, providing up to 5 million yuan of financial support for dataset construction and up to 1 million yuan of financial support for dataset annual operation.

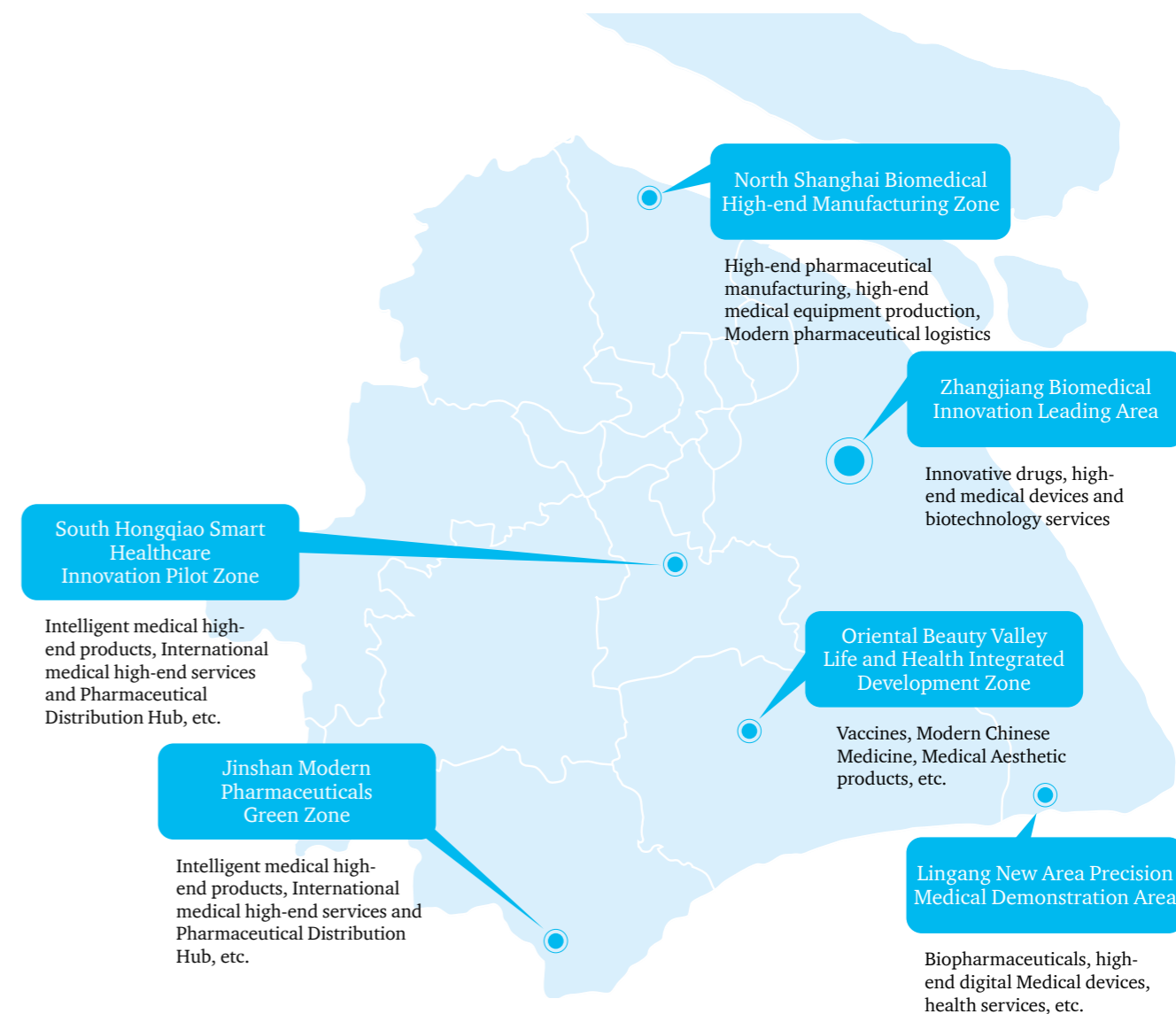
03 Xuhui District

- For newly registered or newly relocated enterprises in line with the development orientation of the district’s AI industry, if the paid-in capital reaches RMB 20 million, a one-time incentive of up to RMB 5 million will be granted once recognized.
- For newly registered or newly relocated large model and generative AI enterprises with technological strength and innovation capability, a maximum of RMB 5 million will be granted.
- Up to 15 million RMB subsidy for the costs of business start-up and office accommodation for enterprises that have made significant contributions to the region and driven industries in the district.
- Supporting the development of large models in medical, financial, cultural creativity, e-commerce retailing, intelligent terminals and other fields, with a maximum subsidy of 3 million yuan.
- Providing support for the procurement of arithmetic power for enterprises that carry out large model training and generative AI application exploration, with a subsidy of up to 5 million yuan.

04 Minhang District

- For enterprises in the field of artificial intelligence with fixed asset investment of 50 million yuan or more, subsidies will be given according to 10% of the enterprise's R&D expenses and equipment investment within 2 years, with a subsidy of up to 10 million yuan.
- For key AI enterprises with paid-in capital of 5 million yuan or above, 30 employees or more, and market financing scale of 20 million yuan, rent subsidies will be given for three years, up to 3 million yuan in total.
- Promote the construction of smart factories. Providing support for enterprises according to 10% of their total investment in intelligent digitalization and networking, with a subsidy of up to 20 million yuan.
- Provide a one-time reward of 1-1.5 million RMB for smart production lines, smart workshops and smart factories recognized at the municipal level or above.
- Encourage enterprises to carry out "5G/AI Industrial Internet" innovation and application. Providing support according to 20% of the total investment in the innovation and application project, with a reward of up to 2 million yuan.

Biomedicine



<p>Scale</p> <p>During the "14th Five-Year Plan" period, the average annual growth rate of the scale of the biomedicine industry will reach about 8%.</p>	<p>Fields</p> <p>Focusing on innovative drugs and high-end preparations, high-end medical devices and biotechnology services.</p>	<p>Layout</p> <p>"1+5+X" biomedicine industrial park layout with Zhangjiang Area as the leader.</p>
--	--	--



Shanghai builds a global highland of biomedicine industry

- Provide financial support of up to 30 million yuan for qualified innovative pharmaceutical and equipment research and development projects.
- Provide financial support of up to 15 million yuan for qualified projects of core technology research, construction of key specialized service platforms and industrialization of major products in the field of biomedicine.
- Provide financial support of up to 20 million yuan to produce Class 1 innovative drugs entrusted to non-Shanghai enterprises (including affiliates) by applicants who have obtained drug registration certificates in Shanghai.
- Provide financial support of up to RMB 7.5 million to produce improved new drugs entrusted to non-Shanghai enterprises (including affiliates) by the applicants who have obtained the certificate of drug registration in Shanghai.
- Provide financial support of up to RMB 5 million to produce medical devices entrusted to non-Shanghai enterprises (including affiliates) by the applicants who have obtained the certificate of medical device registration in Shanghai.

Key layout areas of biomedicine in Shanghai

01 Pudong New Area

- Provide a one-time incentive of 10 million yuan for new drugs of Class I approved for marketing, and a one-time incentive of 5 million yuan for new drugs of Class II approved for marketing.
- Provide a one-time reward of 2 million yuan for the first generic drug of the same kind in China that passes the consistency evaluation.
- One-time incentives of 1 million yuan and 500,000 yuan will be given to registered Class III medical devices and Class III IVD Reagents respectively.
- Provide a one-time reward of 2 million yuan to enterprises that have obtained the certification of FDA, EMA, WHO and other international pharmaceutical production quality management standard.
- Supporting enterprises to implement key core technologies in the field of biomedicine with a maximum of 40 million yuan for a single project in Zhangjiang National Innovation Demonstration Zone.

02 Minhang District

- Encourage enterprises to declare municipal biomedical science and technology support and give 10% of the amount of municipal support, up to 1 million yuan in total.
- Provide funding of up to 1 million yuan for enterprise-led research projects jointly undertaken by hospitals and research institutes after evaluation.
- Provide a reward of 3 million yuan for innovative drugs that have completed clinical trials, obtained Drug Registration Approval and produced and sold in Minhang District.
- No more than 10 million yuan financial support for the core technology research and key specialized service platform construction projects in the field of biomedicine established by the municipal departments.
- Provide annual rental and decoration subsidies of no more than 1.5 million yuan to newly settled innovative biomedicine enterprises in the district.

03 Baoshan District

- For the world's top 500 companies and the top 50 companies in the global pharmaceutical industry to set up their headquarters, a maximum of 80 million yuan and 60 million yuan will be given respectively to support the start-up costs.
- For the establishment of R&D centers with independent legal personality by the world's top 500 companies and the top 50 enterprises in the global pharmaceutical industry, start-up fee support will be up to 20 million and 10 million yuan respectively.
- For projects that have obtained drug registration approvals and innovative medical device product registration certificates and implemented industrialization in the region, support will be given in accordance with 20% of the total investment in fixed assets of the project, with a maximum of RMB 50 million.
- For the selected national organization of the centralized procurement of drugs, medical devices in accordance with the centralized procurement of the current year to give 5% of the purchase price incentives, the funding up to 2 million yuan for each enterprise.
- For innovative drugs that have carried out phase I and phase II clinical trials, and have been licensed and produced in the region, the maximum support will be 10 million and 30 million yuan respectively.

04 Lingang New Area

- For high-end medical imaging, advanced therapeutic equipment, medical biomaterials, new biotechnology projects, etc., funding can be provided in phases based on 50% of the total project investment, with a maximum of 300 million yuan.
- For Class I chemical drugs, biological products, traditional Chinese medicines and natural medicines, a maximum of 8 million yuan will be granted if clinical approvals are obtained. A maximum of 10, 20 and 30 million yuan will be granted for the completion of Phase I, II and III clinical trials respectively.
- For Class 2 chemical drugs, Class 2-5 biological products, Class 2-6 traditional Chinese medicines and natural drugs, the maximum funding of 2 million yuan for obtaining clinical approvals. A maximum of 3, 8 and 15 million yuan will be granted for the completion of Phase I, II and III clinical trials respectively.
- The maximum amount of support does not exceed 500 million yuan for the leading projects driving development of biomedical industry.

05 Fengxian District

- Support the introduction of industrial projects with leading and driving role in the development of life and health industry, with the maximum support of 30 million yuan for a single project.
- Provide support for I, II chemical drugs, biological products, innovative Chinese medicine, etc., according to 30% of the product development cost. Giving 1 million yuan reward for entering domestic clinical trial. Giving 2 and 3 million yuan rewards for completing I, II phase of the domestic clinical trial respectively.
- Support for enterprises, universities, professional organizations to build clinical medical research centers, the maximum support of 10 million yuan for a single project.
- Support for high-quality CRO, CDMO, CMO, CSO and other third-party service organizations and achievement transformation centers, the maximum support of 10 million yuan for a single project.

