

Chinese FTZs and Their Contributions to BRI

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Pilot Free Trade Zones

Overlapped functions of FTZ
and SEZ

Introduction of 11 FTZs

FTZs' contribution to BRI

中国自贸试验区示意图

Flying Geese Model of Chinese Pilot Free Trade Zone

- Sept. 29, 2013, Shanghai FTZ
- April, 2015, Guangdong, Tianjin and Fujian FTZs
- April, 2017, Zhejiang, Liaoning, Shanxi, Henan, Hubei, Sichuan and Chongqing FTZs



Overlapped
functions of
FTZ and SEZ

All FTZs are located in
the existing SEZs

Policy superposition

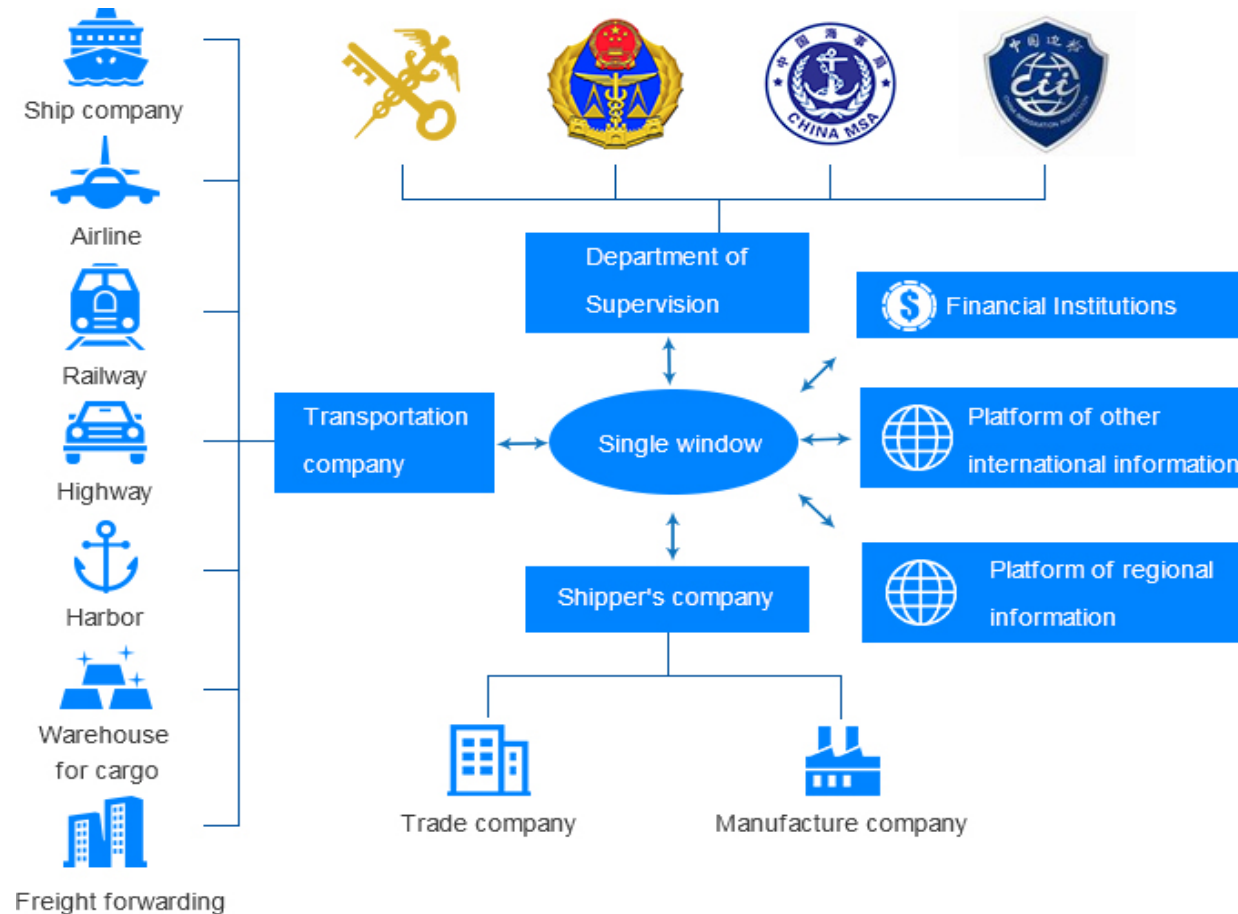
Bilateral promotion

Overlapped functions of FTZ and SEZ

- **Facilitating trade**
- A comprehensive management service platform for trans-departmental trade, transportation, processing, storage, and other operations will be established, creating “One Window” for international trade
- At Bonded Port Areas, entry and exit supervisory services will be carried out in line with “first line opening”, “highly efficient control in the second line”.
- Pilot Free Port in Shanghai

Overlapped functions of FTZ and SEZ

- FTZ policies
- Trade facilitation
- “One Window” for international Trade
- With TradeNet as the benchmark
- Customhouse, inspection and quarantine bureau, Immigration Inspection, port authority, etc.



"one window" declaration for international trade company

Overlapped functions of FTZ and SEZ

- **Facilitating investment**
- Pre-establishment national treatment and negative list (non-confirming measure list) management system
