

China launches three more free trade zones

Digested from Xinhua news 22nd April, 2015

(http://english.gov.cn/news/top_news/2015/04/21/content_281475093147395.htm)

Three new free trade zones (FTZ): Tianjin, Guangdong and Fujian were launched on 21st April 2015, 18 months after the first FTZ was unveiled in the financial hub Shanghai in September 2013.

The Shanghai pilot scheme was designed to help streamline the overloaded administrative approval system and encourage innovation and internationalisation. Officials expect the new FTZs will boost economic reform, promote trade and facilitate investment in new areas as the world's second largest economy moves away from an unsustainable export-dependent model.

According to a detailed plan released on April 20, the new zones will be based on the Shanghai FTZ but catered to utilize their geographical locations.

The Tianjin zone aims to better integrate the northern municipality with Beijing and Hebei province. It will prioritize modern service industries, including shipping, culture and equipment manufacturing.

The Guangdong zone will deepen economic cooperation between the mainland and neighbouring special administrative regions Hong Kong and Macao. It will have three bases in the cities of Guangzhou, Shenzhen and Zhuhai.

The Fujian zone will focus on developing economic cooperation between the mainland and Taiwan. It will cover three areas in Xiamen, Fuzhou and Pingtan, a new industrial park targeting investment from Taiwan.

All zones must adhere to the negative list, which details 122 prohibited or restricted areas for foreign investment, ranging from Internet news services, production of radio and television programs to nonferrous metal mining. This number has been reduced from 139. Foreign investors will be subject to the same rules and regulations for new investment as domestic firms.

Given our long relationship with Tianjin, PanCathay will be focussing on the new Tianjin zone and will be publishing regular updates as new information is provided. At present, we know that the Tianjin FTZ is in fact three zones: the financial district of Yu Jia Pu (YPJ), the Dongjiang Port zone and a further area close to the Airport logistics park. These three areas garner the particular advantages of Tianjin by virtue of its important sea port, its flourishing logistics centre close to the airport and its focus on finance. We have already heard of some local financial institutions planning to move into YPJ to take advantage of the new policies for FTZs there.



Photo taken on Nov. 7, 2014 shows the Yujiapu Railway Station and its surrounding landscape at Binhai New Area of the China (Tianjin) Pilot Free Trade Zone in north China's Tianjin Municipality. [Photo/Xinhua]



Photo taken on March 30, 2015 shows a scene of the Dongjiang dock in Port of Tianjin, part of the China (Tianjin) Pilot Free Trade Zone in north China's Tianjin municipality. [Photo/Xinhua]



Photo taken on Jan. 1, 2015 shows the Port of Tianjin in north China's Tianjin Municipality. [Photo/Xinhua]



Photo taken on Nov. 7, 2014 shows the landscape of Yujiapu Finance District at Binhai New Area of the China (Tianjin) Pilot Free Trade Zone in north China's Tianjin Municipality. [Photo/Xinhua]