



Are you li@ning yet?

China Liaoning Business Guide

giz



辽宁省发展和改革委员会
Liaoning Provincial Development
and Reform Commission



Content

Executive Introduction.....	7
Global Number One Growth Province.....	7
Liaoning Yesterday >> Tomorrow.....	9
Good Company.....	9
Meet the Liaons	11
Profile of Liaoning.....	12
Location and Climate	12
Population and Administrative Division.....	13
Living Comfortably in Liaoning.....	14
Immigration and Visa.....	16
International Exchanges.....	17
Services at Your Fingertips.....	18
Liaoning Economy.....	19
Strong Growth Despite Global Crisis.....	19
Key Economic Indicators.....	20
Ranking of Liaoning in China.....	22
Natural Resources.....	23
R&D and Innovation	24
Human Resources and Remuneration	24
Tourism.....	26
Transportation and Telecommunication.....	27

Investment in Liaoning.....	29
Economic Development Policies for Liaoning.....	29
Translating Strategies into Investment.....	33
Legal Framework and Procedures.....	36
Shenyang.....	38
Capital of Liaoning Province	38
Geographical Location.....	38
Metropolitan Development Strategy.....	39
Economic Development.....	40
Foreign Trade and Investment	41
Living in Shenyang.....	41
Welcome to Invest in Shenyang.....	41
Dalian.....	42
Shining Pearl of the Northeast Coast.....	42
Geographical Location.....	42
Economic Development.....	43
Industrial Pattern.....	43
Foreign Trade and Investment.....	44
International Events and Honors.....	46
Anshan.....	47
China's Capital of Iron and Steel.....	47
Physical Geography.....	47
Economic Development.....	48
Industrial Mix	49
Foreign Investment and Foreign Trade.....	49
Living in Anshan.....	50
Welcome to Invest in Anshan.....	50
Fushun.....	51
Overview and Geography.....	51
Economic Development and Business Sectors.....	51
Foreign Investment and Foreign Trade.....	53
Benxi.....	55
Living Museum of Geography.....	55
Geography.....	55
Economic Development.....	56
Industrial Pattern.....	56
Foreign Investment and Foreign Trade.....	57

Dandong.....	58
The Most Beautiful Border City in China.....	58
Geography.....	58
Economic Development.....	59
Industrial Pattern.....	59
Foreign Trade.....	60
Living in Dandong.....	61
Jinzhou.....	62
Overview.....	62
Geography.....	62
Economic Development.....	62
Industrial Pattern.....	63
Foreign Investment and Foreign Trade.....	65
Living in Jinzhou.....	65
Yingkou.....	66
City of Vibrant Private Economy.....	66
Geography and Resources.....	66
Economic Development	67
Industrial Pattern.....	67
Foreign Trade	68
Living in Yingkou.....	68
Fuxin.....	70
A City of Power.....	70
Geographical Location and Resources.....	70
Economic Development.....	71
Foreign Investment and Foreign Trade.....	71
Living in Fuxin.....	72
Liaoyang.....	73
Ancient Town in the Heart of Liaoning.....	73
Geographical Location and Transportation.....	73
Economic Development.....	74
Industrial Pattern.....	74
Foreign Trade.....	75
Living in Liaoyang.....	75
Panjin.....	76
A Land of Rice and Fish.....	76
Geography.....	76

Economic Development	77
Industrial Pattern and Resources.....	77
Foreign Trade and Foreign Investment.....	78
Travelling and Living in Panjin.....	78
Tieling.....	79
Barn of North Liaoning.....	79
Geographical Location and Transportation.....	79
Economic Development.....	80
Industrial Pattern.....	80
Foreign Trade and Foreign Investment.....	81
Living in Tieling.....	81
Chaoyang.....	82
Overview.....	82
Geographical Location and Transportation.....	82
Economic Development	83
Industrial Pattern and Resources.....	83
Foreign Trade.....	84
Living in Chaoyang.....	84
Huludao.....	85
Gateway into Northeast China.....	85
Geography and Transportation.....	85
Economic Development and Education.....	86
Industrial Pattern and Natural Resources.....	86
Foreign Trade	87
Living and Travelling in Huludao.....	87
Economic Development Zones.....	88
Shenyang Economic and Technological Development Zone.....	88
Dalian Economic and Technological Development Zone.....	91
Yingkou Economic and Technological Development Zone.....	93
Dalian Lüshun Economic Development Zone.....	96
Fushun Economic Development Zone.....	98
Fushun Shengli Economic Development Zone.....	100
Benxi Economic Development Zone.....	102
Dandong Qianyang Economic Development Zone.....	104
Liaoyang Economic Development Zone.....	106
Chaoyang Economic Development Zone.....	108
Panjin Economic Development Zone.....	109

High-Tech Zones.....	111
Shenyang High-Tech Industrial Development Zone.....	111
Dalian High-Tech Industrial Zone.....	113
Anshan High-Tech Industrial Development Zone.....	115
Fuxin High-Tech Industrial Zone.....	117
Liaoyang High-Tech Industrial Zone.....	118
Free Trade and Export Processing Zones.....	119
Shenyang Export Processing Zone.....	119
Shenyang (Zhangshi) Export Processing Zone.....	120
Dalian Export Processing Zone.....	121
Dalian Free Trade Zone.....	122
Dalian Dayaowan Free Trade Port Zone.....	123
Liaoning Special Development Zones.....	124
Golden Pebble Beach National Tourist Resort.....	124
Appendices.....	125
Opinions of the State Council on Further Implementing the Strategy of Revitalizing the Old Industrial Bases Including Northeast China.....	125
Promotion of further Opening-up of the Old Industrial Bases in Northeast China.....	137
Opinions of CPC Liaoning Provincial Committee and Liaoning Provincial People's Government on the Implementation of Further Opening-up	143
Several Opinions of Liaoning Provincial People's Government on the Policies for Further Opening-up of Key Coastal Areas for Economic Development	155
Demarcation of Key Coastal Areas for Economic Development.....	157
Income Tax Law of the People's Republic of China on Enterprises with Foreign Investment and Foreign Enterprises.....	158
References.....	166
Editorial Team.....	167

Edited and published by the

Liaoning Provincial Development and Reform Commission (LPDRC)

With support of the Sino-German Liaoning Employment Promotion and Training Programme

Implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Commissioned by German Federal Ministry for Economic Cooperation and Development (BMZ)

© 2011 LPDRC and GIZ









Executive Introduction

Global Number One Growth Province

China has been the global leader in economic growth for a number of years, and steered through the global financial crisis with aplomb. In 2010, China already surpassed Japan in total gross domestic product, and now ranks second only behind the United States. Within China, Liaoning was listed seventh in provincial GDP, with a higher growth than any of the provinces ahead.

Still, the province is widely unknown outside of Asia. In an international comparison of country subdivision by volume of GDP, based on 2005 data, and with a disputable method of comparing GDPs of various currencies, Liaoning was listed just above Berlin, Germany, and Iowa, USA, at rank 73.

According to a more recent global analysis of the economically strongest regions below the national level, Liaoning ranks first in economic growth since 2008. The analysts took the top eight countries in 2008 GDP according to revised 2010 World Bank data, the so-called "G8 of GDP". Then they took the top eight administrative regions within those countries according to regional GDP data of the national statistics administrations, and compared the real growth rates of those regions. Liaoning is the only region with a growth rate above 13 percent.

GDP	Rank 1.	Rank 2.	Rank 3.	Rank 4.	Rank 5.	Rank 6.	Rank 7.	Rank 8.
 USA	+ 0.4 % California	+ 1.6 % New York	+ 2.0 % Texas	- 1.6 % Florida	+ 0.3 % Illinois	+ 1.1 % Pennsylvania	+ 0.6 % New Jersey	- 0.7 % Ohio
 Japan	+ 3.1 % Tokyo-to	+ 1.7 % Kanagawa-ken	+ 1.8 % Aichi-ken	+ 0.7 % Osaka-fu	+ 1.0 % Saitama-ken	+ 1.3 % Chiba-ken	+ 1.1 % Hyogo-ken	- 1.3 % Hokkaido
 China	+ 10.1 % Guangdong	+ 12.1 % Shandong	+ 12.3 % Jiangsu	+ 10.1 % Zhejiang	+ 12.1 % Henan	+ 10.1 % Hebei	+ 9.7 % Shanghai	+ 13.1 % Liaoning
 Germany	+ 1.6 % Nordrh.-Westf.	+ 1.2 % Bayern	+ 0.9 % Baden-Württ.	+ 1.3 % Hessen	+ 1.0 % Niedersachsen	+ 0.6 % Rheinland-Pfalz	+ 0.3 % Sachsen	+ 1.4 % Berlin
 France	+ 0.5 % Île-de-France	+ 0.4 % Rhône-Alpes	+ 1.4 % Provence	+ 0.3 % Pas-de-Calais	+ 0.9 % Pays de la Loire	+ 0.9 % Aquitaine	+ 0.4 % Bretagne	+ 1.3 % Midi-Pyrénées
 U. K.	+ 4.0 % London	+ 2.8 % South East	+ 3.5 % North West	+ 3.2 % East of England	+ 4.6 % Scotland	+ 3.5 % South West	+ 2.9 % West Midlands	+ 3.1 % Yorkshire & H
 Italy	- 1.0 % Lombardia	- 0.4 % Lazio	- 0.7 % Veneto	- 0.4 % Emilia Romagna	- 1.1 % Piemonte	- 0.6 % Toscana	- 2.4 % Campania	- 0.9 % Sicilia
 Russia	+ 7.7 % Moscow	+ 3.8 % Tyumen Region	+ 2.9 % Khanty-Mansysk	+ 8.2 % Moscow Region	+ 9.3 % St. Petersburg	+ 2.5 % Sverdlovsk	+ 7.7 % Tatarstan	+ 8.8 % Krasnodar

In 2009 and 2010, Liaoning further strengthened its leadership in the global "G8 x 8" matrix. With a continued growth of 13.1 percent, the province even surpassed Shanghai in terms of total GDP to

rank seventh in China. Despite the global financial crisis, Liaoning maintained its high real GDP growth rate. Preliminary data for 2010 shows a continued growth above 13 percent.