06 Jinshan District

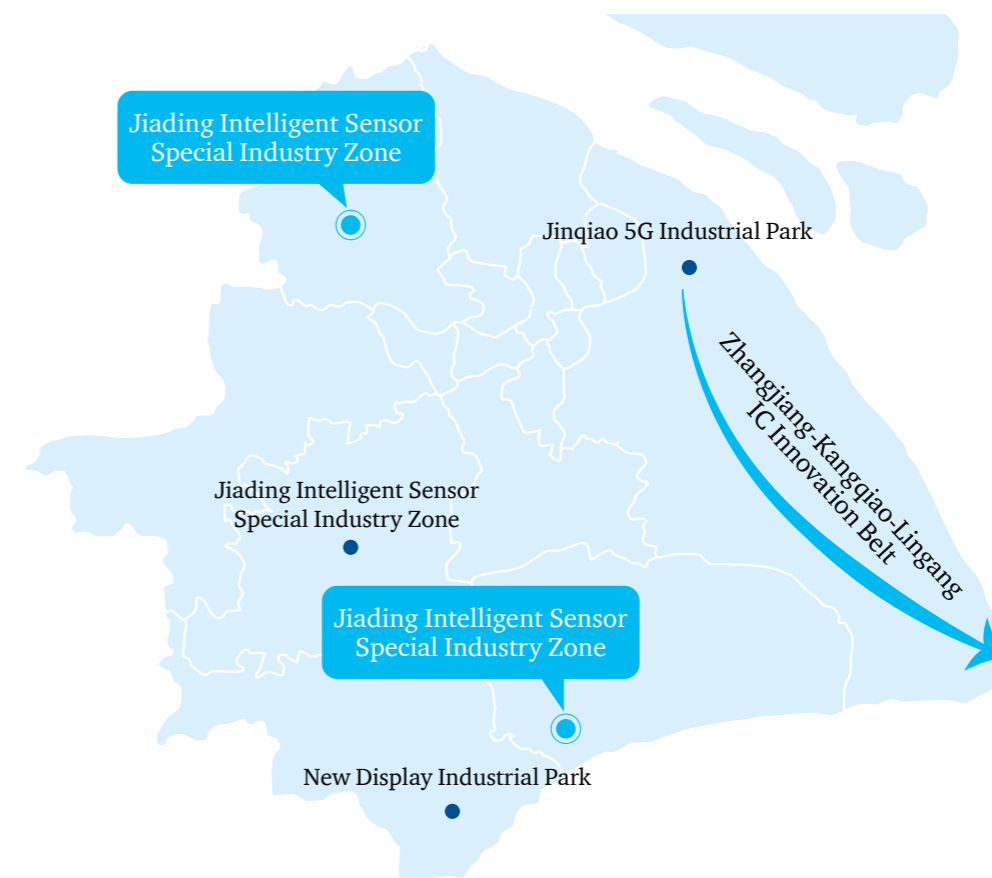
- Supporting the R&D of innovative medicine. Providing support of up to 10 million yuan for innovative drugs that have been manufactured and sold in the district.
- For new drugs and biosimilars that have obtained registration approvals, 10% of the actual R&D expenses of the product will be subsidized, with a maximum support of 2 million yuan.
- Supporting enterprises to obtain medical device registration certificates. For newly obtained Class III medical device registration certificates, subsidizing 10% of the actual R&D expenses of the product, with a maximum support of 2 million yuan.
- New drug projects that enter phase II and III clinical trials and obtain clinical approvals will be supported with 500,000 yuan and 1 million yuan according to the level of project innovation and prior investment, respectively.

2.1.2 Six Key Industries



Relevant Policies

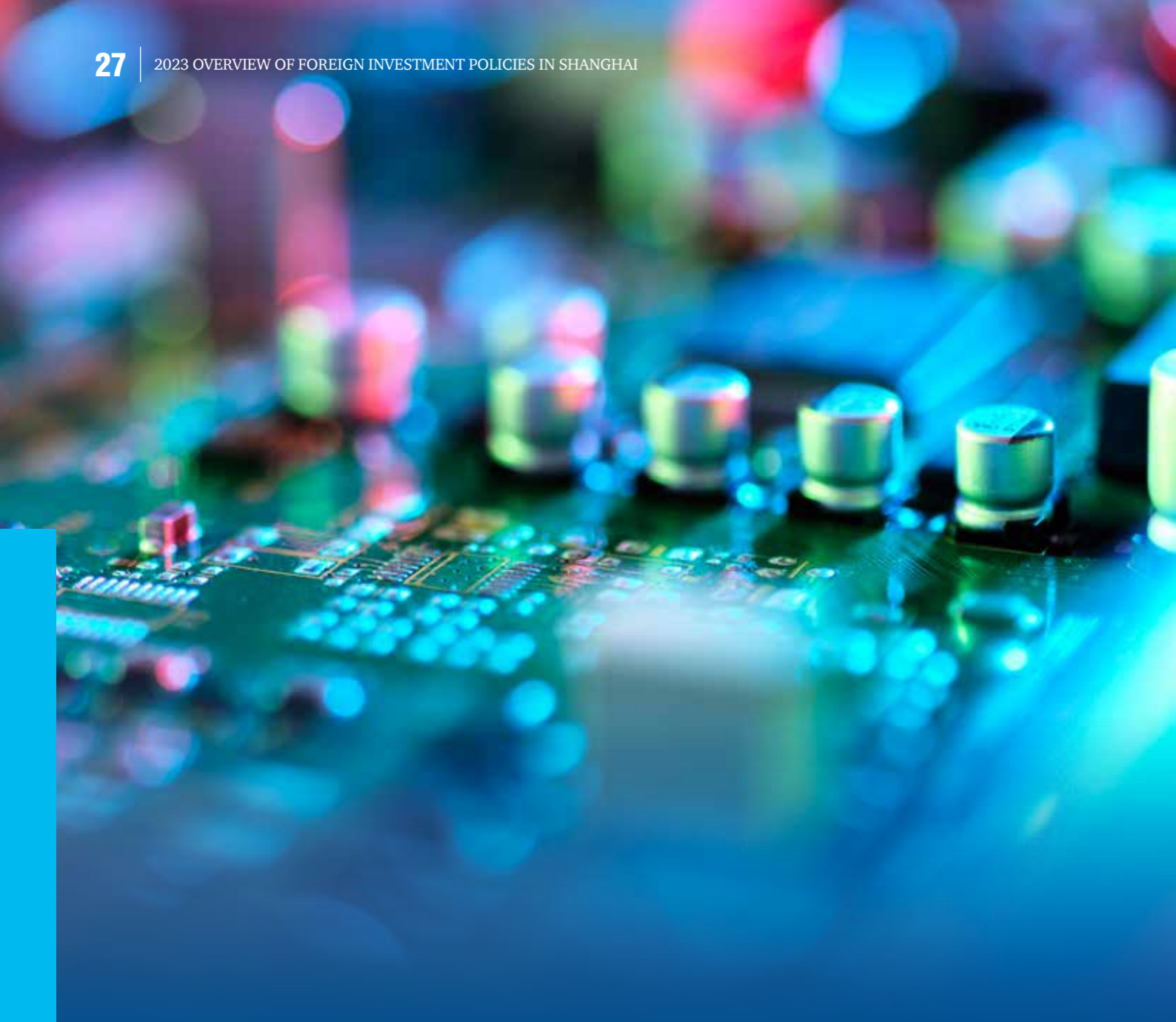
Electronic Information



Scale By 2025, a world-class electronic information industry cluster with global influence and competitiveness will be initially established, with an industrial scale of more than 2.2 trillion yuan.

Fields Focus on integrated circuits, next-generation communication equipment, new display, ultra-high-definition video, Internet of Things, intelligent sensing, intelligent terminals, etc.

Layout “One belt, two districts, three parks and multiple points”: comprehensive integrated circuit industry innovation belt, intelligent sensors and electronic chemicals special industrial zone, new display industrial park, G60 electronic information park and 5G Park.



Shanghai promotes high-quality development of electronic information

- Supporting the application of the first version of software, with support funds amounting to 20% of the cumulative amount of the first three sales contracts, with the maximum amount not exceeding 2 million yuan.
- Purchase of qualified EDA tools by integrated circuit enterprises and innovation platforms in the city will be subsidized by 50% of the actual purchase amount.
- Provide support for foreign high-end talents in key industries such as integrated circuits, basic software and information technology services in accordance with relevant policies.

Key layout areas of electronic information in Shanghai

01 Pudong New Area

- Support R&D for automotive chip, core component based on 5G and new generation of technology and new display.
- Project funding do not exceed 30% of the total project investment, with a maximum amount of 2 million yuan for a single project.
- Supporting enterprises to carry out industrialization of key components, modules and equipment of new-generation communication technology, and rewarding enterprises whose annual sales of related products reach RMB 30 million by no more than 10% of the annual sales of related products, with the maximum annual amount of RMB 5 million for a single enterprise.
- Cultivate new-generation communication technology solution integrators, accelerate the integration of new-generation communication technology and vertical industry innovation and application, for the annual sales revenue of more than 10 million yuan of enterprises, according to no more than 10% of its annual sales will be rewarded, a single enterprise annual maximum of 5 million yuan.

02 Lingang New Area

- Support integrated circuit design and system development and application, chip manufacturing, packaging and testing, equipment and core components, semiconductor materials and other industrialization transformation and construction projects.
- Support a new generation of Internet core network equipment and other product development and industrialization. support for new display manufacturing, key materials, equipment and core components, LED chip manufacturing, packaging and other transformation projects.
- 12 million yuan financial support for projects with total investment of 30 million yuan or more. 6 million yuan financial support for projects with total investment of 10 million yuan or more. 2 million yuan financial support for projects with total investment of 10 million yuan or less.

03 Jiading District

- Encourage intelligent sensor-related enterprises to establish enterprise technology centers, R&D centers, engineering research centers, joint laboratories and other technology research and development institutions. These institutions will be awarded 2 million yuan, 1 million yuan and 0.5 million yuan respectively when the first time to be recognized as national, municipal and district level.
- Support smart sensor-related enterprises to carry out training and certification, the maximum amount of subsidies up to 1 million per year.
- Encourage intelligent sensor-related enterprises to cooperate with universities and research institutes to carry out projects with no more than 1 million yuan subsidies.
- Successful mergers and acquisitions of domestic and foreign enterprises or R&D institutions in the field of intelligent sensors will be given 10% of the amount of mergers and acquisitions, up to 10 million yuan of incentives.

04 Jinshan District

- Support the construction of new display industry research institute, according to 20% of the investment in the institute to give subsidies, the maximum not more than 10 million yuan.
- Support the upgrading of the new display industry chain, subsidies of up to 3 million yuan.

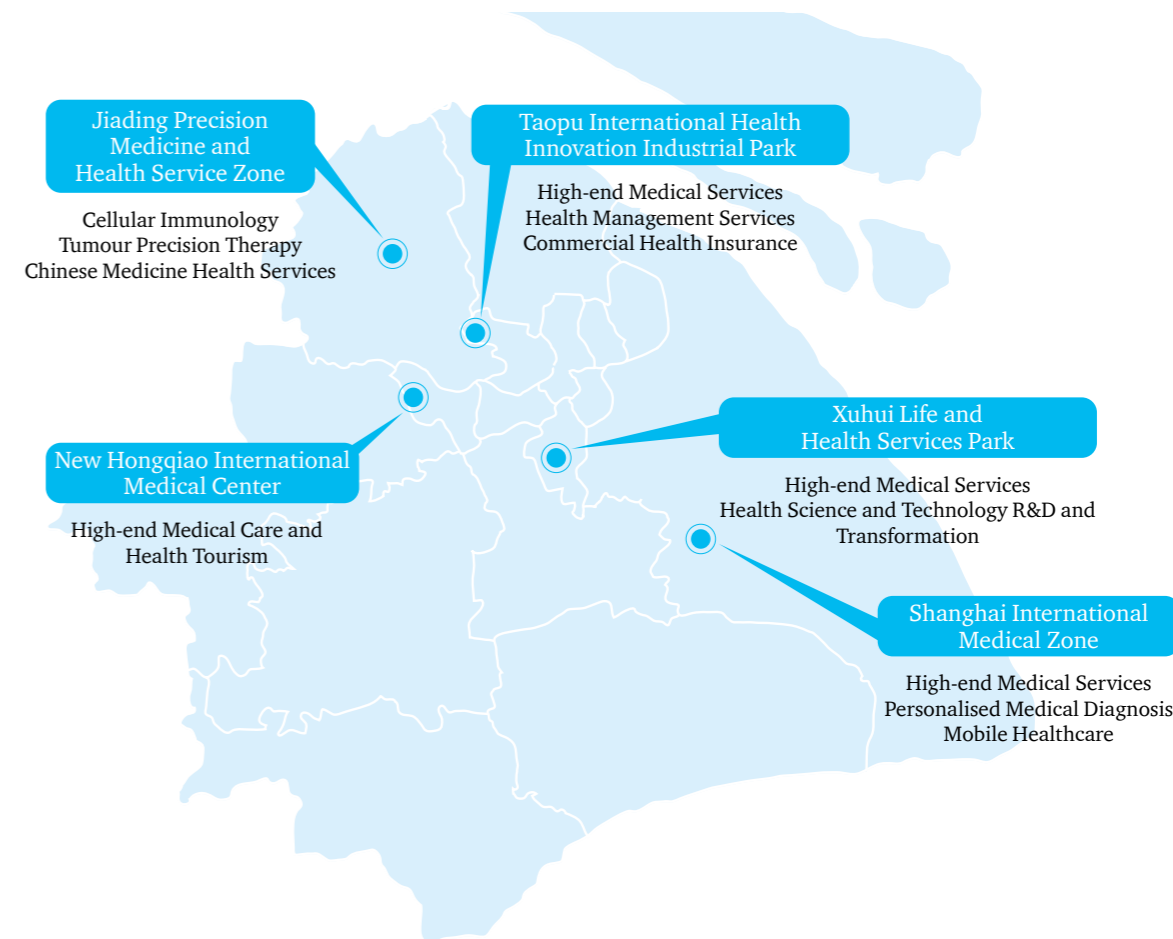
05 Shanghai Chemical Industry Park

- The maximum funding of 20 million yuan for electronic chemical projects with an approved investment of more than 100 million yuan, which should be used in advanced processes of integrated circuit manufacturing or the first time to achieve localized substitution or the first time to achieve localized production.
- Support enterprises to promote industrial software and other industrial Internet products and smart manufacturing key technologies in the innovative application of smart factories, the maximum funding of 5 million yuan.
- Support the promotion of industry chain collaboration to build industry-wide industrial Internet platforms, and fostering cross-industry and cross-field industrial Internet platforms, with a maximum funding of 5 million yuan.
- Support enterprise digital transformation projects, with funding amount not exceeding RMB 5 million for a single project.

