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Preface

Situated on the east coast of China near the mouth of the Yangtze River, Shanghai is internationally known as a pioneer of China’s opening to the world for its inclusiveness, pursuit of excellence, cultural diversity, and magnificent modem. Today, Shanghai has bravely taken on “the most challenging tasks to continuously improve its urban capabilities, core competitiveness, and governance as a modern socialist metropolis of international influence,” as encouraged by the Chinese President Xi Jinping during his visit to the city in November 2019. Marching towards new goals, the city at the forefront of China’s opening-up endeavor is dedicated to playing a greater role in allocating global resources, nurturing sci-tech innovations, supporting high-end industries and further opening up the gateway to the world. In this way, high-quality economic growth and more miraculous achievements will be seen in a more liberalized and inclusive manner, characterized by greater innovation momentum.

Secondly, the openness of Shanghai translates into a most desired investment destination for foreign investors. As emphasized by Li Qiang, Secretary of the Shanghai Municipal Committee, at the Shanghai Business Environment Improvement and Investment Promotion Convention, 36 new measures will be made in accordance with the instructions of President Xi Jinping to continuously improve the business environment. To make its steady progress in streamlining business environments and attracting more investors, SHFTZ with a new area included; operating the SSE STAR Market with its pilot registration-based IPO system; and promoting the integrated development of the YRD region as a national strategy, Shanghai will continue to forge closer cooperation with foreign investors in more sectors. A forerunner in China’s reform and opening-up as well as innovation-driven development, Shanghai is set to further thrive and create new miracles that continuously propel national growth and benefit the world.

Shanghai is becoming one of the most desired investment destinations for foreign investors.

Thirdly, the openness of Shanghai is shown in its pursuit of world-leading science and technology innovations that empower high-quality economic development. As a leader of the national opening-up, the economic growth along the Yangtze River Economic Belt and the integrated development of the Yangtze River Delta (YRD) region, Shanghai is playing a crucial role as a world’s strongest center of iconic innovation achievements. Shanghai has seen a series of iconic innovation achievements and a rapid development of world-class industry clusters characterized by the trial flights of China’s homemade C919 large passenger planes, the first cloning of macaque monkeys via somatic-cell nuclear transfer, establishment of the world’s largest photonic science center in Zhangjiang, and launch of the So-Tech Innovation Board, or the STAR Market at the Shanghai Stock Exchange (SSE) with its Board, or the STAR Market, at the heart of Shanghai’s efforts to liberalize and facilitate investment and trade. While deepening its all-round institutional innovation, Shanghai plans to continue its active role in this area in the next 30 years with greater momentum to attract and better allocate global resources and optimize its urban capacities and core competitiveness.
Chapter I

A City Abundant in Investment Opportunities

Enhancing Urban Capacities and Core Functions

As China’s largest economic center, Shanghai exhibits buoyant economic dynamics characterized by robust resilience and inclusiveness. In the New Era, the vibrant city is focusing on core urban functions and key areas to develop itself into an international center of economy, finance, trade, shipping and sci-tech innovation, as well as a global city of excellence and a modern socialist metropolis with international appeal, boasting higher-quality development driven by further opening-up.

Shanghai grows faster than most of the world’s major cities in terms of GDP, recording a compound annual growth rate of 11.56% between 2001–2019.

Shanghai has achieved remarkable progress in its initiative of “Five Centers”, showed strong economic resilience and vitality, and enhanced its urban capacities and core competitiveness in every aspect.

- As of the end of 2019, 70 enterprises had launched their IPOs on the Science and Technology Innovation Board, or the STAR Market.
- In 2019, the total funds devoted to research and test (R&D expenditure) in Shanghai accounted for 4% of the local GDP, marking an increase for nine consecutive years.
- Shanghai ranked fourth in the 2019 Xinhua-Baltic International Shipping Centre Development Index.
- Shanghai Port has topped the list of global ports in terms of container throughput for ten consecutive years.
- Shanghai is China’s largest economic center, boasting buoyant economic dynamics characterized by robust resilience and inclusiveness.
- In the New Era, Shanghai is focusing on core urban functions and key areas to develop itself into an international center of economy, finance, trade, shipping and sci-tech innovation, as well as a global city of excellence and a modern socialist metropolis.
- Shanghai ranked the fourth place in the Global Financial Centers Index (GFCI 27) in 2020.
- Shanghai is No.1 in China according to the China Financial Centers Index in terms of comprehensive competitiveness and financial market scale.
- Shanghai is one of the world’s top ten economically vibrant cities.
- According to the study of Oxford Economics, Shanghai was expected to rank fourth in the 2035 Global GDP Rankings of Major Cities, jointly with London.
- As of the end of 2019, 70 enterprises had launched their IPOs on the Science and Technology Innovation Board, or the STAR Market.
- In 2019, the total funds devoted to research and test (R&D expenditure) in Shanghai accounted for 4% of the local GDP, marking an increase for nine consecutive years.
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In 2019, foreign investment in Shanghai maintained steady growth, and by the end of the year, a total of over 50,000 foreign-invested enterprises had been established in the city. Already a home base to the largest number of regional headquarters (RHQs) and foreign-invested R&D centers in China for years, Shanghai has continued to push ahead the all-round opening-up at a higher level. As a result, it is now one of the most attractive investment destinations in China and beyond, boasting a new foreign investment landscape piloted by headquarters, service and R&D economies.

### New foreign investments in Shanghai in 2019

- **Newly established foreign-invested enterprises**
  - Up by 21.5%
  - USD 52.25 billion
  - Paid-in capital USD 19.05 billion

### Total foreign investments in Shanghai as of the end of 2019

- **Foreign-invested projects**
  - 103,000
- **Contractual foreign investment**
  - USD 521.42 billion
- **Paid-in capital**
  - USD 259.49 billion

### Major Sources of Investment

- As of the end of 2019, Shanghai had received investments from 188 countries and regions, among which the amount of contractual investment from countries and regions along the Belt and Road accounted for 8.2% of the total amount of foreign investments.

### Major Investment Areas

- The number of foreign-invested projects and the amount of contractual foreign investment in Shanghai's tertiary industry throughout 2019 accounted for 97.1% and 95.4% respectively. Most investments were devoted to business services.

### Investment Security

A secure and healthy investment environment is the foundation for continuous attraction of investment. With a good institutional environment, top-tier competitors, a strong third-party institute, the index of the sense of security and satisfaction of people in Shanghai has been steadily growing for seven years in a row, testifying to its safe and secure the city.

According to the research of a third-party institution, the index of the sense of security and satisfaction of people in Shanghai has been steadily growing for seven years in a row, testifying to its safe and secure the city.

### A Gateway to the World

- **Throughout 2019, Shanghai Port handled a throughput of about 43.30 million TEUs, remaining as the world’s busiest container port.**

- **In 2019, the value of goods trade between Shanghai and the Belt and Road countries and regions accounted for 22.4% of the city’s total value.**

- **In 2019, the value of goods imported and exported through Shanghai Port reached RMB 8.42679 trillion, ranking first across the globe.**

### About Shanghai

- **Constantly Emerging Innovation Resources, Increasingly Aggregated Innovation Achievements**

100,587 patents were approved in Shanghai and over 5,900 firms were recognized as high-tech enterprises. By the end of 2019, a total of 52,940 high-tech achievement application projects had been identified.

- **Moving up the Sci-Tech Innovation Rankings**

Shanghai recorded 281.9 points on the Science and Technology Innovation Center index, ranking a year-on-year increase of 10.8% and an average annual increase rate of 13.8%. According to the Global Strategic and Technological Innovation Centers Evaluation Report 2020, Shanghai moved up four places in the overall rankings.

### Shanghai’s Financial Opening-up

In 2019, foreign investment in Shanghai maintained steady growth, and by the end of the year, a total of over 50,000 foreign-invested enterprises had been established in the city. Already a home base to the largest number of regional headquarters (RHQs) and foreign-invested R&D centers in China for years, Shanghai has continued to push ahead the all-round opening-up at a higher level. As a result, it is now one of the most attractive investment destinations in China and beyond, boasting a new foreign investment landscape piloted by headquarters, service and R&D economies.

### Complete International Financial Services

- **12 national financial center markets**
  - In 2019, the turnover of financial markets totaled RMB 1,884.31 trillion, up by 16.6% year on year.

### Pioneering China’s Financial Opening-up

- A total of projects in relation to financial opening-up in 4 batches have submitted applications, among which 18 have been approved.

### Clustering Headquarters of Major Financial Institutions

- New Development Bank
- The Cross-Border Interbank Payment System
- The Global Association of Central Counterparties
- China Insurance Investment Fund

### Investing in Science and Technology and Increasing Steadily

In a proactive effort to support the achievement of China’s 2030 Innovation Missions, Shanghai has launched a total of 854 National Science and Technology Major Projects, ranking first in China, and has thus been granted RMB 31.62 billion by the central government.

### Facilitating Science and Technology Innovations

- **High-level research institutes**
  - High-quality and high-level research institutes have been established in Shanghai, including the Shanghai Lab, the Shanghai Research Center for Quantum Sciences, and 44 national key laboratories. In addition, 13 major sci-tech research facilities have been built or are currently under construction.

### High-end Industries Playing Leading Roles

**Economic structure continues to improve:** Knowing that high-end industries are important forces driving high-quality economic development and the increase of urban capacities and core competitiveness, Shanghai has been constantly optimizing its industry structure to control core links on value chains and move up towards the higher end. By the end of 2019, the output of the manufacturing sector accounts for 43.30% of the city’s gross industrial output, up from 23.6% in 2015.

- **Major breakthroughs in key technologies have been achieved, such as the 14nm technology node, 7nm etching machine and 3.0GHz CPU.**

- **GV-971 – an innovative drug for the Alzheimer’s Disease – hit the market.**

- **The 3.0T MRI system was recognized as world-leading.**

- **Shanghai hosted the World Artificial Intelligence Conference 2019, and was designated as one of the National Pilot Areas for the Innovative Development of New-generation AI and one of the Pilot Zones for AI Applications.**

Note: 1. The data was issued by Shanghai Institute for Science of Science.

### Shanghai Sci-Tech Solutions

- **Artificial intelligence**
- **Integrated circuits**
- **Machinery and equipment**
- **Biopharmaceuticals**
- **Advanced materials**
- **Auto and automotive**

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Regional Headquarters of Multinational Corporations

In recent years, given the changing landscape of Chinese and international economies, multinational corporations (MNCs) have been adjusting their business operation models and global presence. Closely following their movements, Shanghai has been committed to strengthening its capacity of allocating global resources of high-end factors to encourage MNCs to set up in the city. RHQs covering Asia, Asia-Pacific or broader regions. As of the end of 2019, 720 RHQs of MNCs in Shanghai mainly operate in a diversified range of manufacturing industries, represented by automotive, chemicals, biopharmaceuticals and electronics sector.

RHQs of MNCs make up 1.34% of foreign-invested corporations in Shanghai, contributing substantially to local economic growth.

10% Revenue
17% Aggregate profits
12% Aggregate taxes
6%+ Employees

Foreign-invested R&D Centers

Favored by foreign and local innovators, Shanghai is home to one fourth of the foreign-invested R&D centers in China, thanks to its proactive efforts in recent years in supporting foreign-invested enterprises to establish R&D centers and open innovation platforms. It has also been encouraging these R&D centers to develop global competitiveness and participate in the R&D of public service platforms. The development of Shanghai, serving as a gateway to both national and international markets, and to serve as an important platform for China to become more integrated into the global economy.

Foreign-invested R&D Centers

In 2019, Shanghai attracted 50 RHQs of MNCs, including 28 Asia-Pacific/global HQs.
As of the end of 2019, Shanghai had introduced 720 RHQs of MNCs, including 116 Asia-Pacific/global HQs.

Further Opening-up Measures in Support of Local Development

At the first China International Import Expo (CIIE) in 2018, three missions were set for Shanghai by President Xi Jinping, cementing its role in China’s further opening-up: expanding the SHTZ to include a new special area; launching the Shanghai Stock Exchange (SSE) a science and technology innovation board with a pilot registration-based IPO system; and promoting the integrated development of the YRD region as a national strategy. The three missions, together with the CIIE, constitute the “3+1” system, which will create new opportunities driving the growth of Shanghai in the new era.

Lin-gang Special Area of SHTZ

The Lin-gang Special Area of SHTZ was inaugurated on August 20, 2019, with an initial planned area of 119.5 km². As an all-round, fundamental institutional innovation in response to new trends in global economy and trade, this special area with re-organized functions is expected to strengthen Shanghai’s position as a gateway to both national and international markets, and to serve as an important platform for China to become more integrated into the global economy.

A globally influential and competitive zone tasked with special economic functions
A set of institutional arrangements is being put in place in alignment with international practices to drive further opening-up that is institutionally supported rather than only based on flows of goods and factors of production.

An open, innovative and sustainable urban destination
High-quality foreign capital investment is encouraged in public services to improve local infrastructure for delivering world-class urban services and functions.

The SSE STAR Market with a Pilot Registration-based IPO System

Launched on June 13, 2019, the SSE science and technology innovation board, or the STAR Market, is a critical move in promoting the development of Shanghai as a global center of both sci-tech innovation and finance. Aiming to facilitate the marriage of capital and innovation, it is designed as a source of capital for high-tech enterprises and the real economy. As of the end of 2019, 70 companies were listed on the STAR Market, raising a total of RMB 82.4 billion.

Supporting High-tech Enterprises

Positioned to support enterprises at the forefront of global technological innovation with a view to powering economic growth and serving major national needs, the STAR Market has accepted listing applications from 205 companies active in strategic emerging industries such as new-generation information technology, biopharmaceuticals and advanced equipment manufacturing.

Institutional Breakthroughs

The STAR Market pilots a registration-based IPO system that is built on information disclosure and open inquiry-based review. This makes it possible for a company to go public within only 120 business days on average after filing. The time needed for share prices to reach equilibrium is also shortened, thanks to the market-oriented pricing mechanism.

The STAR Market is a symbol of how Shanghai is achieving its long-term vision to be a global city and a leading international financial hub.

Increasing local economic vitality
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The second CIIE was held in Shanghai on November 5–10, 2019, as not only an international exhibition and high-level forum, but also an opportunity for diplomatic dialog and people-to-people exchanges. Representing an important move of China to open its market to the world, the CIIE is an international public platform for open cooperation that maximizes mutual benefits. The event will continue on an annual basis, signifying China's commitment to keeping its door open to the world, and creating more opportunities for global economic growth.

64 countries featured in the Country Exhibition in the second CIIE, of which over one third attended the CIIE for the first time and 15 were guest countries of honor, compared to 12 in 2018. 391 new products, technologies and services were premièred to the Chinese mainland or the world. Over 230 companies have signed up for the upcoming third CIIE, of which more than 80 are Fortune Global 500 companies and market leaders.

As one of the most economically dynamic, open, and innovative regions of China, the Yangtze River Delta (YRD) region is actively pursuing integrated regional development to better contribute to China’s reform and opening-up. In 2018, the YRD Regional Cooperation Office was established by the municipal government of Shanghai jointly with the provincial governments of Jiangsu, Zhejiang, and Anhui, as the first permanent cross-regional administrative office set up for the integrated development of the YRD region. In December 2019, the Outline of the YRD Region Integrated Development Plan was issued jointly by the CPC Central Committee and the State Council of China, highlighting the need for Shanghai to enhance its urban functions and core competitiveness as a forward-looking, globally-minded city, and take lead in the integrated development of the YRD region.

Chapter II
Highlighted Investment Areas

- **Integrated Development of the YRD Region as a National Strategy**
  - As one of the most economically dynamic, open, and innovative regions of China, the Yangtze River Delta (YRD) region is actively pursuing integrated regional development to better contribute to China’s reform and opening-up. In 2018, the YRD Regional Cooperation Office was established by the municipal government of Shanghai jointly with the provincial governments of Jiangsu, Zhejiang, and Anhui, as the first permanent cross-regional administrative office set up for the integrated development of the YRD region. In December 2019, the Outline of the YRD Region Integrated Development Plan was issued jointly by the CPC Central Committee and the State Council of China, highlighting the need for Shanghai to enhance its urban functions and core competitiveness as a forward-looking, globally-minded city, and take lead in the integrated development of the YRD region.

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Overview of Investment Areas

In the wake of the new round of technological revolution and further industry transformation, Shanghai has made relentless efforts to upgrade its traditional industries into high-end and high value-added ones of great efficiency, while cultivating new growth poles of emerging industries with enormous potential by virtue of technological breakthroughs. As Shanghai continues to agglomerate worldwide resources and factors to build itself into a modern metropolis with global influence, it has brought in sufficient opportunities for foreign investors. Based on the city’s current industry system, with modern service industries as its base, strategic emerging industries at the top, and advanced manufacturing as the backing force, investors are welcomed with open arms to invest in various distinctive and competitive industries. Efforts will be made:

1. To attract and implement major projects oriented towards technological transformation and industry development, particularly those of strategic emerging industries, such as integrated circuits, AI and biopharmaceuticals, and break the barriers to patents, supply chain and technologies, so as to independently grasp key and core technologies with improved innovation capabilities.

