

# 2023

# White Paper

## On Environment for Foreign Investment in Shanghai

Edited by Shanghai  
Municipal Commission of Commerce



# Preface

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

Shanghai has always resolutely headed towards greater achievements. Over the past decade, it has been pursuing high-quality development based on a modern economic system, and has achieved a substantial improvement in overall economic strength: It has generated a GDP of over RMB 4 trillion for 2 consecutive years, ranking 4<sup>th</sup> among cities worldwide in 2022; the GDP per capita has increased from USD 14,200 to USD 26,900, meeting the standard of upper- and middle-level developed countries; and the tertiary industry has accounted for 74% of its GDP, up from 60% in 2012. A modern industry system with modern services as mainstay, strategic emerging industries as a leading force and advanced manufacturing as support has taken shape in Shanghai.

In recent years, Shanghai has made sustained efforts to push forward the “Five Centers” initiative and constantly enhanced its urban capacity and core competitiveness in fulfilling its “Four Functions” as a highland for global resource allocation, an incubator for sci-tech innovation, a driver of high-end industry development and an important opening-up hub. It has ranked among the top cities worldwide in terms of economic strength as reflected by multiple key indicators. In an era where ongoing challenges coexist with opportunities, Shanghai has not only made steady socio-economic progress, but has also shown large growth potential. Guided by the “Shanghai Spirit” of open-mindedness, inclusiveness, cultural diversity, and pursuit of excellence, it will continue to step up efforts to build a modern socialist metropolis with international appeal.

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

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

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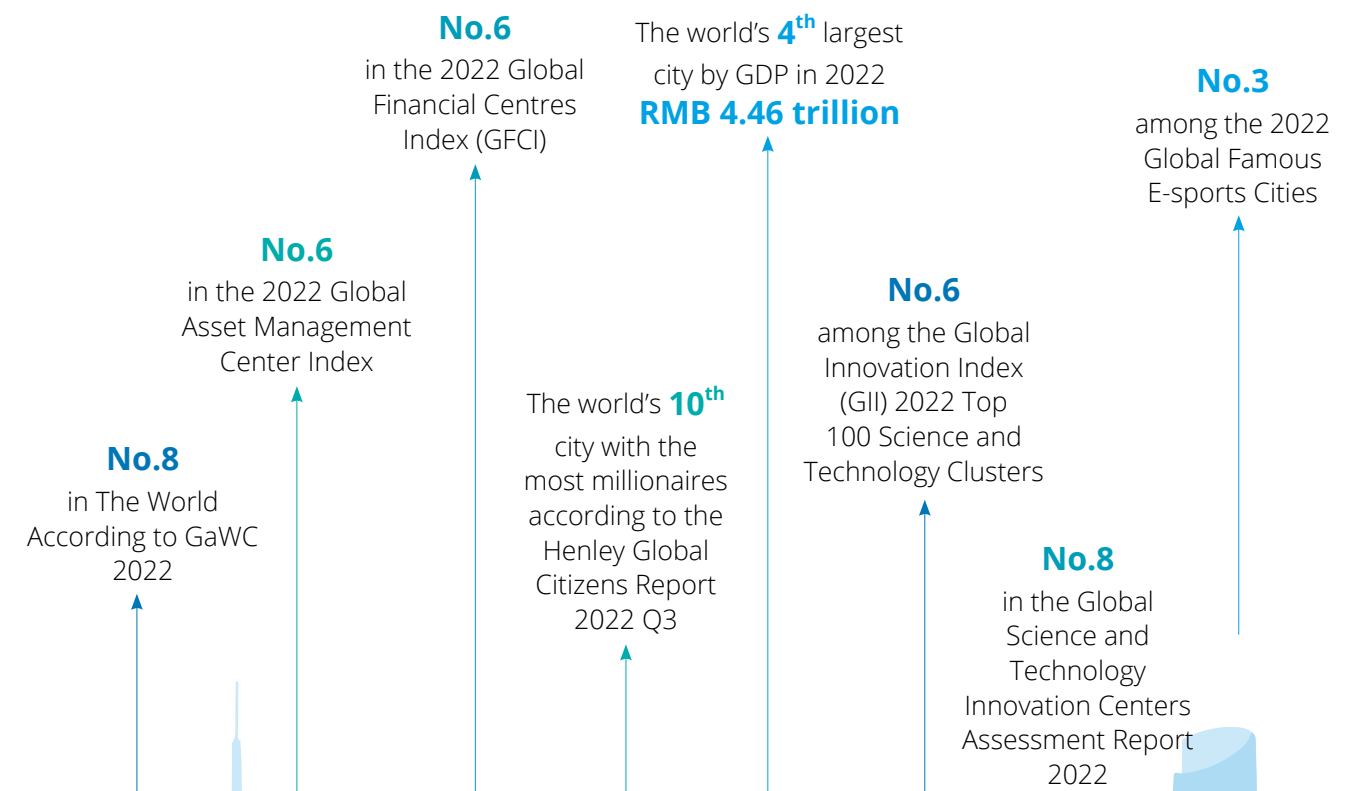
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## Chapter I Overview of Shanghai

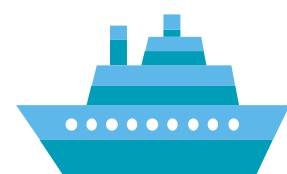
### Comprehensive Strength at a Glance



## Data Per Day in Shanghai



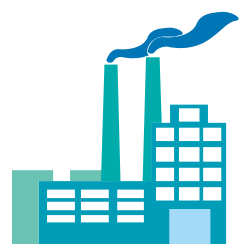
- GDP: **RMB 12.23 billion**
- General public budget revenue: **RMB 2.08 billion**
- Sales of goods: **RMB 45.07 billion**
- Retail sales of consumer goods: **RMB 4.51 billion**
- Import and export volume: **RMB 11.51 billion**
- Paid-in foreign direct investment: **USD 65 million**



Port throughput:  
**2.01 million metric tons**



Airport passenger throughput:  
**79,200**



Electricity consumption:  
**478 million kWh**



Public transport passenger numbers:  
**8.53 million**

## Overview of Economic Growth

### Economic Rebound with Bright Prospects

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

Shanghai's GDP in 2022  
**RMB 4.46 trillion+**

**China's largest economic center** by GDP

### Continuously Optimized Economic Structure

In 2022, the added value of the primary, secondary and tertiary sectors made up **0.2%**, **25.7%** and **74.1%** of Shanghai's GDP respectively.

#### Accelerated Transformation and Upgrading of the Secondary Sector

In 2022, the added value of the secondary sector in Shanghai was **over RMB 1.14 trillion**.

In new energy, high-end equipment, biology, new-generation information technology, new materials, new energy vehicles (NEVs), energy conservation and environmental protection, digital creativity and other strategic emerging industries, enterprises above the designated size<sup>1</sup> generated **over RMB 1.74 trillion** of total output value, accounting for **43.0%** of Shanghai's total.

- The output value growth rate of NEVs was **56.9%**;
- The output value growth rate of biomedicine was **5.9%**;
- The output value growth rate of new-generation IT was **4.7%**.

#### Economic Growth Secured by the Tertiary Sector

In 2022, the added value of the tertiary sector in Shanghai was **nearly RMB 3.31 trillion**, up by **0.3%**.

The emerging service industries kept growing. The added value of information transmission, software and IT services was **over RMB 378.85 billion**, a year-on-year growth of **6.2%**; the business revenue increased by **7.9%** year on year, with the revenue of Internet and its related services growing by **14.6%**. The business revenue of scientific research and technology services rose by **5.9%**.

- The added value of the financial sector was **over RMB 862.63 billion**, up by **5.2%** from the previous year;
- The added value of transportation, warehousing and postal services was **over RMB 191.45 billion**;
- The added value of leasing and commercial services was **over RMB 289.41 billion**.

### Foreign Investment Hitting New Highs

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



Paid-in foreign direct investment  
**USD 23.95 billion+**



- The tertiary sector had a paid-in foreign capital of **over USD 23.07 billion** which increased by 1.0% from the previous year, accounting for **96.3%** of the total FDI;
- The paid-in FDI in the manufacturing industry was **USD 875 million**.

### A Top Choice for Foreign Investors

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

Note: 1. Industrial enterprises above the designated size refer to those with an annual main business revenue of RMB 20 million or more.



# “Four Functions” and “Five Types of Economy”

## Strengthening “Four Functions”

### Allocating Global Resources

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

### Nurturing Sci-Tech Innovations

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



### Propelling High-end Industries

- Doubling the scale of three leading industries, namely **integrated circuits (ICs)**, **biomedicine and artificial intelligence (AI)**; accelerating the development of six key industries, which are **electronic information, automobiles, high-end equipment, advanced materials, life science and healthcare, and modern consumer goods**; and facilitating **digital transformation in economy, life and governance**.

### Pioneering China’s Expanded Opening-up

- Building Shanghai into a **world-class shipping and aviation hub** which offers high-end shipping services and features a high-capacity aviation industry cluster;
- Creating **new systems for a higher-standard open economy** along with extensive transportation and economic networks with a view to facilitating the linkage of markets and the flow of resources in China and overseas.

## Promoting “Five Types of Economy”

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



### Development Goals

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

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



## Five Key Measures

### Increasing the capacity of the service economy

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

### Strengthening leading role of the innovation economy

- Supporting the coordination between **strategic sci-tech powerhouses** including national laboratories and **market entities to make major sci-tech breakthroughs**;
- Transforming innovation achievements in **ICs, biomedicine and AI** into high-end products and technologies;
- Attracting and nurturing **talent engaged in innovation and entrepreneurship**.

### Enhancing the central role of the headquarters economy

- **Attracting MNCs** to settle **physical RHQs** in Shanghai and encouraging existing RHQs to upgrade towards Asia-Pacific or global headquarters;
- Implementing the **Group Open Innovation (GOI) plan** and encouraging large leading enterprises to help specialized, sophisticated and innovative SMEs that have been certified as “Little Giants” grow into micro and small quasi-RHQs with higher market share and stronger global influence to further promote the development of industry chains.

### Improving the connectivity of the open economy

- Exploring comprehensive pilot projects to **develop Pudong New Area into a special economic area**;
- Promoting **the integrated development of the YRD region and factor markets in key fields**, and facilitating **the alignment of standards and regulations across the region**;
- Developing **digital trade** and improving cross-border settlement services.

### Amplifying the spillover effects of the flux economy

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



# An Open Policy Environment

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

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

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

### **Highlights**

The *Negative List for Market Access* lists out industries, fields, and business which are prohibited or require permits for investment and operation in China, and specifies precise requirements for all levels of government to enforce integrated supervision in accordance with the law.

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

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

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

### **Highlights**

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

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

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

### **Key Changes**

#### **Expanding Opening-up of the Manufacturing Industry**

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

#### **More Openness in Service Industry in Pilot FTZs**

- Market surveys are no longer limited to joint ventures, except that radio and television listening and rating surveys shall only be limited to companies majority-owned by Chinese entities or persons;
- The prohibition to invest in social surveys has been deleted for foreign investment, but the proportion of Chinese shares shall not be less than 67%, and the legal representative shall have Chinese nationality.

## Chapter II Government Policies



## Measures of Shanghai Municipality for High-quality Implementation of the Regional Comprehensive Economic Partnership (RCEP)

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

### High-quality Development of Trade in Goods

- Increasing the scale of imports, further expanding into global markets, promoting the integration of cross-border e-commerce markets, and facilitating customs clearance;

### Innovative Development of Trade in Services

- Fostering digital trade, specialized services trade and premier financial services;

### Deepening Bilateral Investment

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

### Deloitte Perspectives

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

## Procedures of Shanghai Municipality on the Administration of Approval and Filing of the Projects with Foreign Investment

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

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

### Establishing Platforms for Regional Cooperation

- Tapping into specialized demonstration zones, and expanding the Southeast Asian market through joint efforts with Yunnan Province;

### Enhancing Services for Enterprises

- Providing intensive training and consulting services for enterprises, and integrating RCEP-related services into the single-window service platform for international trade;

### Creating a World-class Business Environment

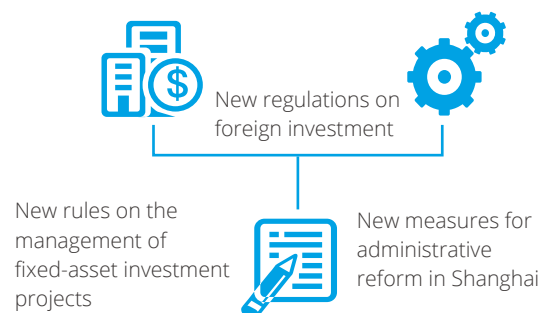
- Strengthening intellectual property rights protection in international trade, establishing a mechanism to protect the rights and interests of Chinese enterprises doing business abroad, and tracking international standards to facilitate international trade.



### Four Features

- Defining clearly the scope of administration to cope with new laws and regulations;
- Streamlining most approval documents and carrying out the notification-based filing process;
- Implementing the national treatment administrative system to guarantee investment autonomy;
- Highlighting efficient collaborative management and high level administrative services.

### Highlight: Combination of Three Aspects



# Supportive Policies for Headquarters

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

## Certification Criteria for Headquarters Entities



### RHQs of MNCs

**A sole head office established in Shanghai in the form of investment or authorization by its overseas-registered parent company to perform investment, management and service functions for the company's operation in China and beyond.**

- A foreign-invested enterprise with independent legal personality;
- The overseas parent company holds, directly or indirectly, at least 50% of its shares, and has a total asset value of no less than USD 200 million;
- Minimum registered capital of USD 2 million.



### Quasi-RHQs of MNCs

**A foreign-funded enterprise (or a branch office), established in Shanghai in the form of investment or authorization by its overseas-registered parent company or by a foreign-funded holding company, which fails to meet the criteria for RHQs but actually undertakes the functions (such as investment, management, marketing, settlement, and supportive services) of a headquarters for the company's operation in China and beyond.**

- A foreign-invested enterprise or its branch office with independent legal personality;
- The overseas parent company holds, directly or indirectly, at least 50% of its shares, and has a total asset value of no less than USD 100 million;
- Registered capital of no less than USD 1 million; and in the case of a branch office, total working capital appropriated by its parent company in the last three years should be no less than USD 1 million.