06 Songjiang District

- For newly-introduced electronic information enterprises, if they rent buildings in the district, they will be given subsidies of up to 5 million yuan. If they purchase their own buildings, they will be given subsidies of up to 10 million yuan.
- For industrial internet projects, the amount of support is not more than 30% of the total investment of the project, the amount of funding for general projects is not more than 3 million yuan, and the amount of funding for key projects is not more than 10 million yuan.
- Support enterprises to promote industrial software, industrial cloud, information security systems and other industrial Internet products and intelligent manufacturing key technologies in the factory innovation and application, the maximum support of 3 million yuan.

Life and Health



Scale During the “14th Five-Year Plan” period, building a life and health industry cluster with an industrial scale of trillion yuan.

Fields Focus on biomedicine, high-end medical devices, intelligent health products and other manufacturing fields, and extend the development of health services, pharmaceutical distribution and other service fields.

Layout Form a “5+X” spatial layout of the life and health industry: Shanghai International Medical Park, New Hongqiao International Medical Center, Jiading Precision Medicine and Health Service Cluster, Putuo Taopu International Health Innovation Industrial Park, Xuhui Fenglin Life and Health Industrial Park.



Shanghai promotes the high-quality development of the life and health industry

- Medical institutions providing medical services (excluding pharmaceuticals) enjoy VAT exemption in accordance with national regulations.
- Medical institutions certified to have obtained the tax exemption status of non-profit organizations can treat their relevant income as enterprise income tax exemption.
- Non-profit medical institutions run by the society shall enjoy the same public supporting treatment as public medical institutions, and the price of electricity, water and gas shall be the same as that of public medical institutions.
- If the project of for-profit medical institutions uses medical land, land can be supplied by agreement in accordance with national regulations. long-term leasing, renting and then letting are encouraged to supply land for construction of health service projects.
- Supporting park platforms to build and hold standard factory buildings, general-purpose R&D and other properties, and providing them to health service enterprises in the form of long-term leasing and lease-and-sell.

Key layout areas of life and health industry in Shanghai

01 Xuhui District

- For newly registered or newly relocated high-quality enterprises in line with the development orientation of life and health industry and with paid-in capital of 20 million yuan or more, a one-time incentive of up to 5 million yuan will be granted.
- For the main body of the life and health industry with obvious driving effect and large regional contribution, an incentive of up to 15 million yuan will be granted to cover the cost of business start-up and office accommodation.
- Provide financial support of up to RMB 5 million for core technology research, construction of key specialized service platforms and major product industrialization projects in the field of life and health.
- Supporting life and health enterprises in the region to carry out joint research and development, clinical collaboration, supply chain synergy, etc., with a maximum subsidy of 10% of the actual purchase invoice amount, and the subsidy amount shall not exceed RMB 3 million per year.
- Subsidy of up to RMB 5 million for innovative drugs, improved new drugs and generic drugs that have obtained drug registration certificates.

02 Putuo District

- For high-quality enterprises newly settled in the key life and health park of the district, start-up subsidies will be given according to 3% of the actual registered capital, with a total amount not exceeding 5 million yuan, to be realized in three years.
- Provide rental subsidies of up to 50% for quality enterprises newly settled in the key parks of the district, with a maximum annual subsidy of 1 million yuan for a single enterprise for a period of no more than three years.
- For newly introduced enterprises to purchase new office buildings for their own use in the district, subsidies will be given at 1.5% of the new purchase price, with a total amount not exceeding 3 million yuan, to be realized in three years.
- Support the construction of R&D service platform. Encourage the construction of laboratories and other functional R&D service platforms in the region, and provide a one-time subsidy of up to 2 million RMB upon recognition.
- For the introduction of world-renowned high-level talents with significant influence in the field of life and health, a one-time award of up to 5 million yuan can be given.

03 Jiading District

- Provide incentives of up to 1 million yuan and 3 million yuan to enterprises newly obtaining registration certificates for Class II and Class III medical devices, respectively.
- Newly established or relocated life and health enterprises will be granted a maximum of 10 million RMB according to their industry-driven role and contribution to the regional economy.
- Encourage collaborative cooperation to build medical-industrial innovation platforms, clinical sample resource libraries, health big data platforms, clinical trials of drugs and medical devices and other platforms, and give a maximum incentive of 3 million yuan.
- Subsidies of up to 10 million RMB for newly-introduced biomedical enterprises that purchase land in the region for production, R&D, and office use.
- Encourage project cooperation between enterprises in the region and hospitals, colleges and universities, research institutes, and give support subsidies of up to 1 million yuan.

04 Pudong New Area

- In line with the leading direction of Zhangjiang Science City, with strong innovation leading role, R&D innovation projects will be supported by 50% of the actual expenditure, and the total amount of support for each unit will not exceed RMB 20 million.
- Focusing on core technologies and high-value scientific and technological achievements, implement proof-of-concept services such as technology development, product validation and market application research. After comprehensive evaluation, the total amount of support for each unit for the year shall not exceed RMB 5 million.
- For the actual expenditure on project construction, site rental, technology research, demonstration application, etc., the support for a single project does not exceed 20 million yuan.

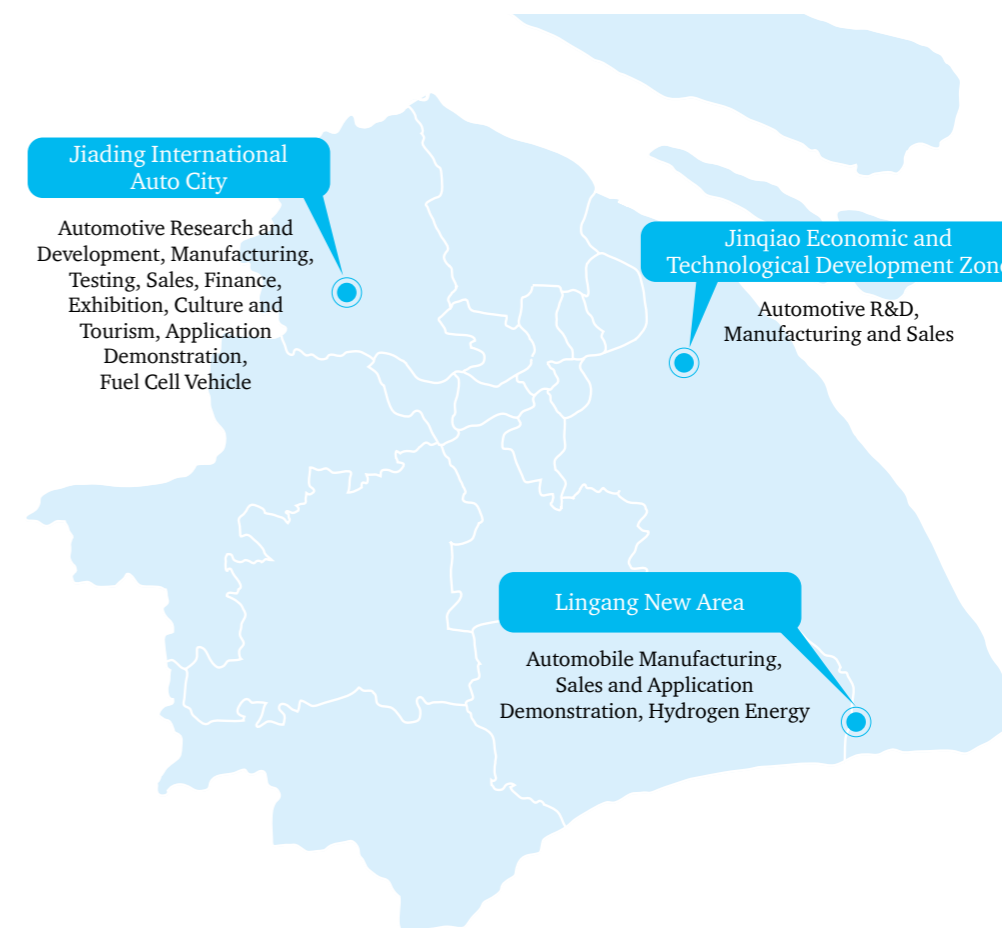
05 Hongqiao International CBD

- For life and health service enterprises in compliance with the regulations, start-up funding of up to RMB 500,000, subsidies for the purchase of premises of up to RMB 800,000, rental subsidies of no more than 5 yuan/m²/day.
- Biological and pharmaceutical enterprises in compliance with the regulations, start-up funding of up to 2 million yuan, subsidies of 1.6 million yuan for the purchase of housing, rental subsidies of no more than 5 yuan/m²/day.

06 Minhang District

- For CRO, CDMO and other services for the region’s biomedical enterprises, annual funding of 10% of the actual amount of services, a single platform of up to 1 million yuan per year.
- For those that have passed the consistency evaluation of generic drugs, a single species will be granted 2 million RMB for R&D expenses, and the maximum funding for a single enterprise will not exceed 4 million RMB.
- Minhang is to carry out customization of personalized factory buildings and implement “renting first “ for industrial land for growing enterprises.

Automobile



Scale

During the “14th Five-Year Plan” period, the annual output of new energy vehicles in Shanghai will exceed 1.2 million units, and the output value of new energy vehicles will exceed 350 billion yuan, accounting for more than 35% of the city’s automobile manufacturing output value.

Fields

Focus on new energy vehicles, intelligent networked vehicles, vehicles and parts and components manufacturing, and extend the development of intelligent transportation, automotive finance and other service areas.

Layout

Form a “1+2+X” spatial layout of new energy intelligent vehicles: Jiading International Automobile City, Jinqiao Economic and Technological Development Zone and Lingang New Area.



Shanghai supports the core technology research of automobile industry

- If fuel cell vehicles obtain national comprehensive evaluation reward points, Shanghai will reward them with 200,000 RMB for every 1 point.
- Gross mass of 12-31 tons trucks will be rewarded 5,000 yuan per year, heavy trucks with gross mass over 31 tons will be rewarded 20,000 yuan per year and commuter buses will be rewarded 10,000 yuan per year.
- The key components of fuel cell vehicles will be rewarded with points with reference to the national comprehensive evaluation, and 30,000 yuan will be rewarded for each 1 point. The total amount of incentives per enterprise for the key component products shall not exceed 30 million yuan.
- If gas operation license and gas supply site license are obtained by the end of 2022, 2023, 2024-2025, the maximum support funds for each hydrogen refueling station will be 5 million, 4 million and 3 million respectively.
- Supporting hydrogen refueling stations, charging and switching facilities, intelligent roadside facilities and major functional platform projects to be included in the “new infrastructure” project, and providing support in terms of finance and taxation, low-interest loans, etc.

Key layout areas of automobile industry in Shanghai

01 Jiading District

- For projects recognized as obtaining national and municipal technological reform funds, according to the actual amount of support obtained by the enterprise, district-level financial support will be given no more than 10 million yuan in total.
- Support enterprises to declare district-level technological reform, the financial support of no more than 2 million yuan.
- Support the development of growing automobile “new four” enterprises in the district and give a one-time incentive of RMB 500,000 to the enterprises that reach above scale for the first time.
- Intelligent networked automobile enterprises purchasing products and services of related enterprises for modifying intelligent networked automobiles will be given a maximum purchase subsidy of 30% per vehicle, with a maximum subsidy of 3 million yuan for a single enterprise.
- Encourage fuel cell vehicle and system enterprises to purchase key parts and components such as electric stacks, membrane electrodes, bipolar plates, proton exchange membranes, catalysts, carbon paper, air compressors, hydrogen recycling systems, hydrogen storage bottles and valves, or related services, and provide 10% subsidy of the contract amount upon recognition, with the maximum amount of RMB 20 million.