2. To enhance the industry foundation and move up the value chain by transforming traditional industries while creating industry clusters of new materials, high-end energy equipment and new energy vehicles, with a view to improving the capacity and quality of real economy.

In this new round of regional economic development, many international metropolises are encouraging the backflow of manufacturing industries to balance their capital allocation. Endowed with a strong manufacturing gene, Shanghai has the manufacturing sector taking up over 25% of its GDP, a rather high proportion compared with that of New York, Tokyo and other international economic centers. In recent years, giving full play to its existing clustered technology innovation resources, the city has made great efforts in transforming industries into high-end ones with the help of technological transformation, and promoting the deep integration of strategic emerging industries and cutting-edge practical technology innovations, by aligning the innovation chain with the industry layout. Building Shanghai’s economic development, manufacturing has laid a solid foundation for the growth of the modern service industries in Shanghai, such as finance, commerce and trade.

Spatial Layout of Investment Areas

Based on its spatial structure and the comparative advantages of different areas, Shanghai has developed an overall layout of industries featuring an urban core that provides high-end and modern services, a circle of growing integrated digital industries represented by AI and big data, and two belts of high-end industry clusters focusing on strategic emerging industries and advanced manufacturing.

To boost the development of modern service industries in Shanghai, including financial services, modern commerce and trade, and cultural and creative industries, and enhance their capacity in mobilizing global resources, through further opening-up and Institutional Innovation.

One Urban Core Providing High-end Services

Covering districts including Huangpu, Jing’an, Xuhui, Changning, Putuo, Hongkou and Yangpu.

Represented by financial services, modern commerce and trade, and the cultural and creative industries.

One Circle Formed by Growing Integrated Digital Industries

Covering areas along and between the Middle and Outer Ring Roads, Represented by AI, big data, and Industrial Internet of Things (IIoT).

Two Belts of High-end Industry Clusters

One extending across Jading, Qingshu, Songjiang and Minhang Districts, while the other stretching along the coastline across Pudong New Area and Changning, Baoshan, Fengxian and Jinshai Districts.

Represented by advanced manufacturing and strategic emerging industries.

67 Key Areas for Future Industry Development

Playing crucial roles in developing high-end and high-tech industries represented by integrated digital industries, strategic emerging industries, modern services, and modern agriculture.
A Glimpse at Shanghai’s Advantageous Industries

Financial Services

In 2019, Shanghai’s financial industry generated an added value of RMB 660.06 billion, an increase of 11.6% year on year. As China’s financial center with a full-fledged financial market system, Shanghai has preliminarily built itself into a global trading, pricing, clearing and innovation hub of RMB-denominated financial products, and has become an ideal destination for global financial institutions’ headquarters and functional financial entities. Shanghai moved up to 4th place among worldwide financial hubs according to the Global Financial Centers Index 27 (GFCI 27) released by British think tank Z/Yen.

Investment Advantages

Vigorous Growth Momentum

As one of the industries that contribute the most to the city, Shanghai’s financial industry enjoys a strong foundation and vigorous growth momentum. By the end of 2019, the city was home to a number of state-level financial markets such as the Shanghai Stock Exchange, Shanghai Gold Exchange and Shanghai Insurance Exchange, and 1,166 financial institutions, of which over 33% are foreign-funded. It is proved that Shanghai has emerged as one of the cities with the largest number of financial institutions and the most comprehensive factor markets globally.

Increasing Transaction Volumes

Shanghai’s financial markets saw an active year in 2019, with the transaction volumes reaching RMB 1,934.31 trillion, a year-on-year increase of 16.6%.

Growth Rate of Transaction Volumes

<table>
<thead>
<tr>
<th>Market</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanghai Stock Exchange</td>
<td>35.3%</td>
</tr>
<tr>
<td>Shanghai Futures Exchange</td>
<td>19.3%</td>
</tr>
<tr>
<td>China Financial Futures Exchange</td>
<td>170%</td>
</tr>
<tr>
<td>Interbank Market</td>
<td>15.2%</td>
</tr>
<tr>
<td>Shanghai Gold Exchange</td>
<td>33.2%</td>
</tr>
</tbody>
</table>

Greater Openness to the World

Shanghai has taken the lead in the openness of financial industry among the other cities in the Chinese Mainland with more areas open to foreign investors. It has launched a range of financial innovation products, such as Hulun Tong (Shanghai London Stock Connect), CSI 300 Stock Index Options, and China Universal CSI Yangtze River Delta Integrated Development Theme ETF. The Shanghai government is also spending up implementing a set of opening-up policies, including lifting restrictions on foreign ownership ratios of joint venture insurance companies operating life insurance business, piloting wealth management companies co-funded by overseas financial institutions and domestic large banks, and allowing capital management centers to set up or control financial institutions that involve in bonds, funds and futures, and to set up or control financial institutions that involve in bonds, funds and futures, as well as foreign-controlled securities companies.

Vibrant Fintech Innovations

The development of fintech allows Shanghai to simultaneously build itself into an international financial hub and a global science and technology innovation center, and it also provides more business opportunities for various financial institutions to enrich financial products and improve the financial supply chain. In recent years, Shanghai has been strategically promoting the development of fintech and improving its development framework by adopting measures such as launching the Science and Technology Innovation Board and piloting a registration-based IPO system, setting up the Shanghai Fintech Industry Union and its physical premises – Shanghai Shihonosion Capital Fintech International Industrial Park, and releasing Implementation Plan for Accelerating the Development of Financial Technology Center in Shanghai. These efforts have created opportunities for foreign-invested financial institutions to play a part in fintech innovation and find new growth poles in Shanghai.

Recommendation on Where to Invest

Based on the “Golden Triangle” financial zone formed by Lujiazui, the Bund and the North Bund, a development layout of “One City, One Belt and Multiple Spots” in Shanghai’s financial service industry has been established. “One City” stands for Lujiazui Financial City, dedicated to the development of financial factor markets, headquarters finance and shipping finance. “One Belt” refers to the Bund Financial Agglomeration Belt extending from Huangpu District to Hongqiu District, committed to cultivating fintech and other emerging financial industries in align with special industry resources of each district. “Multiple Spots” are represented by the Zhangjiang area as well as Jingan, Xuhui and Putuo Districts, featuring financial information services, foreign capital finance and cultural finance.

Lujiazui Financial City

Lujiazui Financial City is the most prominent financial cluster in China, boasting complete factor markets and a well-established shipping financial services system. With over 250 office buildings and 188 regional headquarters of multinational corporations, the commercial real estate economy density of Lujiazui Financial City ranks among the top in the world.

Office Buildings: Shanghai World Financial Center, Jin Mao Tower, Shanghai IFC
Contact: 86-21-60913700

Bund Financial Agglomeration Belt

As a core area for supporting Shanghai as an international financial center, the Bund Financial Agglomeration Belt gathers the second largest number of financial institutions, with the value of asset under management one-ninth of China’s companies that operate public offering funds and housed it to the development of fintech and wealth and asset management. It has attracted one-third of China’s companies that operate public offering funds and housed it to the development of fintech and wealth and asset management. It has attracted one-third of China’s companies that operate public offering funds and housed it to the development of fintech and wealth and asset management.

Office Buildings: Bund Financial Center (BFC), Greenland Bund Center, Bund SOHO
Contact: 86-21-33134800

North Bund Financial Zone

As a cluster of financial industries in Hongkou, the North Bund Financial Zone dedicates itself to the development of fintech and wealth and asset management. It has attracted one-third of China’s companies that operate public offering funds and housed it to the development of fintech and wealth and asset management.

Office Buildings: Pujiang International Financial Plaza, Financial Street (Hailun) Center
Contact: 86-21-69595818
Exemplary Case of Foreign-Invested Financial Institutions in Shanghai

**Allianz (China) Insurance Holding Co., Ltd.**

As an open international financial center, Shanghai has long been an attractive destination for foreign investors. Since the China Banking and Insurance Regulatory Commission (CBIRC) cancelled the foreign equity ratio restrictions in joint venture life insurance companies, along with the introduction of other favorable policies, foreign financial companies have started to expand their businesses in China at an accelerated pace. In January 2020, Allianz Group, a world-leading financial company, established Allianz (China) Insurance Holding Co., Ltd. in Shanghai as China’s first wholly foreign-funded insurance holding company. This sole proprietorship will greatly enhance the strategic and financial flexibility of the company. As a member of the International Business Leaders’ Advisory Council for the Mayor of Shanghai (IBLAC), Allianz has witnessed and participated in Shanghai’s reform and opening-up. According to Oliver Bäte, Chief Executive Officer and Chairman of Allianz, Allianz attaches great importance to the Chinese market, especially Shanghai, and appreciates the strong support from China’s financial regulators and the Shanghai municipal government in opening the holding company. Allianz is willing to allocate more resources to Shanghai to better serve Chinese customers and to help other institutional investors and expects to achieve greater development by participating in Shanghai’s international financial center development.

**Nomura Orient International Securities Co., Ltd.**

Nomura Orient International Securities Co., Ltd. ("Nomura Orient"), 51% owned by Japan’s Nomura Holdings, is the first foreign-controlled joint venture brokerage in China. It was established in August 2019 with a registered capital of RMB 2 billion, and granted the necessary business license by the China Securities Regulatory Commission in November 2019. Since officially opened on December 20, 2019 in Huangpu District, Nomura Orient has been operating brokerage, investment consulting, proprietary development and asset management. Determined to provide customers with a diversified range of investment products and services developed in the Chinese market, Nomura Orient is leveraging its international know-hows and local strengths to make Nomura Orient an integrated securities brokerage in China. Determined to provide customers with a diversified range of investment products and services developed in the Chinese market, Nomura Orient is leveraging its international know-hows and local strengths to make Nomura Orient an integrated securities brokerage in China.

**Industry Support**

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**Industry Policy**

Opinions of the China (Shanghai) Pilot Free Trade Zone on Expanding Opening-up of the Financial Service Industry and Furthering Gaining New Advantages in Development and Opening-up issued by China (Shanghai) Pilot Free Trade Zone


Measures for the Administration of the Registration of IPO Stocks on the Science and Technology Innovation Board (Tsinghua) issued by China Securities Regulatory Commission

Implementation Plan for Accelerating the Development of the Fintech Center in Shanghai issued by the General Office of Shanghai Municipal People’s Government

**Convention & Exhibition**

Lujiang Forum

Shanghai Financial Services Fair

**Industry Association**

Shanghai Financial Association (SFA)

Shanghai Securities Association (SSA)

Shanghai Asset Management Association (SAMA)

**Modern Commerce**

In 2019, the total sales of goods in Shanghai reached RMB 12.80041 trillion, a 1.1% increase over the same period last year, in which the gross retail sales of consumer goods recorded a year-on-year increase of 6.5% to RMB 1.349721 trillion. Looking at different types of enterprises, non-store retail sales climbed approx. RMB 243.2 billion, a year-on-year growth of 13% as online retail sales finished at about RMB 189.65 billion, which was an increase of 15.8% from last year and accounted for 14.1% of the total retail sales of consumer goods, up 2.4 percentage points year over year. As Shanghai’s commerce and trade industry witnesses innovative development in new retail formats, and continuous transformation and upgrading of traditional commerce sectors, the city is gradually turning into an international consumer market and a new retail shopping megapolitan of the world.

**Investment Advantages**

**A Booming First-Store Economy**

First-store economy refers to the phenomenon of leading brands or new trendy brands opening their first stores in a region and achieving best synergy of brand value and local resources. Shanghai leads the country in first-store economy thanks to its status as a regional hub and excellent business ecosystem. In 2019, it welcomed 99.6 first stores into the city, of which 2% were world’s first and Asia’s firsts. As a result, 55.3% of global retailers and Asia’s firsts now come to Shanghai. A booming first-store economy fuels Shanghai’s initiative of building an internationally competitive brand of “Shanghai Shopping”.

**Transformation of Trade Activities and Traditional Retail Sectors**

Thanks to the wide application of Internet, Big Data and other new technologies in commerce and trade, Shanghai has become a source of trade innovation and a test bed for new retail concepts in China. Model enterprises such as Starbucks Reserve Roastery, Hemas Robot He Restaurant and Suning Xiaodian (neighborhood convenience store) have been incubated to explore opportunities in expanded consumption scenarios such as omnichannel, pan-retail, smart store and fresh produce. As consumer market enters into a new round of upgrading, small-scale retailers are becoming more specialized in segmented market offerings whereas traditional commerce in Shanghai is demonstrating strong impetus to transform through deep D2O integration. Meanwhile, major commercial complexes are going digital with consumer behavior record & analysis and membership reward point redemption in order to accelerate the transition of traditional business districts to become intelligent ones.

**Comprehensive Supporting Policies for Consumption**

Shanghai has been actively conducting pilot programs for building itself into a global consumption center in response to national initiatives. A series of supporting policies on developing new business models, formats and modern supply chains as well as cultivating consumption of culture, healthcare and information related goods and services have been put in place to fully capitalize on Shanghai’s strong foundation of modern commerce and explore new consumption potential.

**Night-time Economy**

Introducing more business activities to allow multiple consumption scenarios in one place; improving commercial facilities to build 24-hour business pilot zones; and increasing urban capacity to create major nightlife consumption programs.

**Duty Free/Tax Refund Economy**

Expanding coverage of tax refund services with increased convenience for overseas tourists.

**Platform Economy**

Supporting platform businesses to enrich consumption scenarios and contents online, and promoting faster development of new business formats such as unmanned convenience stores and smart vending machines.

**Brand Economy**

Launching the “Shopping in Shanghai” App; advancing the upgrading of the Nanjing Road Pedestrian Street and the Lujiazui CBD; and pushing forward the initiative of “One Strategy and One Plan for One Brand” to revitalize time-honored brands.

**Debut Economy**

Developing Huangpu, Jing’an, Putong and Kuli as demonstration districts for product world debut, and supporting e-commerce players to build online debut platforms.
Exemplary Case of Foreign Retailers in Shanghai

Retail Giant Costco

As the largest membership-only warehouse supermarket chain in the United States with more than 770 stores worldwide, retail giant Costco opened its first store in Chinese mainland in Minhang District, Shanghai in August 2019. Committed to serving its members with a cozy and convenient offline shopping experience, Costco draws in large crowds of consumers from day one with its paid membership model and great value-for-price products. Speaking of the company’s choice of location in China, Richard Zhang, SVP of Costco Asia, attributes the decision of making Shanghai its home to the concentration of Costco’s main consumers in East China, especially Shanghai. Betting on the promising prospects of the commerce and trade industries in Shanghai, Costco will expand its presence in the city by opening its second store in Chinese mainland in the Kangqiao Industrial Zone. In the future, Costco will explore O2O opportunities based on a successful offline business, and continue to help build Shanghai into a city of new retail for global shopping.

Industry Support

Industry Policy


Guidance on Promoting the Development of Night-time Economy in Shanghai issued jointly by Shanghai Municipal Commission of Commerce and other eight departments.

Opinions on Shanghai’s Support for the Development of Shanghai Style Novelty Stores issued jointly by Shanghai Municipal Commission of Commerce and other seven departments.

Convention & Exhibition

Shanghai International Smart Retailing Show (SRS) / China International Self-service, Kiosk and Vending Show (CVS)

Industry Association

Shanghai E-Commerce Association (SECA)
Shanghai Cross-Border E-Commerce Association (SCEA)
Shanghai Chain Enterprise Association
Shanghai Commerce Enterprise Management Association

Recommendation on Where to Invest

There is a variety of full-fledged business districts and commercial complexes with strong vitality for business and economic development in Shanghai. At present, the commercial landscape here shows a "5+1" structure, with "5" being business centers at municipal, district and community levels and "1" being distinctive commercial streets as supplements. The city now has well-known commercial centers including East Nanjing Road, West Nanjing Road, Middle Huaihai Road, Yujiabu and Hongqiao Central Business District, along with 227 operating urban commercial complexes, of which 69 are shopping malls with a floor area of 100,000 m² or more. Investors can make selection from a wealth of these commercial platforms according to their target customers and company positioning.

East Nanjing Road Commercial Zone

Known as “China’s No. 1 Commercial Street”, East Nanjing Road is the oldest commercial street in Shanghai, with 90% of the global high-end brands having flagship stores and specialty shops here as part of its 245,000 tenant cohort. The commercial zone connects to The Bund and enjoys almost 250 million visits per year. With the implementation of strategies such as the eastward expansion of the pedestrian street, the functional upgrading of shopping malls, and the vitality boost of the first-store economy, East Nanjing Road is taking big strides to become a world-class commercial street and the top choice of businesses for branding.