- The Pilot Free Trade Zone further cancels or relaxes access restrictions for overseas investors, such as qualification requirements, equity ratio limit and business scope
- There are dozens of special measures for opening wider in six fields, namely manufacturing, financial service, maritime transport service, commercial trade service, professional service and technology, and cultural service

Overlapped functions of FTZ and SEZ

- **Financial innovation**
- Promote the cooperation and innovative development of cross-border renminbi business, and drive renminbi as the major currency for the Pilot Free Trade Zone and cross-border trade as well as investment and settlement.
- Interlink between Shanghai Stock Exchange and Hongkong Stock Exchange
- Interlink between Shenzhen Stock Exchange and Hongkong Stock Exchange
- Interlink between Shanghai-based National Inter-bank bond market and Hongkong bond market
- Gradual opening of financial service sectors
- Off-shore financial innovation through free trade accounts

China (Shanghai) Pilot Free Trade Zone

- Sept. 29, 2013, FTZ Bonded Area
- 28.78-square-kilometer FTZ
- Four bonded areas under the special administration of Shanghai Customs, namely Waigaoqiao Free Trade Zone, Waigaoqiao Free Trade Logistics Park, Yangshan Free Trade Port Area, and Pudong Airport Free Trade Zone



China (Guangdong) Pilot Free Trade Zone

- Nansha Area of Guangzhou, 60 km² district
- Qianhai & Shekou Area of Shenzhen, a 28.2 km² district, neighboring Hongkong
- Hengqin Area of Zhuhai, a 28 km² district, neighboring Macau