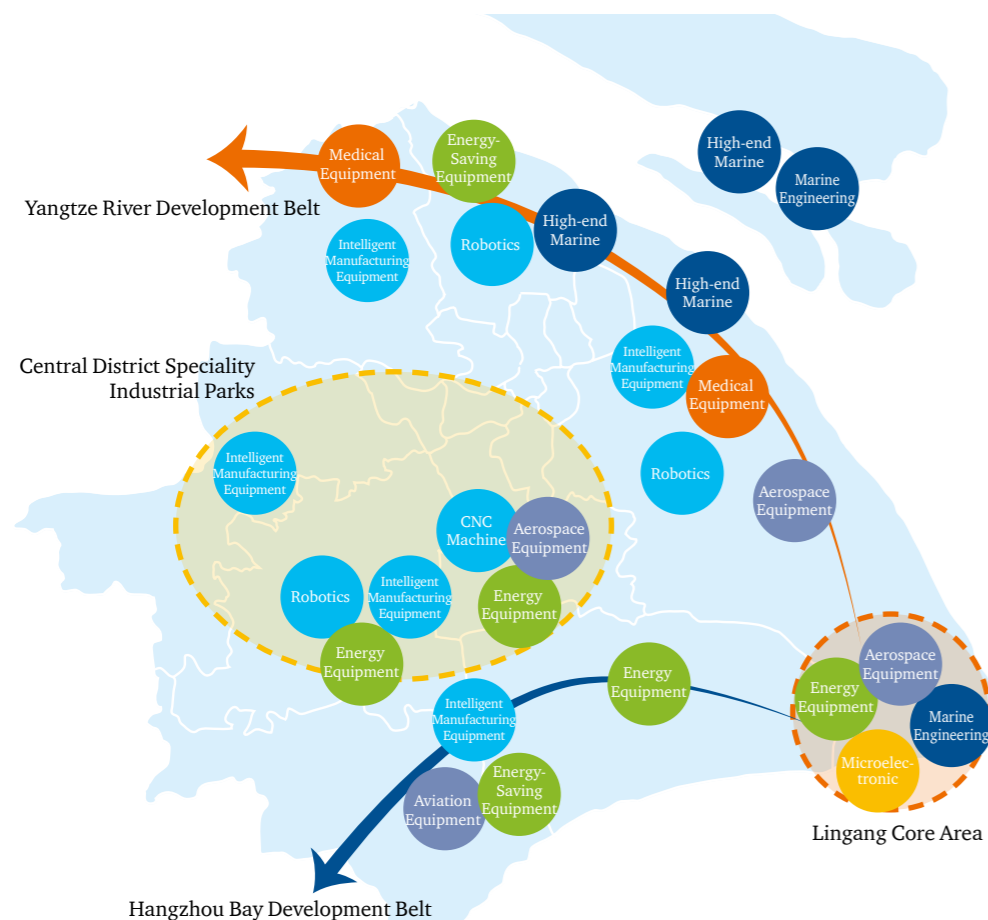
02 Lingang New Area

- If enterprises or R&D institutions in the area realize technological breakthroughs in the field of key core parts and components of fuel cell vehicles and fill the gaps in the country, they will be given up to 20 million yuan of financial support.
- Support key projects of fuel cell vehicles and provide financial support of up to 20% of the investment in fixed assets of the relevant projects, with a maximum of RMB 100 million.
- For the fuel cell vehicle and key core components rated as the first international equipment project, the support amount shall not exceed 30 million yuan. for the first domestic equipment project, the support amount shall not exceed 20 million yuan.
- Fuel cell vehicle operation platform, according to the annual operating costs to give no more than 10%, up to 5 million / year, no more than 4 years of operation incentives.
- Enterprises related to new energy vehicles in Lingang New Area, engaged in integrated circuits, artificial intelligence core link related business, enterprise income tax at a rate of 15% for five years from the date of establishment.

03 Pudong New Area

- Support the development of key parts and components for intelligent networked vehicles and new energy vehicles, with a funding of up to 2 million yuan for a single project.
- Support enterprises to carry out modification of intelligent networked vehicles and provide subsidies not exceeding 30% of the modification cost, with the maximum amount of subsidy not exceeding RMB 2 million per enterprise per year.
- Supporting enterprises to carry out innovation and application of intelligent networked vehicles and providing subsidies not exceeding 10% of the input cost, with each enterprise not exceeding 2 million yuan per year.
- Supporting enterprises to carry out innovative application of unmanned equipment, with an annual reward of no more than 2 million yuan per enterprise.

High-end Equipment



Scale

During the “14th Five-Year Plan” period, the industrial output value of the city’s high-end equipment industry will exceed RMB 700 billion.

Fields

Focus on aerospace, marine industry, intelligent manufacturing equipment, high-end energy equipment, energy saving and environmental protection equipment, rail transportation equipment, advanced agricultural equipment and other manufacturing areas, as well as system integration, intelligent operation and maintenance.

Layout

“1+2+N” industrial layout: Lingang New Area as the core, the development belt along the river, the development belt around the Bay and several parks in the middle of the city.



Shanghai focuses on industrial robots, civil aerospace, new energy power generation equipment, etc.

- Support the development of high-precision industrial robots, commercial airplanes, drones, large-scale high-tech ships, high-end energy equipment, energy-saving and environmental protection equipment and other fields.
- Encourage enterprises to undertake various national special tasks and pilot demonstration projects, and implement import tax policies for key components of major technical equipment.
- Support the first breakthrough in high-end intelligent equipment. International first equipment project support amount not exceeding 30 million yuan. Domestic first equipment project support amount not exceeding 10 million yuan.
- Demonstration and application projects of high-end intelligent equipment, the amount of support does not exceed 10 million yuan.

Key layout areas of high-end equipment in Shanghai

01 Lingang New Area

- Focus on large aircraft engines, new energy vehicle power batteries, hydrogen fuel cells, heavy-duty gas turbines, high-end CNC machine tools, intelligent robots, intelligent logistics equipment and other core technologies and products.
- The amount of support for general projects of high-end equipment does not exceed 10 million yuan. The amount of support for important projects does not exceed 30 million yuan. The amount of support for extremely important projects does not exceed 50 million yuan.
- High-end equipment is rated as the first international equipment project, the support amount does not exceed 30 million yuan. The first domestic equipment project, the support amount does not exceed 20 million yuan.
- Support for key projects of fuel cell vehicles and hydrogen high-end equipment, with financial support of up to 100 million yuan.

02 Pudong New Area

- For the first batch of key equipment machine enterprises to supply core parts and components with independent intellectual property rights that can replace similar foreign products, the maximum amount of support does not exceed 5 million yuan.
- Smart factories recognized by the relevant departments of the Shanghai Municipality will be given 500,000 yuan of one-time incentives.

03 Songjiang District

- Focus on intelligent robots, high-grade CNC machine tools and intelligent processing equipment, intelligent sensing and control systems, intelligent testing and assembly equipment, renewable energy power generation equipment, high-end medical equipment, etc.
- The development enterprise of the first key technical equipment will be given a subsidy of up to 5 million yuan in the district.
- For newly introduced key advanced manufacturing enterprises, a maximum subsidy of RMB 5 million will be given to renting production and office buildings in the district, and a maximum subsidy of RMB 10 million will be given to purchasing production and office buildings for their own use.

04 Baoshan District

- Support enterprises to declare the first major equipment at the municipal level, the amount of support does not exceed 30% of the amount of the sales contract for a single equipment, with no more than 10 million yuan in total.
- 30% discount on the evaluation price of industrial land will be given to the qualified enterprises.
- For newly-introduced key advanced manufacturing enterprises, if they rent production and office buildings in the district, they will be given a maximum support of 5 million yuan. if they purchase their own production and office buildings, they will be given a maximum support of 10 million yuan.

Advanced Materials



Scale

During the “14th Five-Year Plan” period, the scale of advanced materials industry will reach 430 billion yuan, of which the output value of new materials will be 320 billion yuan, with an average annual growth rate of more than 5%.

Fields

Focus on advanced basic materials (chemical, iron and steel, non-ferrous metals, inorganic non-metals), key strategic materials (integrated circuits, biomedical, new energy vehicles, high-end equipment, energy saving and environmental protection), carbon fiber composite materials, high-performance membrane materials, etc.

Layout

Create 2 hundred billion industrial clusters: the north bank of Hangzhou Bay and Baoshan.



Accelerating technological innovation and industrialization of advanced materials in Shanghai

- Focus on the transformation and upgrading of basic materials such as metals and chemicals.
- Focus on key areas such as integrated circuits, biomedicine, high-end equipment, aerospace, new energy, etc.
- Focus on high-temperature superconductivity, graphene, additive manufacturing and other high-precision new materials and subversive technological innovation.
- Key projects in line with the direction of national strategy will be given a support amount of up to 3 million yuan. The general projects will be given a support amount of up to 2 million yuan.

Key layout area of advanced materials industry in Shanghai

01 Shanghai Chemical Industry Zone

- Support advanced material projects with high technology and the maximum amount of funding for a single project is 20 million yuan.
- Support science and innovation projects in new chemical materials, with the maximum funding amount for a single project not exceeding 5 million yuan, and the maximum funding amount for a major project not exceeding 10 million yuan after evaluation.
- Focus on the development of carbon, aramid, ultra-high molecular weight polyethylene fiber.

02 Baoshan District

- Support enterprises to declare the first batch of municipal new materials projects and the maximum amount of funding for a single project is 10 million yuan.
- For newly-introduced key advanced manufacturing enterprises, if they rent production and office buildings in the district, they will be given a maximum support of 5 million yuan. If they purchase their own production and office buildings, they will be given a maximum support of 10 million yuan.
- Support enterprises to increase industrial fixed asset investment, according to its technological transformation project fixed asset investment to give the highest 20% support, not exceeding 40 million yuan.
- New projects adopting domestic and foreign advanced technological equipment and process materials, as well as projects in the establishment of existing equipment and process transformation, will be financially supported with a maximum of 40 million yuan.
- For newly introduced key science and innovation platforms, industry-leading enterprises, and high-growth science and innovation enterprises, provide financing support such as subsidized interest rates for loans, with the maximum annual support for a single enterprise not exceeding 40 million yuan.

Consumer Fashion Products



Scale During the 14th Five-Year Plan period, the scale of the fashion consumer goods industry is targeted to grow at an average annual rate of 5%.

Fields Focusing on fashion apparel, cosmetics, food, sports, smart goods, lifestyle products, crafts, and digital products.

Layout Shanghai Commercial Space Layout Special Plan.



Create diversified consumption scenarios in Shanghai

- Focus on fashionable apparel, cosmetic products, exquisite food, sports products, smart products, lifestyle products, crafts and digital fashion products.
- Utilizing special funds for the promotion of high-quality industrial development, cultural and creative industry development, service industry development guidance, and other special funds of the districts to support the development of fashion consumer goods enterprises.
- Increase the protection of intellectual property rights, improve the mechanism for identifying counterfeit infringement, establish a mechanism for identifying, protecting and circulating virtual fashion IPs, and set up a virtual fashion image trading board with the Shanghai Digital Exchange as the core.
- Strengthening the identification of fashion leading demonstration enterprises, giving them priority support from special funds, and giving them priority to participate in domestic and international fashion creative publicity and promotion activities organized by the government.

Key layout areas of fashion consumer goods in Shanghai

01 Huangpu District

- Organize fashion events with good reputation, with a maximum one-time support of 1.2 million RMB.
- Encourage the construction of fashion trade platforms, and provide one-time support of 700,000 RMB for projects with international influence.
- Introducing domestic and foreign famous brands and building first stores, flagship stores, etc., with a maximum support of 1 million RMB.

02 Changning District

- For units with independent design capability and product intellectual property rights, a rental subsidy of not more than RMB 1 million per year will be granted.
- For fashion studios, fashion creative social groups, research and consulting organisations, associations and other organisations, with international and national influence, a one-time support of RMB 300,000-500,000 will be provided.
- Promote the integration of science and technology with fashion, culture and tourism, etc. After evaluation, the amount of financial support for a single project shall not exceed 2 million yuan.