### Business Unit Headquarters of MNCs

**An entity established in Shanghai in the form of investment or authorization by its overseas-registered parent company that has a business unit framework divided by functions, business segments, products, brands and services, or by a foreign-funded holding company, to serve as the only head entity that undertakes the investment, management, and service functions of the business unit for its operation in China and beyond.**

- Meet the certification criteria for RHQs;
- Over one year of continuous operation in Shanghai, with a revenue of no less than RMB 1 billion for the previous year, accounting for no less than 10% of that of the overseas parent company's business unit.

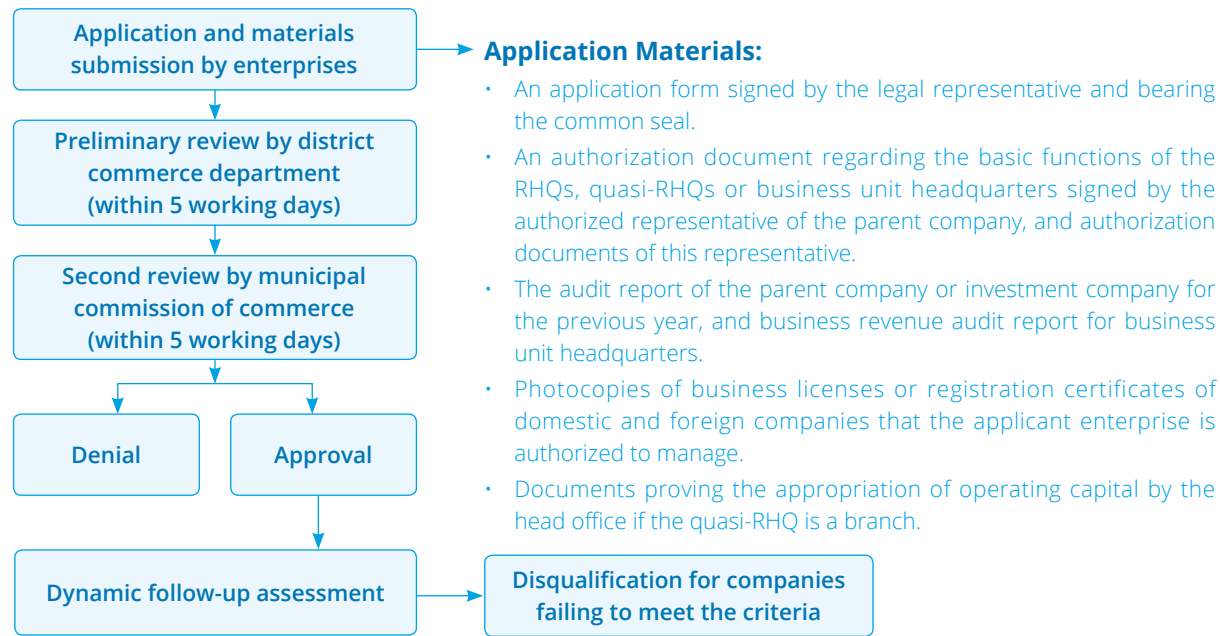
Note: Applicant enterprises should have no record of serious misconduct in the past three years, or the misconduct has been properly corrected as of the day of filing the application.

### Deloitte Perspectives

The headquarters economy is an important driver for a city's high-quality development. Since the revised *Provisions of Shanghai Municipality on Encouraging Multinational Corporations to Establish Regional Headquarters* came into effect on November 1, 2022, an increasing number of MNC RHQs and foreign-funded R&D centers have settled in Shanghai, demonstrating improved capacity of the city's headquarters economy.

On February 2, 2023, Shanghai issued certificates to the 36<sup>th</sup> batch of MNC RHQs and foreign-funded R&D centers. Most of these certified corporations are from the city's key industries, including 6 companies in biomedicine, 5 in intelligent manufacturing, 5 in automobile and components, and 7 in trading, logistics and information services.

## Application Procedures



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

Incentive	Description
Subsidy for Establishment	An eligible RHQ will be given a start-up subsidy of RMB 5 million, payable in three years at the annual rate of 40%, 30% and 30%.
Office Subsidy	An eligible RHQ that rents an office space for its own use is entitled to a three-year rental subsidy at the annual rate of 30%.
	An eligible RHQ which purchases or builds an office space for its own use is entitled to a lump sum subsidy equivalent to the total amount of the three-year rental subsidy.
Performance Rewards	An eligible RHQ will be given a lump sum reward of up to RMB 10 million, payable in three years at the annual rate of 40%, 30% and 30%.
Subsidy for Establishment of Higher-capacity RHQs	An eligible RHQ covering Asia, Asia-Pacific or broader regions will be given a lump sum subsidy of RMB 3 million.

## Convenient Services

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

# Policies for Foreign-funded R&D Centers

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

## Criteria for Certifying Foreign-funded R&D Centers

### Foreign-funded Open Innovation Platforms

R&D centers offering facilities and equipment, spaces and professional guidance to support project cooperation with small and medium-sized enterprises as well as other innovation teams, in a bid to realize integrated innovation

- Having a total investment of no less than USD 2 million;
- Having R&D spaces no smaller than 1,000 m<sup>2</sup>;
- Having no less than 10 cooperative innovation projects;
- Having the necessary facilities, equipment and professional international guidance for integrated innovation, as well as resources such as international technology and a talent pool.

### Foreign-funded R&D Centers

Institutions set up by foreign investors to conduct R&D and experimental development in natural science or related fields

- A foreign-funded enterprise lawfully established in Shanghai;
- Having a specified R&D field and projects, as well as necessary conditions such as a fixed space and equipment;
- Having a total R&D investment of no less than USD 2 million.

### Global R&D Centers

Global institutions which boast exclusive R&D technology platforms, and are responsible for key procedures and most sections of global R&D projects

- Meeting all the criteria for foreign-funded R&D centers;
- Being authorized by the parent company as its highest global level R&D center, and controlling global R&D projects;
- Having an accumulated R&D investment of no less than USD 10 million; the proportion of investment in the previous year accounting for no less than 10% of the parent company's total investment.

### How to apply?

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

### Deloitte Perspectives

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



# Policies for Foreign-funded R&D Centers (Continued)



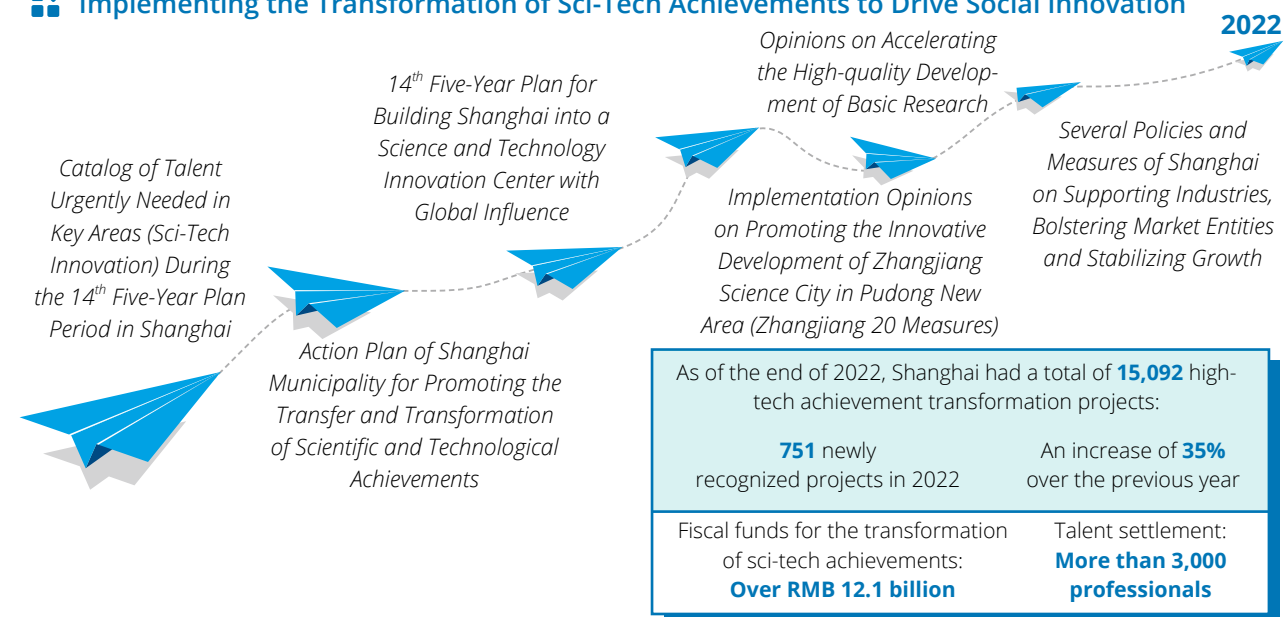
## Supportive and Convenient Services

Type	Content
Convenient Cross-border R&D Customs Clearance	<ul style="list-style-type: none"> <li>Eligible foreign-funded R&amp;D centers can enjoy convenient services for their imported R&amp;D items after completing filing procedures;</li> <li>Second-hand special key R&amp;D equipment to be imported temporarily for no more than one year, upon the approval of the Customs, may be granted a reasonably extended period of stay. For vehicles that are imported for experimental testing and are required to be shipped out within six months, the period of stay can be extended to two years at most.</li> </ul>
Convenient Cross-border Financial Services	<ul style="list-style-type: none"> <li>Financial institutions within Shanghai's banking system are encouraged to optimize their procedures for foreign exchange settlement under non-trade accounts to provide foreign-invested R&amp;D centers with green access to contract filing and tax determination.</li> </ul>
Talent Attraction and Cultivation	<ul style="list-style-type: none"> <li>Foreign-funded R&amp;D centers are directly included as a category in the "Shanghai Sci-Tech Innovation Profession List";</li> <li>High-caliber foreign professionals employed by foreign-funded R&amp;D centers will be prioritized when applying for the <i>Confirmation Letter for High-level Foreign Talent</i>;</li> <li>Qualified foreign personnel can apply for a work permit by means of "Notice + Commitment" and "Pre-acceptance of Cases in Need of Further Information Submission". They also enjoy convenient online approval services.</li> </ul>
Convenient Entry-Exit Procedures and Residence Permit Application	<ul style="list-style-type: none"> <li>Foreign staff from foreign-funded R&amp;D centers can apply for 3 to 5-year residence permits;</li> <li>High-caliber foreign talent recommended by the municipal commerce department can be given priority when applying for permanent residence.</li> </ul>
Training Subsidy and Housing Security	<ul style="list-style-type: none"> <li>Foreign-funded R&amp;D centers can apply for staff training subsidies according to relevant regulations;</li> <li>Qualified personnel of foreign-invested R&amp;D centers can apply for rent-controlled talent apartments from the municipality or enjoy talent housing subsidies according to relevant regulations.</li> </ul>
Convenient Registration	<ul style="list-style-type: none"> <li>R&amp;D spaces for eligible foreign-funded open innovation platforms can be defined as collective registered land.</li> </ul>
Convenient Environment Evaluation and Hazardous Waste Management	<ul style="list-style-type: none"> <li>Categorized management of environmental impact assessment on foreign-funded R&amp;D centers shall be implemented, the preliminary procedures for the assessment of eligible centers be simplified, and concurrent and ex-post regulation be strengthened.</li> </ul>
R&D Space Guarantee	<ul style="list-style-type: none"> <li>The Planning and Natural Resources Department and district-level governments should guarantee the reasonable demand of foreign-invested R&amp;D centers for land use according to the law, set proper control indicators such as the plot ratio and building height on the land for R&amp;D purposes, optimize the spatial layout for scientific research innovation, and promote the integrated development of scientific research and innovation functions as well as urban functions.</li> </ul>
Industry-University-Research Cooperation	<ul style="list-style-type: none"> <li>"Sci-Tech Innovation Vouchers" are issued to foreign-funded R&amp;D centers to support their shared use of large equipment and facilities as well as R&amp;D trial services on public service platforms.</li> </ul>
Involvement in Government Projects	<ul style="list-style-type: none"> <li>Foreign-invested R&amp;D centers can participate in government projects.</li> </ul>
Transfer and Transformation of Sci-Tech Achievements	<ul style="list-style-type: none"> <li>Industrialized innovative achievements of foreign-funded R&amp;D centers can be declared in the <i>Shanghai Recommendation Catalog for Innovative Products</i>, in which products that are put into the market for the first time (including the first set of equipment, the first batch of new materials and the first version of software) can be procured by the government in accordance with relevant regulations.</li> </ul>
IP Protection	<ul style="list-style-type: none"> <li>Foreign-funded R&amp;D centers that obtain invention patents granted in China and abroad will receive financial support in accordance with relevant provisions issued by the municipality;</li> <li>Eligible foreign-funded R&amp;D centers can apply for patent demonstration units and enjoy relevant policies.</li> </ul>
Financial Support	<ul style="list-style-type: none"> <li>Eligible global R&amp;D centers can get start-up and rent subsidies.</li> </ul>

# Supportive Sci-Tech Innovation Policies

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

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

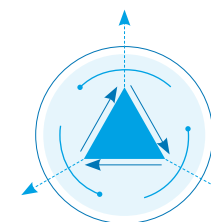


## A Global Sci-Tech Innovation Community in the YRD Region

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

### Sci-Tech Innovation Policies in the YRD Region

- Cooperation Mechanism for the Joint Research and Development of Science and Technology Innovation Community in the Yangtze River Delta Region*
- Action Plan of Jiangsu, Zhejiang, Anhui Provinces and Shanghai Municipality for Jointly Building a Science and Technology Innovation Community in the Yangtze River Delta (2022-2025)*
- Implementation Opinions on Promoting the Development of Science and Technology Innovation Vouchers in the Yangtze River Delta Region*



### National Innovation Center par Excellence

- Positioned for the transformation from science to technology;
- Facilitating **breakthroughs in core technologies** in key areas, and the **transfer, transformation and industrialization** of sci-tech achievements through industry-university-research collaboration;
- Providing **source technology supply and transformation services** for the industry development in the YRD region, and **innovation services** for the incubation, cultivation and development of sci-tech MSMEs.

