



# Economic Zones in China & Practical Opportunities

A Guide to Strategic Considerations, Site Selection and Economic Zones



# 1. Foreign Companies Matter to China



**1,239,000** companies



**3,000** billion USD



≈ **7%** of the employment (30million jobs)



**1/7** of the tax revenue



**1/3** import-export volume



**50%** mechanical/electrical and high-tech product exports

Source: MOFCOM, 2025



## 2. Why China – Strategic Factors

### External Factors:

- Stability & Predictability amid global geopolitical tensions
- Unparalleled Hyper-scale Market
- Positive signals between China-Europe relations
- Internal momentum from transitioning old-new growth drivers
- Complete Industrial System & Innovation Ecosystem

### Sectoral Drivers

- Automotive
- Renewable Energy
- Medical device
- Pharmaceutical
- Manufacturing
- Artificial intelligence

“Decoupling”

“Derisk”

“China +1”

“In China, for China.”



### 3. The Negative Lists

The **Cross-Border Service Trade Negative List** categorizes special administrative measures uniformly targeting overseas service providers delivering services through cross-border means (modes of cross-border delivery, consumption abroad, and movement of natural persons).

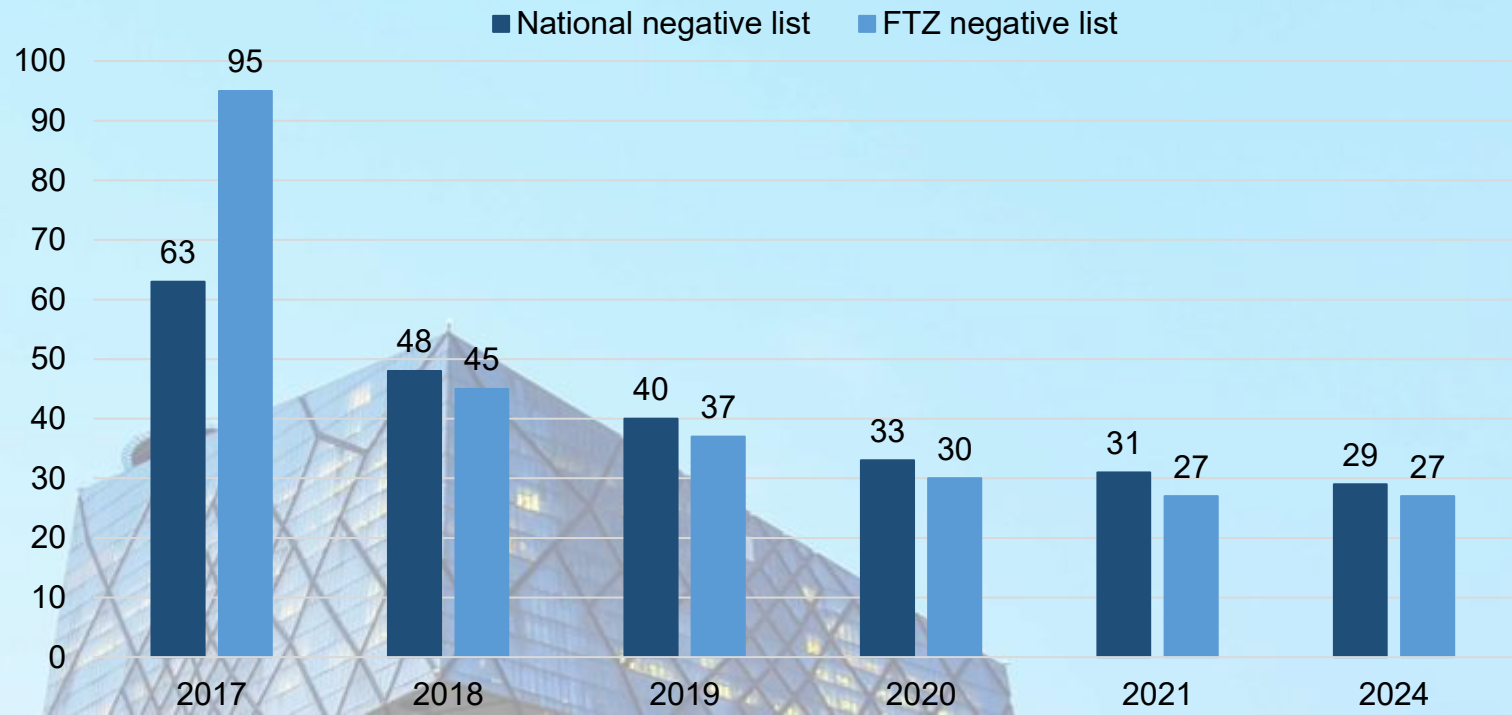
- ✓ **The National Edition of the Cross-Border Service Trade Negative List** contains 71 restrictive measures, inaugurating a negative list management system for cross-border service trade across China and establishing the baseline level for market access.
- ✓ **The Pilot Free Trade Zones (FTZs) Edition** contains 68 restrictive measures, introducing opening arrangements in areas such as professional qualifications for natural persons, professional services, finance, and culture, thereby advancing the orderly expansion of openness in cross-border services.
- ✓ **Sectoral Policies:** Order 818; visa exemption for 35 European countries.