A number of factors make Liaoning a global hotspot of economic opportunities: **First**, a relatively well-trained [industrial labor force](#) with wages below national average, which in turn is significantly below global average. Liaoning has some of the best vocational schools in China, and many families have been working in industrial enterprises for generations, with a tradition of handing master-level technical knowledge from the father to the son. Still, the 2010 minimum wage of Liaoning was between 500 and 700 RMB per month (about 73 to 102 USD), depending on the prefecture or county, and the second lowest of all coastal provinces. 2009 average wages of urban employees per year were 30,523 RMB (4,360 USD), about half of Beijing and Shanghai, and much lower than competitor provinces Zhejiang, Guangdong and Jiangsu. Cost of living is equally below the national average.

Second, a good infrastructure with, for example, the already densest railway network of all provinces in China. New and faster than ever high-speed railways between Dalian and Harbin and from Shenyang to Beijing are slated to start operating in 2011 and 2012. The time to go by train from the city center of Shenyang to the center of Beijing will be reduced to a bit more than two hours from currently more than three hours by airplane (including the taxi time needed from the airports to the city centers). Liaoning has six international and domestic airports and with Dalian one of China's largest seaports, connected by regular shipping lines with 140 countries.

Third, strong support from the national government for accelerated economic development in Northeast China, which is led by Liaoning province. The State Council has recently reconfirmed this policy in several [documents](#), which will guide the preparation of the next five-year plan until 2015. Preferential policies are already in place, major additional budget allocations are to be expected.



Particularly, two regional economic development schemes, one strengthening the synergy of coastal area of Liaoning along the Bohai Gulf ([Liaoning Belt](#)) and the other promoting inland Shenyang Economic Area ([Shenyang Metro](#)), were promulgated in Liaoning in November 2009 and April 2010 as part of National Strategies to support robust development in Liaoning. No province has ever before been beneficiary of two national development strategies at the same time.

Fourth, Liaoning is the backbone of China's industrial strength, which has a large and varied industrial base. Traditional industries like mineral extraction and processing, heavy engineering, steel production, textiles and petrochemicals continue to thrive alongside newer technologies. The key industrial sectors include equipment manufacturing, automotive production, ship building, biotechnology and pharmaceutical as well as electronics and software development. Industry has concentrated around key cities in the province, supported by comprehensive supply chains and research and development institutes. These industrial clusters ensure that investors benefit from and embed quickly into the business infrastructure.

Liaoning Yesterday » Tomorrow

The Qing Emperors of the last Dynasty of China originated in Liaoning. When the Central Plains were re-united in the mid 17th century, the capital was moved from Mukden (Manchu word for Shenyang, today capital of Liaoning) to Beijing. Liaoning holds the key offshore position from the north into the mainland. Partly due to its strategic importance, it suffered from the Japan-Russia War in the early 20th century and later from the War against Japan during the Second World War.

After 1949, Liaoning Province became the cradle for the development of modern industry in China and has paved the way for many of China's industrial achievements. It is home to the first Chinese jet aeroplane, the first locomotive, the first bulk cargo ship of 10,000 tons, the first transistor, and the first underwater robot. In more recent years, it produced key components of space rockets, essential for placing China into the exclusive group of countries who have put a man into space.

In 1984, [Dalian](#) of Liaoning was opened as one of China's 14 pioneer coastal cities for foreign investment. Other coastal cities such as [Yingkou](#), [Jinzhou](#) and [Huludao](#) also followed later in the 1990s. During the same period, Liaoning went through the process of industrial restructuring to develop a market-oriented economy and had to overcome the "rust-belt" effect of steel and coal dependence. To date, this has been basically completed. Liaoning is now thriving, and also home both for traditional industries and some of the most innovative and cutting edge industrial sectors particularly in the fields of biotechnology, pharmaceuticals, electronics, software development and robotics.

Good Company

In history, international economic relations concentrated on nearby Korea, Russia, and Japan. In most cities of Liaoning, you will still rarely see any Caucasians on the street. But the number of [foreign visitors](#) grew from 0.5 million in 2000 to 2.5 million in 2009. So far, about 13,000 foreigners obtained a work permit and took permanent residence in the province. This number is likely to increase, as the presence of international companies is growing quickly.



Investment in Liaoning started to become popular among global Fortune 500 enterprises just in recent years. Intel selected the second largest city of Liaoning, Dalian, to invest 2.5 billion USD in Asia's first 300 millimeter wafer fabrication facility. Construction was completed and production started on October 27, 2010.

Auto maker BMW set up a joint venture and built a first production line in Shenyang in 2004. BMW Brilliance Automotive became so successful that German headquarters decided to invest 750 million USD in a second factory for their 3 and 5 "long" series. Following is a list of top twenty Global Fortune 500 enterprises with recent investment in Liaoning, sorted by the total project volume.

	Country	Global	Liaoning	Location
	USA	Intel	Dalian Intel	Dalian
	South Korea	Daewoo	Daewoo Co., Ltd.	Dalian
	Germany	BMW	BMW Brilliance Automotive Ltd.	Shenyang
	USA	General Motors	Shenyang Jinbei Vehicle Manufacturing Co., Ltd.	Shenyang
	Japan	Toshiba	Toshiba TV Co., Ltd.	Dalian
	Finland	Nokia	Nokia Communication Technology Co., Ltd.	Dalian
	USA	Gillette	Shenyang Cutting Tip Co., Ltd.	Shenyang
	France	Carrefour	Carrefour Hypermarket	Shenyang
	USA	Coca-Cola	Coca-Cola Co., Ltd.	Shenyang
	Canada	Nortel	Nortel Networks	Dalian
	South Korea	LG Electronics	LG Electronics Co., Ltd.	Shenyang
	Germany	BASF	BASF Vitamin Co., Ltd.	Shenyang
	Japan	Toshiba	Toshiba Elevator Co., Ltd.	Shenyang
	Switzerland	Sulzer	Bingshan Group	Dalian
	Japan	Panasonic	Panasonic Storage Battery (Shenyang) Co., Ltd.	Shenyang
	USA	Ingersoll Rand	Ingersoll Rand Machine Tool Co., Ltd.	Dalian
	USA	Wal-Mart	Wal-Mart Co., Ltd.	Shenyang
	Germany	Linde	BOC Gases North Co, Ltd.	Fushun
	USA	Johnson Controls	Jinbei Johnson Controls Automot. Interior Co., Ltd.	Shenyang
	Germany	Metro	Metro Storage Management Co., Ltd.	Dalian

An impressive number of small and medium-sized European, American and Australian enterprises have also discovered Liaoning as a good location for their China operations. In 2009, about 40 percent of the 132 billion USD total foreign investment in 19,900 Liaoning enterprises was from countries outside of Asia. But the average volume of investment in Liaoning is higher than the China average: Liaoning ranked 7th among Chinese provinces in the number of foreign invested enterprises, but 5th in the volume of investment. Also, foreign invested enterprises accounted for nearly half of all exports of Liaoning in 2009.

Meet the Liaons

The people of Liaoning are young. With a median age of 34, they are three years younger than Americans and ten years younger than Germans or Japanese. Like the Scandinavians in Europe, they are taller than average, and good in basketball and fashion modeling. If you take a low birth rate as an indicator for the social and economic development of a population, Liaoning must be the most developed province of China. Its birth rate is even lower than that of Beijing, Shanghai or Tianjin.

Comparing with other people of China, Liaons are said to be more straightforward, open and even adventurous. Their nature can be traced back in history: many people from other provinces immigrated to Liaoning in the 19th Century. They were seeking a new future, just like many Europeans moved to a new world after the discovery of America. When it comes to doing business, Liaons are often considered honest, reliable and down-to-earth. Rather than just maximizing profits, they accept transactions beneficial as a whole without harming either party.

Liaons are quite educated and illiteracy is almost unknown in the province. A growing number of young Liaons speak English, most of them are happy to converse with foreigners. You will also find many members of the older generation who can speak Russian or Japanese. French, German, Spanish and Italian classes have become more popular at universities but are still rare at secondary schools.

The provincial government pays much attention to attracting foreigners to live here, both as business people and experts. More than 13,000 people from all over the world already took residence in Liaoning.

Each year since 2002, the governor personally hands the "Liaoning Friendship Award" to selected foreigners as a symbol of appreciation for their contribu-

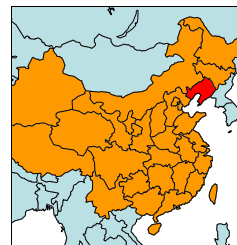
tion to the development of the province. Thirty experts and business people from the United States, Germany, Japan, France, Russia, the UK and other countries were honored with the Liaoning Friendship Award in 2010, another 22 received the Liaoning Honorary Award from the vice governor.



Profile of Liaoning

Location and Climate

Liaoning is situated in the south of northeast China, at about the same northern latitude as Spain in Europe or Illinois, USA. It embraces a land area of 145,900 square kilometers, which is more than Greece, and accounts for 1.5 percent of China's total land area, a water area of 10,000 square kilometers or 6.8 percent, and a sea area of 150,200 square kilometers with a coastline of 2,178 kilometers, covering 12 percent of China's total length of coastline.



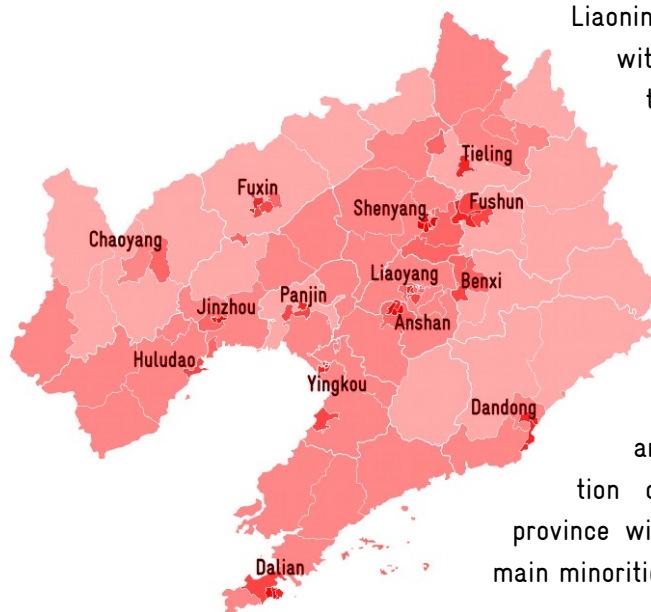
The province is part of the North China Craton, an old and stable platform in the interior of the Eurasian tectonic plate. The lithospheric roots of the craton extend a few hundred kilometers into the Earth's mantle. The region is fairly safe from earthquakes, but also rich in coal and minerals.