03 Hongkou District

- Subsidies of up to 2 million yuan for the establishment and renovation of flagship stores, image stores, experience stores, duty-free stores in key shopping streets (circles).
- Subsidies of up to 1 million yuan will be given to qualified activities to promote the commercial image in Hongkou District.
- For leading brand enterprises with high market share, leading consumer awareness, and great influence on the industry and consumption orientation, the maximum support shall not exceed 500,000 yuan.

04 Jing'an District

- Subsidies for brand building projects of up to 2 million RMB.
- Subsidies for brand promotion projects do not exceed the actual expenditure of the project.
- For projects of superior supporting category, the district-level financial support will be given according to the amount of superior funding, up to a maximum of 2 million yuan.

05 Xuhui District

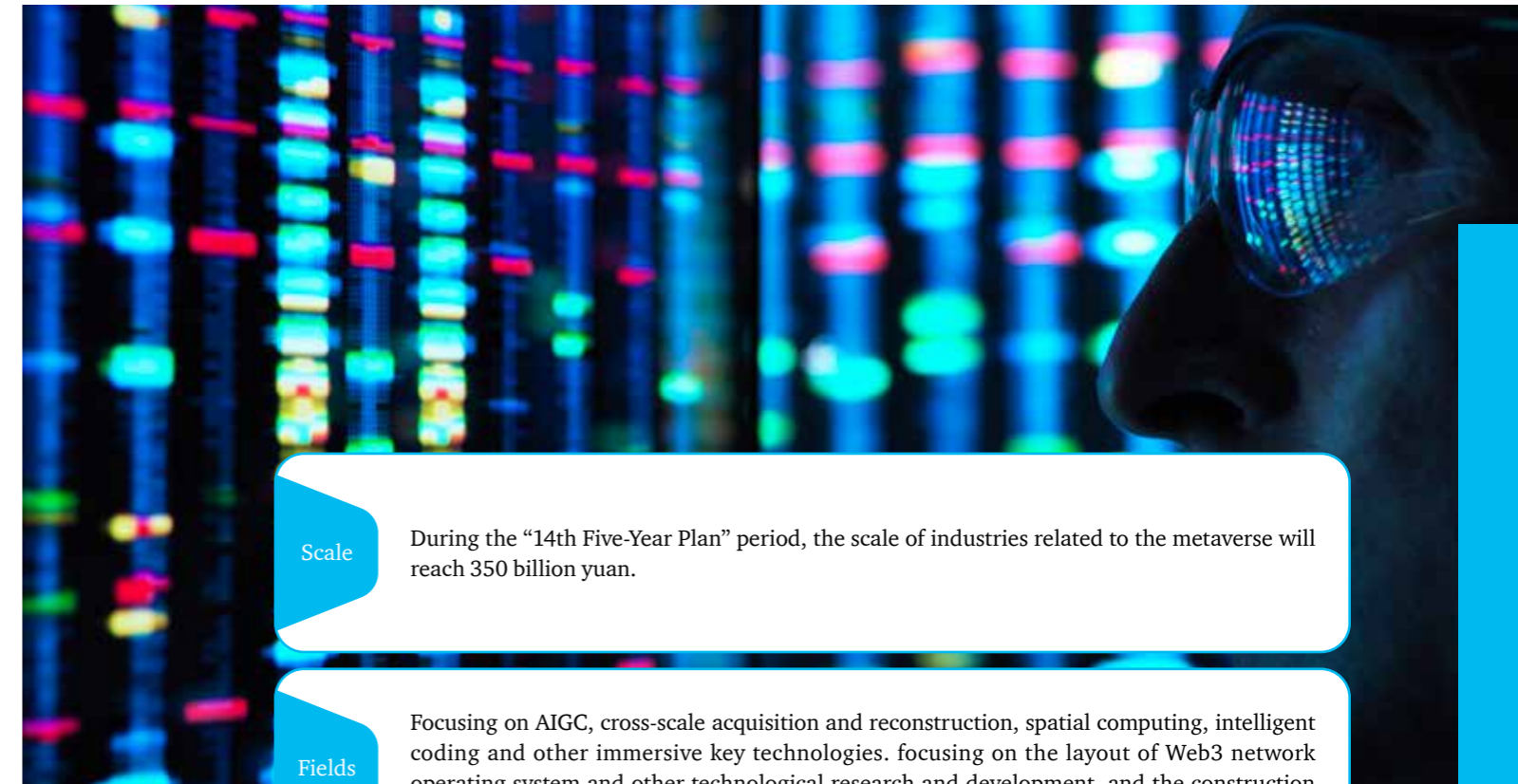
- Aiming at international top brands, national tide brands, niche brands and brand flagship stores, experience stores, and attracting high-capacity brand headquarters, with a reward of up to 5 million yuan.
- Supporting the organization of the first exhibition, with a reward of up to 8 million yuan.
- Supporting overall renovation and upgrading of commercial centers, with subsidies of up to 10 million yuan.

2.1.3 New Tracks and Future Industries



Relevant Policies

Metaverse



Scale

During the “14th Five-Year Plan” period, the scale of industries related to the metaverse will reach 350 billion yuan.

Fields

Focusing on AIGC, cross-scale acquisition and reconstruction, spatial computing, intelligent coding and other immersive key technologies. focusing on the layout of Web3 network operating system and other technological research and development, and the construction of a new type of high-performance, scalable, safe and controllable blockchain architecture.

Shanghai supports the innovative development of metaverse

- Carry out investment attraction around “metaverse” infrastructure, interactive terminals, digital tools and other fields, and accelerate the introduction of “metaverse” projects such as three-dimensional graphics, image engines, digital modeling and so on.
- Increase the support for investment projects in the field of “metaverse”, and provide support of up to 30% of project investment and a maximum of 20 million yuan in accordance with the regulations.
- Guiding social capital to support the development of “metaverse” industry to set up “metaverse” new track industry fund. Supporting qualified metaverse innovative enterprises to be listed both domestically and internationally.
- Collecting major application scenarios of metaverse in the city, and prioritizing the qualified ones to be supported in the special fund for high-quality development of the industry in the city.

Related regional policies on metaverse in Shanghai

01 Xuhui District

- For enterprises carrying out key technology research and development of metaverse, the total amount of subsidy will be up to 5 million yuan upon recognition.
- For enterprises organizing the R&D and production of terminal products of the metaverse such as mobile intelligence, augmented reality, virtual reality, intelligent wearable, etc., the maximum amount of subsidy shall not exceed 3 million yuan.
- The maximum amount of subsidy for the metaverse content design, creation and production projects as well as digital collections, digital artworks and other related products shall not exceed RMB 2 million.
- For enterprises that introduce and organize influential metaverse summits, forums, exhibitions, innovation and entrepreneurship competitions, developer conferences, etc. in Xuhui District, the maximum amount of subsidy shall be up to 1 million yuan.

02 Hongkou District

- Subsidy of up to 3 million yuan for renovation costs for meta-universe space projects.
- Provide support of no more than 50% of the investment, up to 2 million yuan, to the metaverse space for upgrading and transforming its communication infrastructure.
- Focusing on metaverse industry, encouraging enterprises to strengthen cooperation and jointly build key laboratories, engineering (technology) research centers, enterprise technology centers and innovation centers, and giving subsidies of up to 2 million yuan.
- For those who organize summits and forums of metaverse industry in the district, according to their scale and influence, subsidies of up to 1 million yuan will be granted, not exceeding 30% of the invested funds.

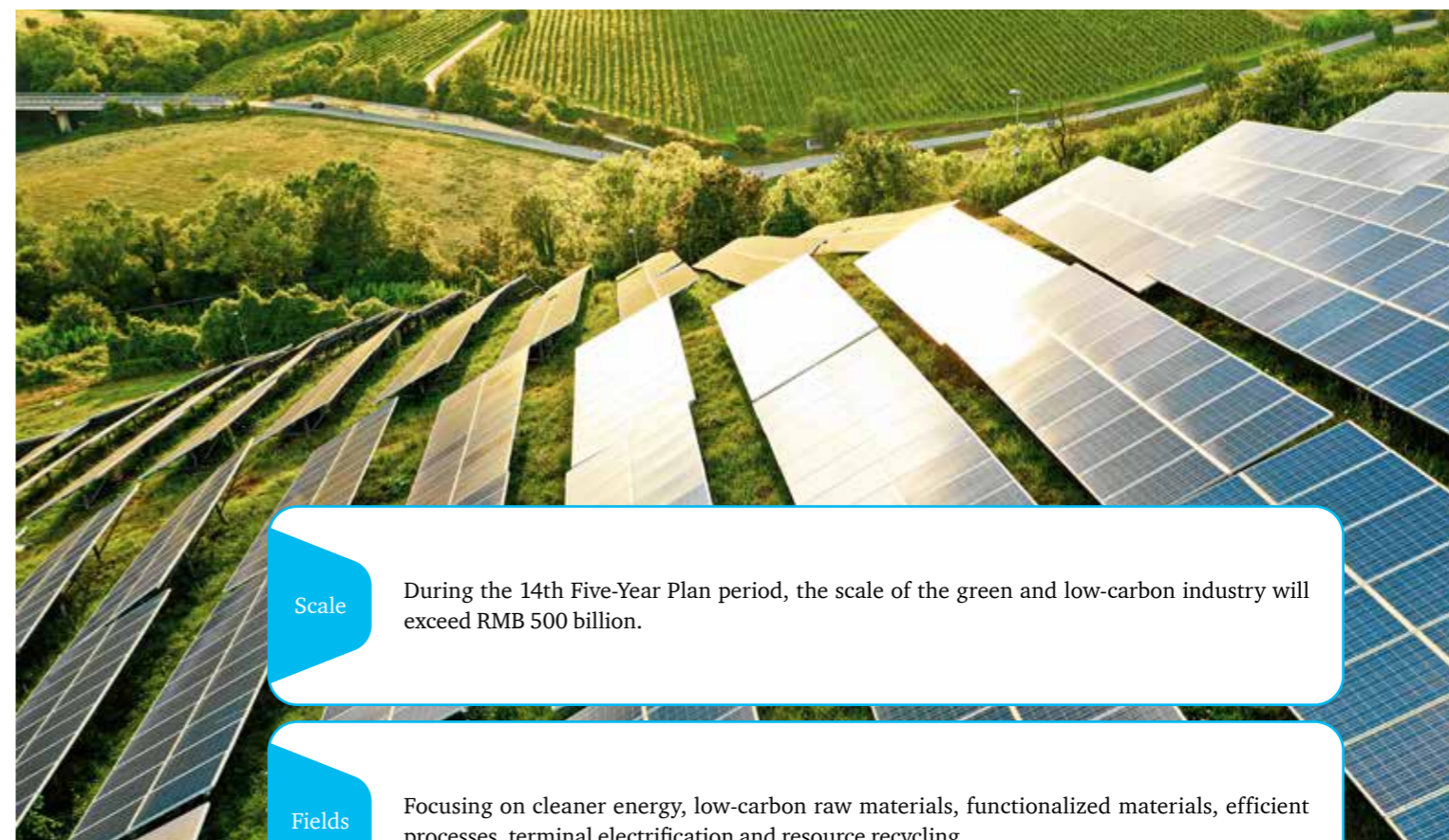
03 Putuo District

- For newly introduced or newly established metaverse enterprises in the district, which have obvious driving and supporting roles for the development of regional industries, upon identification, a one-time start-up subsidy of up to 5 million yuan will be given to them.
- For technology research and development projects in line with industrial orientation, or the introduction of international first-class scientists and innovation teams to carry out the project, the maximum funding of up to 3 million yuan will be granted upon identification.
- Provide one-time funding of up to 2 million yuan to enterprises or organizations that rent space in the region to build product experience centers or exhibition centers in related fields, upon identification.
- For hosting or organizing summits, forums, exhibitions, fairs and other activities in related fields with a certain degree of influence, a maximum funding of up to 1 million yuan will be granted upon recognition.

04 Lingang New Area

- Accelerating the cultivation of leading and driving chain enterprises around core fields such as near-eye display, perception and interaction, rendering and computing, terminal equipment, optical modules and content generation.
- Focusing on key technologies such as near-eye display, rendering processing, perception and interaction, security and trustworthiness, strengthening the integration of XR with new-generation information technologies such as 5G, artificial intelligence, big data, cloud computing, digital twins, etc., and supporting the development of core application technologies with commercialization potential.
- Increase the support of industry-specific funds for the development of the XR industry, and explore flexible support methods that better suit the development needs of XR.