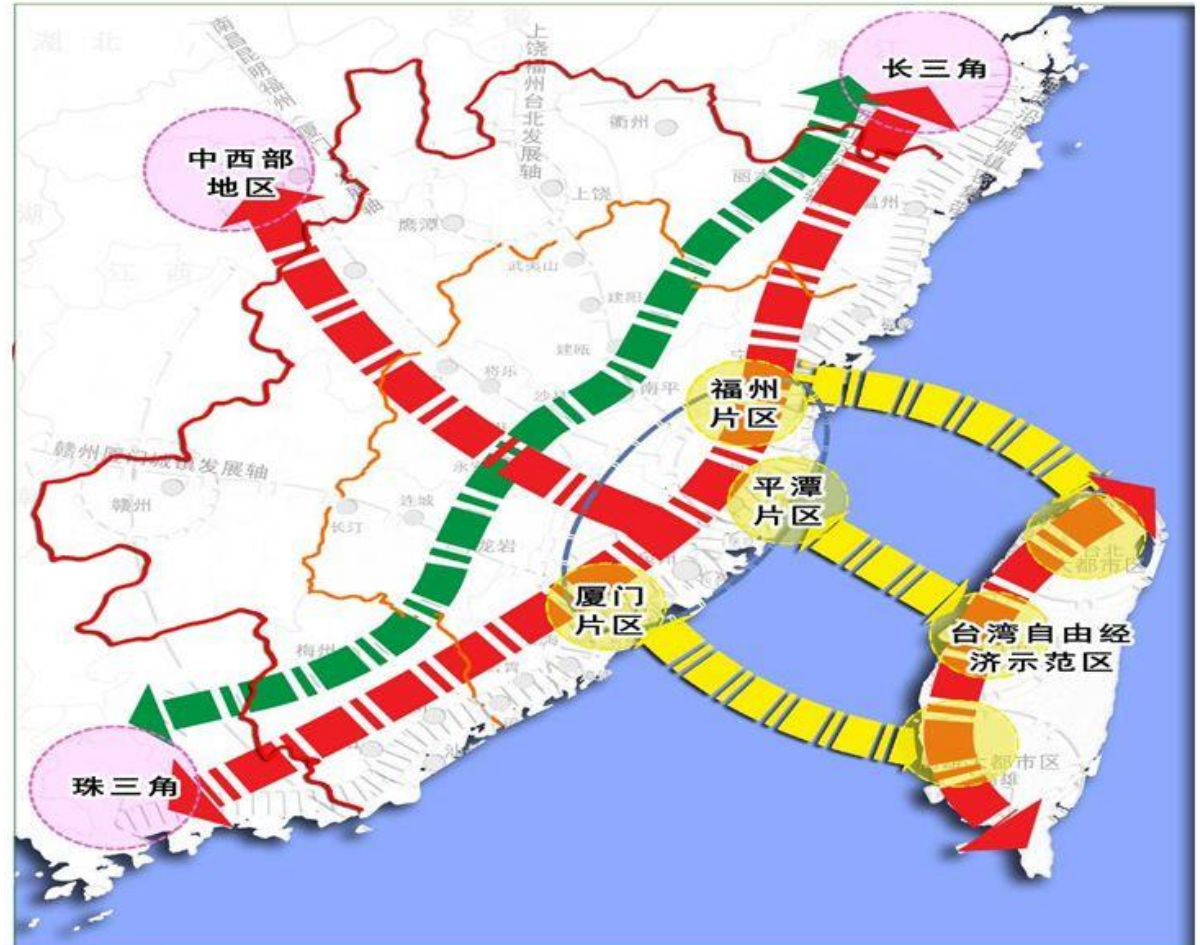
China (Tianjin) Pilot Free Trade Zone

- TJFTZ covers a total area of 119.9 km², and consists of three areas
- Tianjin Port Dongjiang Area
- Tianjin Airport Area
- Binhai CBD Area



China (Fujian) Pilot Free Trade Zone

- Covers an area of 118.04 square kilometers
- Fuzhou Area of 31.26 square kilometers
- Xiamen Area of 43.78 square kilometers
- Pingtan Area of 43 square kilometers



China (Liaoning) Pilot Free Trade Zone

China (Liaoning) Pilot Free Trade Zone

- It covers an area of 119.89 sq km and consists of three sub-zones
- Dalian Area: 59.96 sq km inclusive of the Dalian Bonded Area (1.25 sq km), the Dalian Export Processing Area (2.95 sq km) and the Dalian Dayaowan Bonded Port (6.88 sq km)
- Shenyang Area (29.97 sq km)
- Yingkou Area (29.96 sq km)



China (Zhejiang) Pilot Free Trade Zone

- The zone covers an area of 119.95 sq kilometres, including three sub-zones:
- The Zhoushan Outlying Islands Area (78.98 sq kilometres)
- The Northern Zhoushan Island Area (15.62 sq kilometres)
- The Southern Zhoushan Island Area (25.35 sq kilometres)



China (Henan) Pilot Free Trade Zone

- Covering an area of 119.77 sq kilometres
- Zhengzhou Area (73.17 sq kilometres)
- Kaifeng Area (19.94 sq kilometres)
- Luoyang Area (26.66 sq kilometres)



China (Sichuan) Pilot Free Trade Zone

- Sichuan Pilot Free Trade Zone covers a total area of 119.99 km²
- Chengdu Tianfu new area (90.32 km²)
- Chengdu Qingbaijiang Railway port area (9.68km²)
- South Sichuan Port Area (19.99km²)



China (Chongqing) Pilot Free Trade Zone

- The Chongqing PFTZ covers an area of 119.98 km²
- Liangjiang Area of 66.29 km²
- Xiyong Area of 22.81 km²
- Guoyuan Area of 30.88 km²