### G60 S&T Innovation Valley of Yangtze River Delta

- The "G60 Star Chain" program with a total investment of more than RMB 30 billion advances steadily, successfully completing the launch of multiple test satellites such as "G60" and "Songjiang";
- The fully digitalized satellite manufacturing factory has been under construction, aiming to become **the first "lighthouse factory" of satellite manufacturing in the YRD region**, and form a whole industry value chain integrating **satellite manufacturing, launch operation and maintenance, data services, and ground equipment**;
- The Valley has clustered high-level major sci-tech innovation platforms, including **the G60 Brain Intelligence Innovation Park, the Shanghai Center for Plant Stress Biology of the Chinese Academy of Sciences, and AVIC Shanghai Aero Measurement Controlling Research Institute**, as well as **world-class digital research laboratories, including Keen Security Lab of Tencent and Tencent YouTu Lab**.

# Supportive Financial Policies

Shanghai has implemented a series of measures focusing on the major concerns of enterprises and requirements for a stable financial market, and optimized its financial services to boost the high-quality development of enterprises and better empower the real economy.

## Sci-Tech Innovation Driven by Financial Reforms

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

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

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

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

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

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

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

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

### Action Plan for Encouraging the Banking and Insurance Industries to Support Shanghai's Science and Technology Innovation Center Initiative (2022–2025)

In December 2022, the *Action Plan for Encouraging the Banking and Insurance Industries to Support Shanghai's Science and Technology Innovation Center Initiative (2022–2025)* and other supportive policies were released by China Banking and Insurance Regulatory Commission and other government departments to **promote high-quality development of sci-tech enterprises through techfin**. Shanghai once again played its role as a sci-tech innovation hub and international financial center.

#### Key Points of the Action Plan

- **About 15 pilot financial institutions have been authorized** to offer comprehensive services for all stages of major SMEs' development;
- Supportive policies have been implemented to prioritize and promote innovative products from these pilot institutions;
- By 2025, **the balance of loans granted by major banking and insurance institutions in Shanghai to sci-tech enterprises is expected to exceed RMB 1 trillion**, the balance of loans to sci-tech SMEs double from that in 2021, and **the balance and number of intellectual property pledge financing both quadruple from that in 2021**.



#### Key Points of the Supportive Policies

- During the 14<sup>th</sup> Five-Year Plan period, commercial banks and insurance companies in Shanghai will strive to realize the vision of offering credit to all municipal-level and above specialized and sophisticated enterprises that produce new and unique products, **with the minimum ratio of credit financing being no less than that in the previous year, and financing costs being no more than that in the previous year**;
- Focusing on the services tailored to specialized and sophisticated enterprises that produce new and unique products, banks and insurance companies in Shanghai will **innovate their financial products** and **improve the overall service capability**, and forge stable partnerships with these enterprises to **pool more financial resources for well-performing innovative SMEs**.



## Chapter III Government Services



# World-class Business Environment

Business environment is an important driving force for high-quality economic development. Since the *Action Plan for Optimizing Business Environment and Accelerating the Development of New Systems for the Open Economy in Shanghai* was issued in December 2017, the city has continued rolling out newer versions of the action plan at the end or beginning of each year and held municipal meetings to make specific arrangements. Such action plans have always been a model for other regions across the country.

## Achievements in Business Environment Optimization



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

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

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

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



From the *Action Plan for Optimizing Business Environment and Accelerating the Development of New Systems for the Open Economy in Shanghai* in 2017 to the *Action Plan for Strengthening Integrated Innovation to Optimize Business Environment in Shanghai* in 2023, Shanghai has upgraded its business environment reform from version 1.0 to 6.0.

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



**World-leading**  
Separating business licenses from administrative permits

**Fair competition**  
Exploratory model

Notification and commitment-based approval

**Equal market access**  
Fault tolerance for innovation

Preferential enterprise policies

**Government Online-Offline Shanghai Portal**  
Quick response to requests without disrupting daily business operations

**Development of SMEs**  
Integrated development of the YRD region

**Further opening-up**  
Protection of rights and interests

**Innovative Implementation of One Integrated License Reform**

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

## Improving Service Capacity Through the Government Online-Offline Shanghai Portal

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

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

**2020**

The Government Online-Offline Shanghai Portal was selected as **an exemplary case in the UN E-Government Survey 2020**.

**2021**

Shanghai ranked **first in China** in the *Survey and Assessment Report on Provincial Governments Integrated Service Capacity 2021*.

**2022**

Shanghai **ranked among the front-runners in China** in the *Survey and Assessment Report on Provincial Governments Integrated Service Capacity 2022*.

## Establishing Mechanisms for Government-Enterprise Communication

Enhanced interactions between the government and enterprises through round-table meetings, online government service platforms, Weibo, WeChat, and mobile client applications;

Improved government-business communications by designating dedicated government staff to contact and visit enterprises regularly;

Established channels such as the “12345” hotline and Shanghai Enterprise Service Cloud for foreign investors and foreign-invested enterprises to submit their appeals, opinions, and suggestions.

### Deloitte Perspectives

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

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

# Service System for Promoting Foreign Investment

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

## Foreign Investment Promotion Services



### Dedicated Platform

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

### Partnerships

- Hiring experts from professional consulting agencies as well as European, American, Japanese and other foreign chambers of commerce and associations to serve as foreign investment "promotion ambassadors";
- Cooperating with all districts and key functional areas to establish a professional and international foreign investment promotion team comprised of "service ambassadors".

### International Exchanges

- Establishing sister-city partnerships or friendly exchange relationships with cities of multiple countries to facilitate all-round communications in economic, cultural and other fields.

## Foreign Investment Promotion Events

### Shanghai City Promotion Convention

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

### "1 + 9 + N" Promotion Events Series

- During the 5<sup>th</sup> China International Import Expo (CIIE), Shanghai's investment promotion departments of all levels collaborated with global investment partners in launching a series of quality promotion events showcasing the charm of Shanghai and the opportunities in the city, which have had a positive impact on the high-quality development of Shanghai's economy and industries.

## Foreign Investment Promotion Platforms

- Shanghai Foreign Investment Promotion Service Platform (Shanghai Foreign Investment Development Board)



Scan the QR code for more information

- Shanghai Foreign Investment Association



Scan the QR code for more information

## Foreign Investor Protection System

### Complaint Resolution Mechanism for Foreign-invested Enterprises

The municipal and district-level departments of commerce, which are responsible for handling complaints from foreign-invested enterprises, have established a joint complaint resolution mechanism for foreign-invested enterprises and complaint handling centers, while improving rules and methods, defining the processing timeline, and declaring such information to the public.

- *Shanghai Measures for Foreign-invested Enterprise Complaint Handling*
- A "1 + 16 + 2" complaint handling center for foreign-invested enterprises

### Diversified Dispute Resolution Mechanism

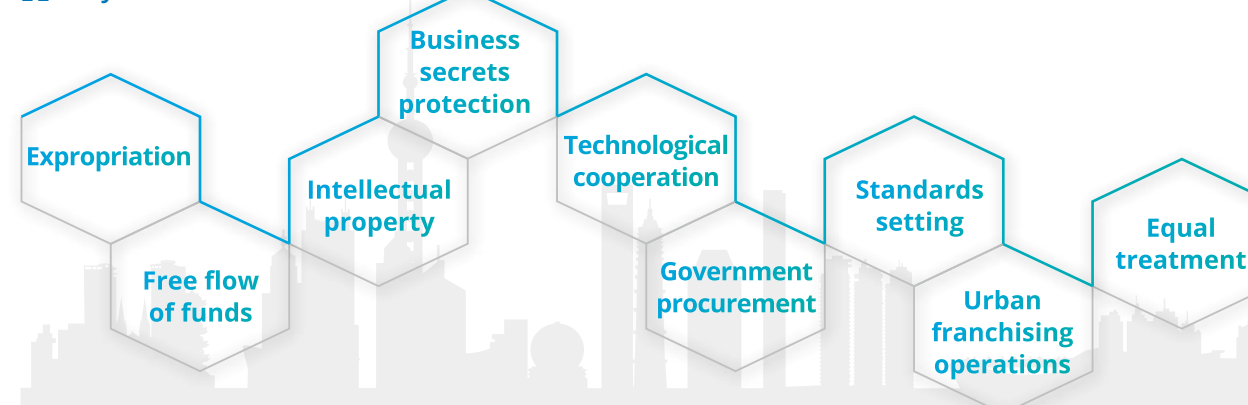
Shanghai has established a diversified dispute resolution mechanism that integrates and coordinates mediation, business arbitration, administrative adjudication and reconsideration, and litigation, providing efficient and convenient channels for foreign-invested enterprises to deal with disputes.

- *Regulations of Shanghai Municipality on Promoting Diversified Mechanisms for Dispute Resolution*
- Establishment of the Yangtze River Delta Arbitration Integration Development Alliance
- *Action Plan for Implementing the Rule of Law in Shanghai (2021-2025)*
- *White Paper on Financial and Business Trials in both Chinese and English*

### Chambers of Commerce & Associations

Chambers of commerce and associations shall, in alignment with laws, regulations, rules and articles of association, report members' demands in a timely manner, and provide them with information consultation, publicity and training, market development, trade exchanges, rights and interests protection, dispute settlement and other services.

## Key Investment Protection



### IPR Protection

In recent years, IPR protection has been a strategic support to enhance the city's core competitiveness. All levels of government and sectors of society have mobilized efforts to strengthen a closed-loop system of IPR protection, which has led to continuous improvement in this field.

Number of authorized patents	Number of international patent applications under PCT	Number of valid registered trademarks	Number of high-value invention patents per 10,000 population
<b>36,800</b>	<b>5,591</b>	<b>2,427,500</b>	<b>40.9</b>
11.98% increase compared to the previous year	15.76% increase compared to the previous year	14.66% increase compared to the previous year	

- **Remarkable achievements:** Shanghai has been recognized as "Excellent" in the national inspection and review of IPR protection for the 3rd consecutive year, and ranked **No.6** of the Top 100 Science and Technology Clusters in the Global Innovation Index 2022 released by the World Intellectual Property Organization (WIPO);
- **Multiple policies:** *Administrative Measures for the Special Fund for Intellectual Property in Shanghai, Guidance on Enhancing Intellectual Property Competitiveness of Small and Medium-sized Enterprises in Shanghai, Outline for Building Shanghai into an Intellectual Property Powerhouse (2021-2035), 14<sup>th</sup> Five-Year Plan on Intellectual Property Protection and Application in Shanghai, and Administrative Measures for the Key Protected Trademark List in Shanghai;*
- **Building innovative pilots:** Shanghai Intellectual Property Protection Center, one of China's first pilot projects for open patent licensing, was officially launched.



# High-level Talent Development

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



## Incentive Policies for Talent Recruitment



Shanghai Human Resources Development Services Center has formulated the *Supporting Measures for Attracting and Retaining Talent to Boost Economic Recovery and Revitalization* to further attract talent and promote their confidence in developing careers and businesses in Shanghai.

<b>Improving relocation policies for new college graduates</b>	<ul style="list-style-type: none"> <li>Adjusting the scoring method of household registration in Shanghai for new college graduates from other provinces;</li> <li>Further optimizing household registration policies for new college graduates who work in the “Five New Towns”.</li> </ul>
<b>Optimizing recruitment and relocation policies for returned overseas graduates</b>	<ul style="list-style-type: none"> <li>Returned overseas graduates from global top 50 universities can directly apply for household registration after getting a full-time job in Shanghai;</li> <li>Returned overseas graduates from global top 500 universities who have obtained bachelor's degrees or above in urgently needed fields, such as science, technical engineering and mathematics, are recruited by designated key employers, are eligible to apply for household registration after keeping a full-time job in key enterprises or institutions for 6 months in Shanghai. Meanwhile, the limit on social insurance contribution base will be lifted.</li> </ul>
<b>Innovating measures for attracting and retaining foreign talent</b>	<ul style="list-style-type: none"> <li>Foreign talent hired by key employers to serve as mid- and senior-level technical experts in scientific research positions can enjoy fast service when applying for a work permit in China;</li> <li>Foreign sci-tech professionals applying for a work permit in China for the first time are covered by the “Notice and Pledge” system without the need to submit proof of no criminal record abroad.</li> </ul>
<b>Increasing financial support</b>	<ul style="list-style-type: none"> <li>Piloting a talent loan of up to RMB 10 million for an individual and up to RMB 30 million for a talent-intensive enterprise.</li> </ul>
<b>Promoting innovation in technology industries</b>	<ul style="list-style-type: none"> <li>Enhancing the support of “Sci-Tech Innovation Vouchers” for talent-intensive companies;</li> <li>Providing qualified companies with fast and direct policy support.</li> </ul>



Diagram Summary of the *Supporting Measures for Attracting and Retaining Talent to Boost Economic Recovery and Revitalization*

## Excellent Talent Services

Promoting the brand of “Gathering Global Talent in Shanghai” (GGTS)



### Support for young entrepreneurs

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



**3-year interest-free loan and angel investment without dividends**

Shanghai Technology Entrepreneurship Foundation for Graduates



Current students or graduates who have graduated within the past eight years, with Chinese nationality

### GGTS cloud job fairs

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



**Livestreaming recruitment**



**Remote recruitment**



**Video interview**



- 25,000** new housing units were made available for leasing in 2022;
- During the 14<sup>th</sup> Five-Year Plan period, the total number of housing units listing on Shanghai Talent Housing Service Platform has reached **over 200,000**;
- A group of affordable, long-term and stable rental housing units have been provided for outstanding fresh college graduates working in Shanghai, thanks to a dedicated action to guarantee housing availability for them;
- High-level and urgently needed talent qualified by municipal and district-level HR departments can withdraw the full amount of their housing provident funds to pay the rent according to the actual rental expenses when they rent public rental housing;
- Each district shall provide special rental subsidies for qualified talent in major enterprises.