Green and Low-carbon



Scale

During the 14th Five-Year Plan period, the scale of the green and low-carbon industry will exceed RMB 500 billion.

Fields

Focusing on cleaner energy, low-carbon raw materials, functionalized materials, efficient processes, terminal electrification and resource recycling.

Shanghai supports the upgrading of green and low-carbon industry

- Support green low-carbon process upgrading and new technology application, energy-saving technology transformation, energy management center, cleaner production projects, financial support for a single project up to 10 million yuan.
- Support for hydrogen energy, wind energy, solar energy, biomass energy, etc. For a single project, a maximum annual incentive of 50 million yuan will be given.
- Focus on all-solid-state batteries, calcium-based thermochemical energy storage, high-temperature molten salt thermal storage and other new energy storage key technologies. For a single project, a maximum incentive of 3 million yuan will be given.
- Upgrading the carrying capacity of urban distribution networks, new power distribution systems, new power supply systems for important users and other technologies. For a single project, a maximum incentive of 5 million yuan will be given.
- Focusing on the carbon reduction needs of key carbon emission industries such as iron and steel, chemical industry, etc., breakthroughs in key technologies for carbon reduction and energy efficiency enhancement. For a single project, a maximum incentive of 5 million yuan will be given.

Related regional policies on green and low-carbon industry in Shanghai

01 Jing'an District

- Enterprises independently invest in the implementation of energy-saving technological transformation, strengthen energy management, the amount of subsidies for a single project does not exceed 1 million yuan.
- For contract energy management projects fully invested by energy-saving service enterprises and carried out within the district, the subsidy amount for a single contract energy management project shall not exceed RMB 1.5 million.

02 Yangpu District

- Conventional photovoltaic power station project incentive standard is 800 RMB/kW, the maximum incentive for a single project shall not exceed 2 million yuan.
- For distributed PV projects in new buildings, the maximum reward for a single project shall not exceed RMB 2 million.
- Photovoltaic building integration projects, according to the actual amount of power generated by the project, the incentive standard is 0.1 yuan / kWh, the incentive period of 5 years.

03 Xuhui District

- Enterprises to implement energy-saving technology reform and product application projects, and to achieve significant energy saving, emission reduction and carbon reduction effect, support up to a maximum of 3 million yuan.
- Enterprises within the scope of the district to implement building energy efficiency projects, and is included in the Shanghai Green Building, a single demonstration project up to a maximum of 3 million yuan.
- The new distributed photovoltaic projects within the scope of the district and grid-connected, according to the project grid acceptance scale to give enterprises 1000 yuan/kW support, or according to the actual amount of investment in the project to give enterprises 20% of the support. The maximum amount of the above support will not exceed 2 million yuan.

Digital Economy



Scale

During the “14th Five-Year Plan” period, Shanghai’s digital economy will rank among the top in China, with its added value striving to reach 3 trillion yuan, accounting for more than 60 per cent of the city’s GDP.

Fields

Focus on breaking through several key technologies in key fields such as artificial intelligence, blockchain, cloud computing, big data, etc. Producing several heavyweight products in intelligent networked cars, wearable devices, intelligent robots, etc.

Shanghai comprehensively promotes the deep integration of digital technology and the real economy

- Supporting the research and development of key digital core technologies and the transformation of scientific and technological achievements.
- Incorporate excellent digital economy products into the city’s innovative product recommendation catalog and guide priority procurement. Encourage conditional service providers to explore the “contractual” service model of “pay after use” and revenue sharing.
- Accelerating the introduction of high-level digital industry cluster projects, and providing support for the introduction of qualified benchmarking demonstration projects of up to 8 million RMB, not exceeding 20% of the project investment, in accordance with the regulations.

Related regional policies on digital economy industry in Shanghai

01 Pudong New Area

- Support network security, data security software, AR/VR/MR, holographic image technology, cloud-side computing synergy, blockchain, big data technology research and development. For a single project, a maximum incentive of 2 million yuan will be given.
- Supporting projects in areas such as smart manufacturing, smart healthcare, smart transport and smart business to be given priority consideration for inclusion in the district's key project pool for digital transformation of the economy.

02 Putuo District

- Urban digital transformation projects will be funded no more than 2 million yuan.
- Digital twin application projects in electronic information, high-end equipment, advanced materials, biomedicine, construction and other fields using BIM/CIM technology, no more than 20% of the investment will be given, the maximum amount of subsidies for a single project does not exceed 1 million yuan.
- For information security, link security, data security projects, can be given a maximum of no more than 300,000 yuan funding.

03 Jiading District

- Support traditional small and medium-sized manufacturing enterprises in the district to use information technology to realize the digitalization and network upgrading of production, management and other key aspects, with a subsidy of up to 2 million yuan.
- Support the district's industrial Internet service providers to provide industrial Internet transformation for the region's manufacturing enterprises, with a funding of up to 1 million yuan.
- Encourage the enterprises in the district to actively carry out digitalization and network assessment and give a one-time reward of 200,000 yuan to enterprises that have passed the management system certification.

04 Baoshan District

- For projects that have entered the implementation stage of digital transformation financial support will be given up to 1 million yuan.
- For the inclusion of Shanghai-level benchmarking unmanned factories, unmanned production lines, unmanned workshops, smart business districts, digital parks and other projects, after evaluation, to give a maximum of 5 million yuan of support.
- For projects that are evaluated as excellent solutions of national industrial Internet APP, a maximum of 500,000 RMB will be given.

Intelligent Terminal



Scale

During the "14th Five-Year Plan" period, Shanghai will initially form a world-class intelligent terminal industry cluster, with the overall scale exceeding RMB 700 billion.

Fields

Focus on intelligent networked cars, smart home, smart wearable, virtual reality and other electronic terminals, intelligent robots, etc.

Shanghai supports R&D of key components for new energy, intelligent autos and robots

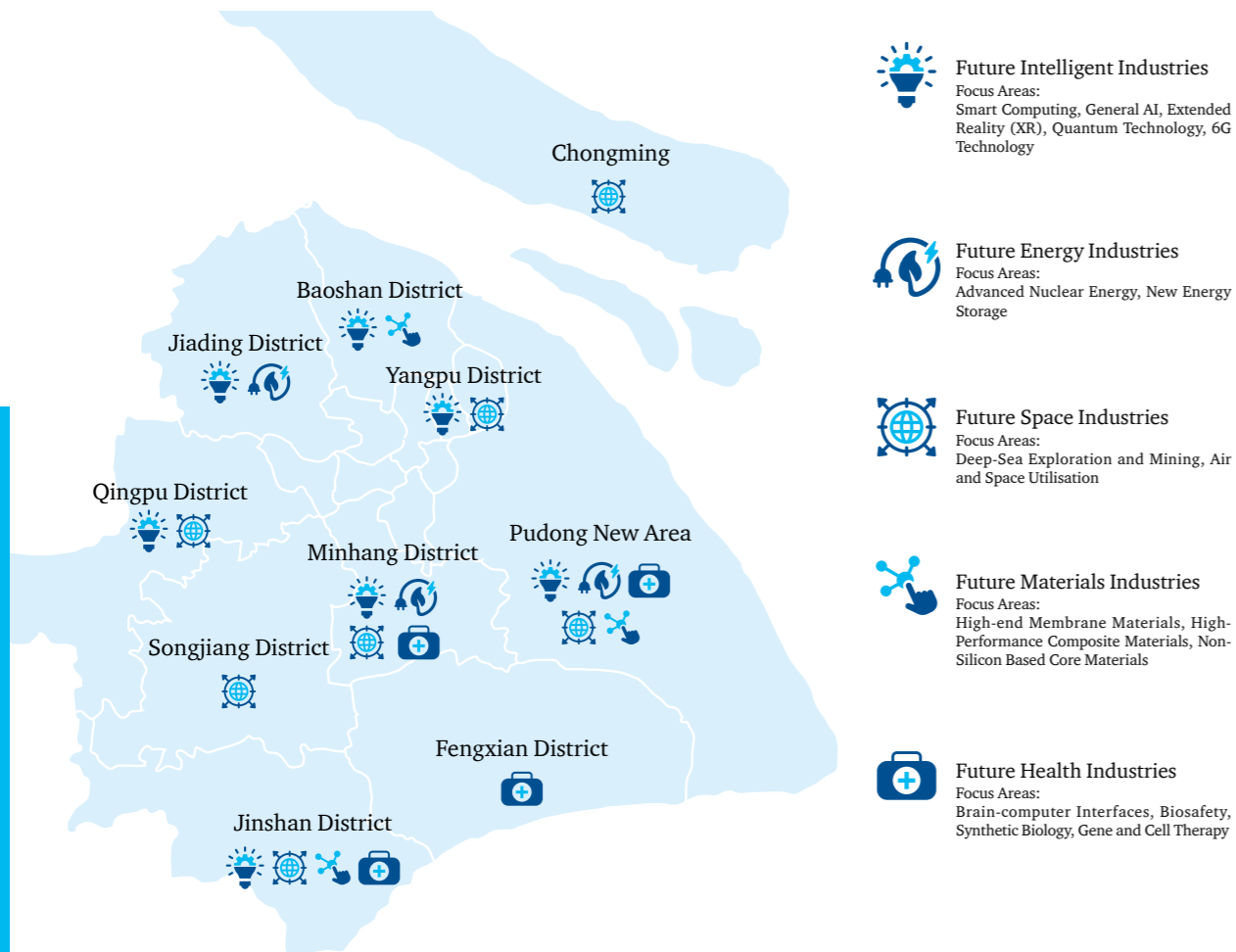
- For the introduction of intelligent terminal projects, support of up to 20 million yuan, not exceeding 30% of the project investment.
- For fuel cell key components projects, a single enterprise will be given a maximum of 30 million yuan reward.
- Special funds for promoting high-quality industrial development, scientific and technological innovation, strategic emerging industries, etc. support robotics enterprises selected in the Recommended Catalog.

Related regional policies on intelligent terminal industry in Shanghai

01 Changning District

- Supporting differentiated terminal products for entertainment and socialization, immersive audio-visual, education and cultivation, and intelligent medical care.
- Provide 30% of the total investment of the project and no more than 1.5 million yuan of subsidy support.

Future Industries



Scale By 2030, a number of hardcore achievements, innovative enterprises and leading talents with world influence will emerge in the fields of future health, future intelligence, future energy, future space, future materials, etc., and the output value of future industries will reach about RMB 500 billion.

Shanghai promotes relevant policies on future industries

- Relying on the Municipal Industrial Technology Innovation Strategy Advisory Committee, set up a future industry strategy consulting expert group. Prepare a white paper on the development of future industries and accelerate the improvement of the statistical system. Form a future industry promotion platform to promote resource docking and achievement transformation.
- Research and formulate support policies to promote the development of future industries, implement policies such as additional deduction for R&D expenses, first set of equipment, scientific and technological innovation vouchers, promotion of innovative products, etc., and encourage the market to carry out consumption subsidies.

2.1.4 Modern Service Industry



Shanghai supports high-end service industry projects

- Focus on professional services such as R&D, design, finance, trade, shipping, science and technology, legal, human resources services and other fields.
- Major demonstration projects in the service industry with a total investment of 30 million yuan or more, with a financial support amount not exceeding 6 million yuan.
- Key projects with a total investment of 10 million yuan or more will be supported by guidance funds at the municipal and district levels. The total amount of support shall not exceed 3 million yuan.
- Support the innovative development of the consumer market. The annual incentive of up to 1 million yuan for each retail enterprise and up to 0.5 million for each catering company.

Shanghai supports the development of cultural and creative industries

- Focusing on the major, key, and fundamental aspects of the cultural and creative industries, the scope of support for the media industry, art industry, industrial design industry, fashion and creative industry, Internet services, software and information technology services, consulting services, advertising and exhibition services, leisure and entertainment industry, etc.
- The amount of municipal funding support for a single project does not exceed 3 million yuan.
- For cultural and creative enterprises that have obtained credit funds, a maximum of 500,000 yuan loan interest subsidy support will be given to a single project.

Related regional policies on modern service industry in Shanghai

01 Minhang District

- Provide one-time incentives of up to 2 million yuan for newly introduced cultural and creative, scientific and technological services, professional services, and medical and health services enterprises.
- One-off incentives of up to RMB 1 million for enterprises in the fields of international trade, modern finance, cultural creativity, scientific and technological services, professional services, and medical and health services, etc.
- Focusing on projects in key areas, key regions, weak links and emerging industry sectors in the development of the service industry, granting projects with a maximum subsidy of 2 million yuan.

