

# Pan-GBA Inward Investment Liaison Group Newsletter

## Key Node City of Greater Bay Area



### Dongguan

Dongguan is located at the center of the Guangdong-Hong Kong-Macao Greater Bay Area as well as the middle section of the Guangzhou-Shenzhen science and technology innovation corridor.

Pillar industries are electronic information, electrical machinery and equipment; textile, garment, shoes and accessories; food and beverage processing, and papermaking and paper products. It has also formed a cluster of emerging industries including LED lighting, new flat display, and photovoltaics.

- World-class advanced manufacturing industry cluster
- Gather high-end manufacturing headquarters, develop modern service industries, and strategic emerging industry research bases
- Cooperate with Hong Kong to develop the Dongguan Marina Bay area

#### Population

10 536 800

#### Gross domestic product (GDP)

RMB1,085.5 billion (2021)

#### Major Development Areas

- Songshan Lake High-Tech Industrial Development Zone
- Dongguan Eco-industrial Park
- Dongguan Waterfront Economic Development Zone
- Guangdong Equipment Technology Industrial Park

### Zhongshan

Zhongshan is a base for advanced manufacturing and modern service industries. It is also a pilot city for industrial upgrading in Guangdong Province.

Key industries of the industrial cluster in Zhongshan are equipment manufacturing, household appliances, textiles and garment, electronics, lighting, healthcare and pharmaceuticals, furniture, small home appliances and hardware products.

- Strengthen the connectivity within the Greater Bay Area with the advantage of a comprehensive industrial chain
- Youth Innovation Entrepreneurship Bases

#### Population

4 466 900

#### Gross domestic product (GDP)

RMB356.6 billion (2021)

#### Major Development Areas

- Zhongshan Torch High-Tech Industrial Development Zone

# Key Node City of Greater Bay Area



## Zhuhai

Zhuhai is located at the south-central part of Guangdong Province. Zhuhai Port is one of the main coastal ports of the country and is one of the five major ports in Guangdong Province.

The six basic industries of Zhuhai are electronic information, home appliances, electricity and energy, biopharmaceuticals and medical devices, petrochemicals and precision machinery; while printing supplies and yacht manufacturing are the other two special industries.

- Joint collaboration effect with Macao
- Lead advanced equipment manufacturing industry on the west bank of the Pearl River with Foshan
- Establish a Hong Kong and Macao entrepreneurship pilot zone and an international leisure and tourism island in Hengqin

### Population

2 466 700

### Gross domestic product (GDP)

RMB388.2 billion (2021)

### Major Development Areas

- Zhuhai Economic and Technological Development Zone
- Zhuhai High-Tech Industrial Development Zone
- Zhuhai Bonded Zone
- Zhuhai-Macao Cross-border Industrial Zone

## Foshan

Foshan's economy is manufacturing-based, including industries in which Foshan enjoys strengths such as machinery equipment, household appliances, ceramic building materials, metal processing and metal products, textiles and garments, electronic information, food and beverages, fine chemicals and pharmaceuticals, household goods, etc.

Emerging industries including optoelectronics, environmental protection, new materials, new medicines, and new energy vehicles, etc.

- Guangzhou-Foshan city integration
- Transformation of manufacturing industry

### Population

9 612 600

### Gross domestic product (GDP)

RMB1,215.7 billion (2021)

### Major Development Areas

- Foshan National High-Tech Industrial Development Zone
- Foshan Nanhai Economic Development Zone
- Foshan Chancheng Economic Development Zone
- Foshan Nanhai Industrial Zone
- Foshan Gaoming Cangjiang Industrial Zone
- Foshan Sanshui Industrial Zone
- Foshan Shunde Industrial Zone

# Latest Policies and Measures in the Greater Bay Area

## Plan for Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone

The Central Committee of the CPC and the State Council issued the "Comprehensive Deepening of the Reform and Opening-up Plan for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone" on 6 September 2021 (the "Plan"). The Plan aims to promote the comprehensive deepening of the reform and opening-up in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, and to better play an exemplary and leading role in the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

The plan proposes to expand the total area of the Cooperation Zone from 14.92 square kilometers to 120.56 square kilometers. The plan includes:

- Build a comprehensive deepening reform and innovation test platform: promote the innovative development of modern service industry, speed up the reform and innovation of scientific and technological development systems, create a world-class business environment, and innovate the governance model of the cooperation zone.
- Build a high-level gateway for opening-up: deepen the liberalisation of service trade with Hong Kong and Macao, expand the opening of the financial industry, improve the level of opening-up of legal affairs, and participate in international cooperation at a high level.