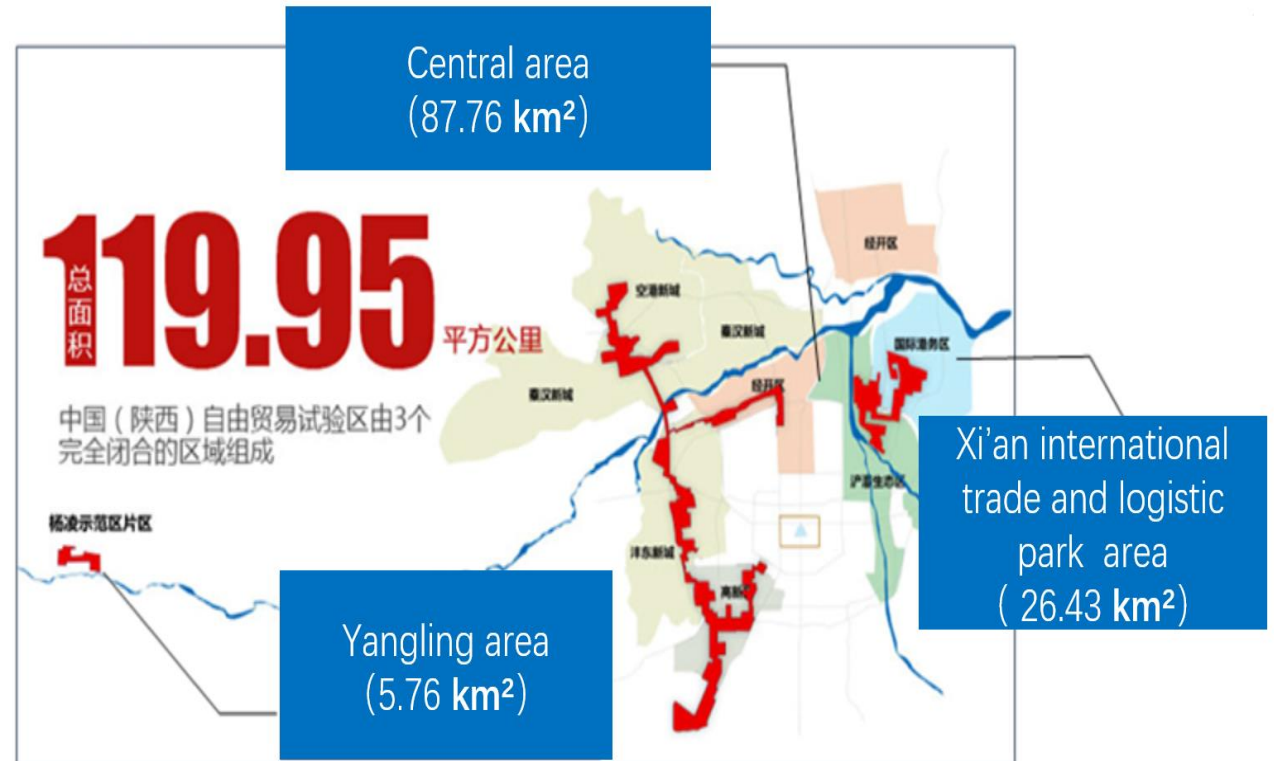
China (Hubei) Pilot Free Trade Zone

- Hubei FTZ is 119.96 km², covering three areas
- Wuhan (up to 70 km²)
- Xiangyang (up to 21.99 kilometers)
- Yichang (up to 27.97 square kilometers)



China (Shanxi) Pilot Free Trade Zone

- Shaanxi PFTZ
- Central area in Shaanxi
- Xi'an international trade and logistic park area
- Yangling area