02 Jing'an District

- Supporting projects with innovation and leadership in commerce and trade service industry, financial service industry, professional service industry, data and intelligence industry, cultural and creative industry, and life and health industry. supporting the creation of national and municipal level functional platform projects with significant influence and capable of driving the rapid development of regional industrial agglomeration.
- The maximum amount of funding support is 2 million yuan. Projects that have an important demonstration and driving effect on the significant enhancement of the level of service industry in the whole region and have the characteristics of advanced technology and model innovation, with a maximum support of 5 million yuan.

03 Xuhui District

- Supporting events, festivals and activities that promote cultural tourism and sports consumption in the district, and granting financial incentives not exceeding 40% of the operating costs of a single project, up to a maximum of RMB 3 million, upon recognition.
- Supporting digital advertising enterprises to increase their capacity and expand their stock, and building a municipal digital advertising industry cluster with the Xuhui Riverside area as the core, and providing financial support of up to RMB 5 million for key projects of the cluster construction upon recognition.

04 Qingpu District

- Provide financial support of up to 3 million yuan for modern logistics enterprises adopting information management systems, automatic sorting systems and other advanced technologies and equipment.
- Encourage domestic and foreign famous brand exhibition organizers to register in the district, and give the highest financial support of 2 million yuan.
- Encourage commercial complexes to introduce domestic and foreign brand enterprises, and provide one-time financial support of RMB 200,000 for the introduction of domestic and foreign first-tier brands to open flagship stores and boutiques.

2.2 Promoting Green, Low-carbon and Digital Transformation



Relevant Policies

2.2.1 Green and Low-carbon Transformation

01 Promote the cyclic development of green and low-carbon industries

- Increase the proportion of renewable energy, nuclear energy, hydrogen energy and other clean energy sources, and expand the use of potential alternative energy sources such as ammonia energy. Accelerate the substitution of low-carbon raw materials in key industries such as petrochemicals and chemicals and iron and steel.
- Support enterprises to continuously carry out low-carbon/zero-carbon/carbon-negative basic research and increase the innovation of subversive production processes and alternative products.
- Support commercial demonstration applications in multiple scenarios and fields, such as fuel cell heavy-duty trucks, public transportation buses, cold chain logistics vehicles, etc., and drive the development of the upstream industrial chain, such as fuel cell systems and core parts and components.
- Encourage enterprises to carry out green design, select green materials, implement green procurement, create green manufacturing processes, implement green packaging, carry out green transportation, and do a good job in waste product recycling and disposal.

02 Special funds from Shanghai Municipal Finance to support energy saving, carbon reduction, and green development of industries

- Reward up to 10 million yuan for major projects that realize technological breakthroughs or process reengineering, the first application of green and low-carbon technologies by enterprises, and major projects that carry out energy-saving technological transformation.
- Reward up to 10 million yuan for energy-using institutions and parks that achieve energy saving and carbon reduction by comprehensively using digital technology and establishing energy management centers.
- Reward up to 10 million yuan for enterprises that have passed the acceptance and meet two or more evaluation indicators such as energy saving, consumption reduction and pollution reduction, in accordance with the city's cleaner production audit management requirements.
- Energy-saving service organizations adopt the contract energy management model in the fields of industry, construction, transportation and public services, and reward up to 10 million yuan for projects with annual energy savings of more than 50 tons of standard coal.

2.3 Supporting Enterprises to Improve Quality and Capacity



Relevant Policies

2.2.2 Urban Digital Transformation

01 Comprehensively promote the digital transformation of Shanghai

- Accelerate the construction of world-class digital industry clusters such as integrated circuits and artificial intelligence, and use data flow to attract the global allocation of capital, talent, technology, knowledge and other factors.
- Accelerate the digital transformation of manufacturing, science and technology research and development, financial services, commerce and circulation, shipping and logistics, professional services, agriculture and other fields, promoting the construction of smart ports, and developing digital trade.
- Support the construction of smart twin platforms based on integrated extended reality, multi-dimensional perception, real-time reverse modeling and other technologies to create digital twin factories.
- Encourage small and medium-sized manufacturing enterprises to deeply integrate with processes, industrial chain enterprises and ecosystem partners with the help of new-generation information technology, and explore new modes and new business forms such as shared manufacturing and service-oriented manufacturing.
- Support the introduction or joint construction with leading enterprises of an industrial Internet platform that meets the industrial characteristics of the park, and accelerate the digital and intelligent transformation of core business processes of enterprises in the park.

02 Support the construction of application scenarios and platforms for digital transformation with special funds from Shanghai Municipal Finance

- Support the construction of international data port, data circulation and trading ecosystem and system, public data opening and industrial application. Support the enhancement of intelligent and convenient level of social services through digital transformation.
- Support the construction of digital functional platforms that meet the common needs of urban management such as transportation and travel, culture and tourism, and other industries related to people's livelihood services.
- Support regional focus on key areas to build an overall demonstration of urban digital transformation, and support the creation of a comprehensive digital empowerment platform around the enhancement of industrial concentration and brand value of parks.
- For projects supported by non-reimbursable funding, the support ratio is generally no more than 30% of the total approved project investment, and the support amount is up to 5 million yuan.



2.3.1 Focus on Foreign Headquarters

01 Accelerate the development of high-level foreign-funded headquarters economy

- Increase support for the introduction of innovative, trade-oriented headquarters and regional headquarters of multinational corporations, and provide a maximum subsidy of 10 million yuan for the first purchase of office space for the headquarters' own use, and a maximum subsidy of 5 million yuan for renting office space.
- High-level headquarters can carry out local and foreign currency integrated capital pooling business in accordance with the relevant provisions to enhance the efficiency of cross-border capital utilization of multinational corporations, and reduce the exchange risk and financial costs of enterprises.
- Headquarters can join the Shanghai International Trade "Single Window", obtaining dynamic information on customs clearance and logistics, port information, financial support and other exclusive services, and enjoying the convenience of AEO customs clearance.
- For approved and qualified headquarters, unified handling of royalties, special economic relations and other related business are allowed.

2.3.2 Upgrading of R&D Centres

02 Encourage the creation of complex and innovative headquarters

- Innovative headquarters registered in Shanghai or relocated to Shanghai after January 1, 2022, with paid-up registered capital of more than 100 million yuan, will be given a maximum start-up grant of up to 5 million yuan.
- Innovative headquarters with no more than 1,000 square meters of office space, no more than 8 yuan / m² / day standard, to give three years of rental subsidies. Self-built office space should follow the above standards for annual funding.
- If the annual sales revenue of innovative headquarters reaches 500 million yuan, 1 billion yuan and 1.5 billion yuan for the first time since January 1, 2022, 5 million yuan, 3 million yuan and 2 million yuan will be rewarded respectively.
- Support up to 100 million yuan for major projects of innovative headquarters that have made significant breakthroughs in independent research and development of innovative product components, raw materials, basic software, etc. and realized actual outputs.
- Support innovative headquarters to declare special subsidized interest rates for medium- and long-term credit at preferential rates for relevant industries.

03 Support trade-oriented headquarters and division headquarters to grow bigger and stronger

- Broaden financing channels through unified credit, asset restructuring, bond issuance, introduction of equity investment, etc., and expand domestic and foreign markets by utilizing credit insurance financial instruments, etc.
- Support trading headquarters to participate in the pilot program of electronic VAT invoices, simplify the process of VAT invoice upgrading and incremental business, and implement tax policies related to enterprise restructuring and reorganization.
- For eligible trade-oriented headquarters, the Customs shall focus on trade facilitation, innovate the regulatory system and mode of supervision, making efforts to improve the efficiency of customs clearance and provide personalized customs clearance facilities for their imported and exported goods.
- Trade-oriented headquarters can implement centralized operation and management of intra-group funds through cross-border RMB two-way fund pools, and improve the efficiency of fund use through centralized cross-border RMB collection and payment under current account and net settlement of rolling difference.
- In terms of scientific and technological innovation, enterprises are supported to apply for government scientific research projects, and biomedical pilot enterprises and articles included in the “white list” can enjoy customs clearance convenience.

01 Encourage foreign-funded R&D centers to participate in major national projects

- Optimize the approval procedures for foreign-funded R&D centers, strengthen the guidance and services for foreign-funded R&D centers applying for the recognition of high-tech enterprises, and encourage and guide foreign investment in the field of science and technology innovation.
- Support foreign-funded R&D centers to use large scientific research instruments, scientific and technological reports and relevant data of major national science and technology projects.
- Support foreign-funded R&D centers to undertake national scientific and technological tasks and participate in major national scientific and technological projects, piloting the release of project plans in multiple languages, appropriately extending the deadline for project declaration, and improving the convenience of project declaration.
- Encourage universities, research institutes and vocational schools to cooperate with foreign-funded R&D centers in technological research and protect the intellectual property rights of both parties.
- Support foreign-funded R&D centers to set up post-doctoral research stations and recruit post-doctoral researchers independently.

02 Attract and cluster enterprise R&D institutions to promote collaborative innovation in R&D and industrialization

- Encourage enterprise R&D institutions to enhance the control of key core technologies through mergers and acquisitions and reorganization, etc., and provide support of up to 5 million yuan in the pilot projects in Zhangjiang and Lingang New Area.
- Encourage enterprise R&D institutions to carry out pilot tests, trial production and trial operation of scientific and technological achievements, and provide support of up to 50% of the total investment and a total of up to 10 million yuan for the same project within three years after prior filing of the project.
- Promote the first purchase order of innovative products of R&D organizations in government procurement, and provide support of up to 30% of the contract amount of innovative products and up to 20 million yuan for those who meet the conditions.
- Provide up to 20%, up to 8 million yuan, to the benchmarking demonstration projects formed by enterprise R&D institutions undertaking key tasks of application scenario innovation.
- Encourage foreign-funded enterprises and state-owned enterprises, private enterprises and other R&D institutions, small, medium and large enterprises to integrate innovation, support enterprises to build overseas R&D centers, overseas innovation centers, offshore incubators, etc. to develop the “global R&D - Shanghai transformation” model. Reward up to 2 million yuan for offshore incubators that meet the conditions and pilot in Zhangjiang and Lingang new area.

3.1 Essential Factor Support



Relevant Policies

Chapter 3

Strengthening Essential Factor Support and Service Assurance



3.1.1 Financial and Tax Support

01 Preferential policies related to enterprise income tax and value-added tax in advanced manufacturing industry and modern service industry

- Allow advanced manufacturing enterprises to offset the VAT payable by 5% of the current creditable input tax.
- Enterprise income tax at a rate of 15% for high-tech enterprises.
- Enterprise income tax at a rate of 15% for technologically advanced service enterprises.
- 5% and 10% VAT credit for taxpayers in production and living service industries respectively.

02 Import tax incentives for foreign-funded R&D centers for scientific and technological innovation

- Exemption of import tariffs and import-related VAT and consumption tax on imported scientific supplies that cannot be produced domestically or whose performance cannot meet the demand.
- Exemption of import VAT on books and materials imported for scientific research and teaching.

03 Special Funds for Foreign Economic and Trade Development

- Supporting the organization of foreign investment promotion activities, no more than 300,000 yuan awarded for a single project and no more than 1,000,000 yuan awarded for each enterprise.
- Supporting the development of public services for industrial transfer, according to the actual rent of office space, property management fees and network costs, no more than 800,000 yuan awarded for each enterprise.
- Supporting certain imported products and technologies in the form of subsidized interest rates, no more than 60,000,000 yuan awarded for each enterprise.
- Supporting the operation and maintenance costs for public services, no more than 1,500,000 yuan awarded for each enterprise.
- Undertake international service outsourcing business, no more than 5,000,000 yuan awarded for each enterprise.

04 Special Funds for the Development of Shanghai's Strategic Emerging Industries

- Support for integrated circuits, new generation of information technology, biomedicine, artificial intelligence, high-end equipment manufacturing, new materials, new energy vehicles, etc.
- No more than 100,000,000 yuan awarded for projects undertaken by non-listed enterprises.
- No more than 50,000,000 yuan awarded for projects undertaken by listed enterprises (including holding subsidiaries).
- For projects of which the support funds exceeding the upper limit agreed by the municipal government, the excess part shall be by way of capital injection.
- For major projects supported by interest-free loans, the support amount shall not be higher than 50,000,000 yuan, and the loan period shall not exceed 3 years.