Liaoning neighbors with Jilin Province in the northeast, Inner Mongolia in the northwest, and Hebei Province in the southwest. Liaoning is adjacent to North Korea with the Yalu River as the boundary, and to the Bohai Sea and Yellow Sea in the south.

Liaoning has a humid continental climate similar to the Baltic States or the Northeastern United States. Winters are long and cold, winds strong, the east is wet and the west dry, but there is much sunshine and distinct four seasons. The annual average temperature is between 7°C in the north and 11°C in the south, precipitation from 500 to 1,000 mm, and the frost-free period is 130 - 200 days.



Population and Administrative Division



Liaoning is composed of 14 prefecture-level cities, with 100 county-level cities and regions under them. The counties govern 1,501 townships, villages, and sub-districts.

The population grew from 42.5 million in 2008 to 43.2 million in 2009, more than Spain or Canada. Urban population was 25.9 million (60 percent). Counting only the city proper, four cities in Liaoning have over one million inhabitants: Shenyang, Dalian, Anshan, and Fushun. All 14 prefectures exceed a population of one million. Liaoning is a multi-ethnic province with 44 nationalities. Next to the Han majority, main minorities are Manchu, Mongolian, Hui, and Korean.

Prefecture	Code	Area sq km	Population in Million	Average Temp. °C	Counties	Townships	Chinese
Shenyang	辽 A	12,942	7.1	8.6	13	212	沈阳
Dalian	辽 B	13,238	5.8	11.4	10	161	大连
Anshan	辽 C	9,249	3.5	10.9	7	104	鞍山
Fushun	辽 D	11,271	2.2	7.4	7	83	抚顺
Benxi	辽 E	8,435	1.6	8.9	6	58	本溪
Dandong	辽 F	15,030	2.4	9.5	6	89	丹东
Jinzhou	辽 G	10,111	3.1	10.9	7	115	锦州
Yingkou	辽 H	4,970	2.3	10.2	6	72	营口
Fuxin	辽 J	10,445	1.9	8.6	7	94	阜新
Liaoyang	辽 K	4,741	1.8	9.9	7	60	辽阳
Panjin	辽 L	4,084	1.3	9.8	4	56	盘锦
Tieling	辽 M	12,966	3.1	8.8	7	103	铁岭
Chaoyang	辽 N	19,731	3.4	9.9	7	167	朝阳
Huludao	辽 P	10,375	2.8	11.0	6	127	葫芦岛
Liaoning		147,588	42.5	9.9	100	1,501	辽宁省

Living Comfortably in Liaoning

Fine Hotels

Star-rated hotels can be found throughout Liaoning. Big cities, such as Shenyang, Dalian and Anshan have numerous five-star luxury hotels. Their facilities, decoration and equipment match international standards.

In Shenyang, capital city of Liaoning, five-star hotels include the Kempinski, Marriott, Inter Continental, Sheraton Lido, Liming International, Lexington, and as latest addition the Holiday Inn Crown Plaza. Dalian, a famous tourist city, is home to a full range of star-rated hotels in northeast China. Furama, Shangri-La, Kempinski and other five-star luxury hotels provide a world-class environment for state guests and business meetings.

Housing

Each city in Liaoning Province can provide an extensive range of housing rental services; the rental price depends on locations and facilities. As there are divergences in terms of economic development in different cities, bigger cities such as Shenyang, Dalian, and Anshan will see higher rentals than the smaller cities. However, rentals and housing prices in Dalian and Shenyang are significantly lower than those of metropolitan cities like Beijing, Shanghai and Guangzhou.

Garden villas and serviced apartments can also be found, which feature well-rounded individual and business services including butler services such as laundry, food delivery and cleaning, and any other catering to the needs of investors in Liaoning.

Medical Service

The Shengjing Hospital in Shenyang established the Liaoning Foreign-related Medical Services Center which is recognized by the EU Chamber of Commerce in China. Designated provincial hospitals with foreign language service include:

- First Hospital of China Medical University
- Shengjing Hospital of China Medical University
- People's Hospital of Liaoning Province
- Liaoning Cancer Hospital & Institute
- First Affil. Hospital of Dalian Medical University
- Second Affil. Hospital of Dalian Medical Univ.
- First Affil. Hospital of Liaoning Medical College
- First Affil. Hospital of Liaoning University of Traditional Chinese Medicine.

Emergency Telephone Directory	Telephone Number
Fire	119
Police	110
Medical Emergency	120
Traffic Accident	122
Red Cross First Aid Station	999
Directory Assistance	114
Telephone Repair	112
Forest Fire	95119
Water Search and Rescue	12395

Schools for Children of Expatriates

In Shenyang, the International School of North East Yucai School (NEYCS) offers basic education for the children of expatriates. The school was founded in 1949, is certified by the Liaoning Education Commission, and has today about 7000 students and 600 teachers in five campuses and ten sections. It provides continuous education in English and Chinese from pre-school to high school, and it has formed an all-round education system integrating school, family and society. Based on pedagogical and management advantages, the school strives to cultivate the creative international talents and provide the students with good educational service.

Many children of employees in international enterprises are studying at the International School, and some of these enterprises have set up long-term cooperative relationship with the school. Michelin has set up exclusive French classes. BMW established German classes at the school, which started in September, 2010. These classes are also open to children whose parents work in other enterprises.



<http://www.neyc.cn>

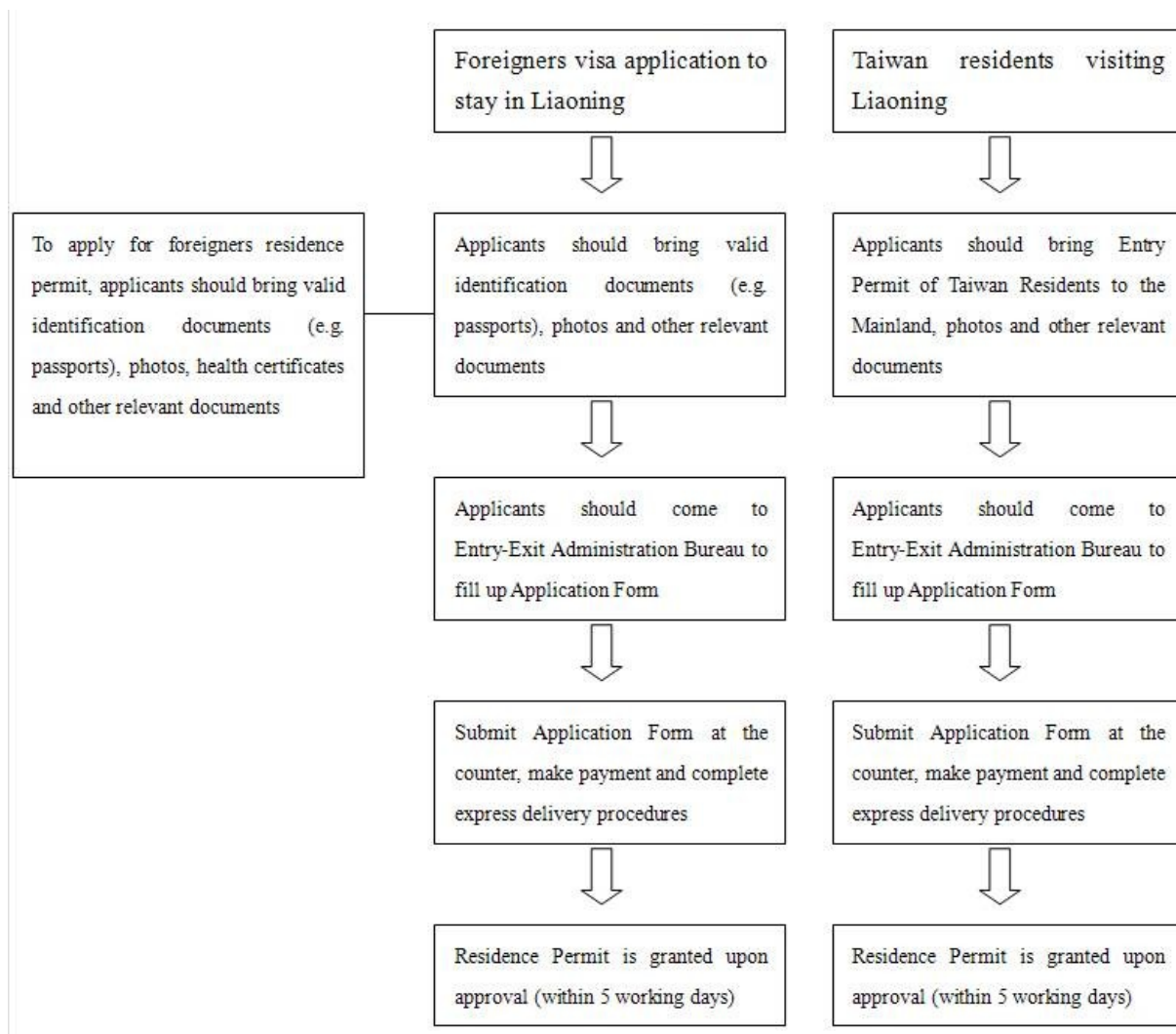
Shenyang is also planning to establish schools for expats' children from South Korea and Japan.

In Dalian, four institutions have been set up that accept children of expatriates: the Dalian Japanese School, the Dalian Korean International School, the Dalian American International School, and the Dalian Maple Leaf Schools for Expats' Children.