For more details, please visit: [http://www.gov.cn/zhengce/2021-09/06/content\\_5635728.htm](http://www.gov.cn/zhengce/2021-09/06/content_5635728.htm)

## Master Plan of the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin

On 5 September 2021, the Central Committee of the Communist Party of China and the State Council published the "Master Plan of the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin" (here after referred to as the "Master Plan"). The "Master Plan" explicitly indicates that the scope of the Cooperation Zone covers the customs supervision territory between the "first-tier" and "second-tier" subzones on Hengqin island, occupying a total area of 106 square kilometres. Of which, the area that lies between Hengqin and Macao is regarded as the "first-tier" subzone, while the area that lies between Hengqin and other areas within the customs territory of the People's Republic of China is regarded as the "second-tier" subzone.

The "Master Plan" also focuses on the development of nascent industries to promote Macao's adequate economic diversification, the building of a new home for Macao residents that is favourable for living and work, the construction of a new high-standard and open system that integrates with Macao, and the perfection of the new system for mutual discussion, joint construction, joint administration, and shared benefits between Guangdong and Macao. A series of concrete and pragmatic measures have been put forward to ensure the development of the Cooperation Zone.

For more information about the Hengqin "Master Plan", please visit this website: [http://www.gov.cn/zhengce/2021-09/05/content\\_5635547.htm](http://www.gov.cn/zhengce/2021-09/05/content_5635547.htm)

## Regulations on Protection of Rights and Interests of Foreign Investors in Guangdong Province

The Regulations came into force on 1 March 2022. It is set to protect the legitimate rights and interests of foreign investors. The Regulations apply to the protection of investments, gains, and other legitimate rights and interests made or owned by foreign investors and foreign-invested enterprises within the administrative areas of the Province.

The Regulations include:

- The Province shall implement the management systems of pre-establishment national treatment and negative list for foreign investment as per the national provisions. People's governments at all levels and their related departments may not set conditions that prohibit the entry of foreign investment into the areas that are not on the negative list.
- People's governments at all levels and their related departments shall equally treat foreign-invested enterprises and domestic-invested enterprises in accordance with the law in terms of activities such as government funding arrangements, government investment projects, land supply, tax relief, qualifications and permits, standards formulation, project application, professional title appraisal, and human resources policies. No discriminatory policies or measures shall be formulated or implemented.
- The government departments of the Province that supervise the intellectual property rights (IPRs) protection shall, within its scope of duties, establish a cross-regional, inter-departmental fast response mechanism to protect IPRs, put in place a complete set of administrative law enforcement systems related to IPR protection, and handle infringements of IPRs owned by foreign investors and foreign-invested enterprises in accordance with the law.
- Pursuant to the principles of voluntariness and fair business, foreign investors and foreign-invested enterprises shall be encouraged to conduct technical cooperation with various market players and scientific research entities. Such conditions of cooperation as identification of the responsibility for technical infringements and the attribution of improved technologies shall be decided through equal consultation of different parties to cooperate in accordance with the law.
- People's governments at or above the county level shall strengthen leadership over the activities related to the protection of the rights and interests of foreign investors, put in place sound mechanisms for such activities, and coordinate efforts to address major problems arising from such activities in a timely manner.
- Foreign investors and foreign-invested enterprises may file complaints about the administrative behavior in breach of their legitimate rights and interests committed by the administrative organs of the Province, as well as the organizations authorized with the function to manage public affairs and their staff members, according to the pertinent laws and regulations. Meanwhile, they may also point out the problems existing in the investment environment and recommend policy measures for improvement.
- Banking financial institutions shall be encouraged to increase the application of financial technology, and provide foreign-invested enterprises with the services related to foreign payment and receipt facilitation and electronic processing of trade settlement according to the law.

For more details, please visit: [http://com.gd.gov.cn/zwgk/gzdt/content/post\\_3818124.html](http://com.gd.gov.cn/zwgk/gzdt/content/post_3818124.html)

# Overall Plan for Deepening Globally Oriented Comprehensive Co-operation amongst Guangdong, Hong Kong and Macao in Nansha of Guangzhou

On 6 June 2022, the State Council issued Overall Plan for Deepening Globally Oriented Comprehensive Co-operation amongst Guangdong, Hong Kong and Macao in Nansha of Guangzhou.