Hongqiao Central Business District

As the "youngest CBD" in Shanghai, Hongqiao Central Business District has the Hongqiao Transportation Hub, the world’s largest transportation complex, and the National Exhibition and Convention Center, the world’s largest single-structure building and exhibition complex. With the goal of building a first-class international CBD and an open and sharing platform supporting Shanghai as an international trade center, the business district has launched a pilot program of "Instant Tax Refund at Purchase", and implemented specific strategies and plans for premises and commercial buildings to attract and develop unicorns and industry champions in cross-border e-commerce and digital trade, so as to bring new investment opportunities to commercial businesses.

Supporting Platforms and Buildings with Unique Offerings: Hongqiao Import Commodities Exhibition and Trade Center, Hongqiao Overseas Trade Center, Yangtze River Delta E-Commerce Center, Hongqiao Hi (The Gate)

Contact: 86-21-34733382

Contact on Investment: Shanghai New World Daimaru Department Store Center, Shanghai Shimao Festival City, Raffles City Shanghai, choice of businesses for branding.

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Cultural and Creative Industries

The cultural and creative industries, emerged in the midst of economic globalization, are a rising business with creativity at its core. To build a successful “Shanghai Culture” brand, Shanghai has set a clear goal of developing “Two Centers and Two Capital”, so as to actively cultivate new growth poles. Specifically, Shanghai aims to build itself into a global film & television creation and production center, an art trading center, a capital of art performance in Asia and a global capital of e-sports, an effort led by key industries such as film and television, art performance, Internet culture, e-sports, art trading, and creative design.

Investment Advantages

A Variety of Industry Carriers

Cultural and creative parks are important carriers for the development of the cultural and creative industries. Shanghai has introduced the Administrative Measures for Cultural and Creative Industry Parks to establish a mechanism of dynamic management and market-oriented competition for the gathering of diverse businesses in the industry. As of July 2019, Shanghai had certified 137 municipal-level cultural and creative parks, including 20 demonstration ones such as the Zhangjiang Cultural Industry Park and the National Base for International Cultural Trade (Shanghai). Together, those parks occupy a total floor area of about 6.87 million m² with more than 28,085 enterprises contributing RMB 550 billion in revenue. In addition, Shanghai has shortlisted 10 municipal-level demonstration office buildings and 20 demonstration makerspaces for the cultural and creative industries.

Comprehensive Supporting Policies

Shanghai has mobilized resources towards cultural and creative enterprises to lower their burdens through the development of a consistent and open modern market for cultural offerings, providing enterprises in Shanghai with comprehensive policy support.

- Developing a sound investment and financing system: To improve the coordinated mechanisms of subsidies, loan, insurance, and financing guarantees with reinforced private investment;
- Building industry funds: To guide the development of the cultural and creative industries with earmarked fiscal funds;
- Protecting intellectual properties: To support cultural and creative enterprises in terms of creation, utilization, protection and management of their copyrighted assets.

Differentiated District-based Development of Cultural and Creative Industries

With a variety of cultural and creative spaces and supporting services available, Shanghai has cultivated unique cultural and creative industries in different districts. The highlighted features of each district are as follows:

**Pudong New Area:** Core functional zone for e-sports
- Baoshan District: Cultural innovation + Cruise ships
- Minhang District: Industry clusters for international trade + Cyber information + Media & entertainment
- Jiading District: Advertising + Industrial Design
- Jinshan District: Optimized and upgraded eco-friendly printing industry
- Songjiang District: Development of high-tech cinemas
- Qingpu District: Development of World Crafts Industry Expo Park etc.

**Huangpu District:** Film and television + E-sports + Fashion
- Changning District: Development of Hongqiao fashion and creative industry cluster
- Putuo District: Internet film and television
- Hongkou District: Media industry base
- Yangpu District: Cultural and creative spaces along the West Bund strategic belt
- Changning District: Development of Hongqiao fashion and creative industry cluster

**Yangpu District:** An art trading center, a capital of art performance in Asia and a global capital of e-sports
- Huangpu District: Core functional zone for e-sports

**Recommendation on Where to Invest**

Shanghai boasts clearly-structured, complementary cultural and creative industry centers such as functional zones, industry parks, office buildings and makerspaces across the central urban areas that run through the university and college cluster in the north, and along the Suzhou River and the inner ring. A layout of “One Axis, One Circle, Two Belts and Multiple Clusters” has gradually taken shape to facilitate consolidated developments of the cultural and creative industries by merging industry and urban functions.

One Axis:
- An east-westward axis for cultural and creative industry development, focusing on building Hongqiao expo industry park, design industry center on Changning Road and art performance zone surrounding People’s Square.

One Circle:
- An economic circle along and between the Middle and Outer Ring Roads, pushing forward the development of the City of Elite, the Yangtang Software Park and the Surpass Space of Creativity by making good use of closely gathered legacy buildings.

Two Belts:
- The cultural and creative development belt along the Huangpu River and the Suzhou River, further enhancing the functions of modern lifestyle, cultural exhibition, creative design, leisure and tourism of the West Bund Media & Cultural Corridor in Xuhui District and the Shanghai Expo Qiantan Cultural Park in Pudong New Area.

Multiple Clusters:
- Drawing on the advancement of commercial subcenters, distinctive towns and cultural tourism zones to promote the development of the pan-Tongji creative design cluster, the Innovation Yard of cultural and creative industry cluster, and the Internet-based film industry cluster on Jinjiadong Road.

**Shanghai Zhangjiang Cultural Industry Park**

Listed in the first batch of national cultural industry demonstration bases, Shanghai Zhangjiang Cultural Industry Park has gradually become one of the most well-known and integrated cultural and creative industry parks in China. The park, located within the Zhangjiang High-tech Park, has clear advantages in combining cultural elements with technology, innovation, finance and trade, and has incubated and cultivated companies in different sectors across the industry chain such as digital publishing, online gaming, netcasting, online education, equipment for creative production, film, television and animation.

**Leading Companies:** Shengyu Games, China Literature, Hujang, Hippo Animation, Broadmesse International

Contact: 86-21-58081818

Established in 2011 as China’s first one of its kind, the National Base for International Cultural Trade (Shanghai) has gathered more than 1,300 cultural and creative enterprises with a total investment exceeding RMB 47 billion. Located in the Waigaoqiao Free Trade Zone, the base enjoys advantageous location and a wealth of business supporting facilities covering 13,374 m² of land. It is dedicated to providing domestic cultural industry players with comprehensive solutions, including import and export agency service, product exhibition, equipment rental, business consulting, copyright exchange, artiste management, film and television post-production and planning, and creative design.

Contact: 86-21-58697777
Exemplary Case of Cultural and Creative Companies in Shanghai

BroadMesse International

Founded in 2005 as the Asia-Pacific headquarters to the Germany-based BroadMesse International, BroadMesse International Shanghai is a global leader in the exhibition industry that combines high-tech with cultural expertise. With extensive global experience in exhibitions, BroadMesse has embraced a development strategy featuring R&D, creative design and international operation, serving clients from all the countries along the Belt and Road, and in the Asia-Pacific Economic Cooperation organization and the Shanghai Cooperation Organization.

In recent years, BroadMesse has joined hands with Fudan University and Tongji University Cooperation Organization. and in the Asia-Pacific Economic Cooperation organization and the Shanghai

Industry Support

Industry Policy

Administrative Measures for Cultural and Creative Industry Leading Group Office and other departments

Opinions on Accelerating the Inno-

Three-Year Action Plan on Increasing the Brand Visibility of Shanghai Culture to Ac-
celerate the Establishment of Shanghai as an International Cultural Metropolis (2016–2020) issued jointly by the General Offices of CPC Shanghai Municipal Committee and Shanghai Municipal People’s Government.

Convention & Exhibition

In December 2018, the Second Annual AI Competition was held in Shanghai, with over 100 global AI companies and 500 startups participating, promoting the high-quality development of the city’s AI industry.

Investment Advantages

Abundant Resources in AI Research and Education

Shanghai enjoys abundant resources in AI-targeted research and education, represented by fundamental research platforms and institutions, such as the Collaborative Innovation Center for Brain Science of Fudan University and the Artificial Intelligence Institute of Tongji University, along with company-backed research and innovation platforms. As part of its forward-looking plan for research, Shanghai announced the first batch of AI innovation centers in 2019, which includes seven topnotch industry players such as SenseTime, DeepBlue and Cambricon.

Extensive Application Scenarios

The AI industry relies heavily on large volumes of quality data for algorithm training. Thanks to the four basic databases on legal persons, actual population, geospatial data and electronic certificates, Shanghai has rich data resources to offer. In addition, open government data from 15 provinces along with 1,000 quality global AI datasets can be accessed by companies via Shanghai Data Exchange.

A Strong Talent Pool

The AI industry in Shanghai has become a force of magnet for international giants like Microsoft and Amazon, Chinese Internet leaders such as Baidu and Alibaba, and topnotch players including iFlytek and SenseTime, which in turn attracts high-caliber talented professionals to join the cluster. Shanghai, a city where one-third of China’s AI brains call home, now enjoys a clear edge in computer vision, speech recognition, semantic interpretation and brain engineering.

Dedicated Financial Support

In response to the asset-light and high-risk profile of the AI industry, Shanghai is showing its support to AI companies with dedicated financial input. In addition to funds such as the AI Industry Fund under the G60 Science and Technology Innovation Corridor and the AI Venture Capital Fund of Yangpu District, the Shanghai AI Industry Investment Fund, with RMB 10 billion in target size for the initial phase, has kick started the signing of its first batch of projects.

As one of the top regions in AI, Shanghai is equipped with abundant AI-supporting facilities, a complete industry chain, mature technologies and proven business models, playing a significant role in leading the AI development of China. As the AI industry steers onto the fast track for growth, Shanghai is home to over 1,100 core AI companies and over 3,000 pan-AI companies, which reached over RMB 100 billion in industry scale in 2019, leading the country in intelligent driving and robotics.

Artificial Intelligence (AI)
Recommendation on Where to Invest

The key investments in the AI industry of Shanghai are mostly located in Zhangjiang area and Lingang Special Area of Pudong New Area, West Bund of Xuhui District, Taopu area of Putuo District and Maqiao area of Minhang District, which form an inverted Y shape when plotted on a map. Investors interested in applying AI in finance, healthcare, transportation and other areas can find their homes in the various industry clusters, each with their own niches, such as the AI Innovation belt that stretches from West Bund of Xuhui to Zhujiajiao area of Minhang via Caotang, the Biotechnology Park of Health in Xuhui, the Zhangjiang Lingang AI innovation area, and the Disi Mingjing AI Innovation Base of Songjiang District. Zhangjiang Ailand, Al Space on West Bund, Maqiao AI Innovation Experimental Zone and other specialized industry parks can be their specific investment destination.

Zhangjiang Ailand

As the first demonstration park for the full commercial application scenarios of 5G + AI, Zhangjiang Ailand is poised to become a new industry landmark for AI application, gathering diverse AI companies and talents in the highest density. As many top-notch industry players gravitate to the park, 22 application scenarios for an intelligent future have been set up. Research institutes such as the Microsoft AI & IoT Insider Labs and the Shanghai Research Institute for Intelligent Autonomous Systems of Tongji University can also be found here.

Leading Projects: IBM China Development Lab, Greater China Regional Headquarters of Infinon Technologies, Alibaba Innovation Center

Contact: 86-21-64573609

By tapping into the geographical advantages of the YRD region, AI companies in Shanghai are reaping growing clustering benefits with increased access to abundant capital and talent of high caliber, which will facilitate the growth of both the whole industry and individual players. Since the tech-focused STAR market run by the Shanghai Stock Exchange opened for business, active capital flow has created a positive impact on AI startups in terms of technology upgrading, user acquisition and market expansion. As the clustering effect forms across the entire value chain, the AI industry in Shanghai is set to grow stronger.

AI Space on West Bund

With a total floor area of 1.2 million square meters, the AI Space on West Bund along the Huangpu River is a new landmark in the national AI highland. The completed 208-meter high flagship AI Tower has become a hub for leading international AI companies and research facilities, providing an integrated AI-enabled platform that features headquarters’ offices, international exchange, best practice demonstration and application, AI exhibition and experience, and technology incubation and commercialization.

Leading Companies: Microsoft Research Asia, Alibaba, China Central Television, Tencent, Alibaba, NetEase

Contact: 86-21-64573609

Exemplary Case of AI Companies in Shanghai

Microsoft AI & IoT Insider Lab

Established in partnership with the Zhangjiang Group, the AI & IoT Insider Lab in Shanghai is one of Microsoft's global R&D centers aiming to boost the innovation and industrialization of AI and IoT solutions and applications. It is the first of its kind in the Asia-Pacific region and the largest such lab run by Microsoft Corporation. "China has the world’s largest IoT market. The AI and IoT industries have great potential in China," said Rani Kang, vice president of Microsoft China.

Facing with the vigorous development trend of AI technology, Microsoft has been making full use of its brand, service, technology and industry value chain by tapping into the abundant scientific research resources, clustering innovation factors and full-fledged supporting services in Shanghai. By the end of November 2019, a total of 60 enterprises had been authorized as resident members of the Microsoft AI & IoT Insider Lab, accelerating their AI products and solutions application thanks to the lab’s full-range services from hardware and software support to cloud services and ecosystem support. The lab plans to attract more members from a wider range of regions and industries, and drive the transformation and upgrading of traditional industries through its advanced AI technology and deep integration with the innovation and industry resources of Zhangjiang Science City.

Industry Support

Industry Policy

Detailed Rules of the Shanghai Municipal Government on Special Funds for AI Innovation Projects issued by Shanghai Municipal Commission of Economy and Informatization

Implementation Measures for Accelerating the High-quality Development of AI Industry in Shanghai issued by the Shanghai Municipal Commission of Economy and Informatization

Measures of the Lingang Special Area of SHFTZ on Clustering Development of AI Industry issued by the Administrative Committee of the Lingang Special Area

Convention & Exhibition

World Artificial Intelligence Conference (WAI)

Shanghai International Artificial Intelligence Development Alliance (SAIA)

Shanghai Artificial Intelligence Technology Association (SATA)

Shanghai Society for Neuroscience (SSN)

Industry Association
Shanghai currently has a comprehensive IC industry chain that brings together design, manufacturing, packaging and testing, materials, equipment, supporting facilities and services, making the city one of China’s top microchip manufacturing centers in terms of industry concentration and comprehensive technical capabilities. In 2019, with an annual output of 20.76 billion pieces, the value of the IC industry in the city increased to over RMB 170 billion, accounting for about 22% of China’s total, and is expected to reach RMB 200 billion in 2020 due to an improving industry allocation.

**Investment Advantages**

**Integrated Circuits (IC)**

Shanghai has a solid IC industry foundation, with a number of major breakthroughs in major technological fields of the IC industry in recent years and is actively driving innovation across the whole IC industry chain.

**Solid Industry Base – Driving Innovation Across the Industry Chain**

Shanghai, with its solid IC industry foundation, has made successive breakthroughs in major technological fields of the IC industry. It is acting as a driving innovation across the whole IC industry chain.

**R&D Platforms – Professional Training Through a Joint Mechanism of Industry and Academic Research**

- **IC Design**
  - Capacity to develop 7nm microchips
- **IC Manufacturing**
  - Mass production of 28nm microchips achieved
- **Materials & Equipment**
  - Global leading etching and lithography machines of strategic significance

**Strong Innovation Capacity – Supported by Multiple Platforms**

**Public Service Platforms – Giving Impetus to Industry Upgrading**

- **National Integrated Circuit Innovation and Entrepreneurship Base (Zhangjiang)**
- **National Innovation Platform of Industry & Education Integration for Integrated Circuits**
- **Shanghai R&D and Achievement Transformation Platform for Integrated Circuits**

**Talent Pool**

As of 2018, the number of IC industry practitioners in Shanghai had exceeded 170,000, accounting for 40% of the total workforce in this sector in China. Shanghai has endeavored to provide an ample supply of high-caliber professionals and technical talent for the IC industry through prestigious universities and R&D institutes including Fudan University, Shanghai Jiao Tong University and Tongji University.

**Favorable Policies**

A series of supportive policies have been issued in Shanghai to promote the development of its IC industry, including those for major project construction, core technology and product R&D, reduction of corporate tax, fees and cost, and large-scale development.

**Funding Support**

- **China IC Industry Investment Fund**
- **Shanghai IC Industry Investment Fund**
- **Shanghai IC Equipment & Materials Fund**
- **Zhangjiang Hi-tech Innovation Fund**

There is an ever-increasing demand for microchips in the major downstream sectors of the IC industry, including consumer electronics, computers, network communications, and IoT. Meanwhile, the development of emerging technologies, such as unmanned vehicle, AI, 5G and IoT, requires new breakthroughs in IC technology. With increasing R&D investment and fierce competition among key market players, the IC industry is expected to maintain a sustained growth.