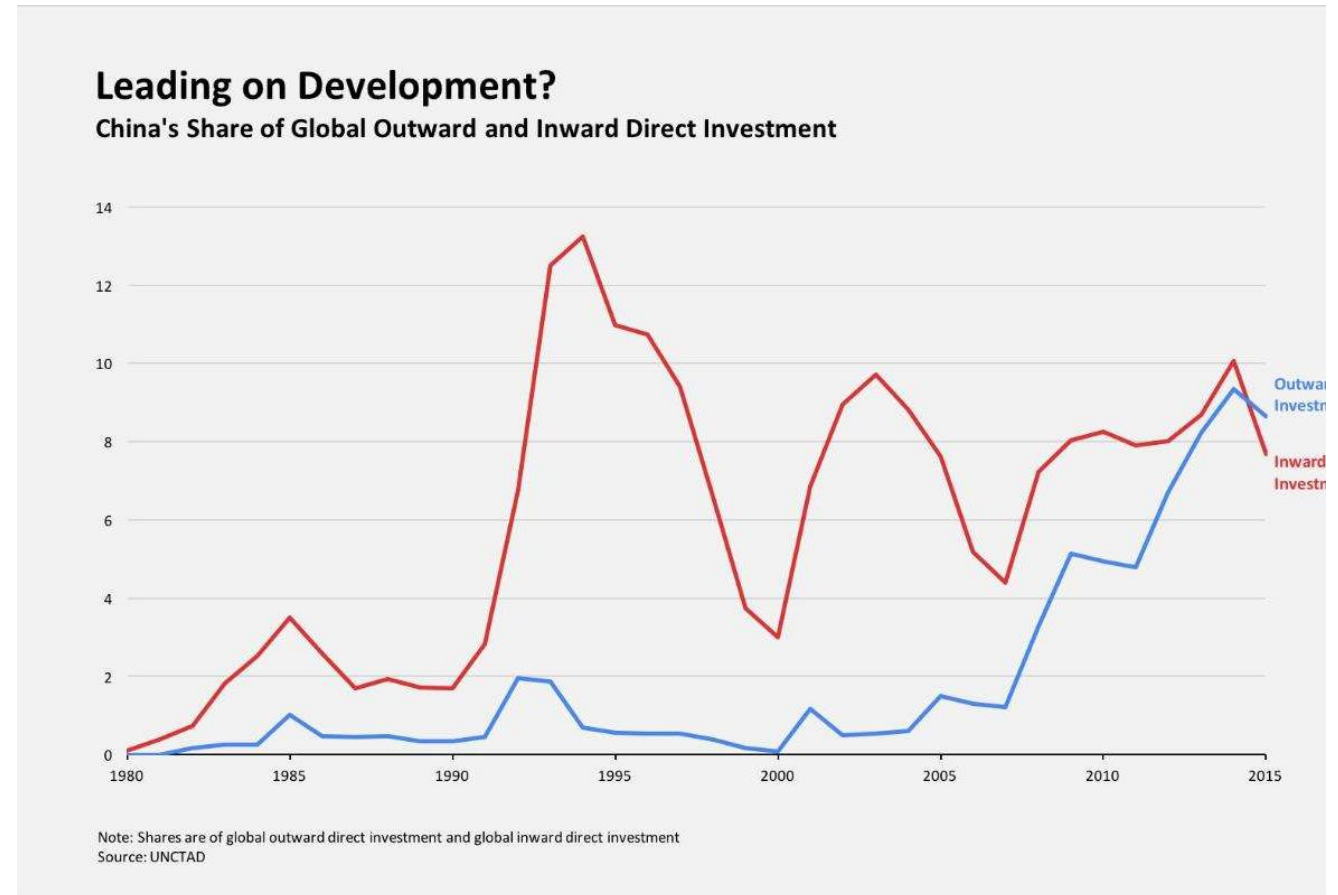
FTZs' contribution to BRI

- Expansion of the Belt and Road
- PFTZs will be developed as important hubs for international transit along the Belt and Road, a platform for trade co-operation and cultural exchanges



FTZs' contribution to BRI

- Except Beijing, Chinese PFTZs host the largest amount of companies which have participated or are going to participate in “Go Out”