WeChat official account: Shanghai Talent



Shanghai Talent Housing Service Platform

### Deloitte Perspectives

In recent years, all districts in Shanghai have introduced housing policies to provide more subsidies and support for various types of returned overseas professionals and graduates. In January 2023, Shanghai issued the *Action Plan for Enhancing Confidence, Expanding Demand, Stabilizing Growth and Promoting Development in Shanghai*, which clearly requires further improvement of policies and services related to housing, education and healthcare to attract and retain talent. With the implementation of a housing availability project, Shanghai has stepped up efforts to construct subsidized rental housing and develop a multi-level rental housing supply system. The implementation of housing policies has remarkably contributed to enhanced talent supply and quality.



# Chapter IV Investment and Cooperation

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

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

### RHQs of MNCs

What attracts HQs to Shanghai:

- Main advantage – **openness**
- Primary development momentum – **innovation**
- Most valuable resource – **talents**



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

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

### Improving the Capacity of HQs

- By the end of 2022, foreign investors had set up a total of **891** RHQs of MNCs in Shanghai, among which nearly **80%** are from Europe, the US, Japan and other developed countries and territories, mostly in industries such as **bio-medicine, automotive manufacturing, intelligent manufacturing, as well as commerce and trade, logistics, and inspection and testing;**
- About **21%** were RHQs for the Greater China region and beyond.

### Increasing Economic Contribution of HQs

- RHQs of MNCs in Shanghai, whose number accounted for only 1.1% of that of foreign-invested companies, have contributed **18.2%** of the city's tax revenue from these companies;
- **20%** of the MNC RHQs' tax revenues have exceeded **RMB 100 million;**
- **57 HQs** have been listed in Shanghai's top 100 foreign-invested enterprises.

### Foreign-invested R&D Center

Shanghai holds China's **largest cluster** of foreign-invested R&D centers which are transforming from independent innovation "silos" to **open innovation platforms** in the digital era.

By the end of 2022, **531** foreign-funded R&D centers had been settled in Shanghai. Meanwhile, the thriving of foreign-invested open innovation platforms will facilitate the establishment of better policies and systems.

### Contribution to Development

#### Micro-level

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

#### Meso-level

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

#### Macro-level

- Using foreign-funded open innovation platforms to usher in the economic transformation from **"Made in China" to "Created in China"**.



# Major Achievements of the “Five Centers” Initiative

In 2022, Shanghai continued to focus on its economic and social development, contributing to enhanced economic resilience, further efforts in reform, opening-up and innovation, continuously improved livelihood, and the city's upgraded capacity and core competitiveness. Shanghai has gradually become an international economic, financial, trade and shipping center, and formed the basic framework of a sci-tech innovation center with global influence.

## 01

### An International Economic Center

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

Achievements:

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

## 02

### An International Financial Center

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

Achievements:

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

## 03

### An International Trade Center

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

Achievements:

- Shanghai's port trade volume remains **the largest among global cities**;
- Total commodity sales reached **RMB 16.45 trillion**;
- The Asia-Pacific Model E-port Network (APMEN) was expanded to include **24** member ports;
- The number of RMB 100 billion-level commodity trade platforms reached **7**, and the price of iron and steel, non-ferrous metals, iron ore and other commodities has become **an important indicator of the international market**;
- The investment management system featuring **negative list management** at its core and the trade regulation system in line with the high-standard trade facilitation rules have been **improved**.

## 04

### An International Shipping Center

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

Achievements:

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

## 05

### A Sci-Tech Innovation Center with Global Influence

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

Achievements:

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

# An International Economic Center with Influential Industry Clusters

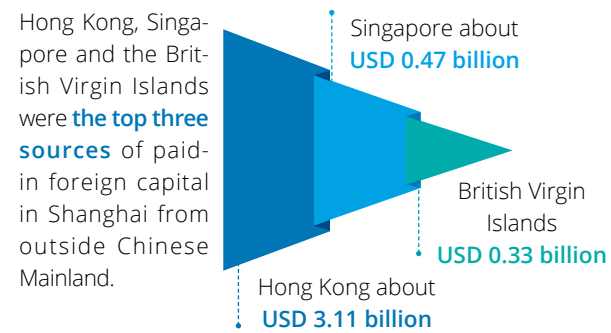
Shanghai has focused on building itself into an international economic center, and it will strengthen industrial support for the international economic center and accelerate the development of a modern industry system, aiming to greatly improve the “Shanghai solution” for the three leading industries.

## Impressive Foreign Investment Statistics

From January to February in 2023:



## Main Sources of Foreign Investment



## A Faster Clustering of Trade-based Headquarters

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

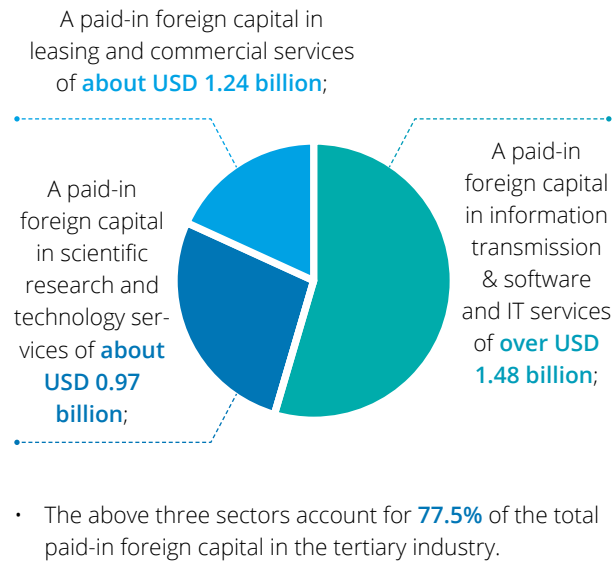
**Types of Newly Certified Trade-based Headquarters in 2022**

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

**Total Turnover of Newly Certified Trade-based Headquarters in 2022**

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

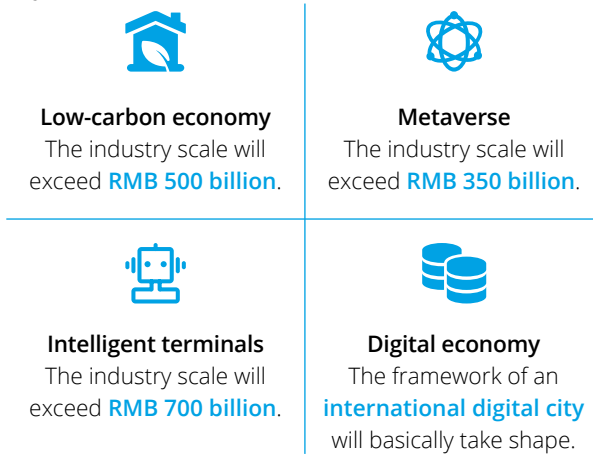
## Major Industries Attracting Foreign Investment



## Trillion-level Development Plans for the New Segments

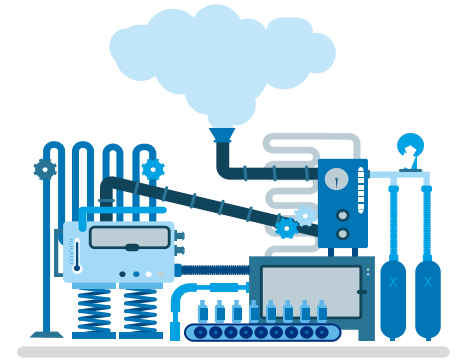
In June 2022, Shanghai announced the development plans for the four new segments, namely the Metaverse, low-carbon economy, intelligent terminals and the digital economy.

By 2025:



## Globally Competitive High-end Industry System

In line with the new trends in a new round of technological revolution and industry transformation, Shanghai has strengthened its function as an economic center and focused on the development of the high-end and core links of the industrial chain that are knowledge-intensive, highly-integrated, and highly-complex. Empowered by the new-generation IT, Shanghai has improved the industrial quality and efficiency. By integrating the manufacturing and services industry, Shanghai is accelerating its efforts to form an industry system that enables **the three major industries to play leading roles, promotes the clustering development of six key industries, and enhances the quality and capacity of the service economy.**



## Diversified New Systems of Modern Industry

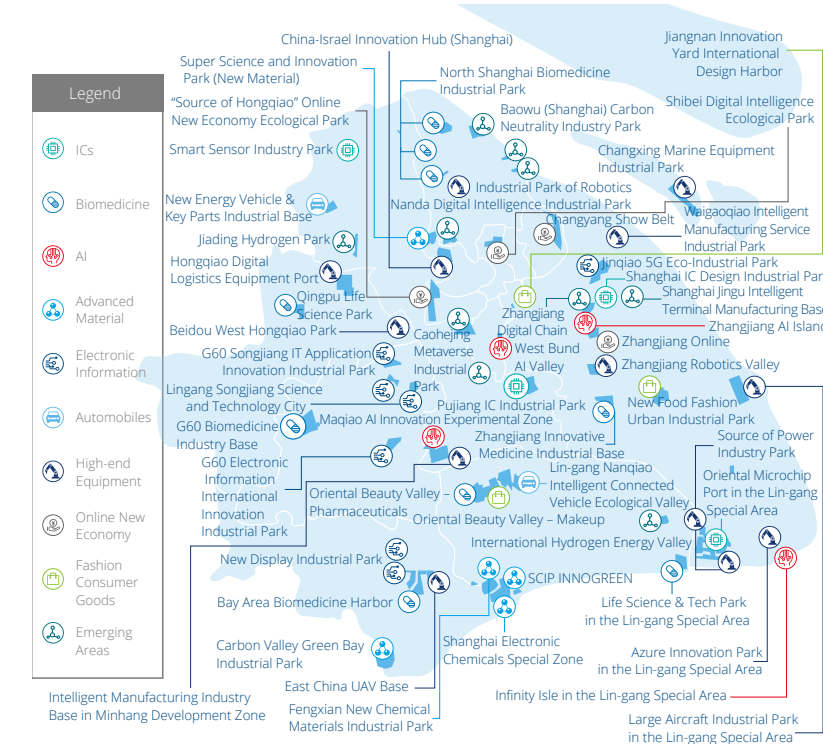
Three Leading Industries	Six Key Industries	Service Economy
<ul style="list-style-type: none"> <li>• ICs</li> <li>• Biomedicine</li> <li>• AI</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic information</li> <li>• Life science and healthcare</li> <li>• Automobiles</li> </ul>	<ul style="list-style-type: none"> <li>• High-end equipment</li> <li>• New materials</li> <li>• Modern consumer goods</li> <li>• High-end producer services</li> <li>• Consumer services</li> </ul>

- Total industrial output value reached **RMB 4 trillion**;
- The annual added value of industrial enterprises amounted to over **RMB 1.14 trillion**;
- Total output value of strategic emerging industry increased to **43.0%** of the total output value of industrial enterprises above the designated size in Shanghai;
- **243** national-level specialized and sophisticated “little giant” enterprises that produce new and unique products were newly certified;
- Support was provided to help achieve breakthroughs in ICs core technology and accelerating the construction of key projects of ICs such as the SMIC Lingang and the semiconductor project of Wingtech Technology.

On October 8, 2022, the **Implementation Plan for Digital Transformation of Manufacturing Industry in Shanghai** was issued to promote 8 specialized projects and the brand of “Shanghai Manufacturing”.

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

## Specialized Industry Parks with Supporting Policies



Focusing on clear development directions, outstanding construction space and healthy industrial ecology, Shanghai built a total of **40** specialized industry parks in 2020 and 2021. On June 16, 2022, Shanghai launched the third batch of **13** specialized industry parks by concentrating on the “new segments”.





# An International Economic Center with Influential Industry Clusters (Continued)

## Three Leading Industries

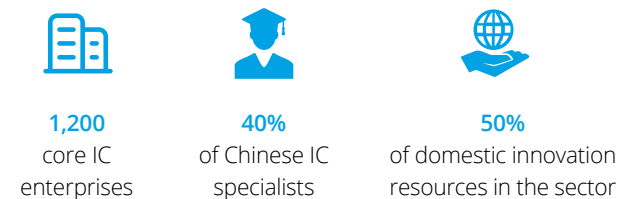
Shanghai has stepped up its efforts to build industry clusters of ICs, biomedicine and AI, to further promote their development of high-end innovation chains, industry chains and value chains. In 2022, the value of the three leading industries reached **RMB 1.4 trillion** with a year-on-year increase of **11.1%** in manufacturing output value.



### ICs

As an IC industry leader in China, Shanghai boasts **the most complete industry chain, the most advanced technologies** and **the strongest competitiveness** in the country in this arena.

Shanghai is now home to:



### AI

As one of the three leading industries in Shanghai, the AI industry saw its scale more than doubled from RMB 134 billion in 2018 to **RMB 305.7 billion** in 2021, during which AI professionals in Shanghai also more than **doubled** from 100,000 to **230,000**.

- AI-related enterprises in Shanghai raised a total of **RMB 22 billion** from **187** financing activities from January to August in 2022;
- Zhangjiang Aisland (Phase I), a specialized park with one of the largest concentrations of AI enterprises in China, has attracted over **100** AI-related enterprises and more than **7,000** R&D engineers and scientists;
- To nurture professionals in the city, AI has been established as an academic discipline in **13** universities including Shanghai Jiao Tong University, Fudan University and Tongji University, as well as **5** research institutes.

### Deloitte Perspectives

On September 22, 2022, the Standing Committee of Shanghai Municipal People's Progress passed **the Regulation of the Shanghai Municipality on Promoting the Development of the Artificial Intelligence Industry** (hereinafter referred to as the "Regulation"), **the first provincial local regulation** targeting the AI industry in China.

The *Regulation* marks the second local legislation of its kind in digital economy after the enforcement of the *Shanghai Municipal Data Regulation*, and it includes two highlights: (1) it encourages various market entities to conduct more innovation activities and competent departments to form **a negative list** for AI R&D and application; (2) it promotes the establishment of public computing platforms and optimizes the scheduling of computing resources, with a view to providing **affordable computing services** for small and medium-sized enterprises. Overall, the *Regulation* aims for accelerated development of Shanghai into an international digital city with global influence.