**Recommendation on Where to Invest**

A “one-center and multi-polar” spatial structure has taken shape in the IC industry in Shanghai, with Zhangjiang Hi-tech Park at the core, and supplemented by Caohejing Hi-tech Park in Xuhui District, Songjiang Economic and Technological Development Zone, as well as other areas including Yangpu District, Jiading District, Qingpu District, Jinhua District and Lin-gang Special Area. This synergetic development, along with specialized industry parks including Integrated Circuit Design Industrial Park, Smart Sensor Industry Park, Oriental Microchip Port, G60 Electronic Information International Innovation Industry Park, has provided investors with abundant opportunities.

### Zhangjiang High-tech Park

Zhangjiang High-tech Park, known as the “Silicon Valley of China”, is China’s largest IC industry park featuring the highest comprehensive technology level and the most complete industry chain in the country. It is now home to an array of leading enterprises and start-ups active in IC design, microchip manufacturing, packaging and testing, materials and equipment. Six of the global top ten microchip design companies have had their regional headquarters or R&D centers built in the park, and among the top ten in microchip design in China, three have been headquartered and another three set up branches there. Enterprises resident in the park boast more than 100 advanced products in microchip design.

**Leading Companies**

- Semiconductor Manufacturing International, Huai Microelectronics, Huali Microelectronics

**Contact**

Contact: 86-21-68796879

### Shanghai Caohejing Hi-tech Park

Caohejing Hi-tech Park is a state-level economic and technological development zone, a high-tech industry zone, and a national export processing zone approved by the State Council of China. With electronic information as one of its pillar industries, the park has developed a whole IC industry chain covering IC design, packaging and testing, special equipment and production materials.

**Leading Companies**

- Advanced Semiconductor, BCD Semiconductor, Trident Multimedia Technologies, Oki Sensor Devices, Air Liquide

**Contact**

Contact: 86-21-64859900

### Zizhu National Hi-tech Industrial Development Park

As a national high-tech park and a major IC industry base in Shanghai, Zizhu Hi-tech Park actively supports the development of information-based industries and the transformation of innovation achievements, and continuously promotes industry development with new models. Now the park has become a home base for a cluster of globally leading IT and software enterprises and well-known R&D companies including Intel, Microsoft, Infosys, Sandisk Semiconductor, Naosoft, Chinasoft International, Witosoft and BCD Micro-electronics.

**Contact**

Contact: 86-21-61212288
Exemplary Case of IC Companies in Shanghai

Heraeus Electronics Innovation Center in Shanghai

The Germany-headquartered Heraeus is a globally leading technology group with a business scope covering environmental protection, energy, electronics, health, mobility and industrial applications, while Heraeus Electronics, a subsidiary company, is an expert of materials and matched materials solutions for electronics packaging. In October 2018, Heraeus further strengthened its presence in China by creating the Heraeus Electronics Innovation Center for R&D and testing of electronic material systems, a move following the incorporation of its Greater China Headquarters in Shanghai. The Innovation Center boasts advanced equipment that meets the needs of modern electronics industry, a test system that can perform durability tests and test processes that have no limit of complexity, thus being able to provide chip assembly and component welding and testing services. The establishment of the Center reflects Heraeus’ continued optimism for Chinese market including Shanghai, and its intention of investing more R&D resources here in the future. The rapidly growing Chinese market contributed 40% of Heraeus Electronics’ global revenue, and Heraeus will continue to increase investment in China, as noted by Mr. Stietz, President of Global Business Unit, Heraeus Electronics.

Industry Support

Industry Policy

Several Policies on Further Encouraging the Development of Software Industry and Integrated Circuit Industry in Shanghai issued jointly by Shanghai Municipal People’s Government

Notice on Issues Concerning Income Tax Policies for Integrated Circuit Manufacturing Enterprises in Shanghai issued jointly by the Ministry of Finance, the State Taxation Administration and other ministries and commissions

Conventional & Exhibition

China Semiconductor Technology International Conference (CSTIC)

Industry Association

Shanghai Integrated Circuit Industry Association (SEIA)

Shanghai Optoelectronics Trade Association (CSTA)

Shanghai Integrated Circuit Technology and Industry Promotion Center (ICC)

Biopharmaceuticals

Regarded as a pillar of the strategic emerging industries in Shanghai, the biopharmaceutical industry enjoys prioritized development in the city. In 2019, its industry value totaled RMB 400 billion, with a year-on-year increase of 7.3% in gross output. Eight of the world’s Top Ten pharmaceutical companies have set up R&D centers in Shanghai, and three of the four global CAR-T giants have presence in Zhangjiang. Shanghai has been committed to building itself into a globally influential innovation highland of biomedical industry, becoming a stronghold for R&D and production of premium biopharmaceutical products, as well as R&D outsourcing services in the Asia-Pacific region.

Investment Advantages

A Cluster of Essential Elements for Innovation

Platform Support

Shanghai is home to a multitude of the world’s top biomedical institutions, including research institutes, universities and leading company-based R&D centers, along with functional platforms which underpin the industry chain innovation, product R&D and transformation, and entrepreneurship in general.

Great Achievements

Shanghai has achieved outstanding results in biomedical innovation. By the end of 2019, it had 18,261 domestic pharmaceutical patents and 1,472 clinical trials of drugs approved. The approval rate for clinical application of new drugs from companies based in Zhangjiang is three times of the global average.

Active Capital

Thanks to abundant PE/VC investment in the industry, there were 179 financing events of 645 pharmaceutical companies with a total financing amount of RMB 14.8 billion in 2019.

Talent Pool

Relying on industry platforms such as the Zhangjiang Pharma Valley, Shanghai has been pooling a crowd of biopharmaceutical professionals. As of the end of 2019, Shanghai had 981 national-level and 410 municipal-level talented profession- als in this field.

Convenient Customs Clearance

A normal working mechanism has been established to facilitate customs clearance of biomaterials for R&D purpose of biopharmaceutical companies, and a comprehensive evaluation method adopted to classify and manage biomaterials for improved efficiency of customs clearance.

Marketing Authorization Holder (MAH) System

The MAH system is a management model that separates drug marketing authorization from production authorization. As of the end of October 2019, 54 applicants in Shanghai had submitted MAH pilot applications for 131 drugs, 31 of which belonged to Class-1 innovative drugs that had not been marketed in China and abroad.

Medical Device Registrant System

Eligible medical device registration applicants are entitled to apply for a registration certificate, and then entrusted it to a medical device manufacturer with qualification and production capacity, thus disconnecting product registration and production permission.

Government Policy Support

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A relatively decentralized pattern of “1 + 3 + X” for biomedical investment has taken shape in Shanghai, with Pudong New Area as the core, and Fengxian District, Jinhua District, Jading District, and Jading District following closely. There are abundant investment opportunities available in industry parks including Zhangjiang Innovative Medicine Industry Base, Bay Area Biopharmaceutical Port, Life Science and Technology Industrial Park in Lingang Special Area, Oriental Beauty Valley Area Biopharmaceutical Port, Life Science and Technology Industrial Park in Lingang Special Area, Oriental Beauty Valley, and North Shanghai Biopharmaceutical Industrial Park.

The national-level Zhangjiang Biotech and Pharmaceutical Industry Base, reputed as “Zhangjiang Pharma Valley”, is a powerhouse of biomedical innovation in China. The Base is currently home to more than 100 innovative-driven life science companies with over 400 drugs in development (including over 130 drugs undergoing clinical studies), and 100+ innovation service platforms to meet the needs from drug R&D to marketing.

Contact: 86-21-68796879

Located within the Jinshan Industrial Zone, Zhangjiang-Jinshan Biotech and Pharmaceutical Park is a biomedical industry base and a technology-driven trade and innovation base at the national level. It is a platform for the transformation of the R&D and innovation achievements developed by the high-end green biomedical companies in Zhangjiang. Home to 40+ biopharmaceutical companies, the Park has formed three sub-parks, namely the Jinshan Precision Park that is led by the Jinshan Precision Park, was completed in October 2019. It occupies a total floor area of 26,000 m² with 230 modular work areas, world-leading research facilities, and about 150 research staff. The center focuses on research and early development of innovative medicines in immunity, inflammation and infectious diseases, and it also serves as Roche’s R&D center for hepatitis B.

Driven by profound changes such as faster regulatory approval and relaxed market access, China, one of the world’s largest biopharmaceutical and medical device markets, has become an important playground for biomedical companies to launch innovative products. Given the unique market characteristics of the Chinese medical industry, and its rapid development, foreign-funded biopharmaceutical companies need to develop a local-specific strategy of business expansion and innovative drugs launch in China that takes into the four key factors into account, namely the market access and healthcare reimbursement restrictions, the digital ecosystem, the regulatory environment, and the rapidly changing medical environment.

As the first multinational pharmaceutical company with a complete value chain in China, Roche, by taking full advantage of Shanghai’s favorable business environment and aggregated innovation resources, invested RMB 863 million in 2015 in the upgrading of its innovation center in Shanghai. As Dr. Severin Schwan, CEO of Roche, said, the company is proud of its role as a positive player in and for the development of the healthcare industry in China. Attaching great importance to China in Roche’s global strategy, the company is committed to making Shanghai its third-largest strategic center after Basel, Switzerland and San Francisco, the U.S.

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High-end Energy Equipment

High-end energy equipment refers to those in the energy equipment industry that are tech-intensive and mutually reinforced with high added value, enormous growth potential, and strong driving power. In 2017, the Shanghai government released the 13th Five-Year Plan of Shanghai for Energy Development to lay out up-market equipment industries such as wind power generation, solar power generation and smart grid. In recent years, Shanghai, by giving full play to the driving role of technology innovation, has achieved key technological breakthroughs in equipment segments for clean and efficient coal/gas-fired power generation, nuclear power, wind power and energy storage, in a bid to actively build itself into an innovation and manufacturing base for quality energy equipment to serve the national strategies.

Key Sectors of High-end Energy Equipment

In the fields of nuclear power, energy storage and smart grid, Shanghai enjoys solid industry foundations and complete value chains. The city has established the most integral and systematic industry chain, for example, for the nuclear power industry in China, gathering a number of key enterprises across the sectors of design, construction, verification and equipment manufacturing.

A Cluster of Technology Innovation Resources

With over 30 technological innovation carriers such as the National R&D (Experiment) Center for User-end Electrical Apparatus of Smart Energy Grid and the Shanghai Institute of Technical Physics of the Chinese Academy of Sciences, Shanghai is well poised to help enterprises in the tech-driven high-end energy equipment industries achieve breakthroughs and innovations in core technological areas.

Comprehensive Supporting Policies

To facilitate the sound development of the high-end energy equipment industries, Shanghai has issued extensive, strong supporting policies, including creation of dedicated funds, tax incentives, increased financial support and establishment of mechanisms for industry-university-research cooperation.

Investment Advantages

Sound Industry Chains

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New Materials

Since the beginning of the 13th Five-Year Plan period, Shanghai's new material industry has enjoyed steady development and continuously increased industry agglomeration. It supports the development of auxiliary materials for major projects and key industries as well as cutting-edge new materials, while encouraging coordination along the whole industry chain for breakthroughs in market application of important basic materials. At present, the number of new material enterprises above designated size in the city has reached 548. In 2018, the annual output in Shanghai increased by 5.7%, the second highest among Shanghai's strategic emerging industries, and accounted for nearly a quarter of the total output of all such industries.

Investment Advantages

A Complete Industry Chain

Advanced macromolecular materials and high-end metallic structural materials are the two focused areas of Shanghai's new material industry. The number of companies specialized in these two segments represents about 70% of all enterprises in this industry. The city now owns a complete industry chain from upstream and downstream clutters for the development of cutting-edge new materials, key strategic materials, and advanced basic materials.

Cutting-edge materials
2nd generation high-temperature superconductors, graphene, 3D printing materials, intelligent fiber

Key strategic materials
Materials for integrated circuits, new generation bimetallic materials, advanced ceramics, synthetic crystals

Advanced basic materials
Advanced steel, petrochemical materials

Comprehensive Supporting Policies

Shanghai's Unique “First Batch” Policy

• For new materials that have technologically leading advantages or can introduce competition in a monopolistic market but have yet to achieve significant market performance, the sales of its first batch is supported by means of subsidies from special supporting funds.
• 14 such new material projects received support in 2018.

R&D and Innovation of Key Basic Materials under Shanghai's Initiative for Strengthening Industrial Base

• Supporting R&D and innovation activities of key basic materials as well as the first batch demonstrative use of key new materials in the form of special funds.
• 9 such new material projects received support in 2017 and 2018 under this initiative.

Abundant Resources for Research and Innovation

Shanghai boasts abundant resources for research and innovation in new materials. Research institutions, colleges and universities collaborate intensively with enterprises in experimental research and application development on new frontiers, making Shanghai an important base for new material research and innovation.

6 Higher Education Institutions
• School of Materials Science and Engineering, Shanghai Jiao Tong University
• Department of Materials Science, Fudan University
• School of Materials Science and Engineering, Tongji University
•...
Recommendation on Where to Invest

The new material industry in Shanghai exhibits a “3+X” layout. “3” represents Shanghai Chemical Industrial Zone, Baoshan District and Jinshan District, which are home to the majority of new material enterprises and over 140 of them are regional key players. “X” represents industrial parks in Songjiang District, Jading District, Fengxian District, Pudong New Area and Qingpu District. The city hosts a number of specialized industry parks focusing on the development of new materials, such as the Carbon Fiber Composite Material Park, Super Energy New Materials Sci-Tech Innovation Park, and Fengxian Chemical New Materials Industry Park.

Shanghai Jinshan No.2 Industrial Park

As one of the core bases of new material industry in Shanghai, Jinshan No.2 Industrial Park focuses on the development of new materials for display, aerospace, biomedicine, energy conservation and environmental protection. The new material industry, being one of the four key clusters in the park’s development roadmap, has gathered abundant upstream and downstream industry resources. Relying on a solid industry foundation and public service platforms such as the Innovation Research Institute for Carbon Fiber Composite Material, the Park facilitates the industry to extend its footprint upstream and to new frontiers while developing capability in the carbon fiber composite sector, with a view to building a national R&D and industrialization demonstration base with global competitiveness.

Contact: 86-21-37215708

Shanghai Baoshan Urban Industrial Park

As a component of Zhangjiang National Innovation Demonstration Zone, Baoshan Urban Industrial Park boasts strong industry foundation in new metals and functional materials. Capitalizing on resources such as super energy, high temperature superconductor industry base and Shanghai Industrial Technology Center of Graphene, the Park gives full play to its first-mover advantage in cutting-edge fields including superconductor, superalloy and superaluminum to cultivate new material industry cluster with superior innovation capacity.

Contact: 86-21-36162828 (Day) 86-21-36161522 (Night)

Shanghai Chemical Industrial Zone

Shanghai Chemical Industrial Zone is a national economic and technological development zone and an important platform for Shanghai’s chemical industry. Supported by the New Material Innovation Center of Shanghai International Chemical Industry in its territory, the Industrial Zone develops R&D and in achievement commercialization in high-performance resins, new energy battery materials and other frontiers in the chemical and new material industries. It aims to become a national key industry platform for new materials and a source of innovation.

Contact: 86-21-67126666

The new material industry forms the foundation for the development of advanced manufacturing, new generation information technology and bio-pharmaceuticals. As China quickens its pace in making industrial application of new materials, there is strong demand for shaping advanced basic materials, key strategic materials and cutting-edge new materials into actual lines of products, which presents new opportunities to relevant enterprises.

Exemplary Case of New Material Companies in Shanghai

BASF (China) Co., Ltd.

The German group BASF is one of the world’s largest chemical plants as well as the largest foreign invested chemical enterprise in China. Following the construction of its innovation campus in Pudong New Area in 1994, BASF re-located its Greater China headquarters to Shanghai in 2004. As BASF’s research hub serving both the Asia-Pacific and the global markets, the Innovation Campus Shanghai is known for developing innovative industry-leading products, from new polymer dispersion to sustainable coating. Confident in China’s economic outlook, BASF doubled down on regional R&D with the third-stage expansion of its innovation campus in March 2019. With an investment of EUR 34 million, the new research facilities to be located within the campus will include the Automotive Application Center and the Process Analysis Research & Development Center for Asia Pacific.

According to Dr. Stephan Kothrade, President of BASF Greater China, nearly EUR 180 million has been spent on Innovation Campus Shanghai since 2012. By 2030, China will produce 50% of the world’s chemical products. Therefore, as a world-leading chemical company, BASF is determined to availing of this opportunity by deploying R&D and production networks in Shanghai. As its investment in Shanghai and the construction of R&D centers gain speed, BASF is poised to set a good example of industry-oriented innovation hub to empower sustainable growth and quality of life with its innovative products.