FTZs' contribution to BRI

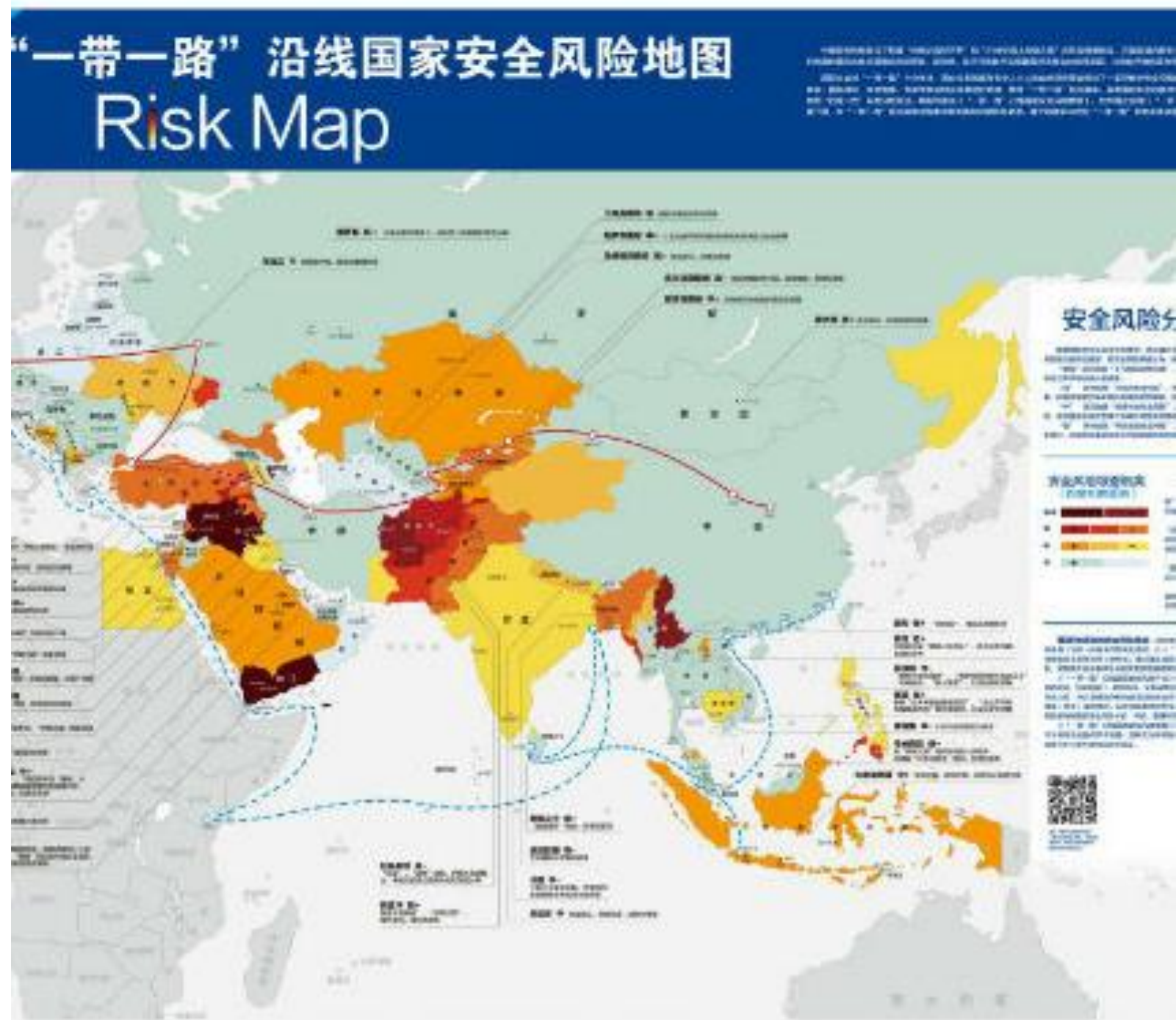
- PFTZs show the highest degree of openness
- Build into important links for cultural and people-to-people exchange in the Belt and Road
- Education, tourism, training, art and cultural exchange

FTZs' contribution to BRI

- Shanghai PFTZ
- Financing
- Risk management

FTZs' contribution to BRI

- Shanghai PFTZ
- Risk Management
- Political risks, financial risks, legal risks, religious risks, environmental risks, social risks, traditional and non-traditional security risk, etc.
- Risk of trade restriction, risk of foreign exchange, credit risk, market risk, etc.



- Thank you!
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