Name of School	Website	Telephone
Intern. School of North East Yucai School	http://www.neyc.cn	+86 24 62341354
Shenyang International School	http://www.syischina.com	+86 24 89121177
Dalian Maple Leaf Foreign Nations School	http://www.mapleleafschools.com	+86 411 82387757
Dalian American International School	http://www.daischina.org	+86 411 87572000
The Japanese School of Dalian	http://www.japanda.org	+86 411 82400691
Dalian Korean International School	http://www.dkischool.org	+86 411 87536032

Immigration and Visa

Process Chart for Permanent Residence Application



Related Laws and Regulations

- Notice for Foreigners Applying for Visa and Residence Permit
- Notice for Foreigners Applying for Permanent Residence
- Law of the People's Republic of China on Control of Entry and Exit of Aliens
- Rules for Implementation of Law of the People's Republic of China on Control of Entry and Exit of Aliens
- Locations and Contacts of Municipal Public Security Immigration Authorities of Various Cities in Liaoning Province
- Billing Standard and Basis for Immigration Travel Documents

International Exchanges

Twinning

Liaoning has formalized friendship relations with 15 foreign provinces and states. Many cities and counties in the province also maintain twinning relations with sister cities and counties all over the world.



	Country	Foreign Province or State
	Brazil	Rio de Janeiro State
	Chile	Valparaiso Region
	Egypt	Ismailia Governorate
	Germany	Baden-Wuerttemberg
	Italy	Emilia Romagna
	Japan	Kanagawa Prefecture
	Japan	Toyama Prefecture
	New Zealand	Far North District
	Poland	Katowice Province
	Romania	Brasov County
	Russia	Irkutsk Province
	Russia	Novosibirsk Province
	South Korea	Gyeonggi-do
	Syria	Aleppo
	U.S.A.	Illinois
	U.S.A.	North Carolina

Notable International Exhibitions

- China International Equipment Manufacturing Exposition
- China Dalian International Fashion Festival
- China (Dalian) International Software Fair
- China Dalian Import and Export Fair
- China International Equipment Manufacturing Expo, Shenyang.

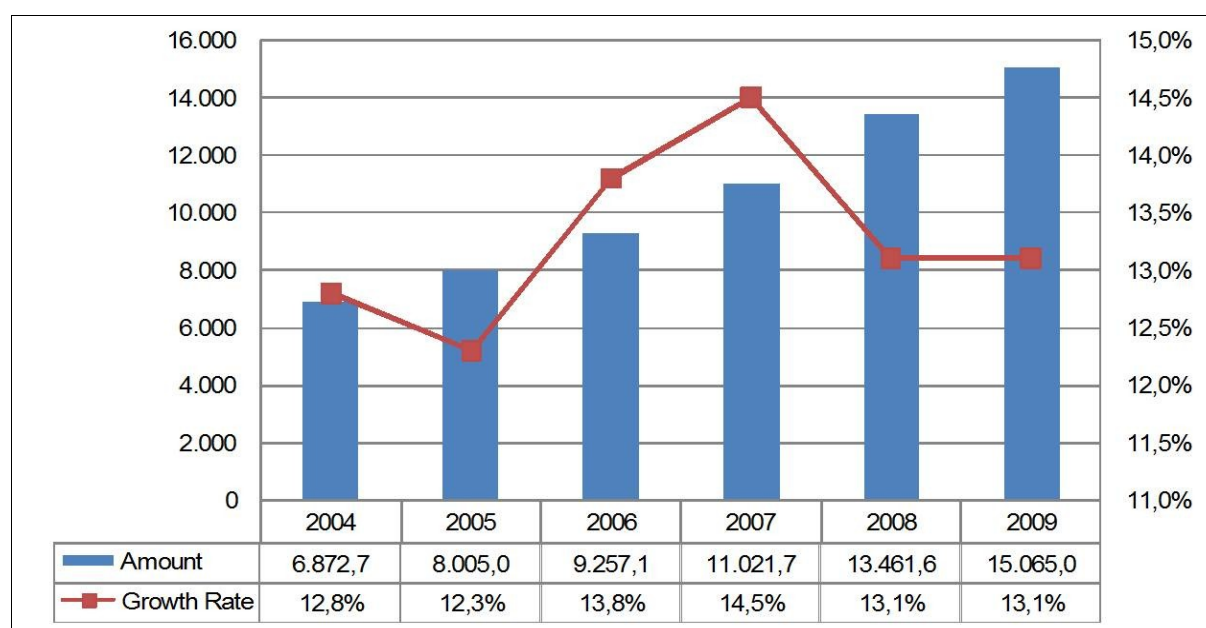
Services at Your Fingertips

Institution * with English Webpages	Website
* Liaoning-German Business Cooperation	http://www.liaoning-de.gov.cn
* Liaoning Bureau of Foreign Trade and Economic Cooperation	http://www.china-liaoning.gov.cn
* Liaoning International Investment Promotion Service Center	http://www.china-liaoning.gov.cn
* Liaoning Foreign Investors Complaint Center	http://www.china-liaoning.gov.cn
* CCPIT Liaoning Sub-Council	http://www.ccpitln.org
* Dalian Customs	http://dalian.customs.gov.cn
Liaoning Development and Reform Commission	http://www.lndp.gov.cn
Liaoning Department of Human Resources and Social Security	http://www.ln.lss.gov.cn
Economic Commission of Liaoning Province	http://www.lnjw.gov.cn
Liaoning Public Security Entry-Exit Administration Network	http://crj.lnga.gov.cn
Shenyang Customs	http://shenyang.customs.gov.cn
Liaoning Public Security Department	http://www.ln110.com.cn
Liaoning Foreign Affairs and Overseas Chinese Info Network	http://www.lnfao.gov.cn
Liaoning Foreign Economic Cooperation Association	http://www.lnfeca.org
State-owned Assets Supervision & Administration Commission	http://www.lngzw.gov.cn
Liaoning Department of Land and Resources	http://www.lgy.cn
Liaoning Department of Construction	http://www.cc.ln.gov.cn
Liaoning Department of Communications	http://www.lncom.gov.cn
Liaoning Price Bureau	http://www.lnprice.gov.cn
Department of Environmental Protection of Liaoning Province	http://www.lnepb.gov.cn
Liaoning Taxation Bureau	http://ln-n-tax.gov.cn
Liaoning Bureau of Local Taxation	http://lnsw.nen.com.cn
Liaoning Statistics Bureau	http://www.ln.stats.gov.cn

Liaoning Economy

Strong Growth During and After the Global Crisis

According to preliminary data, Liaoning realized a GDP of 1,827.8 billion RMB (about 276 billion USD or 203 billion Euro) in 2010. The province ranked about the same as the Czech Republic, and seventh among the 31 provinces and municipalities of China (excluding Hong Kong, Macao and Taiwan). Already in 2009, Liaoning surpassed Shanghai in terms of GDP, and confirmed its strong position among globally leading economic regions.



In 2009, the global financial crisis effected only the exports but had much less impact on the over-all economy than in any other competing region both within China and globally. The chart shows GDP growth from 2004 to 2009. The following industries particularly leaped forward in Liaoning in 2009:

Total Profits and Taxes Realized	Billion RMB	Billion USD	Growth
Building materials	9.3	1.3	+ 35.6 %
Agricultural product processing	19.5	3.0	+ 19.3 %
Equipment manufacturing	42.9	6.0	+ 17.2 %

The registered urban unemployment rate in Liaoning was 3.7 percent in 2010, which was 0.2 percentage points lower than 2009, and lower than the national average in both years. This rate, however, does not include unemployment in rural areas.

Key Economic Indicators

Liaoning Key Economic Indicators	2009		2008	
	Million USD	Growth	Million USD	Growth
Gross Domestic Product	220,547.50	13.1%	193,828.74	13.1%
Added Value of Primary Industry	20,712.93	3.1%	18,747.03	6.3%
Added Value of Secondary Industry	114,503.00	15.6%	108,164.03	15.5%
Added Value of Tertiary Industry	85,331.58	12.1%	66,917.68	11.2%
Total Investment in Fixed Assets	191,405.36	30.5%	144,261.42	34.8%
Total Value of Imports and Exports	62,920.00	-13.1%	72,440.00	21.8%
Total Value of Exports	33,440.00	-20.5%	42,050.00	19.0%
Total Value of Imports	29,480.00	-3.0%	30,380.00	25.8%
Amount of Foreign direct Investment	15,440.00	28.5%	12,020.00	32.1%
Budget Revenue of Local Government	23,290.88	17.3%	19,526.00	25.3%
Budget Expenditures of Local Government	39,256.33	24.5%	31,006.03	22.1%

Agriculture



The fertile land of the Liaohe River valley makes Liaoning a natural choice for agriculture. While traditionally associated with industrial development in China, the province is also a major agricultural, animal husbandry, forestry and fisheries base. Despite a serious drought in 2009, the agricultural sector has grown to 141 billion RMB (about 20.7 billion USD) with 3.1 percent growth rate. Meat production has increased to over 4 million tons with 7 percent growth while grain output dropped 14.5 percent because of the drought.

Industry

In 2009, the secondary sector grew 15.6 percent to 782 billion RMB (114 billion USD). Equipment manufacturing, including general equipment, transport equipment and electric machinery, increased 18.3 percent, accounting to one third of industrial value. Metallurgy and petrochemical industry grew 23.8 percent and 6.8 percent, agricultural processing climbed 24 percent. Production of automobiles and steel ships grew over 50 percent.



Service Sector

Liaoning has a long history of service sector activity and is the key logistical hub for all of Northeast China. In 2009, the service sector has developed rapidly and reached a value of 85.3 billion USD. Financial services, particularly banking and insurance have developed well in recent years with support from the State. Loans in Renminbi and foreign exchange of the financial institutions reached over 1,622 billion RMB (about 237 billion USD) with 11 percent increase, while savings deposits totaled 2,335 billion RMB (341 billion USD) with 6.8 percent growth. The logistics sector increased by over 11 percent and sales of the real estate industry grew by 41 percent.