05 Special Funds for Business High-Quality Development in Shanghai

- Supporting service trade enterprises to pass ISO sequence and other international management system series certification, with no more than 1,000,000 yuan subsidy for each enterprise.
- Supporting service trade enterprises to carry out business training for high-level professionals related to foreign-related business, with no more than 500,000 yuan subsidy for each enterprise.
- For the headquarter-type service trade enterprises established in Shanghai after 2010, with no more than 1,000,000 yuan subsidy for each enterprise.
- Subsidizing the hiring fees of overseas experts paid by the enterprise in the previous year, with no more than 300,000 yuan subsidy for each enterprise.
- Support for equipment, operation and maintenance costs of public services trade platforms, with no more than 1,000,000 yuan subsidy for each enterprise.

06 Special Funds for the Transformation of High-tech Achievements and Intellectual Property Rights in Shanghai

- No more than 5,000,000 yuan awarded for the recognized transformation projects.
- No more than 2,500 yuan awarded for each layout design registration of integrated circuits.
- No more than 600,000 yuan subsidy for each enterprise recognized by the municipal intellectual property authorities.
- No more than 500,000 yuan subsidy for the upgrading and cultivation projects of high-valued patents. No more than 800,000 yuan subsidy for the high-valued patent cultivation center projects.
- Supporting local enterprises to defend their intellectual property rights overseas, with no more than 200,000 yuan subsidy for each enterprise.

07 Supporting stable growth and scientific innovation of small and medium-sized enterprises

- No less than 100,000 yuan awarded for newly recognized SRDI enterprises and no less than 300,000 yuan awarded for newly recognized SRDI small giant enterprises.
- Supporting SMEs in greening and upgrading, with no more than 10,000,000 yuan subsidy for each enterprise. Supporting SMEs in signing service contracts with digitization service providers, with no more than 30% of the contract amount subsidy for each enterprise.
- The actual R&D expenses incurred by science and technology-based SMEs in carrying out R&D activities, which are not formed into intangible assets to be recognized as current profit and loss, shall be deducted on the basis of the actual amount, and then deducted in accordance with 100% before tax. and if they are formed into intangible assets, they shall be amortized in accordance with 200% of the cost of the intangible assets before tax.
- SMEs engaged in research, development, production and service of high-tech products shall be granted a municipal subsidy of 100,000 or 200,000 yuan for each project and each district government shall provide a matching subsidy of no less than 100,000 yuan.
- VAT exemption for small-scale taxpayers with monthly sales of less than 100,000 yuan, and 1% VAT rate for small-scale taxpayers.

3.1.2 Loan Support

01 Provide loan support to key industries

- Continuously expand the scale of equity investment fund for Shanghai's biomedical industry. Simplify the registration procedures for relevant subjects when accredited venture capital institutions initiate or contribute to biomedical funds as limited partners.
- Supporting the cultivation of intelligent robot system integrators, encouraging relevant enterprises, product users and financial institutions to adopt product leasing, service procurement and other methods to expand the application scenarios of intelligent robots.
- Provide long-term credit subsidies at preferential interest rates to qualified enterprises for merger and acquisition loans, bond financing, and bonds issued by enterprises to participate in the Integrated Circuit Industry Investment Fund and Equipment and Materials Fund.
- Establishing integrated circuit insurance co-insurance body and catastrophe risk dispersion mechanism, supporting independent safe and controllable equipment, materials, EDA on-line verification, and studying and formulating insurance premium subsidy support policies for key areas and key projects.
- Encourage financial guarantee institutions to provide financial guarantee services for integrated circuit enterprises, and subsidize 75% of the guarantee expenses of financial guarantee institutions for the part of guarantee expenses corresponding to the guarantee fee rate not exceeding 2%.

02 Financial services for SMEs

- Reduce the cost of enterprise credit guarantee loans. Providing 2% interest subsidy to SMEs which obtain inclusive loans from commercial banks in Shanghai for the first time, with no more than 200,000 yuan interest subsidy for each enterprise.
- Maintaining the average guarantee fee rate of governmental financial guarantee institutions at no more than 1%.
- Supporting equity financing for SMEs. Supporting organizations to declare sub-funds of the National Fund for the Development of Small and Medium-sized Enterprises (SMEs) through equity participation, etc. Exploring the establishment of a guidance fund for the transformation of scientific and technological achievements.
- The single loan for science and technology-based SMEs is controlled between 500,000 and 3,000,000 yuan, and the interest rate of the loan does not exceed 4.5%, and the term of the loan is 12 months or less.
- In 2023, the policy financing guarantee fund for SMEs continues to charge a guarantee fee of 0.5%. Encouraging district-level governmental financial guarantee institutions to continue to charge half of the guarantee fee rate.

3.1.3 Talent Support

01 Continuing the implementation of the personal income tax policy on allowances and subsidies for foreigners

- Foreign talents can choose to enjoy special additional deductions for personal income tax, or tax exemptions for allowances such as housing subsidies, language training fees, children's education fees, etc.
- This policy will be implemented until December 31, 2027.

02 Facilitation Service for Foreign Employees of Foreign Invested Enterprises

- Continuously optimize entry and exit policies. Facilitating the entry, exit and stay of foreign executives and technicians of foreign-invested enterprises and their families.
- Guiding our embassies and consulates in key investment-attracting countries or regions to continue to facilitate visa applications by executives of multinational corporations, and promptly publicizing our entry policies through our business organizations abroad.
- Facilitating the application for permanent residence of foreign senior management and technical personnel employed and recommended by qualified foreign-invested enterprises.

03 Special Awards for Talents in Key Industries of Shanghai

- Undertake key or important positions in the enterprise, including professional and technical personnel, senior management personnel, core backbone of production positions, etc.
- No more than 300,000 yuan awarded for individual in software, high-end equipment, aerospace, advanced materials, new energy, and other industrial areas.
- No more than 500,000 yuan awarded for individual in integrated circuits, biomedicine, artificial intelligence, and other industries.

04 Recognition of Foreign “Highly Specialized” and “Urgently Needed” Talents in Shanghai

- Criteria for foreign “Highly Specialized” talents: Nobel Prize and the U.S. National Science Prize winners, Member of the Academy of Sciences, Member of the Academy of Engineering, major technological inventions and patent holders, etc.
- Criteria for foreign “Urgently Needed” talents: photolithography system R&D talents, precision motion control system engineers, optical design engineers, chip architecture talents, chip design talents, FPGA technology talents, clinical medical research talents, etc.
- Shanghai provides facilitation measures for the above talents.

05 “No-meeting” approval of work permits for foreign talents

- For foreign scientific and technological talents hired by employers who are qualified to undertake key tasks, the restrictions on age, education and working experience can be further relaxed, and work permits can be granted for at least 2 years at one time.
- For foreign scientific and technological talents in Shanghai, if they need to work part-time in Shanghai or start up innovative businesses, they do not need to re-apply for or change their work permits after the hiring unit has made a unified report to the Municipal Science and Technology Commission.

3.2 Service Assurance



3.2.1 Guarantees of Successful Project Implementation

01 Guarantee of high-quality industrial spatial carrier supply

- Encourage districts to use loan subsidies and other means to support various types of industry parks, in accordance with regional industry planning, to participate in the secondary development of the existing industrial land.
- Encourage the mixed use of industrial land, and on the single-use industrial land, the proportion of other industrial uses and living facilities is increased to 30% of the total floor area above ground, of which the proportion of living facilities does not exceed 15%.
- For significant industrial projects, industrial land can be granted for a period of 50 years. The starting price of an industrial land grant may be determined in accordance with the national minimum price standard for industrial land grants.
- Industrial enterprises are no longer required to pay land premiums for upgrading the floor area ratio of industrial land.
- Developing new special industrial parks, providing 15 square kilometers of high-quality industrial space and 8 million square meters of carrier space for the “three leading industries”.

02 Optimizing the administrative service process of approving and filing foreign investment projects in Shanghai

- Foreign-invested projects with total investment (including capital increase) of less than USD 300 million, which are not in the Negative List, shall be approved by the Municipal Development and Reform Commission. projects with total investment (including capital increase) of USD 300 million or above shall be approved in accordance with relevant state regulations.
- Foreign-invested projects, which are not in the Negative List, shall be treated equally.
- Foreign investors and foreign-invested enterprises shall make decisions independently and take risks on their own regarding the market prospects, economic benefits, sources of funds and product and technology solutions of the projects. Project approval and filing authorities shall not unlawfully interfere with investment autonomy of foreign investors and foreign-invested enterprises.
- No access restrictions shall be imposed on foreign investment in areas which are not in the Negative List.

03 Optimizing the convenience for foreign projects investment

- Market Supervision Bureau carries out market registration for headquartered enterprises through the whole process of online operation and facilitates the application of e-business license and e-seal.
- In order to accelerate the implementation of the foreign-invested project, foreign-funded headquartered enterprises to carry out project investment can be included in the major foreign investment project list.
- Setting up service commissioners for headquarter enterprises at city and district levels to build effective communication between government and enterprises. Relying on the city and district foreign investment associations and business associations in Shanghai and other industry organizations to build a communication platform for government-enterprise services, and regularly convene government-enterprise round-table meetings to timely understand the needs of headquarters enterprises, coordinate and solve the problems of headquarters enterprises.
- The foreign-funded R&D centers will actively carry out biosafety risk assessment of inbound genetically modified organisms of plants and animals and biomaterials introduced for national and provincial scientific research projects and give quarantine approval facilitation arrangements if they meet the requirements. Extension of the time limit for re-exporting temporarily imported key R&D equipment and test vehicles of foreign-funded R&D centers in accordance with regulations.
- Do a good job for certificate of origin of free trade agreements, and facilitate customs duty reduction and exemption for foreign invested enterprises.



3.2.2 Protection of Rights and Interests of Foreign Investors

01 Guaranteeing national treatment for foreign-invested enterprises

- Ensuring equal participation of foreign-invested enterprises in government procurement activities. Carry out special inspections in government procurement.
- Supporting the equal participation of foreign-invested enterprises in standard-setting and encouraging foreign-invested enterprises to formulate their own industry standards or jointly formulate standards with other enterprises.
- Do not to exclude or discriminate against foreign-invested enterprises and their products or services. Do not to set additional conditions for foreign-invested enterprises and their products or services to enjoy the policies.

02 Continuously strengthening the protection of foreign investment

- Establishing and improving the provincial-level coordination mechanism for complaints by foreign-invested enterprises and promoting the resolution of matters involving multiple departments or policy and systemic issues.
- Various foreign-related economic and trade policies and measures should focus on enhancing transparency and predictability. Listen to the opinions of foreign-invested enterprises, and reasonably set up transition periods for newly introduced policies and measures.
- Coordinate and optimize law enforcement inspections of foreign-invested enterprises. Reduce the proportion and frequency of random inspections for foreign-invested enterprises with low credit risk.



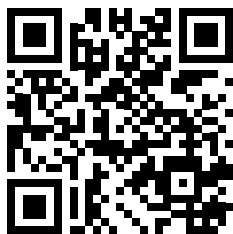
3.2.3 Intellectual Property Protection

01 Enhance the level of foreign intellectual property protection

- Optimize the management of technology import and export. Study the facilitation arrangements for cross-border technology transfer within multinational enterprise groups.
- Further clarify the scope of trade secrets protection, infringement and legal liability. Improve infringement litigation procedures and strengthen the protection of trade secrets for foreign-invested enterprises.
- Further strengthening the construction of a mechanism for rapid and coordinated protection of intellectual property rights. Providing one-stop comprehensive intellectual property services for enterprises, including foreign-funded R&D centers.
- Continuously carrying out special remedial actions against trademark registration and counterfeiting, patent infringement, online piracy, and other intellectual property infringement violations.
- Foreign-related trademarks of headquartered enterprises could be recommended into the Shanghai Key Trademark Protection List. Headquartered enterprises can apply to the Municipal Intellectual Property Office to carry out off-site rights defense relying on the cross-regional collaboration mechanism.



Shanghai Foreign Investment
Development Board



Web: <https://www.investsh.org.cn/en/index>

Tel: 86-021-62368800

Fax: 86-021-62368026

Add: 15F, New Town Center, 83 Loushanguan Road, Shanghai.

Email: investshanghai@investsh.org.cn