### Biomedicine

Shanghai has accelerated its endeavors to develop itself into a biomedical innovation highland with high-end manufacturing, a robust talent pool and favorable supporting policies. In 2022, the biomedical industry scale **peaked at a record high of RMB 800 billion**, accounting for 1/6 of Shanghai's GDP, among which the manufacturing output value hit about **RMB 184.98 billion**.

- 4** new Class-1 Innovative Medicine approvals;
- 14** new products going through the Special Approval Procedures for Innovative Drug and Medical Devices;
- 11** biomedical enterprises newly listed on the SSE STAR Market, accumulating to a total of **30**.

# An International Financial Center with Global Competitiveness

Shanghai has substantially achieved its strategic goal of building itself into an international financial center by moving beyond resource clustering, high-speed growth, and scale expansion to function improvement, high-quality development, and capacity elevation.

## Increased Capacities of the International Financial Hub

Shanghai is home to financial market trading platforms for stocks, bonds, foreign exchange, gold, futures and insurance, and financial infrastructure for registration, custody and clearing of financial products.

- The added value from the financial industry in Shanghai reached over **RMB 862.63 billion**, accounting for **19.3%** of the city's GDP and **8.9%** of the country's added value from the financial industry, making Shanghai **the largest financial contributor among all Chinese cities**;
- The total transaction volumes in Shanghai's financial markets hit **RMB 2,932.98 trillion**, a year-on-year increase of **16.8%**;
- The total turnover of the Shanghai Stock Exchange reached **RMB 496.09 trillion**, and the bonds turnover hit **RMB 21.83 trillion**, an increase of **29.1%**;
- The turnover of Shanghai's inter-bank market increased by **23.8%**;
- Shanghai Futures Exchange saw many of its futures **rank among the world's top ten** in terms of transaction volumes.

## Strengthened Capability to Serve the Real Economy

With more accounts set up for free trade and accelerated two-way opening-up of the financial market, including inter-bank bonds, foreign exchange and currencies, Shanghai has continuously improved its financial services to provide stronger support for the real economy.



## Accelerated Clustering of Foreign-funded Financial Institutions

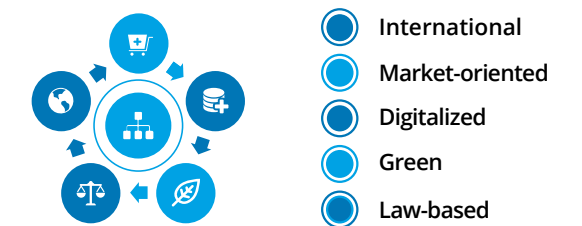
A bunch of **China's "first one" or "first batch" of projects have settled** in Shanghai, including the first approved wholly foreign-funded insurance holding company, wholly foreign-owned life insurance company, foreign-funded reinsurance institution, foreign-controlled Sino-foreign joint-ventures for wealth management, wholly foreign-owned public fund management company and wholly foreign-owned fintech company. Shanghai has become **a financial reform pilot zone** and **the major cluster of foreign-funded financial institutions in China**.

Shanghai promoted the implementation of several financial opening-up initiatives, including **the first wholly foreign-owned securities company**, and piloted fintech innovations in capital markets.

Shanghai launched **supportive policies to build itself into a global asset management center, an international green financial hub, and an international reinsurance center**.

## Comprehensive Future Development Goals

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



Development Goals During the 14<sup>th</sup> Five-Year Plan period:

- Two Centers:** Global asset management center, fintech center
- Two Hubs:** International green financial hub, RMB cross-border use hub
- Two Highlands:** International financial talent highland, financial business environment highland



# An International Trade Center Connecting the World

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

## Considerable Goods Trade Volume

A port import and export volume of **RMB 10.4 trillion** Remaining **the world's biggest port city**

A goods import and export volume of **RMB 4.2 trillion** Imported consumer goods accounting for **27.4% of China's total**

An import and export volume generated by foreign-invested enterprises of **USD 383.02 billion** **Ranking No.3** in China

## Steady Growth in Digital Trade

### "International Data Port" in the Lin-gang Special Area

- Lin-gang Special Area has introduced **14** top-tech innovation institutions, such as Peking University International Innovation Center and the Sci-Tech Innovation Platform for Smart Manufacturing at Shanghai Jiao Tong University;
- It has also established **the International Dedicated Connectivity (IDC)** and put **the National (Shanghai) New-type Internet Exchange Point** into pilot operation.

### "Global Digital Trade Port" in the Hongqiao CBD

- The CBD is speeding up the introduction of **leading cross-border e-commerce platform enterprises** to fuel its function as a cross-border trade digital economy center;
- Endeavors are being made to build a number of high-end digital trade service platforms and projects, introduce or support the development of **international innovation incubation platforms** for digital trade, and explore new models of cross-border cooperation between enterprises involved in the digital economy.

## Expanded Opening-up Through Trade Platforms

Five sessions of China International Import Expo (CIIE) have been successfully held in Shanghai.

Major achievements of the 5<sup>th</sup> CIIE:

- The "Digital CIIE" platform were initiated, with an intended annual turnover of **USD 73.52 billion**, up by **3.9%** year on year;
- A total of **145** countries and territories as well as international organizations participated in the 5<sup>th</sup> CIIE.

During the five sessions of CIIE:

- Up to **60** "6 + 365" trading services platforms were certified, and nearly **270,000** kinds of CIIE exhibits were introduced.

## Effectively Implemented Trade Policies

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



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



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



# An International Shipping Center Allocating Global Resources

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

## Striving for Excellence in Shipping

- Shanghai Port remains **the 1<sup>st</sup> worldwide** in container throughput for the 13<sup>th</sup> consecutive year, with a total throughput reaching **47.30 million TEUs**;
- Shanghai handled an annual air cargo and mail throughput of about **3.3 million metric tons**;
- The **"Shanghai Shipping Index"** registered by the Shanghai Shipping Exchange includes **the most comprehensive** shipping indices in the world, among which, the China Containerized Freight Index (CCFI) and Shanghai Containerized Freight Index (SCFI) have become the bellwether of the global container shipping market.

## Pursuing Greater International Cooperation

### Signing the Memorandum of Cooperation with the International Maritime Organization (IMO)

- Based on the previous joint support for the construction of the Asian Maritime Technology Cooperation Center, Shanghai is committed to further deepening technological cooperation with the IMO, promoting the implementation of the initial IMO GHG strategy, and working together with other interested parties to address major issues in the shipping sector, such as maritime safety and security, protection of sailors' rights and interests, and intelligent shipping.

### Co-building a "Green Shipping Corridor"

- Shanghai Port and the Port of Los Angeles have jointly proposed to achieve port-to-port shipment in the cleanest and most low-carbon way;
- Shanghai Port has deepened cooperation with the Port of Rotterdam and the Port of Antwerp-Bruges, as part of the "Belt and Road Initiative".

## Breakthroughs in Key Areas

### Delivery of China's First C919 Large Aircraft

- It marks the first step towards the commercial operation of China-made large aircraft;
- The C919 aircraft is **the nation's first** large passenger jet aircraft independently developed and designed for China's civil aviation industry.

### Bonded LNG Refueling in Yangshan Port

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

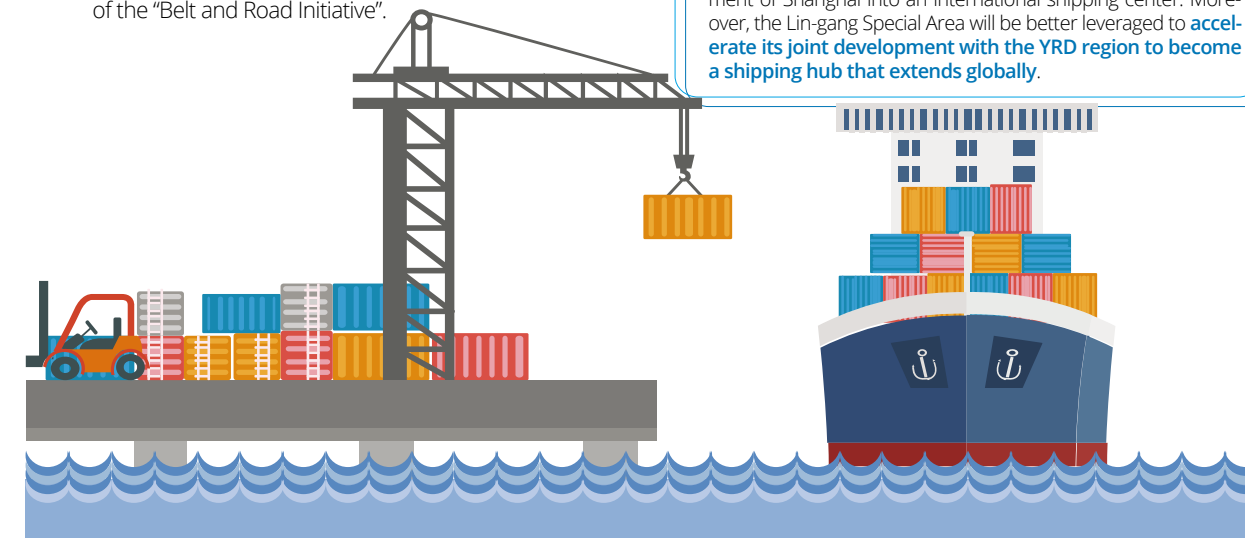
### Delivery of High-end Shipping Equipment

- China's first river-sea intermodal LNG ship**, "Lagenda Suria" was delivered for use;
- China's first** and **the world's largest** ultra-large container ship was also delivered.

## Deloitte Perspectives

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

The opening of China's cabotage market for foreign carriers will improve Shanghai's strengths in **clustering and allocating international voyages and cargo resources**, and attracting global transshipment businesses, thereby boosting development of Shanghai into an international shipping center. Moreover, the Lin-gang Special Area will be better leveraged to **accelerate its joint development with the YRD region to become a shipping hub that extends globally**.



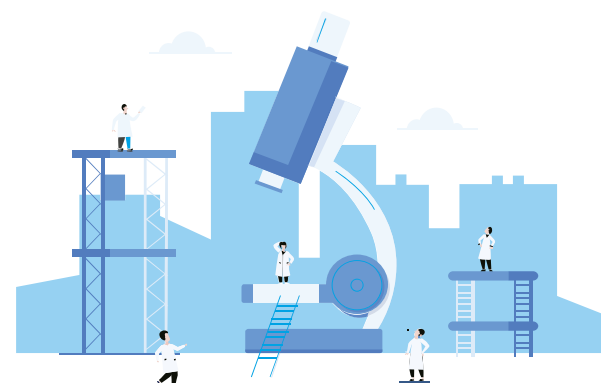


# A Sci-Tech Innovation Center with Global Influence



## Enhanced Industry Innovation Capacity

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



## Optimized Mechanisms for Innovation Talent Attraction

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

## Increasingly Clustered Innovation Resources

### High-capacity Innovation Platforms

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

# An International Consumption Center Leading Trends

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



## Improved Urban Business Layout

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

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

### Developing Digital Fashion as a New Growth Driver

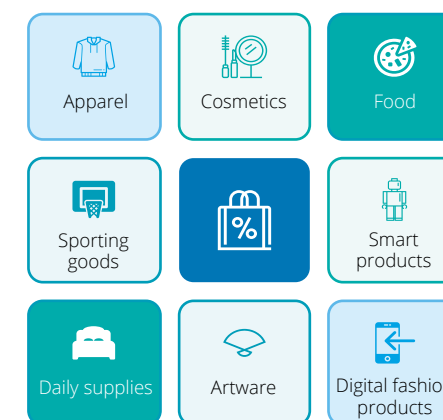
Shanghai is encouraging the development of virtual fashion, digital fashion products and specialized consumer platforms, and is actively building itself into a favored destination for digital fashion product debut and brand incubation, as part of its efforts to take the lead in digital consumption, adding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

### Promoting Domestic Brands

Shanghai will continue to develop more cutting-edge brands and revitalize time-honored local brands, underpinning efforts to build an international consumption center.

- Shanghai boasts a total of **3,000** stores owned by **222** time-honored brands, including **69** century-old brands and **20** brands each with annual sales of over **RMB 1 billion**;
- Shanghai Fashion Week has nurtured more than **1,000** top-selling domestic brands whose quarterly orders hit over **RMB 600 million**, placing itself **No.4** in the world in the Fashion Week Vitality Index and **No.1 in Asia in terms of quarterly orders**;
- Shanghai had **90** of the top 500 new brands listed in 2020 on Alibaba's biggest e-commerce platform Tmall, ranking **No.1** in China.

### Eight key sectors of the fashion industry:



By 2025, Shanghai aims to enhance the influence of about **260** leading local brands and see a range of new online consumer brands in vertical markets targeting different customers.