Industry Support

Industry Policy

Measures Supporting the First Batch of New Materials in Shanghai (Trial) issued jointly by Shanghai Municipal Commission of Economic and Informatization and Shanghai Municipal Finance Bureau

13th Five-Year Plan of Shanghai for Promoting the Development of New Materials issued by Shanghai Municipal Commission of Economy and Informatization

13th Five-Year Plan of Shanghai for Promoting Technology Innovation of the Material Industry issued by the Ministry of Science and Technology

Convention & Exhibition

New Material Industry Show of China International Industry Fair

Industry Association

Nonferrous Metals Society of Shanghai (NMSS)

Shanghai Polyurethane Industry Association (GPUIA)

Shanghai Society for Advanced Materials (SSAM)

Shanghai Association of Rare Earth (SARE)
In the national automotive landscape, Shanghai holds a key position, leading China in market size, technology innovation and industry convergence, evidenced by the fact that one in every ten vehicles produced and sold in the country comes from Shanghai. In 2019, with a 29.6% growth in the total output value of NEVs, Shanghai reached approximately 300,000 in NEV ownership by the end of the year, ranking No.1 in China. By the end of November 2019, 48,760 public charging poles and 39,764 special-purpose charging facilities had been put in place, which can effectively meet the fast-growing need for NEV charging.

### Investment Advantages

#### Complete Industry Chain in Key Areas

As the automotive industry in Shanghai is clustering with manufacturing at the core and shifting to the high end of the value chain, key areas such as Jiading District and the Ling-gang Special Area are attracting a large number of companies across the entire industry chain, establishing a complete automotive ecosystem that features comprehensive functions with full industry coverage.

- **The Ling-gang Special Area** is working on creating an industry cluster by introducing projects across the full industry chain of intelligent connected NEVs.
- **The Shanghai International Automobile City** is constantly driven industry upgrading of the automotive sector, aiming to create itself into an automotive innovation powerhouse.

#### Solid Industry Foundation with Key Areas

The Shanghai International Automobile City is expanding from having mostly OEMs and spare part manufacturers to bring in a fully-fledged automobile ecosystem that connects the entire industry chain.

- **Forming a fully-fledged automobile ecosystem that connects the entire industry chain.**

#### Industry Upgrading Driven by Innovation and Functional Platforms

Shanghai is home to a host of functional automotive platforms with industry-leading influence and strong regional driving force. By tapping into local universitites, research institutes and innovation hubs, Shanghai has been encouraging the flow of capital, resources, talents and other elements into the innovation-driven industry upgrading of the automotive sector, aiming to create itself into an automotive innovation powerhouse.

### Functional Automotive Platforms (Non-exhaustive)

- National Intelligent Connected Vehicle (Shanghai) Pilot Zone
- National Intelligent Connected Vehicle Measurement and Testing Center
- National Fuel Cell Vehicle and Powertrain System Engineering Research Center
- National Engineering Laboratory for Automotive Electronic Control Technology
- Shanghai New Energy Vehicle Public Data Collection and Monitoring Center

#### Recommendation on Where to Invest

With most NEV investments flowing into Jiading District and Pudong New Area, a “1+2” investment landscape has formed, featuring the Shanghai International Automobile City in Jiading, and the Shanghai Jinqiao Economic and Technological Development Zone and the Ling-gang Special Area in Pudong. In addition, ample investment opportunities are available in the Songjiang Economic and Technological Development Zone, Xinhua Industrial Park in Minhang District, West Hongqiao Business District in Qingpu District and the NEV Spare Part Industry Park in Fengxian District.

#### Shanghai International Automobile City

The approximately 100-km² Shanghai International Automobile City is China’s largest automotive cluster, with the most advanced R&D and the most comprehensive industry chain, including over 200 OEMs and part manufacturers such as SAIC Volkswagen and Delphi Packard Electric Systems. With a focus on cutting-edge segments such as high-performance, long-range electric vehicles, intelligent connected vehicles and hydrogen fuel cell vehicles, it aims to build itself into a world-class automobile hub by creating a complete innovation ecosystem, and joining hands with R&D platforms such as the School of Automotive Studies of Tongji University and the Shanghai Automotive Wind Tunnel Center.

**Contact:** 86-21-50304605

#### Shanghai Jinqiao Economic and Technological Development Zone

Focusing on the integration of NEV + Intelligent driving, the Shanghai Jinqiao Economic and Technological Development Zone is promoting the transformation of upstream and downstream automobile companies, exemplified by SAIC General Motors, into high-end and intelligent vehicle players. With the completion of projects including the ZME Klima NEV, the National Engineering Laboratory for Electric Vehicles and the Pan Asia Technical Automotive Center, Jinqiao is on its way to becoming one of the most competitive NEV industry bases in the world.

**Contact:** 86-21-50304605

#### Ling-gang Special Area

Home to an automobile cluster of OEMs and spare part makers, the Ling-gang Special Area enjoys an increasing clout in the intelligent NEV sector, as more participants re-locate here. Over ten top companies including SAIC, Mercedes-Benz and Yanfeng KSS are now calling Ling-gang home, along with global electric-vehicle giant Tesla which has built its Gigafactory 3 here. In September 2019, Ling-gang signed 24 key projects in the sector of intelligent NEVs, with a total investment of nearly RMB 8 billion. Step by step, a world-class NEV industry cluster is taking shape on this land.

**Contact:** 86-21-38298886
Exemplary Case of NEV Companies in Shanghai

Tesla, an international new energy vehicle giant, officially landed in Shanghai by building its Gigafactory 3 in the Lingang Special Area. Integrating functions of R&D, manufacturing and sales, the Gigafactory is the largest foreign-invested auto manufacturing project in Shanghai so far with an estimated investment of RMB 50 billion. It is expected to reach an annual production capacity of 500,000 electric vehicles after full completion. In January 2020, the factory delivered its first Made-in-China Model 3 vehicles and started the Model Y project.

The fact that the Gigafactory could go from contract signing to groundbreaking in less than half a year, and from that to completion and deliveries in one year was nothing short of a miracle. All this cannot be achieved without the continuous efforts of reform and the creation of an excellent business environment by the Shanghai government. Tesla CEO Elon Musk praised the stunning "Shanghai speed" several times on the factory groundbreaking and vehicle delivery ceremonies, and spoke highly of Shanghai’s good business environment and the city’s determination and action to open to the outside world.

Industry Support

Industry Policy

- Implementation Measures for Encouraging the Purchase and Use of New Energy Vehicles in Shanghai issued jointly by Shanghai Municipal Development and Reform Commission and other six departments
- Announcement on Reducing Import Tariffs on Automotive Vehicles and Parts issued by Customs Tariff Commission of the State Council
- Management Measures for Intelligent Connected Vehicle Road Test in Shanghai (Trial) issued jointly by Shanghai Municipal Commission of Economy and Informatization, Municipal Public Security Bureau and Municipal Transportation Commission
- Decision on Amending the Provisions on the Access Administration of New Energy Vehicle Manufacturers and Products (Consultation Draft) issued by the Ministry of Industry and Information Technology

Convention & Exhibition

- Shanghai International New Energy Automotive Technology Exhibition (EVTECH EXPO)
- Shanghai International New Energy Vehicle Industry Expo
- AMTS Shanghai International Automobile Manufacturing Technology & Material Show
- Shanghai Automotive Trade Association (SATA)
- Shanghai Society of Automotive Engineers (SAE-S)
Districts and Investment Highlights

Pudong New Area

01. District Overview
Located on the east bank of the Huangpu River, the Pudong New Area covers an area of 1,210 km². As one of the most important bridgeheads for China’s opening-up, it is home to the country’s first pilot free trade zone, as well as over 35,000 foreign-invested companies, including more than 320 RHQs of MNCs. As a result of continued rapid economic growth, an industry structure centered on science-oriented economy, and a development pattern driven by innovation have taken shape in Pudong. It has now become an important growth pole for Shanghai’s rapid economic development, and a key player in the city’s “Five-center” Initiative.

02. Investment Highlight

Six Tech-intensive Industries
- Big data
- Innovative drugs
- Manufacturing
- Artificial intelligence
- Robotics
- …

Six Service Economy
- Asset management
- Financial leasing
- Bulk commodities
- Headquarters
- Cultural creativity
- Professional services

X Emerging Industries
- Marine equipment
- Cruise building
- Duty-free economy
- Cross-border e-commerce
- …

Support and Rewards to Advanced Manufacturing Industries
Available for players in industries such as six technology-intensive industries – new generation information technology, high-end equipment, new materials, new energy, and energy conservation and environmental protection.

Comprehensive Contribution Reward to Professional Service Enterprises
Available for businesses providing professional services including legal services, accounting and auditing, IPR services, human resource services, and science and technology intermediary services.

Support for Scientific Research
Available for key research projects, R&D institutions of businesses, and tech startups.

Convenient Services to Foreign Professionals
Including convenient transportation, high-end education and medical services, application for permanent residence permit, talent development programs for unicorn, and housing.

03. Policy Support

Key Functional Zone
Lujiazui Financial City
Jinqiao Economic and Technological Development Zone
Zhangjiang Science City
Zhonghua Special Comprehensive Bonded Zone
International Tourism Resort
Lei Bing Special Area of SHTZ

Key Positioning
Finance, shipping, trade
Advanced manufacturing, producer services
Integrated circuits, biopharmaceuticals, artificial intelligence
International trade, shipping logistics, financial services
Cultural tourism
Advanced manufacturing, high-end service industry

04. Commercial Facility

Lujiazui Finance and Trade Zone
Key Buildings: Shanghai Tower, Shanghai World Financial Center, Shanghai JINMART Tower, Shanghai International Finance Center
Rent Reference: RMB 5–15/m²/day

Zhangjiang Science City
Key Zones: Zhangjiang Biotech and Pharmaceutical Industrial Area, Pudong Kangqiao Industrial Zone, Pudong Software Park, Integrated Circuit Design Industrial Park, International Medical Zone, Zhangjiang Ailand, Zhangjiang Middle District
Rent Reference: RMB 2.5–10/m²/day

Jinqiao Economic and Technological Development Zone
Rent Reference: RMB 2.5–4.5/m²/day

China (Shanghai) Pilot Free Trade Zone
Key Zones: Waigaoqiao Free Trade Zone, Waigaoqiao Bonded Logistics Park, Yangshan Special Comprehensive Bonded Zone, Pudong Airport Comprehensive Free Trade Zone
Rent Reference: RMB 2.5–4.5/m²/day

International Tourism Resort
Key Hotels: City of Dreams, Grand Hyatt, Shanghai Marriott, Hotel Kangqiao, Miaoa Shanghai Parkside

Huangpu District

01. District Overview
Located on the west bank of the Huangpu River, Huangpu District covers an area of 20.52 km². Renowned as the “heart, window and business card” of the city, the District is Shanghai’s economic, administrative and cultural center.

Huangpu District boasts a well-developed service industry which accounts for over 98% of its economy and a high degree of foreign trade dependence with foreign-funded economy reaching 43% of its total. Being home to many financial market institutions and RHQs of MNCs, the District is experiencing booming development in cultural creativity and entertainment industries. New investment opportunities are also seen in the fields of healthcare and hi-tech innovation.

02. Investment Highlight

High-end Services Emerging
- Foreign-funded or holding companies of securities, funds and futures
- Accounting, consulting, legal, human resources and other professional services and relevant innovative institutions
- RHQs of large-scale trade and chain brands and their operation, sales and investment centers, trade organizations and promotion agencies
- Cultural creativity and fashion

03. Policy Support

Encouraging MNCs to Set up RHQs
Granting a recognized RHQs institution or an institution that serves the function of RHQs with subsidies of 30% of its rent for three years, according to a benchmark rent of RMB 5/m²/day for a 1,000 m² office.

Vigorously Developing the Brand Economy
Providing support to well-known brand enterprises that have established brand chain headquarters in the District, actively explored the Shanghai market and beyond in China, increased the number of business branches and established new sales channels such as e-commerce platforms.

Promoting the Development of Fashion Industry
Supporting functional institutions that carry out fashion operations and activities in key commercial areas in the District.

Global Asset Management
Supporting the development of Shanghai as the global asset management center, financial service center, and fintech center, financial service center, fintech service center, fintech service center, fintech service center, fintech service center.

World-class commercial district, world-leading cultural and creative industry cluster

Bund Financial Agglomeration Belt

Emerging Sector
- Healthcare
- Finance and financial services
- Artificial intelligence

Positioning
- Global asset management center, capital operation center, fintech center, financial service center, fintech service center, fintech service center.

Rent Reference: RMB 6–15/m²/day

04. Commercial Facility

Key Buildings: Shanghai Bund Center, Shanghai Finance Center, Shanghai Raffles City, Shanghai World Financial Center, Shanghai Center (BFC), SOHO Bund Rent
Rent Reference: RMB 8–15/m²/day

Key Zones: Raffles Place, Raffles City, South Bund
Rent Reference: RMB 8–13/m²/day

Middle Huaihai Road–Xintiandi Cluster
Rent Reference: RMB 6–8/m²/day

Key Buildings: Raffles Place, The Bund, Huaihai Road, Xintiandi
Rent Reference: RMB 6–8/m²/day

South Bund–Yu Garden Cluster
Rent Reference: RMB 6–8/m²/day

Key Zones: Cool Docks, Shanghai International Cruise Terminal
Rent Reference: RMB 6–8/m²/day

Dapujiao–Expo Park Cluster
Rent Reference: RMB 6–8/m²/day

Key Zones: Dapujiao, Creative Industry Creative Industry
Rent Reference: RMB 6–8/m²/day

05. Policy Support

Promoting the Development of Cultural and Creative Industries
Supporting the development of cultural and creative industries such as summits, forums, trade fairs, exhibitions, competitions, and press conferences.

Policy of Dedicated Apartments for High-end Service Professionals
Providing dedicated apartments to professionals from companies that conform to the District’s high-end service industry talent development pattern or contribute to the development of hi-tech innovation centers.

Promoting the Development of Fashion Industry
Supporting the development of the Shanghai fashion industry with relevant financial support and package consumption platform.

Promoting the Development of International Tourism Resort Cultural tourism area, international gold & jewelry commercial and trade area

Giving Support to the Construction of a Financial Service Center

Promoting the Development of Tourism and Creative Industry Cluster
Supporting the development of the tourism and creative industry cluster with relevant financial support and package consumption platform.

Promoting the Development of Finance and Financial Services
Supporting the development of finance and financial services with relevant financial support and package consumption platform.

Promoting the Development of Healthcare
Supporting the development of healthcare with relevant financial support and package consumption platform.

Promoting the Development of Artificial Intelligence
Supporting the development of artificial intelligence with relevant financial support and package consumption platform.

Promoting the Development of Hi-tech Innovation
Supporting the development of hi-tech innovation with relevant financial support and package consumption platform.
01. District Overview

Located in downtown Shanghai with an area of 37 km², Jing’an District serves as an important window for Shanghai to the outside world. By boosting a commercial real estate economy, Jing’an has gathered many industry leaders from both China and abroad and the regional headquarters of multinational companies. It is the only administrative district in Shanghai where foreign-invested companies contribute to over 50% of the local economy.

02. Investment Highlight

- **Financial services**
- **Commodities**
- **Cultural and creative industries**
- **Information services**

03. Policy Support

- Implementing the Global Service Provider Plan
- Encouraging the Gathering of Headquarters
- Driving the Development of Big Data Industry
- Promoting the Development of Human Resources Industry
- Encouraging the Development of Cultural and Creative Industries

04. Commercial Facility

- High-end Commercial Clusters Along West Nanjing Road
- Start-up Clusters for Culture and Leisure Along the Suzhou River
- Dual-function Clusters for City and Industry Integration Flanking the Middle Ring Road

05. Conclusion

- Jing’an District is a metropolitan center that rivals the central activity area of the city. By 2022, Jing’an District will be the focus of Shanghai’s development strategy and has been named a national major investment zone.

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01. District Overview

Located in the southwest of downtown Shanghai with an area of 54.93 km², Xuhui District is Shanghai’s portal to southern Chinese provinces and cities via land transportation. Abundant in all types of resources, particularly with plentiful international education and healthcare facilities, Xuhui houses a wealth of cultural faculties and establishments, along with over ten top research institutes.

02. Investment Highlight

- **Information Technology Industry**
- **Life Science and Healthcare Industry**
- **Cultural and Creative Industry**
- **Financial Industry**

03. Policy Support

- **Headquarters Economy**
- **R&D Institute**
- **Managerial Talent**
- **Dedicated Apartment**
- **Children Education**

04. Commercial Facility

- **Xujiahui International CBD**
- **Caohejing Hi-tech Park**
- **West Bund Cultural and Financial Cluster**
- **Xujiahui West Bund Center**
- **Coahejing Hi-tech Park Industry Positioning**

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01. District Overview

Covering an area of 88.3 km², Changning District, which locates in close adjacency to the Hongqiao Integrated Transportation Hub, is home to Shanghai’s first CBD for foreign enterprises and a major contributor to Shanghai as an international trade center. As one of the most international downtown areas in this city, Changning currently hosts 27 consulates, more than 120 diplomatic residences, and about 70,000 expats from 150 countries and regions.