#### For Direct Investment:

- National Negative List
- Free Trade Zones Negative List

#### For Cross-border Services:

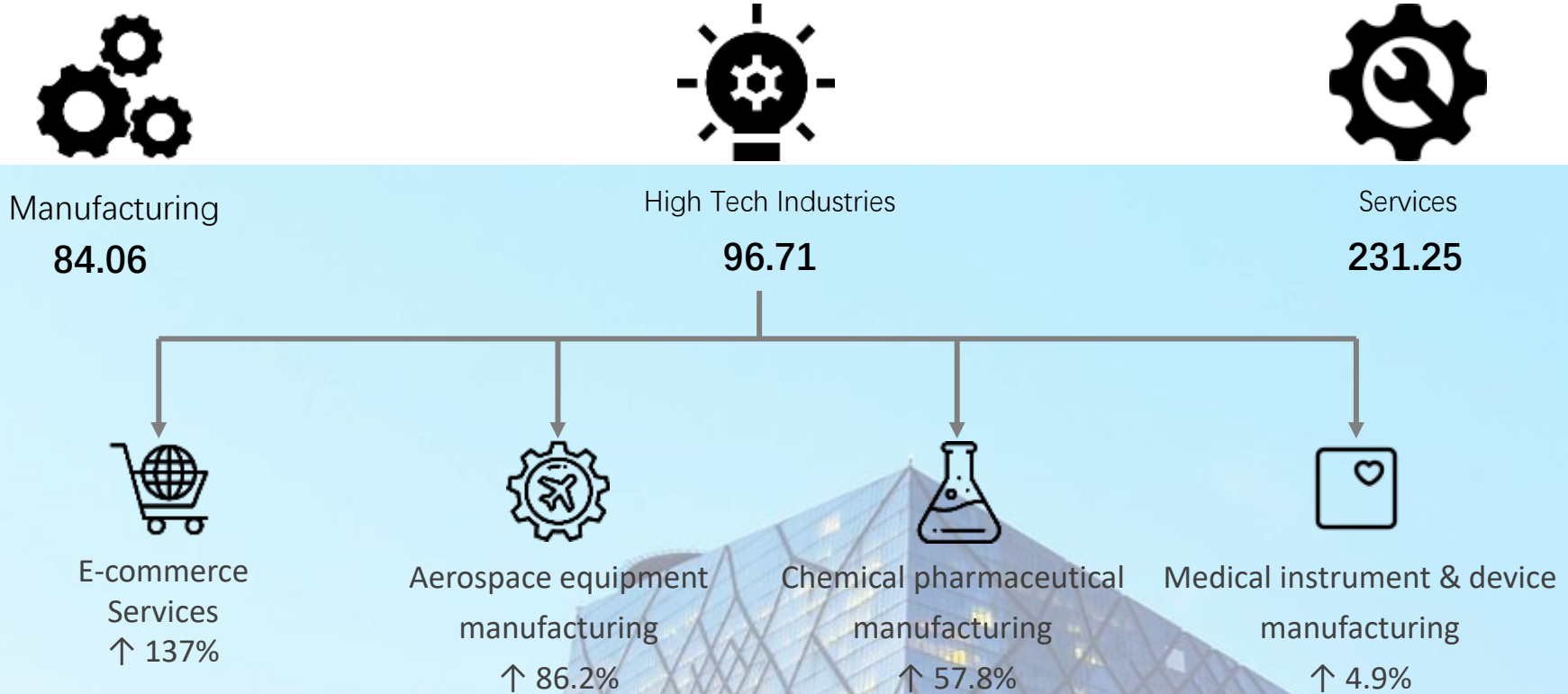
- Cross-border Services Negative List (2024 Edition) (71 items)
- Cross-border Services Negative List in Pilot Free Trade Zones (68 items)