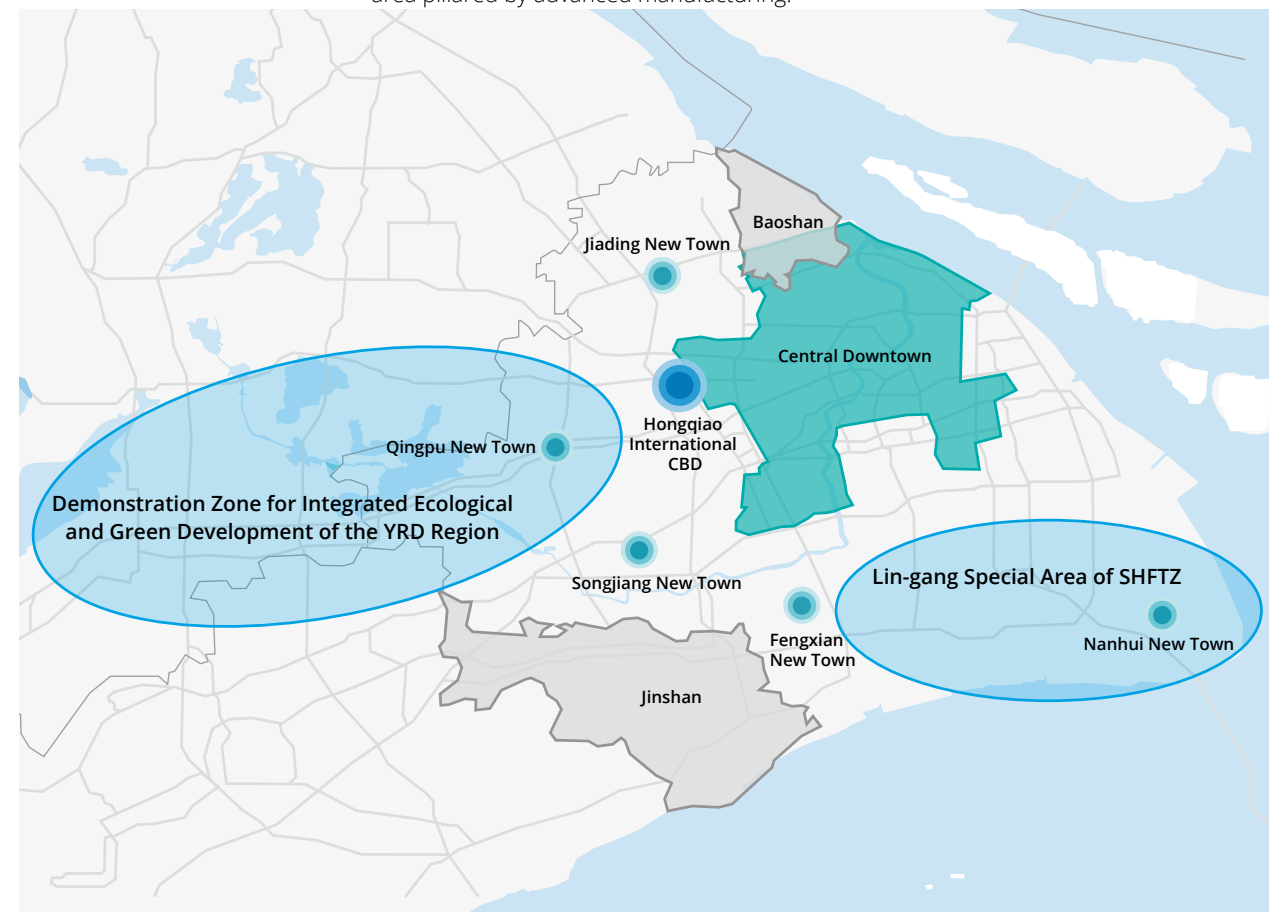


# Shanghai 2035: A New Development Landscape

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

- 

○ **An influential CBD with increasingly improved service capacity**  
Comprised of Central Downtown, main urban areas, and parts of Gaoqiao and Gaodong Towns that are close to Central Downtown, with a total area of around 1,161 km<sup>2</sup> and a planned permanent population of about 14 million.
- **Coordinated development of Pudong and Hongqiao, which serve as opening-up hubs and reform pioneers in the new era**  
Comprised of Lin-gang Special Area of SHFTZ, Demonstration Zone for Integrated Ecological and Green Development of the YRD Region, and Hongqiao International CBD.
- **Booming growth of new towns as independent and comprehensive nodes**  
Comprised of five New Towns (Jiading, Qingpu, Songjiang, Fengxian and Nanhui). Featuring integrated industry and urban functions, comprehensive supporting facilities, balanced business and residential development, eco-friendly environment and convenient transport.
- **Transformation of Baoshan and Jinshan Districts with accelerated adjustment of functional layout and upgrading of economic structure**  
Accelerating transformation of Nanda and Wusong areas in Baoshan, making the district one of the main fronts of Shanghai's sci-tech innovation center initiative. Promoting Jinshan's industry transformation and upgrading as an important function area pillared by advanced manufacturing.



## Chapter V An Opening-up Hub



# Pudong New Area and China (Shanghai) Pilot Free Trade Zone

## Major Achievements in 2022

### Pudong New Area:

- Regional GDP reached **RMB 1.6 trillion**, representing **35.9%** of the city's total;
- The total industrial output value of enterprises above the designated size increased by **3.6%**, reaching **RMB 1.33 trillion**;
- The import and export trade volume increased by 2%, amounting to **RMB 2.43 trillion**;
- The paid-in foreign capital increased by 3%, with an aggregate amount of **USD 11 billion**.

### A Pioneer in Greater Opening-up

- Progress has been made in all** 450 tasks specified in the government's implementation plan, among which **409** tasks have been completed or basically completed;
- The **"one integrated license" system featuring integrated industry licensing and integrated supervision** has been established and more than **3,200** comprehensive licenses have been issued so far;
- The reform of the **system of market access upon commitment** is underway; and pioneering reform measures such as **one integrated permit for the culture, sports and tourism industries** have been implemented;
- 9 new regulations tailored to Pudong New Area have been introduced, making a total of **15**; and **12** administrative measures have been issued, bringing the total number to **13**.

### A Forerunner in Increasing Domestic Needs

- The sales value of commodities totaled **RMB 5.9 trillion** and the gross retail sales of consumer goods reached **RMB 370 billion**;
- 203** first stores were established, representing over 16% of the city's total.

### A Benchmark of Independent Innovation

- The IC industry scale reached **RMB 225 billion**, an increase of **20%** from the previous year;
- The biomedical industry scale exceeded **RMB 300 billion**;
- The scale of AI-related industries reached **RMB 140 billion**;
- 127** new specialized and sophisticated enterprises that produce new and unique products were established and **12** new enterprises were successfully listed on the Shanghai Stock Exchange STAR Market;
- 1,800** new high-tech enterprises have been approved;
- The number of high-value invention patents per 10,000 residents reached **52**.

### A Demonstration Area of Modern Urban Governance

- The "city brain" 4.0 featuring **150** signs of the city's operation has been officially launched;
- More than **58,000** government-subsidized housing units have been made available for leasing.

### A Highland of Global Resource Allocation

- Offshore resale settlement volume represents over **90%** of the city's total;
- 27** RHQs of MNCs have been newly certified, accumulating to a total of **416**; and **40** new headquarters of large companies and private-owned enterprises and RHQs of domestic companies have been added;
- 28** new licensed institutions have been established, pushing the total number to **1,170**; and **120** foreign-invested asset management companies have clustered in Lujiazui;
- The YRD region capital market service base has expanded its service network to cover **35** cities, providing service to **over 5,000** enterprises.

### China (Shanghai) Pilot Free Trade Zone (SHFTZ):

- Contributing to **1/4** of Shanghai's GDP and **2/5** of the city's trade volume while occupying only **1/50** of its land mass;
- More than **99%** of foreign-funded enterprises were established through record-filing formalities;
- Measures for further opening up the service and manufacturing industries totaled **54**, with **4,200** projects successfully launched;
- Cross-border RMB settlement volume reached **RMB 8,123 billion**, accounting for **1/2** of the city's total.



List of supporting policies in Pudong New Area and SHFTZ

## Policy Support

# Lin-gang Special Area of SHFTZ

## Overview

In August 2019, Lin-gang Special Area of SHFTZ was officially inaugurated. It features a total area of 873 km<sup>2</sup> – equal to four-fifths of Pudong's area – and a pilot implementation area of 119.5 km<sup>2</sup>.

## Hashtags for Lin-gang

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

## Policy Support



Supporting Policies



Business Environment Policies

## Specialized Industry Parks

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

## Major Achievements in 2022

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

### Achievements in past three years after inauguration:

- 78** tasks in the *Overall Plan for the Lin-gang Special Area* have been basically completed, and a rule-based opening-up system, which enables free investment, trade, capital, transportation, and mobility of human resources, and the quick and convenient flow of information, has been gradually taken shape;
- The total import and export volume of Yangshan Free Trade Zone increased by **28%** on an annual basis;
- Over **400** financial enterprises settled and formed an industry investment fund system of **RMB 283 billion**;
- Over **64,000** new enterprises were registered;
- Dishui Lake Financial Hub has attracted **46** Fortune Global 500 companies and **61** China's Top 500 companies to invest here.

## Remarkable Progresses

### A New Highland for Opening-up

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

### A Strategic Growth Pole

- 14** high-level sci-tech innovation institutions;
- 7** specialized industry parks;
- Over **300** cutting-edge industry projects were signed with a total investment of over **RMB 420 billion**.

### A Model of Urban Development

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

### First Choice for Innovation and Start-ups

- The country's first regional **enterprise annuity plan for talents** has been launched;
- The **integrated information management service platform** in the Lin-gang Special Area has been established.

## Deloitte Perspectives

In December 2022, the global container shipping company Maersk signed a land transfer contract with the administrative committee of the Lin-gang Special Area of SHFTZ, marking the launch of its China's first intelligent, green and comprehensive logistic flagship warehouse in the Lin-gang Special Area. Benefiting from the Special Area's special location advantages and policy support, Maersk can build a complete smart supply chain product for its customers.

# Hongqiao International Central Business District

## Overview

Located in the west of Shanghai, Hongqiao Central Business District (CBD) had an initial area of about 86 km<sup>2</sup> and now covers 151.4 km<sup>2</sup> after expansion, including 26.3 km<sup>2</sup> of main functional area and 4.7 km<sup>2</sup> of core area. The CBD is committed to serving the two major national strategies of the integration of the Yangtze River Delta and the CIIE.

## Policy Support

The *Measures for Promoting the Development of Trade-based Headquarters in Hongqiao International Central Business District* support **trade-based HQs** development in six aspects:

- International market expansion
- Trade scale-up
- Talent attraction
- Capital operation and management capability improvement
- Financial backup
- Agglomeration development

## Remarkable Progresses

### Headquarters Economy

- **44** headquarters of MNCs and **44** headquarters of private-owned enterprises certified by the municipal government;
- **11** foreign-funded R&D Centers and **13** trade-based headquarters;
- More than **500** quasi-headquarters.

### Service Economy

- **40** well-known and highly professional legal service agencies;
- “China-Europe Shanghai Express” operating **53** trains annually, with a total cargo value of **RMB 1.3 billion**;
- Speeding up the construction of headquarters bases such as Hongqiao Linkong Transnational Corporation (Headquarters) Science and Technology Innovation Park and Hongqiao Xinhui Headquarters Bay.

### Flux Economy

- “Air-rail multimodal transport” products covering **41** hub cities and reaching **645** railway stations in China;
- The 5<sup>th</sup> CIIE attracted more than **2,800** exhibitors from **127** countries and regions.

## Major Achievements in 2022

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

### Innovation Economy

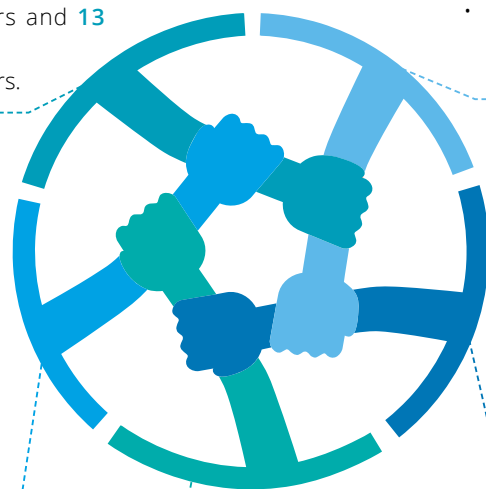
- The proportion of scientific research and technical service enterprises is **3.4 times** the city's average level;
- **Leading digital enterprises** and **unicorn companies**, represented by iQiyi and EcoPlants, have emerged.

### Open Economy

- **607** trade-based companies settled in Hongqiao Import Commodity Exhibition and Trading Center;
- Over **500** exhibitors having signed to participate the 6<sup>th</sup> CIIE, with an exhibition area of over **200,000 m<sup>2</sup>**;
- Successfully built professional trade platforms such as Hongqiao International Coffee Port.

## Promoting the Integrated Government Services in the YRD Region

In order to improve its functions as a comprehensive hub, the CBD has strengthened institutional and policy innovation to promote the implementation of **29** national policies and **20** supporting measures issued by the municipal government. In addition to efforts in promoting the connectivity of the YRD region and improving the connectivity of the Hongqiao Integrated Transportation Hub, the CBD has also smoothed the characteristic government services in the YRD region and consolidated the key infrastructure support, helping realize the smooth handling of **50** high-frequency administrative matters across the YRD cities.



# Other Key Areas – Zhangjiang Science City

## Overview

Located to the southeast of downtown Shanghai and in the center of Pudong New Area, Zhangjiang Science City is one of the first national high-tech industrial development zones. Since its establishment, Zhangjiang Science City has been enhancing its sci-tech innovation strength with endless momentum. During the 14<sup>th</sup> Five-Year Plan period, it has been and will continue to grow as a key functional area to facilitate Shanghai's initiative of developing into a sci-tech innovation center, with the planned expansion of the size from 95 to about 220 km<sup>2</sup>.

## Major Achievements in 2022

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

## Development Goals

### By 2025:

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

## Hashtags for Zhangjiang



## Remarkable Progresses

### Enterprise Clusters

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

### Talent Hub

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

### Biomedicine

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

### ICs

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

## Deloitte Perspectives

Tsukuba Science City, the first of its kind in Japan established to achieve the goal of technology-driven growth, is a representative of world-class national research centers with research institutions and universities as its core. The city focuses on dozens of research fields, including high-energy physics, electronic information, bioengineering, mechanical engineering and environmental science, and is home to more than **50%** of national laboratories, **30%** of research institutions and **40%** of researchers in Japan. Likewise, Deloitte believes that by benefitting from favorable policies, Zhangjiang Science City can attract numbers of top universities and research institutes, foreign-invested R&D centers and sci-tech talents, accelerating momentum to transform itself into a high-tech park with significant global influence.



# Other Key Areas – Five New Towns

## Overview

Five New Towns as an integral part of Shanghai's new development landscape will be built into independent comprehensive hubs with spillover effects to the YRD city cluster to empower the high-quality integration of the YRD region. In such endeavors, these towns will not only be of great significance, but also serve as important channels for the implementation of national strategies, the building of a new development pattern and the participation in international cooperation and competition.