02. Investment Highlight

- **Aviation**: Artifex Rd, Xingguang Road
- **Internet + living services**: Shin Kong Plaza, Upper West Shanghai
- **Fashion & creative industries**: M50 Art Space
- **Financial services**: Zhaofeng Plaza, Raffles City Changning

03. Policy Support

**03.1 Support for Key Enterprises**
- **Eased Regulations**: Financial support will be provided to companies with independent creative design capabilities and intellectual property rights of fashion products which have set up headquarters, RHQs or business centers in the district, as well as newly introduced fashion creative companies which have developed rapidly and contributed significantly to the regional economy.
- **Top-notch Talent Attraction**: Full support and tax exemptions will be provided to companies which recruit high-caliber talent.

**03.2 Key Functional Zone**

- **Hongqiao Economic and Technological Development Zone**: Modern services, R&D services
- **Hongqiao Airport Business Park**: Modern services
- **Hongqiao Fashion and Creative Industry Park**: Fashion & creative industries
- **Yuanyuan Road, Xinhua Road and Hengshan Road-Fuxing Road**: A historical and cultural conservation area

**04. Commercial Facility**

- **Hongqiao-Gubei Commercial District**: Key Buildings: SOHO Gubei, Dailing Center, Gubei Fortune Center
- **Zhongshan Park Commercial Zone**: Key Buildings: Zhongfan Plaza, Raffles City-Changing, SOHO Tianhuan Plaza

**05. Financial Developement**

- **Putuo District**
  - **District Overview**: Putuo District, with an area of 55.3 km², is conveniently located in the northwest of Shanghai, making it an important land gateway connecting the YRD region and other provinces in China. Putuo boasts huge potential for development as it ranks No. 1 among all downtown districts in Shanghai in terms of available land and total volume of buildings.
  - **Investment Highlight**: A one-off subsidy of up to RMB 1 million will be provided to multinational companies which have established headquarters with an investment nature or managerial RHQs in Putuo. In addition, to the financial support provided by the municipal and district governments in accordance with relevant regulations of Shanghai, a lump sum subsidy of up to RMB 500,000 is newly recognized by the government.
    - An eligible MMSE, upon its on-time loan payment to a bank, is entitled to an interest subsidy of more than 50% for the floating part above the benchmark interest rate.
    - An award of up to RMB 800,000 is available to accredited platforms and organizations with remarkable performance.
    - An incentive of up to RMB 5 million will be given to enterprises which introduce and train high-caliber talents from China and abroad.
    - A one-off incentive fund for enterprises which employ high-level innovation professionals, and for top-notch talent who start a business in Changning.
  - **Talent Recruitment**
    - A newly introduced financial enterprise is entitled to a subsidy for establishment of up to RMB 15 million and an office subsidy.
01. District Overview
Located in the northeast of downtown Shanghai with an area of 23.4 km², Yangpu District has been an important gathering place for shipping, trade and commodities since the opening of Shanghai as a commercial port.

Yangpu aims to become an important functional area in support of Shanghai as an international financial hub and shipping center, a creative entrepreneurial zone of influence, an accessible and diversified area for Shanghai's cultural heritage development and a high-quality urban area for people to live, work and travel.

02. Investment Highlight
- **Promoting the Gathering and Development of Modern Business Enterprises**
  - Newly introduced modern business enterprises are eligible for a one-time investment reward no higher than 3% of the paid-in registered capital within two years, capped at RMB 1 million.
  - Newly introduced functional institutions for modern business, based on the levels of international, national, and provincial/ministerial and below, will be rewarded with RMB 1.5 million, 800,000 and 500,000 respectively.
- **Supporting the Gathering of Talents for Headquarters Institutions**
  - Providing settling-in allowance and housing-related subsidies, making them the preferred recipients of rewards for a given number of years; and providing comprehensive services regarding visa application, foreigner’s employment permit and talent attraction.
- **Encouraging Financial Service Enterprises to Settle in**
  - Newly introduced financial service institutions and financial holding groups are eligible for one-time investment rewards at 3% and 3% of their paid-in registered capital within two years, capped at RMB 15 million and 10 million respectively, and support will also be given to enterprises in the field of Internet finance.
- **Stimulating Functional Financial Institutions to Settle in**
  - Newly introduced functional financial institutions, based on their levels - international, national, and provincial/ministerial and below, will be rewarded with RMB 1.5 million, 800,000 and 500,000 respectively.
- **Gathering Key Shipping Service Providers and Supporting Enterprises**
  - A one-time investment reward at 5% of the paid-in registered capital within two years, up to RMB 15 million, will be provided.

04. Commercial Facility
**South Functional Area - The North Bund Shipping and Finance Center**
- **Key Buildings**: Sinan Min Palace, Raffles City the Bund, Shanghai Yifang Center, Landmark Center Shanghai
- **Rent Reference**: RMB 8-12/m²/day

**Middle Functional Area - Integrated Development Area for Business, Travel, Culture and Sports**
- **Key Zones**: Shanghai Music Valley
- **Rent Reference**: RMB 4-5/m²/day

**North Functional Area - Technology Innovation Belt and Service Node in the Middle Ring Road**
- **Leading Parks**: Innovation Galaxy Hongkou, Shanghai Innovation Park
- **Rent Reference**: RMB 5-6.5/m²/day

03. Policy Support
**Rewards for Headquarters and R&D Centers**
- Headquarters approved can receive a reward of up to RMB 5 million.
- Enterprises setting up domestic/overseas technology centers will be given up to RMB 1 million dedicated grants, and an additional grant at 20% of the R&D expenses super deducted, up to RMB 2 million.
- Enterprises such as laboratories and talent development bases developed by NCMCs and leading foreign research institutes (jointly with local universities, research institutes and enterprises will be given support similar to that in the Headquarters policy.

**Office Subsidy for Headquarters**
- RHQs office rental in Yangpu will be subsidized for three consecutive years up to RMB 5 million, and building or purchasing office spaces is eligible for a subsidy up to RMB 10 million.

**Executive Incentive**
- Senior management members of RHQs who purchase an estate in Yangpu are eligible for a housing subsidy up to RMB 1 million.

**Policy for Talent Recruitment**
- Convenient services will be provided for foreign professionals who engage in entrepreneurial or innovation activities in Yangpu.

**Tenant Enterprise Allowance**
- New enterprises set up to two years will be given to enterprises setting up the accredited innovation bases for AI and digital data which cover a total area of 30,000 m².

**Industry Policy for AI & Big Data**
- A zone, newly introduced R&D and big data enterprises, will be given to operating companies of those venture-funded enterprises established in Yangpu for less than three years according to their total investment obtained.

**Industry Policy for Fintech**
- Institutional investors will be rewarded with up to RMB 12 million when they meet Yangpu’s capital target for non-listed fintech companies, or when the fintech enterprises they invest choose to settle in the District.
**Baoshan District**

**01. District Overview**

As the gateway to the northern part of Shanghai with an area of 293.7 km², Baoshan District is the origin of China's independent port opening in modern times and an important time-honored industrial base. Boasting the Wusongkou International Cruise Terminal, a port biggest in Asia and a large port cluster, Baoshan District has become a new international cruise hub. It also endows Baoshan with a series of smart and intelligent manufacturing by focusing on the development of Shanghai Industrial Park of Robotics, which features a full-fledged robotic and intelligent hardware industry chain.

**02. Investment Highlight**

- **Minhang District**

**01. District Overview**

As the geographical center of Shanghai with an area of 372 km², Minhang District is the core of scientific innovation in Southern Shanghai. Home to Hongqiao Integrated Transportation Hub, one of the world’s largest transportation hubs, Minhang District is the gateway of Shanghai to the rest of the YRD, China, and the world.

**02. Investment Highlight**

- **Minhang District**

**03. Policy Support**

Building a Headquarters Base of Cruise Liners with Global Influence

- **Minhang District**

**04. Commercial Facility**

- **Minhang District**

**Supporting Enterprises in Baoshan to Participate in the CIIE**

- **Minhang District**

**Overseas parent companies of enterprises in Baoshan which participate in the CIIE will be granted a subsidy at 50%, up to RMB 500,000, of their actual booth fees and promotional expenditures.**

**Shanghai Foreign Investment Guide**

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**Shanghai Foreign Investment Guide**
01. District Overview
Located in northwestern Shanghai with an area of 463.55 km² and adjacent to the Hongqiao Transportation Hub, Jiading District is known as one of the regions in China boasting the largest automotive industry scale, the most advanced technology; modern services including R&D, design and creative industries, as well as new material and new-generation information technology. The core of the District driving its ecological development.

02. Investment Highlight
• High-end intelligent equipment
• New-generation information technology
• Carbon fiber composite materials

03. Policy Support
Supporting the Establishment of IoT Platforms for Key Sectors and Key Links of the Value Chain
Projects that reach certain scale in device connection, software deployment and user coverage are eligible for a subsidy equivalent to 10% of total project investment, capped at RMB 1 million.

04. Commercial Facility

Office Building
Key Buildings: Greenland Jiacheng Building, Xihu Plaza, Jiading Business City, Jinqiao Wanda Plaza
Rent Reference: RMB 1–3/m²/day

Shanghai Jiading Intelligent Industry Zone
Industry Positioning: NeVs and intelligent and connected vehicles, integrated circuits and IoT, high-end medical equipment and precision medicine, intelligent manufacturing and robotics
Rent Reference: RMB 1–3/m²/day

Lingang Jiading Science and Technology City
Industry Positioning: Emerging industries including smart healthcare, new materials and new-generation information technology, modern services including R&D, design and financial services
Rent Reference: RMB 1–3/m²/day

Shanghai Jinshan Industrial Zone
Located in southwestern Shanghai with an area of 613 km², Jinshan District assumes the role of the bridgehead of Shanghai in driving the high-quality integrated development of the YRD.

01. District Overview
Located in southwestern Shanghai with an area of 613 km², Jinshan District assumes the role of the bridgehead of Shanghai in driving the high-quality integrated development of the YRD.

02. Investment Highlight
Strategic Emerging Industries
• High-end intelligent equipment
• New-generation information technology
• Carbon fiber composite materials

Distinctive Industries
• Unmanned systems

03. Policy Support
Supporting Foreign-Invested Headquarters Economy
A subsidy of up to RMB 5 million is available to new foreign-invested RHQs or new RHQs of MNCs that are set up in the form of holding companies.

Supporting Foreign-Invested Advanced Manufacturers
A subsidy of up to RMB 10 million is available to new foreign-invested RHQs of MNCs with outstanding operational performance.

Supporting Foreign-Invested Headquarters Economy
A subsidy of up to RMB 5 million is available to new foreign-invested RHQs or new RHQs of MNCs that are set up in the form of holding companies.

Supporting Foreign-Invested Advanced Manufacturers
A subsidy of up to RMB 10 million is available to new foreign-invested RHQs of MNCs with outstanding operational performance.

Supporting the Unmanned Aerial Vehicle Industry
Airworthiness assessment institutes are eligible for a subsidy of up to RMB 5 million for project purchase and construction as well as a rental subsidy of up to RMB 1.2 million per year for five years.

04. Commercial Facility
Shanghai Jinshan Industrial Zone
Rent Reference: RMB 0.7–3/m²/day

Shanghai Jinshan Second Industrial Zone
Industry Positioning: Fine chemical industries, including new energy-saving ecofriendly coating, new surfactant, catalyst, additive, special macromolecular materials and biopharmaceuticals, technical services, including chemical logistics, testing and trade.
Rent Reference: RMB 0.7–3/m²/day

Fengte Industrial Zone
Industry Positioning: Automotive and key spare parts, renewable energy, yellow rice wine production, food processing, fashion and clothing, producer services.
Rent Reference: RMB 0.7–3/m²/day

Zhujing Industrial Zone
Industry Positioning: Precision instrument, electronics and electrical appliance, new materials, equipment for energy conservation and environmental protection.
Rent Reference: RMB 0.7–3/m²/day

01. District Overview
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02. Investment Highlight
Strategic Emerging Industries
• High-end intelligent equipment
• New-generation information technology
• Carbon fiber composite materials

Distinctive Industries
• Unmanned systems

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01. District Overview
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02. Investment Highlight
Strategic Emerging Industries
• High-end intelligent equipment
• New-generation information technology
• Carbon fiber composite materials

Distinctive Industries
• Unmanned systems

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Zhujing Industrial Zone
Industry Positioning: Precision instrument, electronics and electrical appliance, new materials, equipment for energy conservation and environmental protection.
Rent Reference: RMB 0.7–3/m²/day
02. Investment Highlight

Six Major Sectors
- Artificial intelligence
- Biopharmaceuticals
- Integrated circuits
- Intelligent security
- New energy
- New materials

A Producer Services
- Headquarters economy
- One-stop service contracting
- Inspection and testing

03. Policy Support

Financial Support for Head-quarters
- Newly introduced or upgraded corporate headquarters are eligible for a subsidy of up to RMB 5 million.

Financial Support for Corporate Investors
- Newly introduced key advanced manufacturing enterprises are eligible for a subsidy of up to RMB 5 million to purchase production and office buildings for their own use, and rent allowance of up to RMB 1.5 million.
- Newly introduced leading enterprises in high-tech services, professional services and cultural creativity are eligible for a subsidy of up to RMB 5 million to purchase production and office buildings for their own use and rent allowance of up to RMB 3 million.
- Enterprises in the District, which purchase modern facilities and equipment produced by leading manufacturers in the District to carry out technological improvement, are eligible for a subsidy of up to 15% of the purchase price, capped at RMB 3 million.
- New corporate investors are eligible for a subsidy of up to 15% of the registered capital, capped at RMB 5 million for an individual company.

Financial Support for New Enterprises
- Newly introduced key advanced manufacturing enterprises are eligible for a subsidy of up to RMB 5 million to purchase production and office buildings for their own use, and rent allowance of up to RMB 3 million.
- Newly introduced leading enterprises in high-tech services, professional services and cultural creativity are eligible for a subsidy of up to RMB 5 million to purchase production and office buildings for their own use and rent allowance of up to RMB 3 million.
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- New corporate investors are eligible for a subsidy of up to 15% of the registered capital, capped at RMB 5 million for an individual company.

04. Commercial Facility

Qingpu District

01. District Overview
Qingpu District, situated in the southwest of Shanghai and covers an area of 668.5 km², is one of the districts with the best natural ecology in the city. Adjacent to the Hongqiao Integrated Transportation Hub, the District is the only administrative district in Shanghai that borders both Jiangsu and Zhejiang Provinces. It is the “Gateway of Shanghai” serving to facilitate the development of the YRD, the whole China, and even the rest of the world.

02. Investment Highlight

Three Major Industries: Two High-end Industries: One Distinctive Industry
- Logistics and Convention Exhibition
- Commerce and trade
- High-end information technology
- High and intelligent manufacturing
- Culinary tourism and healthcare industry cluster

Rewards for Innovative and Entrepreneurial Talent Teams
- Qualified innovative and entrepreneurial talent teams are eligible for a reward up to 12 million RMB.

Rewards for Modern Business Operations
- An exhibition with a scale of 200,000 m² (or 5,000 booths) is eligible for a reward of RMB 600,000.
- Qingpu-based logistics enterprises with an annual revenue of RMB 10 million are eligible for a reward of RMB 1 million.
- Newly established or upgraded service industry platforms are eligible for a subsidy of up to RMB 5 million.

03. Home Service Industry

Home Services
- Includes the provision of home services such as catering, cleaning, nursing, and child care.
- Home services providers are eligible for a subsidy of up to 10% of the delivered service fees.

04. Commercial Facility

Qingpu Industrial Zone

01. Industry Positioning
High-end electronics, biotechnology, pharmaceuticals, information technology

02. Industry Positioning
- headquarters economy
- one-stop service contracting
- inspection and testing

05. Industry Positioning
- Logistics and Convention Exhibition
- Commerce and trade
- High-end information technology
- High and intelligent manufacturing
- Culinary tourism and healthcare industry cluster

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06. Dedicated Apartments
- Leading enterprises of key industries and industry platforms have the privilege to use a certain number of dedicated apartments for their employees.
**Fengxian District**

**01. District Overview**

Located in the south of Shanghai with an area of 733.38 km², Fengxian District is aimed to become a center in southern Shanghai and a core area of the comprehensive service-oriented region on the northern bank of Hangzhou Bay. Fengxian is home to harbor, airport and land port facilities, which makes it the only urban area equidistant from the two major international airports and an international shipping port in Shanghai. The District enjoys dividends of a free trade zone as major international airports and an international shipping port which makes it the only urban area equidistant from the two Shanghai and a core area of the comprehensive service-oriented Fengxian District is aimed to become a center in southern Hangzhou Bay Special Area of the China (Shanghai) Pilot Free Trade Zone.