## 4. Recent Figures & Trends

From January to April 2025, China newly established 18,832 foreign-invested enterprises, representing a 12.1% year-on-year increase. However, actual utilized foreign investment amounted to 320.78 billion CNY, down 10.9% compared to the same period last year.

### Sectoral Breakdown





# Economic and Technological Development Zones (ETDZ) **V.S.** High-tech Industrial Development Zones (HIDZ)

<b>Mission</b>	1.Attract FDI; 2.Develop advanced manufacturing industry; 3.Increase exports	1.Commercializing high-tech research findings; 2.Develop knowledge and technology intensive industries
<b>Location</b>	<b>Developed areas</b> , since requirements for infrastructure, transportation and labour force quality.	<b>Universities &amp; research institutes</b> , regional hubs of creativity and innovation
<b>Major Industries</b>	<b>Manufacturing Oriented</b> , automotive, electronics, chemicals	<b>High-tech Industries</b> , AI, biomedicine, new materials
<b>Infrastructure &amp; Facilities</b>	<b>Well-developed infrastructure</b> , such as well-connected intercity railways, close to airport and logistic centers, mature supply facilities	Well-connected <b>transportation network and sophisticated commercial facilities</b> to serve researchers and employees.
	<b>Standard factory buildings</b> and offices	Clusters of <b>research centers and universities</b>
	Many ETDZs incorporate one or <b>several types of Special Customs Supervision Zones</b> to facilitate exports.	<b>Incubators, investor and technological service companies</b>
<b>GDP Contribution</b>	<b>10%</b>	<b>7.3%</b>
<b>Focus of Development</b>	<b>20.8%</b> of the country's total export Value; <b>23.1%</b> of the country's total FDI.	<b>36.4%</b> of High-tech Enterprises; <b>30%</b> of all Technological SMEs in China; <b>67%</b> of all companies listed in Sci-Tech Innovation board (STAR Market)
<b>Supporting Policies</b>	Manufacturing & Export Oriented	R&D and know-how Oriented

# High-tech Industrial Development Zones

Applicable programs and exemplar incentives open for both foreign and domestic companies. Each with appointed competent authorities to evaluate and grant such titles for qualified companies.



## High-tech Enterprises

High-tech R&D and commercialization.



## Technological SMEs

SMEs participating in high-tech R&D and commercialization



## Advanced Technology Service Enterprises

Providing technological services for high-tech companies



## Technological Companies Incubator

Technology Incubation



## SMEs as Specialized and Sophisticated Enterprises that Produce New and Unique Products

SMEs

Major Tailored Incentives for HTEs (CA: Torch Center)	
Tax Incentives	15% CIT rate
	Exemption of CIT in technology transfers with the transaction value below 5 million RMB, and deduction of 50% of CIT with the part of the value above 5 million RMB
	75% of R&D expenditures deduction and 175% of intangible assets deduction before CIT (100% and 200% for manufacturing HTEs respectively)
	At most 8% of total wage expenditure deduction before CIT for employees training cost.
Subsidies	Direct fiscal support or subsidies from local government after certified
Land Acquisition	Priorities in local industrial land allocation
Funding	Priorities for stock market listing; lower interest's loans from local governments
Others	Rent subsidies, talent rewards, manufacturing equipment subsidies, etc.