## Remarkable Progresses

2022:

- From January to August, the new towns accounted for over **43%** of Shanghai's total output value of industrial enterprises above the designated size;
- More than **75%** of **351** major projects have been under construction, among which **80** were launched or signed in the first and second quarters with a total investment of around **RMB 169.4 billion**.

## Development Goals

By 2025:

- Total permanent residents will reach about **3.6 million**;
- Total GDP of these districts where the new towns are located will record **RMB 1.1 trillion**.

By 2035:

- Each of the new towns will gather about **1 million** permanent residents.

## Policy Support

### Headquarters Establishment

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

### Local Economy

- Introducing at least **1** resource platform of great influence in each new town.

### R&D and Innovation

- Building no less than **3** national-level or municipal-level innovation platforms and facilities in each new town.

### Public Services

- Facilitating each new town to build at least **1** premium high school and encouraging deep integration of education and industries;
- Ensuring that each new town has no less than **1** 3A hospital and pooling diverse medical and healthcare resources into the new towns;
- Ensuring that each new town has no less than **1** optimized elderly care institution and supporting them in introducing or cultivating a batch of private elderly nursing facilities.

### Resource Pooling Plan

- Carrying out **the Great Art Gallery Program** and **the Great Museum Program**, to establish long-term coordination mechanisms between the five new towns and museums such as Shanghai Museum and China Art Museum;
- Supporting the new towns in hosting opening and closing ceremonies along with some activities of **large branding cultural festivals** such as Shanghai Tourism Festival and Shanghai International Film Festival;

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

### Missions for the 14<sup>th</sup> Five-Year Plan Period

- Giving priority to the new towns regarding the application of **events** and encouraging the building of branches for venues and new sites for major regional and municipal-level competitions;
- Utilizing existing exhibition venue resources to introduce a batch of **high-quality convention and exhibition projects** in favor of the development of new towns.

## Hashtags for Five New Towns

### One Unique Feature per Town

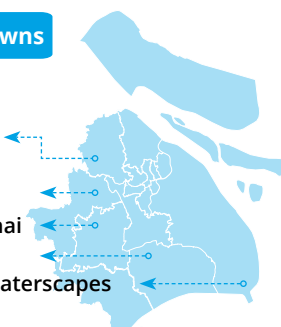
Jiading New Town – **rich in culture**

Qingpu New Town – **style of Jiangnan (regions south of the Yangtze River)**

Songjiang New Town – **root of Shanghai**

Fengxian New Town – **cradle of sages**

Nanhui New Town – **scattered with waterscapes**



### One Green Belt per Town

Taking ecological advantages of the five new towns, Shanghai aims to build one distinctive green belt per town, which will integrate with the towns' internal green space and external landscapes. Outstanding planning and design teams with a global vision are heartily welcomed to take part in the international competitive bidding for the green belt development plan to create a picturesque landscape for the new towns.

## Jiading New Town

### Overview

Jiading New Town is located in central Jiading District and covers an area of 159.5 km<sup>2</sup>. The town aims to build three model demonstration zones – Yuanxianghu Central Activity Zone, Jiabao Intelligent Bay Future Urban Practice Zone, and Ximen Historic and Cultural Block.

### Development Priority

#### International Smart Auto Hub



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

### 2025 Development Goals

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

## Qingpu New Town

### Overview

Qingpu New Town is located in the west of Shanghai, adjacent to Jiangsu Province and Zhejiang Province, and covers a total area of 91.1 km<sup>2</sup>. The town will build itself into a gateway to the Shanghai metropolitan area and a crucial node in the Demonstration Zone for Integrated Development of the YRD Region.

### Development Priority

#### Yangtze River Delta Digital Trunk Line



- Next-generation network communications
- Modern logistics
- Industrial internet
- AI
- Life science and healthcare

### 2025 Development Goals

- Output value of industrial enterprises above the designated size: **RMB 140 billion**;
- Number of Quasi-RHQs and functional institutions: **16**.

## Songjiang New Town

### Overview

Songjiang New Town is located in the hinterland of Songjiang District and covers a total area of 158.4 km<sup>2</sup>. It aims to develop into a town boasting outstanding sci-tech innovation, profound culture and a beautiful environment, and become one of the first-tier urban areas in the Shanghai metropolitan area.

### Development Priority

#### G60 S&T Innovation Valley



- AI
- ICs
- Biomedicine
- Intelligent security
- New energy
- New materials

### 2025 Development Goals

- Permanent population: Approx. **950,000**;
- GDP of Songjiang District: **RMB 260–300 billion**.

## Fengxian New Town

### Overview

Fengxian New Town is located at the center of southern Shanghai and has a total area of 67.91 km<sup>2</sup>. It is a smart, livable, low-carbon and healthy town endowed with distinctive natural resources and remarkable capabilities in sci-tech innovation.

### Development Priority

#### Oriental Beauty Valley



- Beauty and health
- Intelligent connected NEVs
- The economic and strategic emerging industries

### 2025 Development Goals

- Total output value of industrial enterprises above the designated size in Oriental Beauty Valley: **RMB 60 billion**;
- Per capita public green area: **15–16 m<sup>2</sup>**;
- Coverage of road information communication pipelines: **90%**.

## Nanhui New Town

### Overview

Nanhui New Town has a planned area of 343.3 km<sup>2</sup> and aims to build itself into a special economic area of global influence and competitiveness and a modern new town in the Lin-gang Special Area.

### Development Priority

#### Digital and Intelligent Manufacturing



- ICs
- AI
- Biomedicine
- Intelligent NEVs
- High-end equipment manufacturing
- Aerospace

### 2025 Development Goals

- GDP of Nanhui New Town: **RMB 500 billion**;
- Per capita public green area: **17 m<sup>2</sup>**.

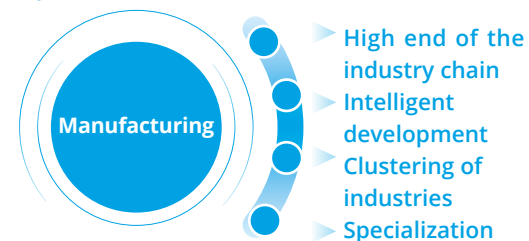
# Other Key Areas – Baoshan and Jinshan Districts

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

## Development Goals

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

### Industry Transformation



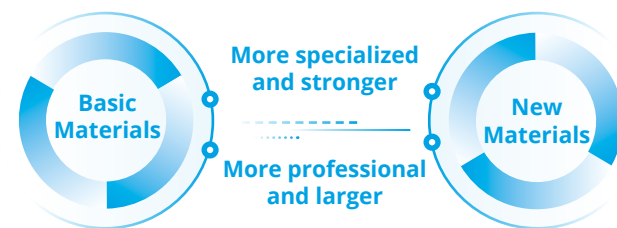
By 2025:



Total GDP of the two districts: **RMB 400 billion;**



Newly added output value of industrial enterprises above the designated size: **over 20%** of Shanghai's total increment.



## Transformation of Jinshan District

### Major Achievements in 2022

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

### Key Areas

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

### Development Goals

**An important node**  
on the southward expansion belt of Hongqiao International Opening-up Hub

**A new economic growth pole**  
in southern Shanghai

### Policy Support



Business Environment



Plans and Schemes

## Transformation of Baoshan District

### Major Achievements in 2022

- **104** projects with a total investment of **RMB 50 billion** were signed;
- The number of high-tech enterprises reached **1,475,** a year-on-year increase of **35%;**
- The number of national-level "little giant" enterprises and municipal-level specialized and sophisticated enterprises that produce new and unique products increased by **13** and **118** respectively, up by **60%;**
- The number of national (municipal-level) corporate technology centers and municipal-level "little giant" sci-tech enterprises respectively increased by **12** and **6;** Shanghai Superconductor was recognized as a municipal-level **manufacturing innovation center;**
- More than **133 hectares** of land were revitalized;
- The output of NEVs, biomedicine, high-end equipment, and new-generation IT respectively achieved a comparable increase of **49.3%, 15.1%, 10%, and 12.1%;**
- Transaction volumes of foreign-funded procurement reached **USD 281 million,** a year-on-year increase of **10%;**
- Paid-in foreign investment increased by **4.5%** from the previous year.

### Industry Development Priority

#### New Materials

Focusing on key materials for ICs, bio-medical composites, electronic information functional materials, and advanced graphene materials, as well as high-performance steel and other special metal materials required in new energy, marine engineering and aerospace, to build a cluster of advanced material industries

#### New-generation IT

Focusing on the application of new-generation IT in industrial internet, intelligent manufacturing, software R&D, and smart city; building a practice zone for China's industry internet innovation

#### Intelligent Equipment

Focusing on intelligent robot body manufacturing, R&D and manufacturing of key components such as intelligent control systems featuring high-performance simulation and high-precision feedback, integrated application of service and special robots, key control equipment of NEVs and ICVs, railway vehicle equipment and control systems for low-altitude transportation, and key intelligent equipment for marine engineering and shipping; upgrading the capacity of the intelligent manufacturing industry

#### Biomedicine

Focusing on biomedical manufacturing, medical device and equipment production, and biological R&D services; building a biomedical industry park in northern Shanghai

### Key Areas

- Wusong Area** A demonstration area of old industrial base transformation and urban renewal
- Nanda Area** AI-centered headquarters economy and digital economy
- Surrounding Area of Shanghai University** A new model for district-university cooperation

### Policy Support



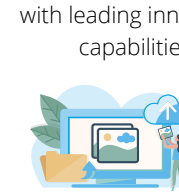
Business Environment



Plans and Schemes

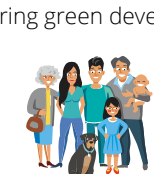
### Strategic Goals

**A city of sci-tech innovation**  
with leading innovative capabilities



**A city of opening-up**  
driving overall development

**A city with an eco-friendly environment**  
featuring green development



**A city of happiness**  
placing people at the core





# Chapter VI Infrastructure

## Commercial Facilities

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

### Office Buildings

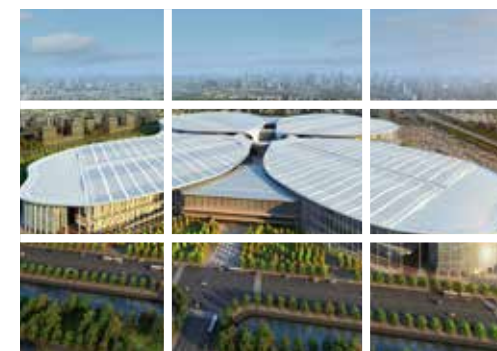
Shanghai boasts a variety of eco-friendly office buildings complete with an integrated service system catering to all kinds of corporate needs.

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

### Star-rated Hotels

- Shanghai boasts one of **the largest and densest clusters of high-end hotels** in the world. These hotels stand out for their high international standard, vast array of brands and styles, and wide distribution in the city;
- By the end of 2022, Shanghai had **165** star-rated hotels, including **61** five-star hotels which ranked **first** in the country, and **55** four-star hotels.

### Exhibitions and Conventions



### New Infrastructure

#### Extensive Coverage of 5G Network

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

#### Great Progress in "Dual Gigabit Networks" Construction

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



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

- As the city which hosts the most exhibitions and conventions in China, Shanghai attracts many large international events and has been increasingly recognized as a market-oriented professional event center. It has become the **preferred destination** for global brands to hold business exhibitions and conventions in China;
- In 2022, Shanghai held **21** exhibitions and events occupying a total area of nearly **1.05 million m<sup>2</sup>**, including **7** international exhibitions, **4** domestic exhibitions and **10** events with an area of **932,000 m<sup>2</sup>**, **57,000 m<sup>2</sup>** and **60,000 m<sup>2</sup>** respectively.



# Human Resources

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

## A Prominent Hub for International Talent

Since a unified work permit system for foreign employees was implemented across China in April 2017, Shanghai had achieved the following by the end of March 2023:

- A total of over **390,000** work permits for foreign employees had been issued, about **19%** (or over 70,000) of which were for foreign high-end talent (Category A). The city ranked **1<sup>st</sup> in China** in both numbers of foreign talent and foreign high-end talent;
- **1,487** Confirmation Letter for High-level Foreign Talent had been issued.

## Remarkable Achievements in Strategic Talent Training

- Among the professionals in the Shanghai Rising-Star Program, **17** have been selected as academicians of the Chinese Academy of Sciences and Chinese Academy of Engineering, **209** have been sponsored by the National Science Fund for Distinguished Young Scholars and **207** by the Excellent Young Scientists Fund of the National Natural Science Foundation of China (NSFC);
- More than **60%** of the **1,344** professionals in the Shanghai Sailing Program have been sponsored by the Young Scientists Fund and **14** by the Excellent Young Scientists Fund of the NSFC;
- Zhangjiang Demonstration Zone has gathered more than **80%** of the city's high-end talent, including more than 1,000 national-level overseas high-end experts and more than 1,000 Eminent Professionals in Shanghai.



## A Top-caliber Talent Pool

- **184** academicians of the Chinese Academy of Sciences and Chinese Academy of Engineering, **ranking second in China**;
- **1,617** in the Shanghai Program for Special Support of Eminent Professionals;
- **1,027** in the Shanghai Oriental Scholar Program;
- **1,338** in the Dawn Program of Shanghai Education Commission;
- **1,157** in the Super Postdoctoral Incentive Program;
- **3,065** in the Shanghai Rising-Star Program.

## A Multitude of Highly-educated Talent

- There are **49** institutions offering postgraduate programs in Shanghai, and **244,900** postgraduate students among whom **51,300** are doctoral students, an increase of **9.1%** over the previous academic year;
- There are **64** general institutions of higher learning in Shanghai with **554,800** undergraduates and **19** private higher education institutions with **134,800** students.

## A Sufficient Supply of Vocational Talent

- In 2022, a total of **14,769** people were engaged in new-type apprenticeship training in enterprises, and **31,190** obtained senior or above vocational qualifications and vocational skill level certificates.