**02. Investment Highlight**

- **The Oriental Beauty Valley - Beauty and Health Industries**
  - Intelligent Connected Industry: NEVs, auto parts, equipment manufacturing
  - Strategic Emerging Industry: Advanced equipment, high-end medical equipment and their supporting industries
  - Biomedicine, beauty & cosmetics, new energy
  - Fine chemicals, new materials and sectors up and down the industry chain

- **Lingang Industrial Area**
  - Advanced equipment, high-end medical equipment and their supporting industries

- **Fengxian Industrial Area**
  - Strategic emerging industries including AI, digital cultural & creative production, high value-added auto parts

- **Fengxian Economic Development Zone**
  - Biomedicine, beauty & cosmetics, new energy
  - Fine chemicals, new materials and sectors up and down the industry chain

- **Hangzhou Bay Industrial Functional Zone**
  - Advanced equipment, high-end medical equipment and their supporting industries

**04. Commercial Facility**

**Fengxian Economic Development Zone**

- **Key Buildings:** Greenland Jade International Plaza, SME Union Building, Excellence Century Center
- **Rent Reference:** RMB 1.8–2.2/m²/day
- **Industry Positioning:** Modern agriculture, innovative services, main industry

**Shanghai Comprehensive Industrial Development Zone**

- **Industry Positioning:** Beauty and Health, new energy, new materials, auto parts, equipment manufacturing
- **Rent Reference:** RMB 0.5–1/m²/day

**Shanghai Hangzhou Bay Economic and Technological Development Zone**

- **Industry Positioning:** High and biotechnologies, producer services related to beautiful and healthcare industries
- **Rent Reference:** RMB 0.5–1/m²/day

**Chongming District**

**01. District Overview**

Chongming District is located on the western coast of the Pacific Ocean with an area of 1,413 km². It is the midpoint of China’s coastline and the estuary of the Yangtze River to the sea. The District is committed to becoming a world-class eco-island and a global example in ecological environment development, resource utilization, social-economic development and quality of life.

**02. Investment Highlight**

- **Shanghai Changxing Marine Equipment Industry Park**
  - An international highland of marine industry, an international playground for innovative enterprises
  - Tourism services

**03. Policy Support**

**Encouraging Enterprises Investment and Talents Attraction**

- Providing entrepreneurs and start-ups with preferential and low-cost office spaces as well as entrepreneurship coaching, financial, legal and human resource services to assist enterprises.
- **Encouraging the Development of Start-ups**
  - A one-off grant of RMB 150,000 will be given to district-level high-tech business incubators and maker spaces, along with a founding subsidy of up to RMB 350,000 granted after one year of business operation.
- **Supporting District-level High-tech Businesses**
  - Providing district-level high-tech business incubators and maker spaces with office space rental subsidy at RMB 1/m²/day for a floor area of up to 500 m².
- **Financial Incentives for Innovation and Startup Teams**
  - An entrepreneurship coaching incentive of RMB 50,000 will be given to the operating bodies of tech incubators or maker spaces if projects from such incubators and maker spaces receive a one-off funding of RMB 2 million or more.

**04. Commercial Facility**

**Changming Industrial Park**

- **Industry Positioning:** Machinery, electronics, apparel, cultural creativity
- **Rent Reference:** RMB 0.5–1/m²/day

**Changming Modern Agriculture Park**

- **Industry Positioning:** Advanced agricultural technologies, bio-technologies
- **Rent Reference:** RMB 0.5–1/m²/day

**Shanghai Changxing Marine Equipment Industry Park**

- **Industry Positioning:** An international highland of marine industry, an international playground for innovative enterprises
- **Rent Reference:** RMB 0.5–1/m²/day
Key Functional Zones

**China (Shanghai) Pilot Free Trade Zone**

**01. Area Overview**

The China (Shanghai) Pilot Free Trade Zone (SHFTZ) is a regional free trade zone set up by the Chinese government in Pudong New Area, Shanghai, as part of China’s Free Trade Area. With an area of 120.72 km², the SHFTZ has taken up 10% of the total land of Pudong.

The SHFTZ consists of seven parts: Waigaoqiao Free Trade Zone, Waigaoqiao Bonded Logistics Park, Zhangjiang Free Trade Port, Pudong Airport Comprehensive Free Trade Zone, Jingqiao Export Processing Zone, Zhanggang High-tech Park and Lujiazui Financial and Trade Zone.

**02. Resources Advantage**

**A “Single Window” handles the declaration of all the goods and shipment at port,** streamlining customs clearance and reducing the time companies need to file the declaration from 16.3 days to 1 day.

The SHFTZ has issued 25 new measures for streamlining customs clearance, cutting the number of approvals needed, and to solve the problem of red tape. The reform of “separating operation permits from business licenses” has been fully rolled out with high priority, saving companies RMB 400 million a year in paper costs. Nearly 100 innovative measures have been adopted by the SHFTZ, including cutting of shipment and goods has been cut by 31.7% less time, respectively, than the average port clearance.

**03. Investment Highlight**

The SHFTZ is tasked with accelerating the transformation of government functions in the new era, exploring innovative governance models, facilitating trade and investment, while searching for new ways and proven experience for deepening reforms and further opening-up. Therefore, special policies and advantageous resources are available in the SHFTZ to meet the national strategic needs of China.

**04. Policy Support**

**4.2 Innovations in Institutional Reform**

4.2.1: The Lin-gang Special Area enjoys enhanced autonomy over reform, preferential policies from the Shanghai government and the opportunity to pioneer major pilot reform measures.

High priority will be given to policies on human resources, accounting, tax, finance, land planning, industry development, housing for talented professionals, transportation, and comprehensive urban services.

4.2.2: The Lin-gang Special Area is granted increased autonomy in managing the introduction of overseas talents and providing them various streamlined services.

4.2.3: The Lin-gang Special Area is a special economic area of global influence that invest or start businesses in the Lin-gang Special Area, during their application for work permits in China; multiple subsidies will be granted to qualified businesses.

4.2.4: The Lin-gang Special Area is granted increased autonomy in managing the introduction of overseas talents and providing them various streamlined services.

4.2.5: The Lin-gang Special Area is a special economic area of global influence that invest or start businesses in the Lin-gang Special Area, during their application for work permits in China; multiple subsidies will be granted to qualified businesses.


cross-border financial trade

special supporting policies

financial support

support is available for cross-border finance, flexible flow of cross-border capital and the establishment of capital management centers, with more favorable measures to come.
01. Area Overview
Located on the west side of downtown Shanghai, the Hongqiao Central Business District (CBD) covers a total planned area of 151 km², involving Minhang, Changning, Qingpu and Jiading Districts.

02. Resources Advantage
Convenient transport and well-established convention and exhibition industries: The Hongqiao CBD is home to Hongqiao Hub, the world's largest integrated transport hub, and the National Exhibition and Convention Center, the world's largest exhibition complex and the venue of the annually organized China International Import Expo.

Strategic advantages brought by the integrated development of YRD: As the core area to implement China's integrated development strategy of the YRD region, the Hongqiao CBD will create an international open hub, an international central business district and a new platform for international trade.

Diverse functional platforms: Hongqiao Import Commodity Exhibition and Trading Center, Hongqiao Overseas Trade Center, Yangtze River Delta E-Commerce Center

03. Investment Highlight

04. Policy Support

Dedicated Development Fund
- Policy Document: Administrative Measures for DEDICATED DEVELOPMENT FUNDS of the SHANGHAI HONGQIAO CENTRAL BUSINESS DISTRICT
- Total Funds: RMB 2 billion
- Key Directions: Focusing on commerce and transport projects that promote industry agglomeration, functional development and talent attraction
- Funding Methods: Financial aid, subsidized loans, government subsidies, and government purchases of services

05. Policy Support

Optimizing Public Services
- Providing technological services such as innovation and entrepreneurship support and intellectual property support;
- Supporting equity financing and credit financing of technology companies;
- Supporting the creation of national eco-industrial demonstration parks and zero-emission pilot demonstration parks.

Attracting and Cultivating Talents
- Supporting the employment of senior experts and outstanding young talents, and providing rewards for outstanding young scientific research talents;
- Improving the comprehensive talent service level and guaranteeing talent housing;
- Talent service agencies such as Shanghai Service Center for International Technology Innovation Talents and Pudong International Talent Hub are launched to provide professional and efficient talent services.

Creating Innovation-driven Industry Clusters
- Supporting the introduction of high-quality industrial resources such as domestic and cutting-edge R&D institutions, key laboratories, functional headquarters, leading enterprises, and innovation platforms to help the development of prioritized emerging industries and improve weak links in the industry chains.

06. Policy Support

Optimizing Public Services
- Providing technological services such as innovation and entrepreneurship support and intellectual property support;
- Supporting equity financing and credit financing of technology companies;
- Supporting the creation of national eco-industrial demonstration parks and zero-emission pilot demonstration parks.

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- Improving the comprehensive talent service level and guaranteeing talent housing;
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Creating Innovation-driven Industry Clusters
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Service Organizations

**Shanghai Municipal Commission of Commerce**

Address: Building 7, 300 Shibocun Road, Shanghai
Website: en.sww.sh.gov.cn
Tel: 86-21-23111111

The Shanghai Municipal Commission of Commerce is a component of the Shanghai Municipal People’s Government. The Commission is responsible for Shanghai’s foreign trade, foreign investment, foreign economic cooperation, domestic trade and circulation management, economic trade and foreign affairs services. Responsible for the preliminary examination and approval of new port opening, further port opening, temporary port opening and temporary access to non-open areas.

**Main responsibilities concerning foreign investment**

- Providing policy advice
- Coordinating relevant government departments and project implementation
- Providing complaint handling services for foreign-invested enterprises
- Foreign-invested enterprise management and service
- Providing complaint handling services for foreign-invested enterprises
- Assisting in arranging meetings between senior foreign officials and domestic government officials
- Foreign-invested enterprise management and service
- Providing policy advice
- Assisting in arranging meetings between senior foreign officials and domestic government officials

**Shanghai Foreign Investment Development Board**

Address: F15, 83 Loushanguan Road, Shanghai
Website: www.investsh.org.cn
E-mail: investshanghai@investsh.org.cn
Tel: 86-21-62368800

Shanghai Foreign Investment Development Board (Shanghai Overseas Investment Development Board, hereinafter referred to as “INVEST SHANGHAI”) was founded in December 1999 by the Shanghai Municipal People’s Government as the only municipality-level professional two-way investment promotion agency in Shanghai under the Shanghai Municipal Commission of Commerce. INVEST SHANGHAI is headquartered in Shanghai, with a global network of overseas representative offices in Los Angeles, Osaka, London, Frankfurt, Gothenburg, Singapore, New Delhi, Bangkok and Dubai. In close collaboration with investment promotion departments in each district and development zone in Shanghai as well as overseas investment promotion agencies, INVEST SHANGHAI is dedicated to providing domestic and overseas investors with comprehensive and professional services ranging from investment policy and law advice to consultation, match-making and site selection, to assist them to make the best investment decisions locally and globally.

**Investment Promotion Institutions**

- To promote the investment environment of Shanghai, organize various promotion events and to progress the set-up of foreign investment projects.
- To cultivate the main players of overseas investment and assist Shanghai companies in developing overseas market.
- To assist in solving problems encountered during project investment and to promptly provide feedback on the implementation of policies to decision-makers.
- To provide follow-up services and to assist in solving problems encountered during project operation.
- To establish overseas representative offices, collect information on overseas industrial development, and provide customized services for potential investors.
- To guide Shanghai’s districts and development zones in attracting investment to Shanghai and to organize them to overseas countries to hold investment promotion events abroad.
### How to Contact Government Agencies for Commerce Promotion in Different Districts

<table>
<thead>
<tr>
<th>District Commission of Commerce</th>
<th>Website</th>
<th>Tel</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pudong New Area Commission of Commerce</td>
<td><a href="http://www.english.pudong.gov.cn">www.english.pudong.gov.cn</a></td>
<td>86-21-68546514</td>
<td>2 New World Road</td>
</tr>
<tr>
<td>Huangpu District Commission of Commerce</td>
<td><a href="http://www.shhuayi.com">www.shhuayi.com</a></td>
<td>86-21-65956381</td>
<td>808 Huimin Road</td>
</tr>
<tr>
<td>Jing’an District Commission of Commerce</td>
<td><a href="http://www.shanghai.gov.cn">www.shanghai.gov.cn</a></td>
<td>86-21-6178239</td>
<td>915 Jiu Road</td>
</tr>
<tr>
<td>Xuhui District Commission of Commerce</td>
<td><a href="http://www.shxi.gov.cn">www.shxi.gov.cn</a></td>
<td>86-21-6823222</td>
<td>Room 512, 336 North Caoxi Road</td>
</tr>
<tr>
<td>Changning District Commission of Commerce</td>
<td><a href="http://www.sh.cn">www.sh.cn</a></td>
<td>86-21-62118851</td>
<td>F7, 555 Loushanguan Road</td>
</tr>
<tr>
<td>Putuo District Commission of Commerce</td>
<td><a href="http://www.shputuo.gov.cn">www.shputuo.gov.cn</a></td>
<td>86-21-52820889</td>
<td>602 Tonggu Road</td>
</tr>
<tr>
<td>Hongkou District Commission of Commerce</td>
<td><a href="http://www.shhk.gov.cn">www.shhk.gov.cn</a></td>
<td>86-21-57921161</td>
<td>1305 Feihong Road</td>
</tr>
<tr>
<td>Baoshan District Commission of Commerce</td>
<td><a href="http://www.shbsq.gov.cn">www.shbsq.gov.cn</a></td>
<td>86-21-59953818</td>
<td>485 Dushui Road</td>
</tr>
<tr>
<td>Minhang District Commission of Commerce</td>
<td><a href="http://www.shminhang.gov.cn">www.shminhang.gov.cn</a></td>
<td>86-21-56178991</td>
<td>855 Huimin Road</td>
</tr>
<tr>
<td>Jilong District Commission of Commerce</td>
<td><a href="http://www.shji.org.cn">www.shji.org.cn</a></td>
<td>86-21-65956381</td>
<td>855 Hongkou Road</td>
</tr>
<tr>
<td>Qingpu District Commission of Commerce</td>
<td><a href="http://www.shqingpu.gov.cn">www.shqingpu.gov.cn</a></td>
<td>86-21-59991069</td>
<td>855 Jilong Road</td>
</tr>
<tr>
<td>Fengxian District Commission of Commerce</td>
<td><a href="http://www.shfengxian.gov.cn">www.shfengxian.gov.cn</a></td>
<td>86-21-69989726</td>
<td>855 Baoshan Road</td>
</tr>
<tr>
<td>Chongming District Commission of Commerce</td>
<td><a href="http://www.shcm.gov.cn">www.shcm.gov.cn</a></td>
<td>86-21-59623588</td>
<td>855 Minhang Road</td>
</tr>
</tbody>
</table>

| Tel: |
|----------------------------------|---------|-----|---------|
| Headquarters | Tel: 86-21-62368880 | Tel: 86-21-62368800 | Tel: 86-21-62368810 |
| E-mail: | investshanghai@investsh.org.cn | investshanghai@investsh.org.cn | investshanghai@investsh.org.cn |
| Address: | F15, New Town Mansion, 83 Loushanguan Road, Shanghai, China | F15, New Town Mansion, 83 Loushanguan Road, Shanghai, China | F15, New Town Mansion, 83 Loushanguan Road, Shanghai, China |

| Tel: |
|----------------------------------|---------|-----|---------|
| Los Angeles Representative Office, USA | Tel: 001-213-625-1890 | Tel: 001-213-625-1935 | Tel: 001-213-625-1935 |
| E-mail: | la@investsh.org.cn | la@investsh.org.cn | la@investsh.org.cn |

| Tel: |
|----------------------------------|---------|-----|---------|
| Osaka Office, Japan | Tel: 0081-6-6595-1540 | Tel: 0081-6-6595-1540 | Tel: 0081-6-6595-1540 |
| Fax: 0081-6-6595-1541 | Fax: 0081-6-6595-1541 | Fax: 0081-6-6595-1541 | Fax: 0081-6-6595-1541 |
| E-mail: | osaka@investsh.org.cn | osaka@investsh.org.cn | osaka@investsh.org.cn |

| Tel: |
|----------------------------------|---------|-----|---------|
| Singapore Office, Singapore | Tel: 65-9326-2598 | Tel: 65-9326-2598 | Tel: 65-9326-2598 |
| E-mail: | jinaiping@sucgi.net | jinaiping@sucgi.net | jinaiping@sucgi.net |

| Tel: |
|----------------------------------|---------|-----|---------|
| New Delhi Office, India | Tel: 0991-130891221 | Tel: 0991-130891221 | Tel: 0991-130891221 |
| Fax: 0991-130891221 | Fax: 0991-130891221 | Fax: 0991-130891221 | Fax: 0991-130891221 |
| E-mail: | shenchenming@sucgi.net | shenchenming@sucgi.net | shenchenming@sucgi.net |

| Tel: |
|----------------------------------|---------|-----|---------|
| Bangkok Office, Thailand | Tel: 600-6-274-1675 | Tel: 600-6-274-1675 | Tel: 600-6-274-1675 |
| Fax: 600-6-274-1674 | Fax: 600-6-274-1674 | Fax: 600-6-274-1674 | Fax: 600-6-274-1674 |
| E-mail: | zhuchao@shhuayi.com | zhuchao@shhuayi.com | zhuchao@shhuayi.com |

| Tel: |
|----------------------------------|---------|-----|---------|
| Frankfurt Office, Germany | Tel: 0049-69-3085517 | Tel: 0049-69-3085517 | Tel: 0049-69-3085517 |
| Fax: 0049-69-3085520 | Fax: 0049-69-3085520 | Fax: 0049-69-3085520 | Fax: 0049-69-3085520 |
| E-mail: | frankfurt@investsh.org.cn | frankfurt@investsh.org.cn | frankfurt@investsh.org.cn |
### Appendix