## 6. About ECI Center

**ECI Center (Europe China Innovation)** is a soft-landing program jointly initiated by the EUCJIC, InoComm and ECI Fund to support European SMEs, start-ups and entrepreneurs with their business entry and development in the Chinese market. Going beyond basic company secretarial services, ECI Center offers a holistic scope of soft-landing services to smooth and safeguard the market entry, formation, growth, scale-up and maturity of a business.

Over 7 years, the ECI Center program has helped over 120 European SMEs, with 20+ European countries represented, organized 50+ industrial conferences, 30+ online webinars & events.

### Current ECI Centers in China



Beijing Daxing International  
Airport Economic Zone



Future Science City, Changping  
District, Beijing

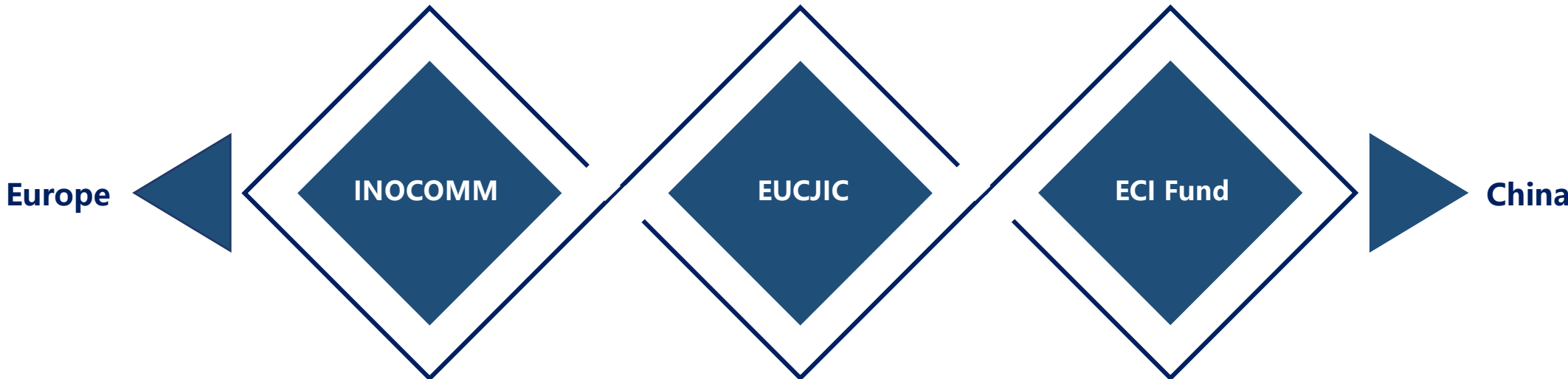


China (Anhui) Pilot Free Trade  
Zone Wuhu Area, Wuhu



Shanghai International  
Automobile City, Shanghai

# The EUCJIC Ecosystem



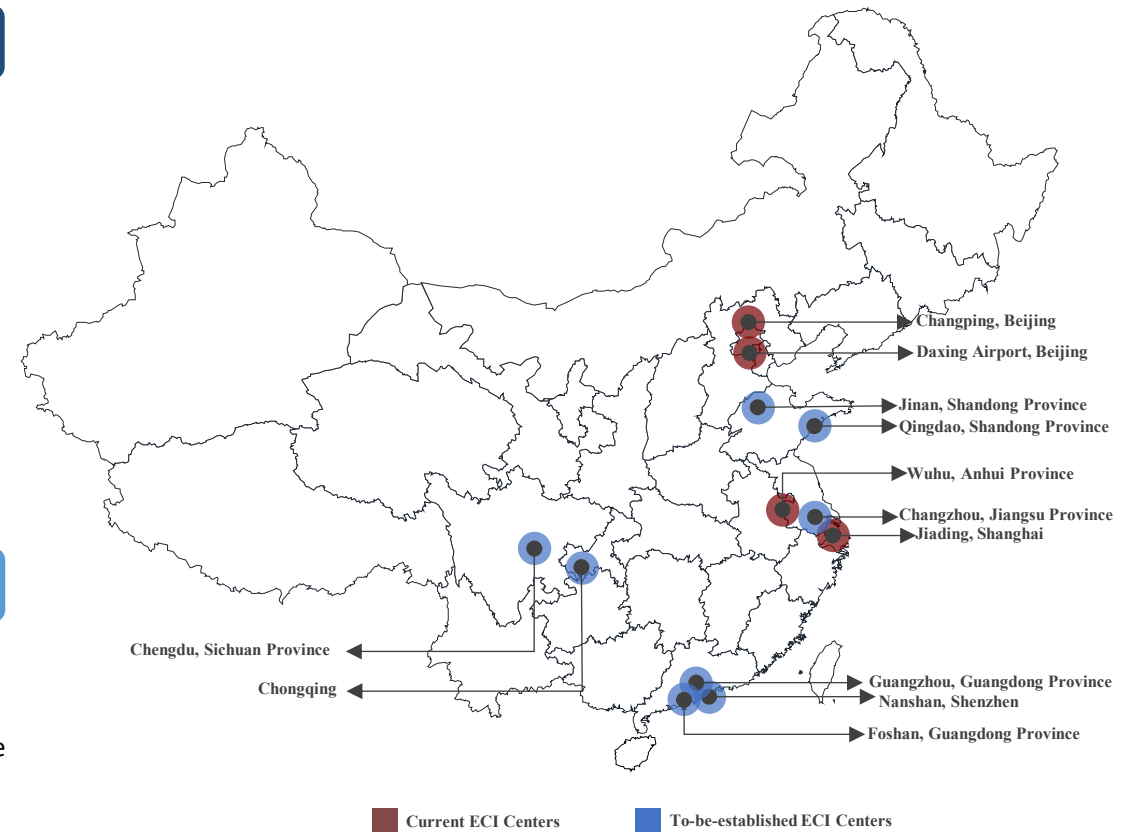
**Business & Industrial  
Consulting Service Provider**

**Innovation & Industrial  
Resources Provider**

**Investment & Financial  
Service Provider**

# Service Porfolio& ECI Center Landscape

<p><b>Business Advisory</b></p> <ul style="list-style-type: none"> <li>Company Check</li> <li>Commercial Negotiation</li> <li>Intellectual Property</li> <li>Joint Venture Negotiation</li> <li>Restructuring</li> <li>Mergers&amp;Acquisitions</li> <li>Contract Preparation</li> <li>Contract Dispute Resolution</li> </ul>	<p><b>Business Intelligence</b></p> <ul style="list-style-type: none"> <li>Site Selection</li> <li>Business Match-making</li> <li>Local Analysis</li> <li>Industry&amp;Tech Research</li> <li>Policy Analysis&amp;Advisory</li> <li>Market Entry