The plan included 7 chapters and a total of 26 articles: overall requirements, construction of scientific and technological innovation industry cooperation bases, the establishment of youth entrepreneurship and employment cooperation platforms, joint construction of high-level opening-up portals, creation of rule-based mechanisms to connect highlands, establishment of high-quality urban development benchmarks, and safeguard measures.

According to the plan, by 2035, Nansha's regional innovation and industrial transformation system will become more mature, and the ability to transfer and transform international scientific and technological achievements will be significantly improved, making it an important platform for comprehensive cooperation between Guangdong, Hong Kong and Macao.

## 1 Innovation and Technology

To build industrial cooperation bases for sci-tech innovation, the document stressed encouraging research institutions in Guangdong, Hong Kong and Macao to organize and implement scientific and technological innovation projects and make breakthroughs in key and core technologies. Major platforms on sci-tech innovation should be created with more world-class research universities and institutions in place. Efforts will be made to foster high-tech industries including levying enterprise income tax at a reduced rate of 15 percent for enterprises in sectors encouraged.

## 2 Financial Services

Eligible private equity funds from Hong Kong will be supported to finance Hong Kong-invested innovative technology enterprises in Nansha.

## 3 Talents

The document also noted measures to pool international high-end talents, and special support measures for talents from Hong Kong and Macao will be offered in talent introduction, equity incentive, technology investment, professional title evaluation, professional qualification recognition, children's education and commercial medical insurance.

## 4 International Cooperation

To build Nansha into a door for high-level opening-up, a comprehensive service base for Chinese enterprises going global should be built to help the industry and market in Guangzhou, especially Nansha, deepen foreign economic and trade cooperation with Hong Kong and Macao, while building it as international shipping and logistics hub and strengthening international economic cooperation.

## 5 Synergies with Hong Kong

Since the commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, Hong Kong and Nansha have become much closer to each other, giving rise to more favourable conditions for Hong Kong's participation in the development of Nansha. Moreover, the Hong Kong University of Science and Technology (Guangzhou), which is opening soon, will also be an excellent example of Hong Kong taking part in the development of Nansha in nurturing talents and taking forward the development of technology.

For more details, please visit: [http://www.gov.cn/zhengce/content/2022-06/14/content\\_5695623.htm](http://www.gov.cn/zhengce/content/2022-06/14/content_5695623.htm)

## Preferential income tax rates implemented for corporates, talents, and Macao citizens in Hengqin

On 16 June 2022, the Executive Committee of the Guangdong-Macao Intensive Cooperation Zone in Hengqin held a press conference and gave a presentation on the policy of the preferential income tax rates implemented for corporates, talents, and Macao citizens in the Cooperation Zone.

In terms of corporate income tax, eligible industries and enterprises in the Cooperation Zone are subject to a reduced tax rate of 15% on business income tax, which will attract more market entities, especially Macao-funded enterprises, to participate in the construction of the Cooperation Zone. In accordance with the principle of "pragmatic, feasible and long-term beneficial" and the four key industries specified in the "Master Plan" (scientific and technological research and high-end manufacturing; Macao branded industries, such as traditional Chinese medicine; cultural tourism, convention and exhibition, and commercial and trade industries; modern finance), and combining the actual development situation of the Cooperation Zone, preferential industries that are in line with the strategic positioning of the Cooperation Zone are selected to form the Hengqin Cooperation Zone Corporate Income Tax Preferential Catalogue (2021 Edition) which covers nine categories of 150 items, providing a wider coverage of favourable corporate income tax policy.

In terms of individual income tax, the portion of individual income tax exceeding 15 percent for domestic and overseas talents in the Cooperation Zone will be exempted. Macao residents working in the Cooperation Zone will also be exempted the portion of their individual income tax burden exceeding Macao standards, while their tax burden in Macao shall be calculated with reference to relevant provisions of Macao's tax laws on occupational and supplementary income taxes. This is to facilitate the Cooperation Zone becoming a new home for Macao people to live and work with a taxation environment similar to that of Macao.

Detailed information on the implementation of the relevant tax policy in the Cooperation Zone is available on the following website: [https://www.hengqin-cooperation.gov.mo/zh\\_HK/shq/news/detail?id=2239](https://www.hengqin-cooperation.gov.mo/zh_HK/shq/news/detail?id=2239)