Foreign Trade and Investment

Liaoning has maintained trade ties with 208 countries and regions. Exports particularly remained strong to Japan, South Korea, Singapore, the European Union, and the United States. In 2008, imports and exports of Liaoning reached 72.4 billion USD with a 21.8 percent increase. Specifically, exports grew by over 42 billion USD, accounting for 58 percent of the total foreign trade volume.

In 2009, foreign investment was USD 15.4 billion, 28.5 percent more than in 2008. Liaoning remained No. 3 in attracting foreign investment in China, following Jiangsu and Guangdong. Meanwhile, domestic investment even climbed up 30 percent to 250 billion RMB (about 36.6 billion USD). Liaoning is becoming a more and more attractive location for investment, specifically in electromechanical products, high-tech products and in the service sector. Hong Kong investors have poured in business in Liaoning, accounting for over 50 percent of total foreign investment. Trade activities are undertaken primarily with northeast Asian countries, particularly with Japan and South Korea, which accounted for 20 percent and 10 percent of the total in 2009.

Industries	Foreign Direct Investment in 2009	Growth
Secondary Sector	7.4 billion USD	+ 30.5 %
Tertiary Sector	7.9 billion USD	+ 27.6 %
Total	15.4 billion USD	+ 28.5 %

Business seeking inroads into China via Liaoning also benefit from the province's own market. In 2008, retail consumption amounted to about 70 billion USD, with 22 percent annual increase. In recent years, Liaoning enterprises also invested more and more overseas. In 2009, they invested a total of USD 1,040 million, including project and labor contracts. More than 74,000 Liaons worked overseas under such contracts.

Foreign Trade of Liaoning with the North East Asian Countries 2009 Value of Import and Export (million USD) and Share of Totals						
	Total	%	Export	%	Import	%
Total	62,924.99	100.00	33,441.42	100.00	29,483.57	100.00
Japan	12,136.38	19.29	7,710.15	23.06	4,426.23	15.01
South Korea	5,929.08	9.42	3,332.57	9.97	2,596.51	8.81
DPRK	1,159.29	1.84	754.65	2.26	404.64	1.37
Russia	1,106.25	1.76	504.10	1.51	602.15	2.04

Ranking of Liaoning in China

The system of official national and regional statistics in China is developing fast and its reliability is constantly improving. Especially comparisons between regions are a good information basis for decision-making, since discrepancies in data reporting may be assumed to be evenly distributed across the country. Absolute numbers of some statistical criteria are often less relevant than a ranking among regions, which for the purpose of this business guide includes the 31 provinces, province-level cities and autonomous regions of China, but excludes Hong Kong, Macao, and Taiwan. Liaoning ranks 14th in population and 21st in land area, but its GDP was the 8th highest of China in 2008 and even moved up to 7th position in 2009, leaving Shanghai behind. The following list shows the ranking of Liaoning in several criteria, with ranks higher than 14 (population ranking) marked in green to show an above-average performance. All data is for 2008 unless otherwise indicated.

Gross Domestic Product (GDP)	Rank
GDP 2008	8
GDP 2009	7
GDP Primary Sector	11
GDP Secondary Sector	7
<i>Industry</i>	7
<i>Construction</i>	8
GDP Tertiary Sector	9
<i>Transport, Storage and Post</i>	9
<i>Wholesale and Retail Trades</i>	6
<i>Hotels and Catering Services</i>	9
<i>Financial Intermediation</i>	12
<i>Real Estate</i>	11
<i>Others</i>	12

GDP Growth and Indicators	Rank
Real Growth 2008	7
Real Growth 2009	10
GDP per Capita	9
Share of GDP Primary Sector	23
Share of GDP Secondary Sector	6
Share of GDP Tertiary Sector	21
Wages, Salaries, Earnings	Rank
Average Wages	10
Average Earnings in Urban Units	10
Wages in State-owned Enterprises	8
Wages in Collective Enterprises	8
Wages in Private, Other Enterprises	9

Transportation Networks	Rank
Transport Volume Railways	4
Transport Volume Expressways	7
Transport Volume Highways	21
Transport Volume Waterways	23
Foreign Trade	Rank
Total Exports 2007	9
Total Exports 2008	9
Total Imports 2007	9
Total Imports 2008	8
Foreign Invested Enterprises (FIE)	Rank
Number of Enterprises	8
Investment	5
Total Registered Capital	5
Regist. Capital of Foreign Investors	5

Large Industrial Enterprises	Rank
Number of Enterprises	5
Fixed Assets	5
Taxes Paid	8
Employed Persons	7
Foreign Visitors	Rank
1995	13
2000	10
2007	7
2008	6
Exports and Imports of FIE	Rank
Exports	9
Imports	9
FIE Share of Total Exports	8
FIE Share of Total Imports	11

Natural Resources

Liaoning has 115 different mineral resources, 69 of them with proven reserves. Reserves of iron, boron, magnetite, diamond, talcum, jade, and solvent limestone rank first in China. The province is also rich in nonferrous metals such as gold, silver, copper, aluminum, and zinc as well as non-metallic minerals like asbestos. Oil and gas reserves of the Liaohe oil field account for 15 percent and 10 percent of the nation's total, crude oil production ranks third in China.

Liaoning has 3.9 million hectares of woodland and a forest coverage of 28.7 percent. Grassland, grass hills and grass slopes total an area of 2.3 million hectares, suitable for the development of animal husbandry.

The Liaoning coastline is rich in prawn, abalone, scallops, sea cucumber and other precious marine products. The province abounds in rice, wheat, corn, sorghum, soybean, peanut, cotton, and sunflower. The Eastern Liaoning Peninsula and the western hilly regions are important production bases for fruits, ginseng and other traditional edible plant favorites, with a high production volume.

As one of China's five major salt producing regions, Liaoning has more than 66,000 square kilometers of salt fields. The coastal region of Panjin and Yingkou has close to 670 square kilometers of reed pond, an important raw material for the paper industry.

R&D and Innovation

Liaoning has built a strong reputation in science, technology and education. Well developed links between enterprises, universities, and R&D institutions ensure a smooth and efficient technology transfer with practical, marketable innovations and product development matching demand. Liaoning is where applied research enters the market. There are 619 research and development engineering laboratories and 535 alliances established among enterprises, universities and R&D institutions. Over 12,000 patents were issued in 2009.



The business of Liaoning is diverse and dynamic, one tenth of China's industrial enterprises are located here. They range from heavy industries to state-of-the-art companies in key development sectors, including biotechnology, pharmaceuticals and information technology. The Northeast automotive cluster is one of the largest in China, growing at a rate that is set to rival and surpass South China and Shanghai. Key global investors in the sector include BMW, General Motors, Toyota and VW.

New high technology enterprises continue to locate and develop in Liaoning, and centers of excellence have been established in many cities to cater for their specific needs. Most notable are the hi-tech incubator parks in Shenyang and Dalian, which, through the provision of essential services, encourage and support the development of new science and technology businesses. Special provision is made

for overseas businesses or for scholars to establish business within these complexes, to share ideas and to co-operate. In 2008, the added value of hi-tech products reached over 247.3 billion RMB (about 35 billion USD), with 23 percent annual increase.

Human Resources and Remuneration

Liaoning has a well-educated workforce. Young Liaons have a choice of 69 universities and colleges to get their degrees in sciences, arts, engineering, agriculture, medicine and finance. More than 200,000 graduate, 21,000 post graduate and 76,000 postgraduate and doctorate students are on campus. Top universities of Liaoning with a nationwide reputation are Dalian Technical University, Northeastern University, Dalian Maritime University, Liaoning University, Dalian University and Shenyang University.

University graduates are said to be more regionally flexible than blue collar workers. As one of the industrial fundaments of China, Liaoning needs – even more urgently than university graduates – a large number of highly skilled workers. Liaons receive their vocational education at 142 vocational and technical schools with more than 180,000 graduates per year. In recent years, strong support

has been given by the State to promote high-quality vocational education and training (VET), including tuition fee waiving and assistance. Liaoning has taken advantage of the national policy and developed into one of the model regions of China for vocational training. Especially the vocational schools of Shenyang, Dalian and Anshan are among the best in the country. Some of them have long-term cooperations with Germany and adopted parts of the “dual system”, globally recognized as exemplary in combining practical training in enterprises with theoretical education at school.



In a recent selection by the Ministry of Education, no province had more institutions appointed as model schools for national vocational reform than Liaoning. The Shenyang Automotive Engineering School is a national model school for professions in car manufacturing and repair, the Dalian Computer Vocational School for professions in computer applications, the Shenyang Foreign Service School for professions in hotel management and services, and the Benxi Chemical Industry School is a model school for laboratory specialists and other analytical industry professions.

In 2008, the average salaries and wages of working employees in Liaoning stood at 27,729 RMB (about 3,984 USD). Average salaries in foreign invested enterprises (FIE) were no higher than the level for all enterprises. Liaoning has a first-class workforce, while employers just need to pay medium-level wages compared with other parts of China like Guangdong or Jiangsu. Latest statistics of 2010 show that minimum wages of Liaoning are among the lowest in the coastal provinces of China.

Tourism

Tourist Attractions

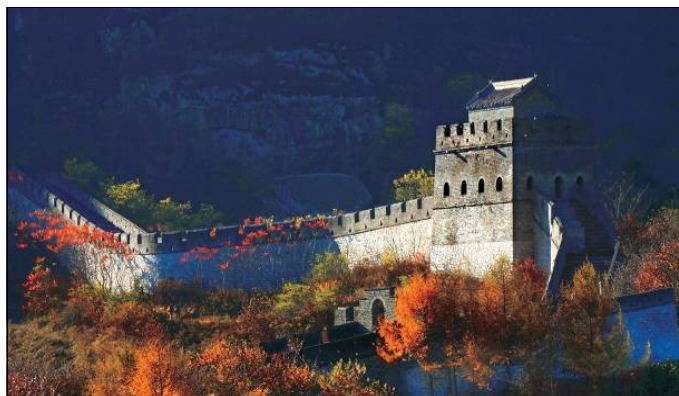
The province is rich in tourist attractions, and six of them have been listed by UNESCO as World Cultural Heritage. The most visited sites are located primarily close to or within the cities of Shenyang, Dalian, Anshan, Fushun, Benxi, Dandong and Jinzhou. Main attractions include:

- The Great Wall on water (Huludao Jiumenkou Great Wall), UNESCO World Cultural Heritage
- Shenyang Imperial Palace (Mukden Palace), UNESCO World Cultural Heritage
- Fu and Zhao Tombs of Beiling in Shenyang, UNESCO World Cultural Heritage
- Yongling Tomb in Fushun, UNESCO World Cultural Heritage
- World's Largest Jade Buddha, Temple in Anshan
- Benxi Water Cave, one of the largest underground water caves in Asia
- Dalian Tiger Beach Aquarium, the world's biggest aquarium of polar animals
- Dalian Jinshitan Golf Course
- Shenyang Ancient Aerolite (Meteorite)
- Panjin Shuangtaizi Natural Protection Zone of Marsh, the world's second biggest field of reed and home to a large number of cranes.