Strategy</li> <li>Market Research</li> <li>Market Development</li> <li>Supply Chain Re-engineering</li> </ul>	<p><b>Corporate Establishment</b></p> <ul style="list-style-type: none"> <li>Corporate Establishment</li> <li>Office&amp;Land Acquisition</li> <li>Manufactory Preparation</li> <li>Company Deregistration</li> <li>Corporate Structuring</li> <li>Government Relations</li> <li>Bank Account Opening</li> <li>License Application</li> <li>Incentives Application</li> <li>Work &amp; Residence Permit</li> </ul>	<p><b>Intellectual Property</b></p> <ul style="list-style-type: none"> <li>IP Advisory</li> <li>Patent Registration</li> <li>Patent Intelligence</li> <li>IP Protection</li> <li>Customized Training</li> <li>Trademark Services</li> <li>Market Entry Intelligence</li> </ul>
<p><b>Accounting&amp;Tax</b></p> <ul style="list-style-type: none"> <li>Accounting&amp;Bookkeeping</li> <li>Tax Registration&amp;Reporting</li> <li>Transfer Pricing</li> <li>Tax Audit</li> <li>Financial Report</li> <li>Transaction</li> <li>Tax Compliance</li> <li>Tax Advisory (CIT&amp;PIT)</li> </ul>	<p><b>Corporate Finance</b></p> <ul style="list-style-type: none"> <li>Corporate Finance</li> <li>M&amp;A Consulting</li> <li>Corporate Loans</li> <li>Assets Management</li> <li>Property Transaction</li> <li>Investment</li> <li>SMEs Funding</li> <li>Financial Review&amp;Advisory</li> </ul>	<p><b>HR&amp;Payroll</b></p> <ul style="list-style-type: none"> <li>Human Resources</li> <li>Global Staffing Solutions</li> <li>Payroll</li> <li>Recruitment</li> <li>Employee Training</li> </ul>	<p><b>Due Diligence</b></p> <ul style="list-style-type: none"> <li>Legal Due Diligence</li> <li>Financial Due Diligence</li> <li>HR Due Diligence</li> <li>Operational Due Diligence</li> </ul>



