

## China launches four free trade zones

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#### In brief

- » China unveiled on 21 September 2020 a blueprint for four free trade zones (FTZs) to uplift economic openness and development.
- » Three new FTZs are launched in Beijing and the provinces of Hunan and Anhui. The fourth one, in Zhejiang province, will be expanded.

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## In Detail

On 21 September 2020, the State Council issued the blueprints for launching three new pilot free trade zones (“FTZs”) in Beijing and the provinces of Anhui and Hunan, and expanding one existing FTZ in Zhejiang province. Up till now, China sees the total number of FTZs growing to twenty one, initially in coastal areas and more inland in recent stage.

## » Focus of the four FTZs

The new FTZs aim at enhancing liberalization and facilitation in trade and investment via reforms and innovations. The blueprint has detailed the strategic position of each FTZ, as summarized below.

Beijing FTZ	Anhui FTZ	Hunan FTZ	Zhejiang FTZ
<p><b><u>Innovation area</u></b> Next-generation IT, biology and health, high-tech services, digital economy, investment centres, etc.</p> <p><b><u>Service area</u></b> Digital trade, cultural trade, trade fairs, medical and health care, international shipping and logistics, cross-border financing.</p> <p><b><u>Hi-tech areas</u></b> Business services, international financing, cultural and creative business, bio-tech and health.</p>	<p><b><u>Hefei area</u></b> High-end manufacturing, integrated circuits, artificial intelligence, display devices, quantum information, fin-tech, cross-border e-commerce.</p> <p><b><u>Wuhu area</u></b> Connected cars, smart household appliances, aviation, robotics, shipping services, cross-border e-commerce.</p> <p><b><u>Bengbu area</u></b> Silicon materials, new bio-based materials, alternative energy.</p>	<p><b><u>Changsha area</u></b> High-end manufacturing, next generation IT bio-medicine, e-commerce, agricultural technology, Sino-Africa cooperation.</p> <p><b><u>Yueyang area</u></b> Shipping and logistics, e-commerce, next generation IT.</p> <p><b><u>Chenzhou area</u></b> Non-ferrous metal processing, modern logistics, collaboration with Guangdong-Hong Kong-Macau Area.</p>	<p>Expansion from Zhoushan region to include:</p> <p><b><u>Ningbo area</u></b> Oil and gas distribution center, supply chain innovation, new materials, advance manufacturing.</p> <p><b><u>Hangzhou area</u></b> Next-generation artificial intelligence, fin-tech, e-commerce, digital economy.</p> <p><b><u>Jinhua-Yiwu area</u></b> Free trade center for small commodities, e-trading, international logistics hub, platform for Belt-and-Road initiative.</p>

## » FTZ highlights

**Beijing FTZ: Digitalization**

- › Establishment of a central bank research centre for cryptocurrency, testing cryptocurrency’s application as legal tender, and setting up block-chain standards;
- › Research and development on standards and systems for digital data exchanges, in terms of rights, assets, services, pricing, settlement and certification;
- › Application of block-chain technology to enhance cross-border cooperation and trading, improve compliance, and simplify and standardize the customs procedures.

**Anhui FTZ: High-tech**

- › Development into a cultivator for innovation systems and mechanism, and construction of a state scientific centre;
- › Focusing on scientific infrastructure study (advance light sources, 3D monitoring of aerosphere, strong optics, super-conducting tokamak, and synchrotron radiation light source, etc.);
- › Promotion of high-tech (bio-medicine, intelligent equipment, alternative energy vehicles, silicon materials, and artificial intelligence, etc.);
- › Development of next-generation technology (quantum calculation and communication, advance nuclear power, gene testing, and next general artificial intelligence, etc).

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### Hunan FTZ: Cooperation

- › Collaboration with other FTZs along the Yangtze River in customs clearance and certification for testing and inspection. Promotion of information exchange, mutual recognition and collaboration of regulations;
- › Connection with the Guangdong–Hong Kong–Macau Greater Bay Area as a smart logistics hub. Promotion of integrated procedures in customs clearance and logistics;
- › Pioneering in Sino-Africa cooperation. Promoting authorised economic operators (AEO) mutual recognition with Africa customs authority. Establishing a Sino-Africa trading hub for non-natural-resources products.

### Zhejiang FTZ: Trade facilitation

- › Establishment of reserve bases for fuel and food resources;
- › Promotion of electronic world trading platform (eWTP) to explore international cooperation in data interaction, business exchange, mutual recognition of regulations and service sharing;
- › Facilitation of international trade and supply (cross-border e-commerce supply centres, settlement in RMB, integration of the trading platforms for small and bulk commodities);
- › Interaction and collaboration with airports, sea ports, inland ports and information ports within the Zhejiang province.

### WTS observation

The new four-FTZ master plan heralds further opening up and reforms in a vast range of areas, not independently but in relation with other regions and FTZs. It bears significant economic implications in bringing about scientific and technological revolution, and upgrading China's foreign trade and emerging next-generation industries. It is expected that more fiscal and tax incentives will be offered to support the plan.

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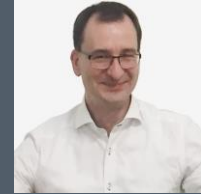
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