**How to Contact National Zones and Parks and Other Investment Promotion Institutions**

<table>
<thead>
<tr>
<th>Zone Name</th>
<th>Tel</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>China (Shanghai) Pilot Free Trade Zone</td>
<td>86-21-58788388</td>
<td><a href="http://www.en.china-shftz.gov.cn">www.en.china-shftz.gov.cn</a></td>
</tr>
<tr>
<td>Lin-gang Special Area of SHFTZ</td>
<td>86-21-68282343</td>
<td><a href="http://www.en.lgc.gov.cn">www.en.lgc.gov.cn</a></td>
</tr>
<tr>
<td>Hongqiao Central Business District</td>
<td>86-21-34733963</td>
<td><a href="http://www.en.shqcbd.gov.cn">www.en.shqcbd.gov.cn</a></td>
</tr>
<tr>
<td>Zhangjiang National Innovation Demonstration Zone</td>
<td>86-21-33833000</td>
<td><a href="http://www.en.zjftz.gov.cn">www.en.zjftz.gov.cn</a></td>
</tr>
<tr>
<td>Minhang Economic and Technological Development Zone</td>
<td>86-21-64250888</td>
<td><a href="http://www.smudc.com">www.smudc.com</a></td>
</tr>
<tr>
<td>Shanghai Technology Innovation Center</td>
<td>86-21-64839009</td>
<td><a href="http://www.shtic.com">www.shtic.com</a></td>
</tr>
<tr>
<td>Shanghai Development Park Association</td>
<td>86-21-54234250</td>
<td><a href="http://www.sdip.org.cn">www.sdip.org.cn</a></td>
</tr>
<tr>
<td>Shanghai Small and Medium Sized Enterprise Development Service Center</td>
<td>86-21-64225181</td>
<td><a href="http://www.smip.com">www.smip.com</a></td>
</tr>
<tr>
<td>Shanghai Chemical Industry Park</td>
<td>86-21-67126666</td>
<td><a href="http://www.scip.com">www.scip.com</a></td>
</tr>
<tr>
<td>Songjiang Economic and Technological Development Zone</td>
<td>86-21-57031111, 86-21-57856399</td>
<td><a href="http://www.sjztz.com">www.sjztz.com</a></td>
</tr>
</tbody>
</table>
Appendix I: Procedures for the Establishment of Foreign-invested Enterprises

Establishment of Foreign-invested Enterprises Without Prejudice to the Special Administrative Measures for Access of Foreign Investment

Foreign-invested enterprises can be established by submitting only one form at one service window for both business filing and registration through the web portal of One Network Service System of Shanghai government. Enterprises shall enter into operation in two days upon completion of procedures.

Establishment of Foreign-invested Enterprises Under the Special Administrative Measures for Access of Foreign Investment

Domestic enterprises shall update business filing when applying for business registration change to foreign-invested enterprises. Once approved by the Administration for Market Regulation of Shanghai, the updated filing information will be submitted to the Comprehensive System for Management of Foreign Investment of China’s Ministry of Commerce to go through further procedures. In the event that foreign-invested enterprises change an address, the updated information shall be submitted through the Comprehensive System for Management of Foreign Investment to go through further procedures.

Foreign Investment Law

Since January 1, 2020, the Foreign Investment Law of the People’s Republic of China and the Regulations for the Implementation of the Foreign Investment Law of the People’s Republic of China have been in effect. According to the Foreign Investment Law, China offers pre-establishment national treatment plus a negative list management mechanism for foreign investment. Pre-establishment national treatment refers to the treatment given to foreign investors and investment in respect of market access at a level no less favorable than that given to domestic investors and investment. “Negative list” refers to China’s special administrative measures for access of foreign investment in specific areas, which means national treatment shall be granted to those that are not on the negative list.

Foreign Investment Service Platforms

Shanghai Service Platform for Foreign Investment Promotion

As a one-stop service platform dedicated to facilitating foreign investment in Shanghai, it offers a comprehensive set of information on the city’s business environment, related policies, and industries and facilities to invest in. In this way, it helps foreign investors find online the best locations for their investment projects and contact competent authorities, before they finally make informed decisions on the string of their businesses.

Shanghai Enterprise Service Cloud

As an essential part of Shanghai’s “One Network Service System”, the platform provides a complete range of targeted governance services for Shanghai-based enterprises regardless of ownership category, scale or life cycle stage.

One Network Service System

It is an integrated online government service platform designed to address the needs of Shanghai-based individuals and business entities for both online and offline services. All the services can be applied for on a unified portal website and provided at any service location across the city through one service window or online. Thanks to the close cooperation between different authorities, administrative procedures can be completed in just one go.

Appendix II: Entry and Exit Services

Entry and Exit Permits for Chinese Citizens

Online Application-based Service Window for Entry-Exit Affairs

Eligible foreign workers are allowed to file their applications for work-type residence permits online at any time and collect permits at the service window in less than an hour, with no need to submit passports in advance.

Single-window Service Platform for Border Crossing Permission

Thanks to the platform, the formalities for boarding or berthing alongside foreign vessels can be completed on mobile phones, with necessary digital passes generated. Information on persons planning to leave or enter China by business jets or air freighters can be filed online for permission as well.

Entry and Exit Permits for Foreigners

Online application is available at the web portal of One Network Service System, one-stop service system for foreign affairs, Suishenban (a government app), and mini programs on WeChat and Alipay. Any rejected applicant will be informed of all the reasons for the decision in a single notice.

Statistics on Entries and Exits of Shanghai in 2019

• Number of entries and exits: 45.7 million
• Number of automated passport control channels: 18.5 million
• Number of automated passport control channels: 199
• Number of visits made under the 144-hour visa-free transit policy: 65,000
Appendix III: Utility Prices

Water (water supply and drainage services provided by Shanghai municipal water utilities)

<table>
<thead>
<tr>
<th>Type of Usage</th>
<th>Annual Household Usage (m³)</th>
<th>Water Price (RMB/m³)</th>
<th>Sewage Treatment Rate (RMB/m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household</td>
<td>Tier-1 0-220</td>
<td>1.92</td>
<td>1.70</td>
</tr>
<tr>
<td></td>
<td>Tier-2 220-300</td>
<td>2.20</td>
<td>1.70</td>
</tr>
<tr>
<td></td>
<td>Tier-3 &gt;300</td>
<td>4.30</td>
<td>1.70</td>
</tr>
<tr>
<td>Non-household (charged at the household price)</td>
<td></td>
<td>2.12</td>
<td>1.70</td>
</tr>
</tbody>
</table>

Notes: 1. The sewage treatment fee = water usage × sewage treatment rate × 0.9. 2. If water supply and drainage services are provided by district-administered water utilities, please consult the local price administration or water authority for corresponding prices.

Electricity

<table>
<thead>
<tr>
<th>Type of Usage</th>
<th>Tier</th>
<th>Annual Household Usage (kW)</th>
<th>Price (RMB/kW)</th>
<th>Time-of-Use Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier-1</td>
<td>0-3,120</td>
<td>0.617</td>
<td>Peak 0.617</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Off-peak 0.307</td>
</tr>
<tr>
<td>Household</td>
<td>Tier-2</td>
<td>3,120-4,800</td>
<td>0.667</td>
<td>Peak 0.667</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Off-peak 0.387</td>
</tr>
<tr>
<td></td>
<td>Tier-3</td>
<td>&gt;4,800</td>
<td>0.917</td>
<td>Peak 0.977</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Off-peak 0.487</td>
</tr>
<tr>
<td>Non-household (charged at the household price)</td>
<td></td>
<td>10 kV</td>
<td>0.641</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;1 kV</td>
<td>0.636</td>
<td>—</td>
</tr>
</tbody>
</table>

Natural Gas (supplied by Shanghai municipal gas utilities)

<table>
<thead>
<tr>
<th>Type of Usage</th>
<th>Annual Household Usage (m³)</th>
<th>Price (RMB/m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household</td>
<td>Tier-1 0-310</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td>Tier-2 310-520</td>
<td>3.30</td>
</tr>
<tr>
<td></td>
<td>Tier-3 &gt;520</td>
<td>4.20</td>
</tr>
<tr>
<td>Non-household (charged at the household price)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix IV: Major Policies

Opinions of Shanghai Municipal People’s Government on Further Promoting Foreign Investment in Shanghai (Shanghai Municipal Government Regulation [2019] No.37)

The policy is issued to encourage and support foreign investment in strategic emerging industries, including new generation information technology, intelligent manufacturing, equipment manufacturing, high performance medical device, bio-energy and intelligent connected vehicles, aerospace, ocean engineering equipment, high-end energy equipment, new materials, and energy conservation and environmental protection; and 2) key areas in producer services industries, such as R&D and designing, Engineering Procurement Construction, inspection/testing, and accreditation, supply chain management, and e-commerce.

Provisions on Encouraging Multinational Corporations to Establish Regional Headquarters in Shanghai (Shanghai Municipal Government Regulation [2019] No.31)

The policy is designed to encourage multinational corporations (MNCs) to establish regional headquarters (RHQs) or regional head offices in the city, and to support existing RHQs and regional head offices in aggregating businesses, improving functions and enhancing capacities, as part of the efforts to push forward Shanghai’s Initiative of “Five Centers.”

Opinions on Implementing Special Supportive Policies to Promote the High-quality Development of the Ling-gang Special Area of the China (Shanghai) Pilot Free Trade Zone (“50 Ling-gang Measures”)

In order to foster innovation and specific policies approved by the Chinese central government for the Ling-gang Special Area of the China (Shanghai) Pilot Free Trade Zone to employ fresh graduates of world renowned universities to work in Shanghai and to set a priority on attracting high-caliber professionals to important scientific projects, key public platforms for scientific research, major scientific research centers, and significant scientific and technological infrastructure.

Opinions on Further Deepening the Reform of Talent Development Institutions and Systems to Transform Shanghai into an International Center of Technological Innovations (“30 Talent Reform Measures”)

The measures include: to better attract foreign human resources by making foreign members of high-level visiting teams qualified to apply for permanent residence permits, and encouraging RHQ of MNCs, holding companies, and foreign-funded R&D centers registered in the Shanghai (China) Pilot Free Trade Zone of the Shanghai National Innovation Demonstration Zone to employ fresh graduates of world renowned universities to work in Shanghai; and to set a priority on attracting high-caliber professionals to important scientific projects, key public platforms for scientific research, major scientific research centers, and significant scientific and technological infrastructure.

Opinions on Further Deepening the Reform of Science and Technology Institutions and Systems to Make Shanghai a Stronger Center for Nurturing Original Technological Innovations (“25 Sci-Tech Reform Measures”)

Aiming to help build Shanghai into an International Science and Technology Innovation Center, the policy is developed focusing on six major reform tasks and measures: 1) to promote the growth of various innovation entities; 2) to stimulate innovations from talent; 3) to establish professional achievements; 4) to support the reform and optimize scientific research management; 5) to integrate into the global innovation network, and 6) to nurture an innovation culture.

Measures for Supporting Enterprises to Engage in the Fight Against the COVID-19 Epidemic and Achieve Smooth and Healthy Development Amid the Epidemic (“28 Shanghai’s Policy Measures”)

Incorporating supportive policies such as tax discounts, rent exemptions and financial support, 28 measures are focused on six major tasks: 1) to support enterprises engaged in the epidemic fight against the COVID-19 epidemic; 2) to effectively reduce the burden on companies of different types; 3) to increase the financial support for companies in need; 4) to help companies avoid large-scale laying off; 5) to facilitate orderly work resumption, and 6) to improve the business environment with better services.

Notice on Measures for Enhancing Financial Support and Services for Enterprise to Engage in the Fight Against the COVID-19 Epidemic (Shanghai Municipal Finance Bureau [2020] No.20)

Measures include: to establish a mechanism for managing the list of key epidemic prevention enterprises in Shanghai, to help local financial institutions provide these enterprises with special financial and credit support by actively utilizing the special funding funds of the People’s Bank of China.

100 Questions and Answers on the “Shanghai’s 28 Policy Measures”

The 100 Questions and Answers on the “Shanghai’s 28 Policy Measures” was promulgated based on the questions of businesses concerning the “Shanghai’s 28 Policy Measures” for supporting enterprises fight against the COVID-19 epidemic and the details on the implementation of the policy issued by multiple authorities in Shanghai. The straightforward document will help businesses better understand the policy and take advantage of the supportive measures for work resumption and substantial growth amid the COVID-19 epidemic.
Appendix V: Dedicated Consulting Hotlines for “Shanghai’s 28 Policy Measures” for Supporting Enterprises Fight Against the COVID-19 Epidemic

Text Reduction
Tax services: 12366
Tax reduction on import anti-epidemic supplies: 86-21-68892086 (Shanghai Customs)

Credit Support
Financing guarantee services: 86-21-63771107 (Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs)
Note: For more details about loan application, please contact corresponding banks.

Rent Reduction
Rental reduction by state-owned enterprises: 86-21-63338299, 86-21-23117505 (Shanghai SASAC Enterprise Development Service Center)

Legal Issues
Free consulting services: 86-150000128968 (Shanghai Municipal Bureau of Justice)
Consulting services for epidemic prevention and control: 12348, line 9 (24/7 free call)

Sci-Tech Innovation Support
Applying for being listed in key supporting companies for epidemic prevention: 86-21-60801423 (Shanghai Municipal Commission of Economy and Informatization);
86-21-23113934 (Shanghai Municipal Development and Reform Commission)
Specialized exemption of loan interests for key companies for epidemic prevention: 86-21-54679568*18063 (Shanghai Municipal Finance Bureau)
Applying for programs about R&D and industrialization of innovative COVID-19 diagnosing tools and treatment medications: 86-21-23112967, 86-18018888250 (Shanghai Municipal Development and Reform Commission)
Applying for sci-tech innovation funds as technological SMEs: 8008205114, 4008205114 (Shanghai Municipal Science and Technology Commission)

Enterprise and Employment Support
Refunding unemployment insurance premiums & advance declaration of deferred social insurance payment: 12333 (Shanghai Municipal Human Resources and Social Security Bureau)
Moderately decreasing the employee’s medical insurance premiums contribution rate of enterprises: 962218 (Shanghai Municipal Healthcare Security Administration)
Partially refunding the travel service quality deposit: 86-21-63367122*18162 (Shanghai Municipal Administration of Culture and Tourism)
Applying for online vocational training subsidy for employees affected by the epidemic: Please consult competent authorities in the administrative division that deals with your tax collection and management relationship.

Other Services
 Favorable policies on importing anti-epidemic supplies: 4008212199 (Shanghai Municipal Office for Port Services, Shanghai Municipal Commission of Commerce)
Credit repair application: 12368 (Judge of the court of case execution)

Afterword
The Shanghai Foreign Investment Guide is published annually by Shanghai Foreign Investment Development Board to provide comprehensive information on the advantageous investment environment and opportunities available to foreign investors in Shanghai, enable their informed decision-making regarding their investment and operation in the city, and help them find investment areas that fit into their development needs. Based on the information and data related to the economic and industry development of Shanghai, the annual Investment Guide aims to demonstrate the overall investment environment and policies, highlighted investment areas and their spatial distribution in Shanghai as well as the city’s comprehensive investment services.

This Investment Guide is a joint project made possible with the strong support and great contribution from various government departments in Shanghai, including Shanghai Municipal Commission of Commerce, Shanghai Municipal Development and Reform Commission, Shanghai Municipal Commission of Economy and Informatization, and government agencies for commerce and investment promotion in all districts. We are grateful for their admirable efforts to collect and provide information and data during the preparation of this Investment Guide.

Our special appreciation is also extended to Deloitte China (“Deloitte”). Engaged by Shanghai Foreign Investment Development Board, Deloitte has developed this brand new Investment Guide featuring a professional, objective and all-round analysis, professionally improved in style and layout, the 2020 edition is more readable and visually attractive, better meeting the needs of foreign investors.

To benefit more investors with feasible information on the foreign investment environment in Shanghai, this year’s Investment Guide, available in both Chinese and English versions, provides an all-round overview of the investment environment in Shanghai with regards to highlighted investment areas, their spatial distribution and investment service institutions, in a bid to facilitate investors’ business operation in Shanghai. Comments and suggestions will be greatly appreciated.

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