Notes: This map is just to demonstrate the national distributions of ECI Centers, and shall not be deemed as the real map of China.

# 7. Market Readiness & Site-Selection Strategy

## – From “Where in China?” to “How to Land in China?”

Market Readiness	Company Situation	Landing Strategy and Priorities	Typical Approach
<b>Stage 1:</b> <b>Initial Market Exploration</b>	a) Limited knowledge of China’s regulatory and market environment b) No local team or operational infrastructure c) Market potential still being validated	<b>Exploration-Oriented Strategy</b> 1) Access to innovation ecosystems 2) Government-supported incubation platforms 3) Policy guidance and administrative support	1) Landing through innovation parks or international incubators 2) Establishing initial representation or pilot collaborations
<b>Stage 2:</b> <b>Early Market Engagement</b>	a) Existing Chinese clients, distributors, or research partners b) Participation in industry events, pilot projects, or early commercial activities c) Early-stage revenue from China, often managed from overseas d) Increasing familiarity with regulatory requirements and market entry procedures	<b>Engagement-Oriented Strategy</b> 1) Access to key clients and industry partners 2) Proximity to supply chains or manufacturing ecosystems 3) Strong R&D and innovation collaboration environment	1) Locating in relevant industry clusters (e.g., Life Science Parks, Automotive Hubs) 2) Establishing a representative office or small local presence
<b>Stage 3:</b> <b>Market Establishment</b>	a) Clear strategic commitment to the Chinese market b) Established or growing business pipeline in China c) Dedicated budget and internal resources for China expansion	<b>Establishment-Oriented Strategy</b> 1) Market access 2) Talent availability 3) Industry ecosystem 4) Policy incentives and local government support	1) Partnerships with local industry players and research institutions 2) Gradual expansion of operations, potentially including R&D, manufacturing, or regional headquarters