Visitors 2008	Chinese	Foreigners
Shenyang	51,610,000	476,357
Dalian	30,000,000	950,045
Anshan	15,300,000	155,055
Fushun	12,200,000	77,201
Benxi	13,900,000	217,816
Dandong	14,200,000	190,762
Jinzhou	8,700,000	114,820
Yingkou	5,850,000	49,670
Fuxin	3,410,000	10,953
Liaoyang	10,300,000	18,080
Panjin	9,800,000	82,110
Tieling	7,200,000	33,054
Chaoyang	7,090,000	7,563
Huludao	8,800,000	35,221
2008	198,360,000	2,418,707
2009	241,948,000	2,507,000

Tourism to Liaoning developed rapidly in recent years. More visitors are coming as people discover the attractions of the region and the warm welcome offered by the Liaons. The province has much to offer, investors and residents alike, you just have to explore. The promotion of tourism is also part of the regional development strategy, and more and more as of yet undiscovered sites will be easy to reach.

For summer sun, the best time to travel is from May to October. If you prefer winter sports or like to witness unique ice festivals, January and February are the months to visit. There is something for everyone in Liaoning!



Folk Art, Food and Features

Famous among Liaons are the “five favorite” products: sea cucumber, kelp (seaweed), magnolia trees, amber craft of Fushun, and silk flowers. Local natural, agricultural and aquacultural products include Liaoning apples, autumn white pears, hazelnuts, hawthorn, shrimps, clams, abalone, scallops, mink, sable, Chinese Tasar Moth (*Antheraea Pernyi*), Tussah silk, spine date seed, tobacco, Schisandra shrubs, ginseng, deer antler, and wild ginger leaves (*Asarum*). Famous Liaoning creations are the Fushun coal sculptures, the feather paintings of Shenyang Imperial Palace, Dalian crystal products, Anshan jade, Benxi ink stone, Fuxin marble, and agate fossils in western Liaoning.

Liaoning cuisine is a major branch of the eight traditional Chinese styles, based on Manchu and northern China dishes. The western favorite “spring rolls” and “Jiaozi” (steamed, cooked, or fried ravioli-like dumplings with hundreds of different fillings) are typical provincial dishes, others include fried shrimp, hot pot, fried sea cucumber, chicken wings, and pancake with smoked meat. Typical home cooking of the Liaons includes sauerkraut, potatoes, and a variety of dishes with corn.

Transportation and Telecommunication

Transportation

Liaoning is a main artery of traffic between Northeast China and the rest of the country, and also a gateway connecting Northeast China with Inner Mongolia and the rest of the world as well as the Eurasian continental bridge. It embraces the seaports of Dalian, Yingkou, Dandong, Jinzhou, and Huludao, which have opened navigation routes with over 140 countries and regions of the five continents.

Six airports, Shenyang, Dalian, Anshan, Jinzhou, Dandong and Chaoyang, are linked to the United States, Japan, Russia, Germany, Korea, and Hong Kong and more than 100 large and medium-sized cities in China. A road network of 50,000 kilometers covers the province, one of the densest networks in China.

A comprehensive integrated transportation network has also been well established which connects the ports as gateways with railways as arteries and roads as backbones, and is supplemented by civil aviation, pipeline transport, and maritime transport.



Telecommunication and Internet

All of Liaoning's 14 cities under provincial supervision and 44 counties (cities) have access to international and domestic telephone networks. Provincial statistics listed 16 million telephone landlines for 2008, an average of 38 lines per 100 inhabitants. In a comparison with other provinces, Liaoning ranks 6th in the number of fixed telephone subscribers. These 16 million made 3.5 billion minutes of long-distance calls via their fixed line subscriptions and 4.9 billion minutes via IP call.

Mobile telephones have become ubiquitous all over China. Liaoning lists more than 24 million mobile phone subscribers, 57 percent per capita. In 2008, they made 5.5 billion minutes of long-distance mobile phone calls, which is a total of over 10,000 years. They also sent 22 billion SMS messages, more than 900 per subscriber. Combining mobile, landline, and IP calls, the average Liaon spent 344 minutes in 2008 making long-distance phone calls, not including their time spent to receive calls.

2008	Telephone Landlines	Internet Users
Shenyang	3,500,000	1,060,500
Dalian	3,125,000	997,300
Anshan	1,556,000	341,900
Fushun	860,000	252,200
Benxi	478,000	162,900
Dandong	815,000	251,200
Jinzhou	1,048,000	267,800
Yingkou	685,000	210,500
Fuxin	565,000	147,600
Liaoyang	563,000	186,200
Panjin	424,000	149,100
Tieling	785,000	167,200
Chaoyang	864,000	177,800
Huludao	777,000	184,100
Unspecified		6,823,900
Liaoning	16,043,000	11,380,000

Liaoning connects to the internet via IXPs in Beijing. According to national statistics, the province has more than 11 million internet users, about 27 percent of the population, but less than half of them are attributable to individual prefectures within the province. The Chinese internet registration authority CNNIC listed Liaoning as occupying 2.9 percent of all national unique IPv4 internet addresses, which is rank 8 among the provinces. In 2009, Liaoning was home to 46,881 web servers, but the CNNIC statistics exclude the extensive education network "edu.cn". CNNIC had 263,459 domain names registered for Liaoning, 1.6 percent of the China total, and rank 14. These websites contained 433,321,189 pages, but less than two percent of them in English.

More than 300 regional websites are listed for Liaoning in the Chinese language section of the largest human edited directory of websites, but less than 40 in the English section. See

<http://www.dmoz.org/Regional/Asia/China/Liaoning/>

<http://directory.google.com/Top/Regional/Asia/China/Liaoning/>

In the number of entries for English websites, Liaoning ranks 9th among the provinces of China.



Investment in Liaoning

Economic Development Policies for Liaoning

Since 2003, the state has implemented the "Strategy to Regenerate Northeast China" to support economic restructuring and reform in the three northeastern provinces and part of Inner Mongolia. The region is an industrial base traditionally headed by Liaoning. Efforts have been made particularly on restructuring of state-owned enterprises to meet the need of the market economy, and on encouragement and support of private economic development and foreign investment.



Preferential fiscal and financial policies and instruments have been provided to facilitate fast development in the region. A number of foreign-funded financial institutions, including HSBC, BEA, Standard Chartered, Korea Development Bank, Mizuho Corporate Bank, set up branches and offices in Liaoning, particularly in Shenyang and Dalian, to provide financial services to foreign funded companies and Chinese companies as well. More international acquisitions and mergers also took place in Liaoning in the field of machinery, aeronautics and automotive manufacturing.

Infrastructure, and especially the transportation networks, are being greatly improved. Liaoning already ranks number one among larger provinces in railway density (after the provincial-level cities of Beijing, Shanghai and Tianjin). The expressway network is also exemplary for China, but under environmental considerations, focus of further expansion remains on railways. The high-speed railway between Harbin and Dalian is under construction and the part in Liaoning will be put into use in 2011. Construction of the high-speed railway from Shenyang to Beijing will start in late 2010. For these railroads, completely new, mostly elevated tracks are being built which are designed to support trains at a speed of more than 400 kilometers per hour.



In September 2009, the State Council reconfirmed its strategy and extended support for its implementation. According to "State Council Document No. 33" (see Appendix for full text), the reform process will be deepened, includes support to small and medium size enterprises, to investment promotion, and to trade and cooperation with other countries. Regional synergy in economic development and the coordination of regional development beyond provincial borders are highlighted. In Liaoning, two regional strategies were just approved by the State Council as national strategies in November 2009 and April 2010, one for the coastal area along the Yellow Sea and Bohai Bay, known as the "Liaoning Belt" strategy, and the other for the Shenyang Metropolitan Region with seven major cities surrounding the provincial capital, known as the "Shenyang Metro" strategy.

These national strategies cover 13 of the 14 prefectures in Liaoning. One of them even belongs both to the Belt and the Metro and benefits from both strategies. Liaoning has also adopted a strategy for Liaoxibei in the Northwest of the Province. These strategies incorporate urbanization, social welfare, and environmental considerations into the objective of a harmonious economic development.

Development of the Liaoning Coastal Economic Belt (2009–2020)

The “Liaoning Coastal Economic Belt” includes all six prefectural cities flanking the Yellow Sea and the Bohai Bay: Dalian, Dandong, Jinzhou, Yingkou, Panjin and Huludao. This Belt has a coastline of nearly 3,000 kilometers and a land area of almost 58,000 square kilometers. More than 17.8 million Liaons live here, they created about 45 percent of the total GDP of Liaoning in 2008.



The Liaoning Belt development strategy aims to strengthen the region as northeast China’s access point to the sea and a vital economic gateway to northeast Asia and other regions in the world. Specifically, the six port cities with Dalian as the center will be built as an important international

shipping center in northeast Asia. Infrastructure conditions including navigation capacity and logistics systems will be particularly improved for better service.

Upgrading the industrial structure in the Liaoning Belt is focusing on development of major industrial clusters, such as

- advanced equipment manufacturing
- shipbuilding
- raw material processing
- bio-pharmaceuticals
- new energy.