# Educational and Medical Facilities

## Educational Facilities

### Well-developed Basic Education Resources

- Public schools: **888** general middle schools, **671** primary schools, and **31** special education schools;
- Private schools: **12** general middle schools, **169** schools for compulsory education (including those for children of migrant workers), and **662** kindergartens.

### Leading International Educational Resources

- Shanghai has **39** international schools with almost **30,000** students. **33** institutions and **125** programs are run under Chinese-foreign cooperation.

## Medical Resources

### Overview

By the end of 2022:

- **455** hospitals
- **1,430** outpatient departments
- **249** community health service centers (stations)
- **19** disease control and prevention centers
- **17** health supervision institutions (centers)
- **246,200** medical personnel
- **88,900** licensed (assistant) physicians
- **111,300** registered nurses



### Deloitte Perspectives

The "future-orientated hospital" initiative, representing the next step of medical innovation, will benefit hospitals, doctors and patients by solving their pain points, as AI+ medical algorithms and applications will comprehensively improve the diagnosis and treatment performance of multiple clinical departments, hospital operation efficiency and patient experience.

In the future, with the city-wide coverage of 5G network, Shanghai will focus on four emerging industries, namely **5G+ smart medical care**, smart education, smart cultural tourism and smart shipping, and provide **deep 5G access and typical 5G services for all Class III Grade A hospitals in the city.**

### Deloitte Perspectives

Shanghai has started the digital transformation of basic education and teaching, by creating a unified digital teaching system for primary and secondary schools and developing "three assistants". This initiative is based on AI application and learning data analysis and focuses on human-computer interaction experience. More than 12,000 online teaching videos have been recorded and broadcast. Teaching design, courseware, homework and other supporting resources have been pooled together to form a system comprised of teaching, review and tutoring, thus laying a solid foundation for promoting online-and-offline integrated teaching.

### Improved Healthcare Services

- **The dynamic adjustment mechanism of medical service prices** has been improved;
- **2 new national medical centers** have been established, and **4** suburban municipal-level hospitals are under integrated management with their parent hospitals in the central urban area.

### Medical Service Integration in the YRD Region

- As of the end of July 2022, inter-provincial direct settlement was available in 802 designated medical institutions in Shanghai, and covered all **41 cities** and **11,553 medical institutions** in the YRD region, which makes Shanghai **one of the regions with the largest amount of cross-region outpatient settlement in China.**

### Highly Accessible Family Doctor Services

- Shanghai's "1 community family doctor, 1 district-level hospital and 1 municipal-level hospital" contract service mechanism has been well practiced. About **9.16 million** or **37%** of local residents have signed the contract, among whom **4.87 million** are from key groups of medical service users, a signing rate of approx **80%** and **3.55 million** are people over age 65 with a signing rate of about **88%**.

### Enhanced Capacity of Pre-hospital First Aid

- There are **201 first aid substations** set in the outer suburbs, ensuring an average first aid response time **within 12 minutes** across the city;
- **6** new emergency medical substations have been set up.





# Urban Living Environment



"Shanghai is in the same echelon as New York, London, Paris and Tokyo in terms of core indicators of cultural competence. It has the basic form of an international cultural metropolis with a reputation highly recognized in China and beyond, while retaining its own cultural characteristics."

— International Cultural Metropolis Evaluation Report of Shanghai

Shanghai ranked among **the top 10** for its comprehensive power in the *Global Power City Index 2022* by Mori Memorial Foundation.

- Traffic convenience score: 247.1, ranking **1<sup>st</sup>**
- Cultural interaction score: 112.2, ranking **24<sup>th</sup>**

Shanghai ranked **8<sup>th</sup>** in the *Top 500 World Cities (2022)* by GYbrand, up from 10<sup>th</sup> in 2020; Shanghai ranked **25<sup>th</sup>** in the *Global Cities Index 2023* by Schroders.



Shanghai Tourism

## A Sound Ecological Environment



### Steady progress in improving the ecological environment

Percent of days during the year with Air Quality Index (AQI) values less than or equal to 100  
**87.1%**

New greenways  
**231.88 km**

New green space  
**446,300 m<sup>2</sup>**

Total forest area  
**126,533 ha**  
Forest coverage  
**18.51%**

New forest area  
**3,400 ha**

Number of new parks  
**138**

Number of new urban parks  
**39**

Total number of urban and rural parks  
**670**



Full Text of the Policy



Diagram Summary of the Policy

### Policy Support

*14<sup>th</sup> Five-Year Plan for the Development of Huangpu River and Suzhou Creek in Shanghai*

- **Riverside along the Huangpu River:** A concentrated exhibition area reflecting the development level and core competitiveness of a modern international metropolis, a city's "public living room" with rich cultural flair and a **waterfront ecological corridor** with regional influence has been basically built;
- **Riverside along the Suzhou Creek:** A demonstration zone favorable for living in a megacity, and a **dynamic, people-oriented and eco-friendly urban area** with multiple functions has been basically built.

## Splendid Cultural Charm

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



**159 museums**  
Every **157,000 people** have access to a museum, **higher than the national average**

**20 public libraries**  
**5.80 million** visits in 2022

**96 art galleries**  
**950 exhibitions**  
**6.21 million** visits

### Various Sports Facilities and Events

- **92** newly built and reconstructed fitness trails, **612** community fitness spots, **77** multi-functional sports fields, and **92** fitness stations;
- **17** new-type sports service complexes;
- A per capita sports facility area of **2.5 m<sup>2</sup>**;



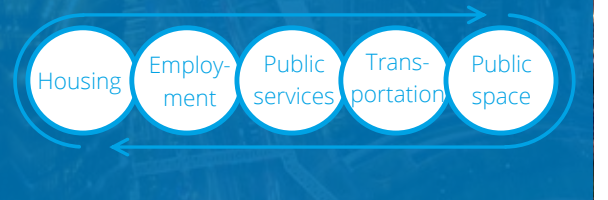
### Resurgent Recreation Activities

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



### 15-minute Life Circle

- Centering on one or several residential communities, Shanghai has been improving the medical, educational and recreational facilities in the surrounding areas which can be accessed within a 15-minute distance.
- 180 projects have been launched since the concept of establishing a 15-minute community life circle was first put forward in the *Shanghai Master Plan (2017-2035)*.



## "Loving a City for a Play"

TV play: *Like a Flowing River*

Urban new Huai opera: *Hanmei*

Dance drama: *The Eternal Wave*

Shanghai opera: *Secret No.1*

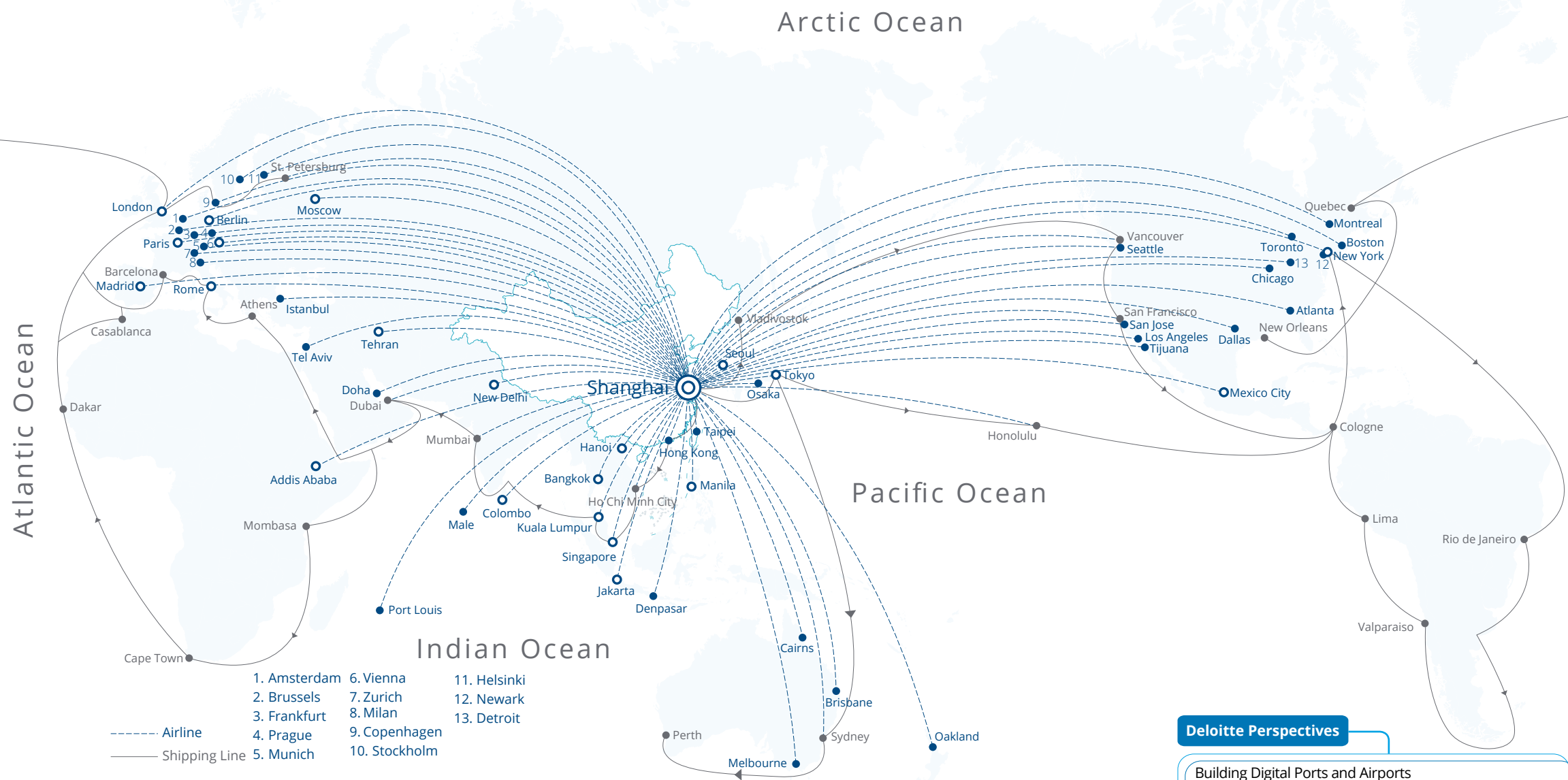
Movie: *The Climbers*

Modern Kunqu opera: *There Are Certainly Successors*

- **6,320** online and offline competitions with **more than 8.30 million** participants;
- **Shanghai Marathon**, **Head of Shanghai River Regatta**, **"Shanghai Cup" Chess Masters Open** and other signature events organized by the city were successfully held;
- Shanghai has won the right to host world-class events including **2024 Four Continents Figure Skating Championships**, **2025 World Rowing Championships**, and **2026 UCI Track World Championships**.
- **31,582** commercial performances;
- **22.8** performances per day in professional theaters, and a total of **5,263** performances in 2022;
- Almost **5.69 million** audiences.

# Transportation Networks

As China's largest economic center and a central city conveniently located beside the Yangtze River Estuary in Eastern China, Shanghai boasts vast hinterlands and a multimodal transportation network made up of airways, waterways, highways, and railways. These advantages have put Shanghai on the path to becoming a more competitive and charming global metropolis dedicated to sustainable development.



- |              |               |              |
|--------------|---------------|--------------|
| 1. Amsterdam | 6. Vienna     | 11. Helsinki |
| 2. Brussels  | 7. Zurich     | 12. Newark   |
| 3. Frankfurt | 8. Milan      | 13. Detroit  |
| 4. Prague    | 9. Copenhagen |              |
| 5. Munich    | 10. Stockholm |              |
- Airline  
——— Shipping Line

## Air Transportation

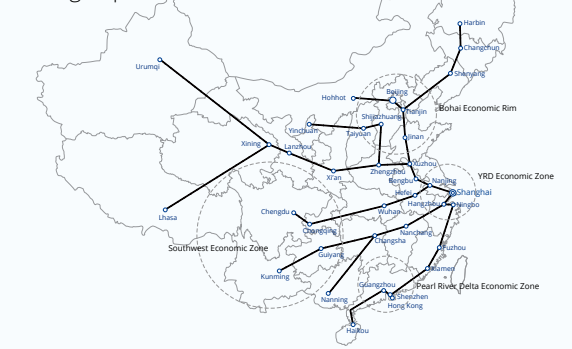
The ranking of Shanghai in the Development Index on China's Aviation Logistics Hubs 2022 was **3<sup>rd</sup> nationally**; The passenger throughput at Shanghai's two major airports surpassed **28.85 million**, ranking **2<sup>nd</sup> in the country**; The air cargo and mail throughput at Pudong International Airport ranked **3<sup>rd</sup> worldwide** for more than ten consecutive years; The smart cargo station program of the Phase IV Expansion Project of Pudong International Airport is expected to be completed by the end of October, 2024, ensuring a yearly capacity of over 1 million tons of import and export goods.

## Water Transportation

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

## Rail Transportation

As center of the transportation system in the YRD region, the Shanghai rail hub is the largest in Eastern China, serving as the departure point for a host of trunk lines including the Beijing-Shanghai, Shanghai-Ningbo, Shanghai-Hangzhou and Shanghai-Kunming Railways. In recent years, Shanghai has been developing a railway network connecting the downtown area as the core to its suburbs and neighboring towns and cities in the region, contributing to the building of a YRD-shaped railway network. Statistics show that the passenger flow of round trips from Shanghai to northern and central Suzhou has reached 38,000 per day. In July 2022, the construction of the Shanghai-Suzhou-Nantong Railway began, enabling the establishment of two super stations, namely Shanghai Baoshan Railway Station and Shanghai East Railway Station, which will optimize Shanghai's city layout and help integrate Pudong New Area into the national high-speed train network.



## Smart Transportation



### Self-driving Vehicles

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

## Green Transportation



### New Energy Buses

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



### New Energy Taxis

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

## Deloitte Perspectives

### Building Digital Ports and Airports

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







# Summary and Prospect

## A Pioneer to Lead China's Modernization

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

## A World-leading Sci-Tech Innovation Center

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

## A Strategic Link Connecting Domestic and International Markets

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



# Afterword

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

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

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

# Deloitte.

# 德勤

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