# 7.1 General Site Selection Criteria

## 1. Market and Industry Factors

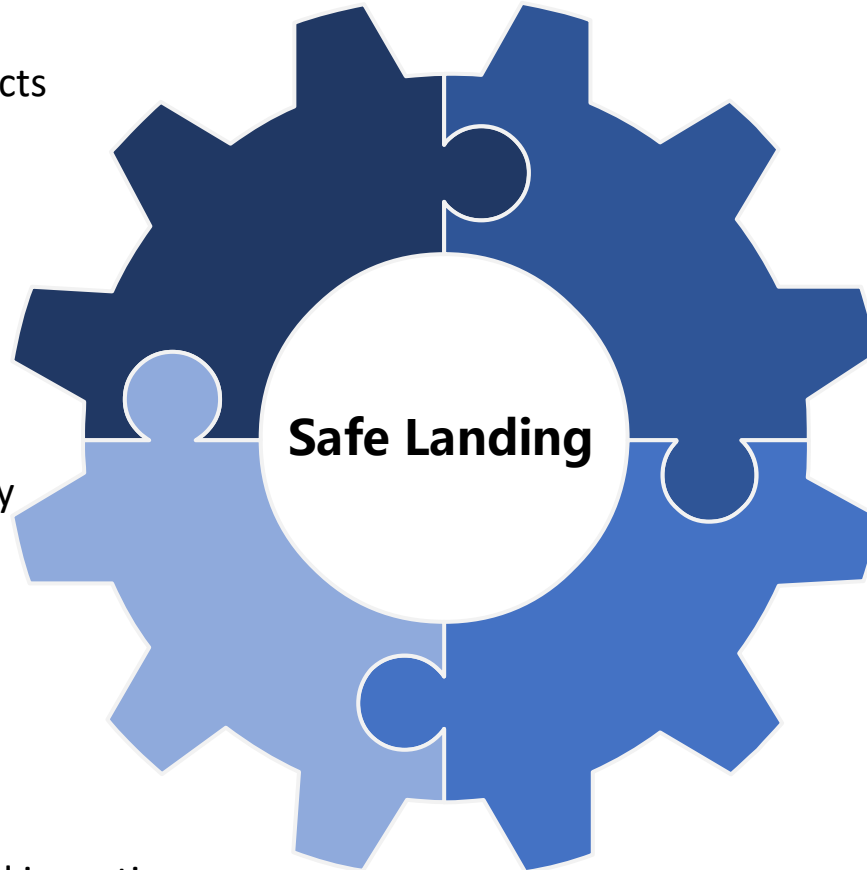
- Closeness to markets/customers
- Supply chain compatibility with products
- Strength of local industry clusters
- Degree of customization

## 2. Operational and Cost Factors

- Production and operational costs
- Talent availability and labor market quality
- Infrastructure and logistics connectivity

## 3. Policy and Regulatory

- Government attitude
- Local industrial policies and incentives
- Regulatory environment



## 4. Strategic and Regional Considerations

- Level of internationalization
- Easiness to do business with neighboring countries
- Regional economic outlook
- Risk mitigation considerations

## 5. Other Practical Considerations

- International connectivity (e.g., direct international flights)
- Educational & healthcare factors

## 2. Beyond Location: The Role of Policy Incentives

### - Three Practical Entry Channels to Access Policy Support

Type	Support Forms include	Remarks
<b>Type 1: Industrial Support Policies</b>	<ul style="list-style-type: none"> <li>a. R&amp;D grants and technology development funding</li> <li>b. Office, laboratory, or manufacturing space support</li> <li>c. Financial subsidies for investment or operations</li> </ul>	Typically accessed after a company establishes a local presence or commits to a specific project.
<b>Type 2: Talent Programmes</b>	<ul style="list-style-type: none"> <li>a. Start-up funding for innovation teams</li> <li>b. Research grants and project funding</li> <li>c. Access to innovation platforms and incubators</li> </ul>	An effective entry channel to establish an initial presence in China.
<b>Type 3: Innovation &amp; Entrepreneurship Competitions</b>	<ul style="list-style-type: none"> <li>a. Direct financial awards</li> <li>b. Access to local incubators or innovation parks</li> <li>c. Fast-track access to talent programmes</li> <li>d. Opportunities to connect with investors and industry partners</li> </ul>	A practical pathway to explore the Chinese market and connect with local ecosystems.

# Program 1 : HICOOL Beijing 2026 (Application Deadline: April, 15<sup>th</sup>)

## InoComm is the official partner of HICOOL Beijing 2026

- **Who can join:** Projects from all industries with intentions to explore the Chinese market.
- **Company Age:** Entities must be established after January 1, 2016
- **Founding Team:** For an applicant signed up as an individual, he/she should be the company's main founder and the largest individual shareholder, holding no less than 30% of shares in the Beijing-based company (calculated on a fully-diluted basis). For applicants who registered as a team, the main applicant shall be the main founder and largest individual shareholder of the existing company or the future landing company. All team members shall hold equity in the existing company or the company to be established, and the shareholding ratio of each person shall not be less than 5%, and the total shareholding ratio of team members shall not be less than 50% (calculated on a fully-diluted basis).
- **Listing Status:** Participating entities must not be publicly listed companies.
- **IP & Innovation:** Entities must hold valid intellectual property rights or usage authorizations and demonstrate clear innovation and commercial potential.