Also, the service sector is developing fast, from innovation in financial services by establishing public information platforms, to international competitive software development as a base of outsourcing industry. Another focus is on high-quality farming and processing of food and other agricultural products, such as sea food, rice, fruits, vegetables, and flowers.

The Liaoning Belt strategy is also ambitious to develop this area into a place where Liaons can live and work comfortably and build a moderately affluent society. Cleaner production is promoted in the industrial process and natural conservation along the sea and inland are important elements of the strategy. Foreign investment is particularly encouraged for hi-tech industries, the service sector, advanced manufacturing, infrastructure construction and ecological protection.

The Liaoning Belt is one of the most promising regions in China. Its development strategy is adopted in Liaoning as guideline for the next 10-year development. It is important for China to have the zone as a good example for revitalizing traditional industrial areas, similar to the Ruhr Area in Germany.

Development of the Shenyang Metropolitan Economic Area

Leaving the Liaoning Belt towards the center of the province, you will reach the Shenyang Metropolitan Area, a region covering some 75,000 square kilometers and including seven prefectural cities around Shenyang, namely Anshan, Fushun, Benxi, Yingkou, Fuxin, Liaoyang and Tieling. This region has 23.6 million inhabitants and a 2008 GDP of 878 billion RMB (about 126 billion USD).



The Strategy for the Development of the Shenyang Metropolitan Area (Shenyang Metro) was approved by the State Council in April 2010. Detailed plans are being elaborated for implementation. Shenyang Metro is the eighth experimental reform region in China, and its development strategy is the only one concentrating on "new industrialization". The core of this

strategy is innovation in industrial development, integration of the eight cities, integration of urban and rural areas as well as interventions towards more market-oriented development.

The transport system is being further developed to achieve a "one-hour circle" among the eight cities where each location in Shenyang Metro may be reached from the center within 60 minutes. High-speed railways, inter-city railways, subways, highways and roads are being heavily invested in. A number of satellite cities and towns are emerging along the connecting nodes between the cities.

Industrial clusters are already thriving in the fields of

- advanced energy equipment
- hydraulic tools
- fine chemicals
- equipment manufacturing
- high-quality steel products.

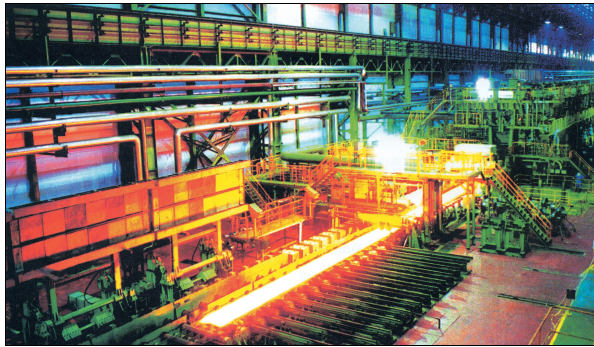
Priority is now given for the development of nine new industries, namely

- advanced equipment manufacturing
- new energy
- new material
- new medicine/pharmaceutical
- information
- energy saving/environmental protection
- marine
- bio-breeding
- hi-tech services.

Both domestic and foreign investment is encouraged for the industrial clusters, key industrial parks, the construction of satellite cities and towns and for inter-city transport line development.

Development of the two national level strategies, the Liaoning Belt and the Shenyang Metro, are set to support and complement each other, turning Liaoning into a new growth engine of China.

Economic Development Strategy for Northwest Liaoning



The northwest of Liaoning, called Liaoxibei, includes the prefectures Fuxin, Tieling and Chaoyang with an area of 43,000 square kilometers and 8.4 million inhabitants who contribute about 8 percent to the total GDP of the province. A bit further inland from the coastline, this hilly area is rich in land and mineral resources, including coal, iron, manganese and molybdenum.

Great support is given by the provincial government and investment has been promoted in the field of resource development and processing. Investment is particularly welcome in the key industries of the area, such as metallurgy, building materials, chemical and agricultural product processing. Besides, both living costs and human resources costs are lower than the other parts of Liaoning. Ecological considerations are being highly strengthened and wide area afforestation is being undertaken in Liaoxibei.

Translating Strategies into Investment

Preferential Investment Policies

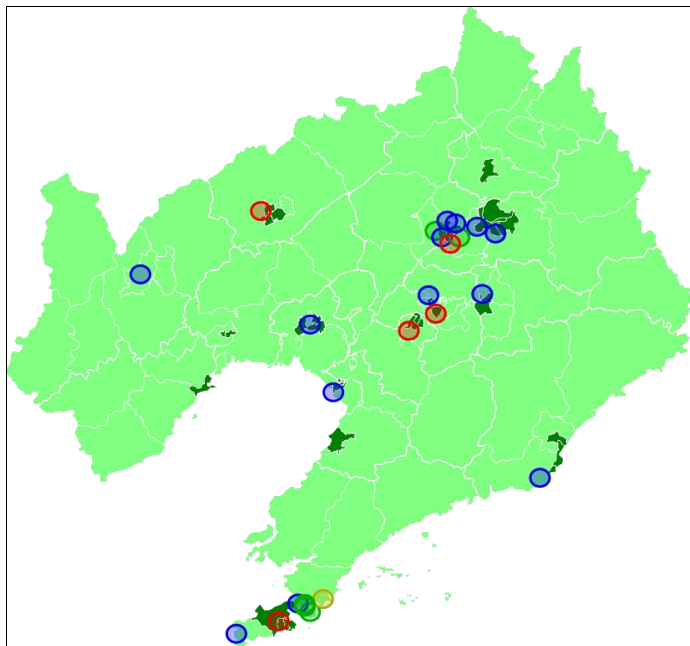
Foreign investors may invest in Liaoning to set up joint venture enterprises, cooperative enterprises and wholly foreign-owned enterprises and joint stock companies, in the forms of materials processing, component assembly, compensation trade, leasing, and build-operate-transfer (BOT).

The regulations of the Liaoning government encourage foreign investment. They include tax incentives, assistance offered to foreign-invested enterprises to solve balance of payments issues, and preferential policies on materials supply and cutting site-use fees for foreign-invested enterprises.

Key policies in the Liaoning Coastal Belt include lower corporate income tax for high-tech firms and priority given by the provincial financial authorities in granting interest subsidies on loans for technical transformation and service projects in the sectors of equipment manufacturing, raw material processing, fine chemicals, deep processing of agricultural products, textiles, and pharmaceuticals.

The major policies and measures include to further increase the state's fiscal support, to enhance financing support, to re-establish the credit of Northeast China, to integrate all types of resources, and to set up an integrated common platform for regional development.

Investment Location: Designated Development Regions



- 11 Economic Development Zones
- 5 High-Tech Zones
- 5 Free Trade and Export Processing Zones
- 1 National Tourist Resort.

Investment Industries: Encouraged in Liaoning

It is part of the national policy to encourage foreign investment in some sectors and industries, to allow investment in other industries without encouraging it, and to prohibit foreign investment in a few undesired industries. For some encouraged industries, a further distinction is made about which side should or is allowed to control the majority of shares in joint ventures.

According to the "Catalogue of Priority Industries for Foreign Investment in Liaoning Province", issued by the National Development and Reform Commission and the Ministry of Commerce in 2006 as Decree No. 47, the following industries are strongly encouraged in Liaoning:

- Development and production of grain, oil-seeds, vegetables, fruit seeds (seedlings), except for genetically modified seeds. The Chinese side wants to control the majority of shares in this sector.
- Breeding and product processing of chicken, pig, beef cattle, mutton sheep, cow, deer, and Cashmere goat.

Although investment is welcome in most regions of Liaoning, special preferential conditions are offered in designated zones or development areas. The national and provincial governments have defined 56 areas in Liaoning, separated into 14 "national level" and 42 "provincial level" development zones. Domestic and foreign investment is especially encouraged in these zones.

The zones may be differentiated into Economic Development Zones, High-Tech Zones, Free Trade and Export Processing Zones, and special zones. Check details on 22 of them in this guide.



- Follow-up industrial development of national key ecological projects such as returning farmland to forests or grasslands.
- Processing and comprehensive utilization of oil shale, magnesium, and zircon. The Chinese side wants to control the majority of shares.
- Spinning, knitting and garment processing of high-grade cotton, wool, hemp, silk (tussah silk), and chemical fiber textile.
- Deep processing of natural medicine, raw material medicine, and traditional Chinese patent medicine as well as the production of their derivatives. This does not include the production of vitamin C and penicillin, and those items listed in the Catalogue of Prohibited Foreign Investment Industries.
- Cement clinker production of dry cement with daily output of 4,000 tons and above.
- Using large-scale equipment and technology to produce methanol products with coal as raw materials, minimum of 60 tons per year and above.
- Production of ethylene and deep processing of downstream products.
- Production of radial tires.
- Manufacturing of metal packaging, automated tridimensional warehouse and storage logistics equipment.
- Manufacturing of automobile parts and accessories.
- Manufacturing of marine diesel engines, auxiliary equipment, parts and components, and accessories.
- Development and manufacturing of digital medical equipment and key components.
- Deep processing of high-precision copper strip.
- Manufacturing of steel wire connection and ultra-fine steel wire rope.
- Medical institutions. In this sector, foreign parties are allowed to hold majority shares subject to approval.
- Construction and operation of urban central heating, gas supply, water supply and drainage networks. Foreign parties are allowed to hold majority shares subject to approval.
- Development and protection of tourist scenic parks as well as the construction and operation of supporting facilities.
- Deep processing and alternative industries in resource-exhausted cities. Investment projects enjoy preferential policies for industries in encouraged categories, subject to approval.



Legal Framework and Procedures

Legal Framework for Investment in Liaoning

As the deepening of reform and opening up endeavors, more and more foreign investors have entered the Chinese market. After China's accession to the WTO, the government paid more attention to matching international norms by adjusting and revising policies, and gradually launched new regulations on foreign investments, with a view to creating a favorable legal environment for investors.

Relevant laws and regulations cover various aspects of foreign investment in China: incorporation, management, mergers and acquisitions, financing, listing, which not only provides a legal basis for foreign investment, but also effectively protects the interests of foreign investors in China.