- **Award Consistency & Local Intent:** If the project has not been registered in Beijing, the applicant should have the intention to start business in Beijing and a specific landing plan. If the project wins the prize, the individual or all members of the participating team must be paying the social security and individual income tax in Beijing before receiving the prize bonus.

### Competition Process

- **Jan. 2026 - Apr. 15, 2026:** Registration (Application Deadline)
- **Apr. (late) 2026:** Online Assessment
- **May-Jun. 2026:** Preliminary and Semi-Final
- **Aug. 2026:** Final
- **Sep. 2026 (Proposed):** Award Ceremony

### For detailed info, requirements & registration:

<https://www.hicool.com/index.php/account/bole?language=en&code=t6ouv>

Contact us via email: [chengshiting@inocomm.com](mailto:chengshiting@inocomm.com)



# 3. Selected Case Examples

## 3.1 Supply Chain matching & Marketing

**Company Info:** A Finnish inspection technology company, headquartered in Helsinki, Finland. The company specializes in providing 100% online inspection solutions for the automotive industry. For decades, the company has been a pioneer in multi-camera technology, leveraging various artificial intelligence techniques for dimensional measurement, presence verification, and weld defect detection, while also focusing on enabling real-time flow of inspection data between machines and production lines to create a digitally integrated production system.

**Requests:**1) Market expansion and establishment of a branch or subsidiary in China; 2) Understand and leverage regional support policies; 3) Connecting with local partners and identifying potential application scenarios.

### What We Offered:

- 1) comprehensive regional industry policy analysis and strategic site-selection guidance;
- 2) full-service company registration and establishment support; and
- 3) business development and partnership facilitation..



## 3.2 Joint R&D & Commercialization

**Institute info:** A biotech company from Ireland, it is the spin-off of The Regenerative Medicine Institute (REMEDI) of University of Galway, a world-class biomedical research center, which focuses on stem cell research and gene therapy created with funding from Science Foundation Ireland.

**Requests:** Financing support, Access to the Chinese healthcare market and potential partners, and clinical research collaboration.

### What We Offered:

Acting as a local partner for the company's overall market development in China, maintenance of scientific research and clinical relationships, as well as financing and entity establishment.



## 3.3 Soft-Landing & Market Entry

**Company info:** A German new material company dedicated to developing scalable, plastic-free, and 100% bio-based coated textiles. It creates materials across industries such as automotive, interior furnishings, fashion, and footwear. The company has been granted 9 patents, supported by a strong R&D pipeline and commercialization portfolio.

In ITEC 2025, we assisted the company to win the Third Prize with a direct cash subsidy of CNY 1 million.

### What We Offered:

- Government Subsidy Planning
- Talent Program Application
- Competition Guidance & Government Relations
- Market Entry Report & Soft-landing



# 4. Our Support for Foreign Companies Entering China

## Soft-Landing in stages

### Market Entry Report

- ◆ advisory services on market entry and strategic insights to optimize commercial opportunities
- ◆ tailored market positioning and growth strategies



### Policy Incentive Application

- ◆ Design and implementation of a structured policy incentive strategy
- ◆ Identification of national and local grants, subsidies, and strategic qualification labels that unlock access to broader supplier networks and industrial platforms
- ◆ Prepare necessary documents & communications including Chinese translation for applying incentives.

### Business Development

- ◆ Identify and introduce potential clients, partners, or projects
- ◆ Develop and optimize sales pipelines and business development strategies
- ◆ Intellectual Property Protection Advisory & Trade Compliance Support

### Site Selection

- ◆ Strategic location assessment for company establishment
- ◆ Analysis report of regional ecosystems and policy environments
- ◆ Necessary Negotiation / communication with selected area
- ◆ Identification of future-oriented optimal site for market entry and operations.

### Company Registration

- ◆ A clear roadmap for company establishment

### Financial Service

- ◆ Basic bookkeeping
- ◆ Financial Reporting
- ◆ Assist with tax filings, VAT reporting etc.
- ◆ HR Services



## Disclaimer

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