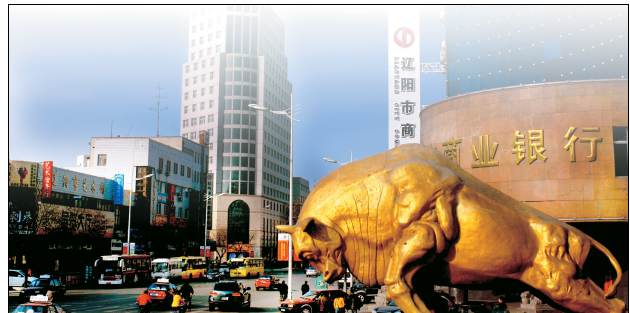
The laws and regulations and their main features pertaining to foreign investment in China use the

- Company Law of the People's Republic of China

as the common law, which regulates companies and enterprises and stipulates corporate forms and governance structure. For foreign-invested enterprises, the National People's Congress and its Standing Committee have formulated the

- Law of the People's Republic of China on Foreign-funded Enterprises,
- Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures,
- Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures.

Along with the respective rules for implementation, they constitute the legal basis pertaining to regulating the incorporation, corporate forms and management of foreign-funded firms in China. That is to say, foreign investors intending to set up subsidiaries in China should mainly follow the three laws above and their respective rules for implementation.

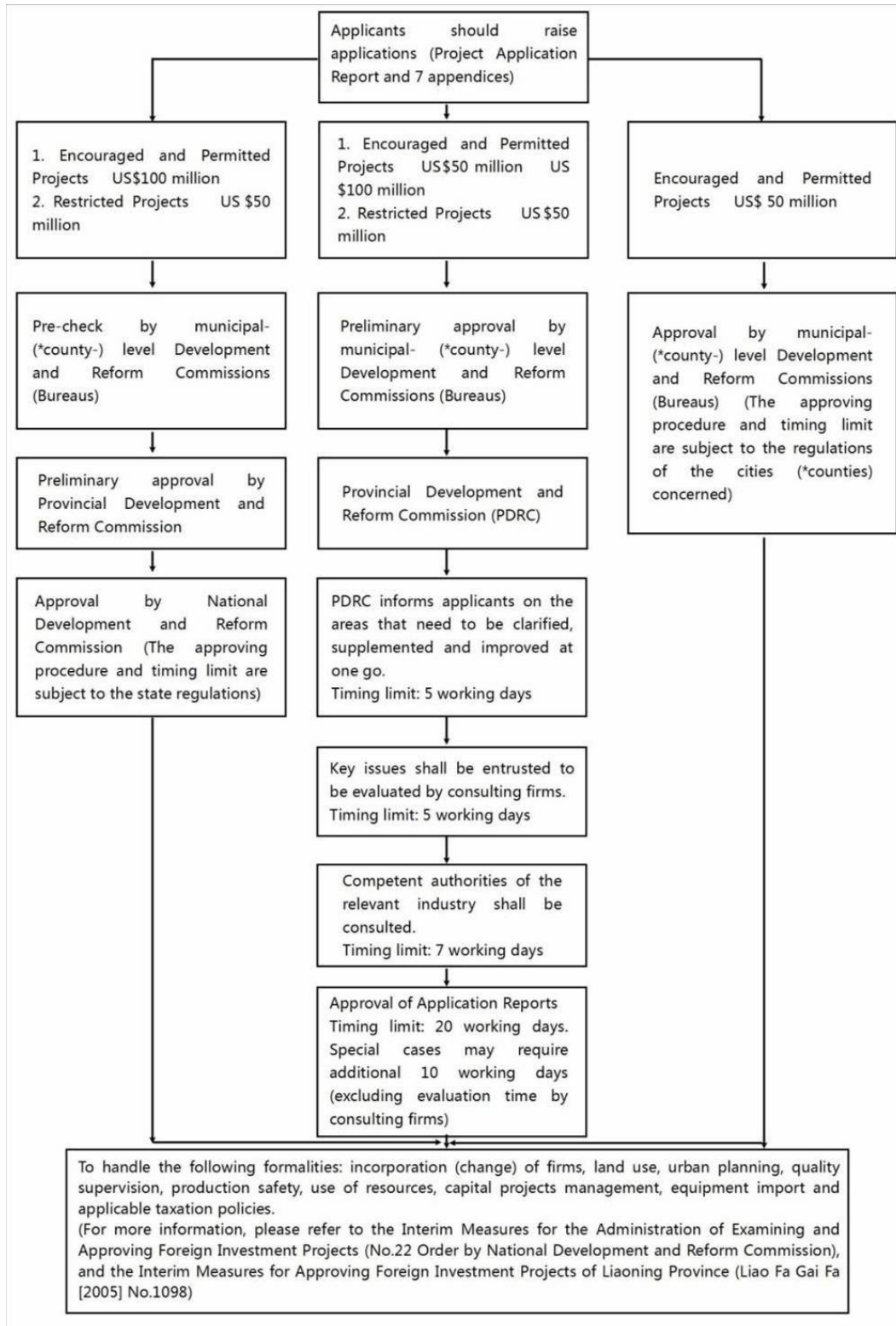


Should the three laws and their rules for implementation have unclear provisions; foreign investors can refer to the relevant provisions of the Company Law. The organizational form of foreign-funded firms should be limited liability company, and such firm may also assume other forms upon approval, such as joint venture limited liability company and others. Other relevant laws and regulations:

- Catalogue for the Guidance of Foreign Investment Industries
- Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors
- Measures for Liquidation of Foreign Investment Enterprises.

With globalization and the stronger impact of the Chinese economy in the world, China has seen the emergence of a large number of professional legal counsels who provide high-quality and efficient legal services to foreign-funded firms. China's current legal environment can provide adequate protection for foreign investment in China.

Investment Procedures Chart



Shenyang

Capital of Liaoning Province



Shenyang is the economic, transportation, commercial, political and cultural center of Liaoning, and the seat of the Provincial Government and the People's Congress. Often compared with Beijing, Shenyang is not only similar to the national capital because of the Manchu "Forbidden City" lying in the midst of the traditional downtown area, but also similar in regard to its function as a regional center for the entire Northeast of China.

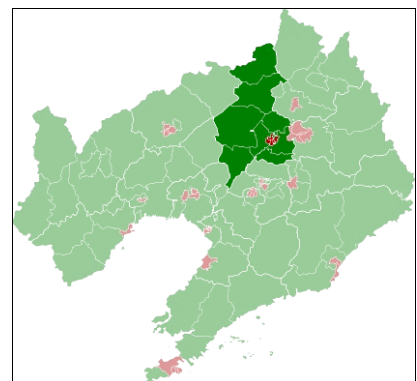
Shenyang has 7.165 million inhabitants, with 4.642 million dwelling in the city proper. According to the United Nations list of urban agglomerations, Shenyang ranks 52nd among the world's most populated cities, and 10th within China. In the ranking of "Most Competitive Cities of China 2010", Shenyang ranks 10th in Mainland China and 14th among 294 cities in Greater China (including Hong Kong, Macao, Taipei and Kaohsiung). This index is published annually by the China

Academy of Social Science, comparing eight indicators: human resources, enterprises, industries, public sector, living environment, business environment, innovation, and social environment.

The administrative structure of Shenyang Prefecture includes nine city districts, one county-level city and three counties, with a total area of 13,000 square kilometers, in which the city proper takes 3,495 square kilometers.

Geographical Location

Situated in the south of Northeast China and the middle part of Liaoning Province, Shenyang embraces stretches of plains with mountains and hills concentrated in the southeast. The Liaohe River, Hunhe River, and Xiushuihe River pass through the city. Shenyang features a semi-humid continental climate with temperatures between -29°C and $+36^{\circ}\text{C}$, and an average of $+8.3^{\circ}\text{C}$. Annual precipitation is 500 mm and the annual frost-free period is 183 days. Affected by monsoon, Shenyang sees concentrated rainfall with sharp temperature differences and four distinct seasons.



Being the biggest city of northeast China with a broad range of industries, Shenyang is both the center of the Northeast Asia Economic Zone and the Bohai Economic Rim. Throughout history, the city held a major strategic position for the military.

Shenyang and seven other major cities within a distance of 150 kilometers make up the Shenyang Metropolitan Area. These eight cities are specialized in either basic or processing industries supplementary to each other. They have abundant resources and highly related technologies.

Transportation in Shenyang is well developed and constantly being extended. Shenyang Taoxian International is the biggest airport in northeast China. The railway and highway network matches the highest level in China. In terms of waterways, the seaports of Dalian and Yingkou are less than 400 kilometers from Shenyang, and another seaport in the vicinity, Jinzhou, is under construction.

Metropolitan Development Strategy

On April 6th 2010, the China State Council approved the proposal of the Liaoning Provincial Government to develop the Shenyang Economic Area as a reform area. Along with the Shanghai Pudong Lujiazui Area and the Tianjin Binhai New Area, Shenyang is now the 8th national reform pilot area.

The Shenyang Economic Area covers eight cities: Anshan, Fushun, Benxi, Yingkou, Fuxin, Liaoyang, Tieling, and in the center the city of Shenyang. This metropolitan area, known as "Shenyang Metro", has a population



of 23.6 million on 75,000 square kilometers, an urbanization rate of 65 percent, and a density of 314.7 inhabitants per square kilometer. Subject of the new pilot area is modern industrialization, which aims to gradually set up a new development model of modern industry with advanced science and high technology, significant economic impact, low energy consumption, little environmental pollution, and full exertion of local human resources. It is expected that some breakthroughs can be made in important fields and critical points with the reforms.

Chen Haibo, Mayor of Shenyang explained: "With the approval of Shenyang Economic Area as national strategy, Shenyang Metro is looking at an enormous opportunity for development. We will try to enlarge both the economy and the size of the city, first to build Shenyang into an important national equipment manufacturing base, and then into the central metropolis of Northeast Asia."

Next to equipment manufacturing, Shenyang is also planning to develop various industries in the primary, secondary and tertiary sector, including infrastructure construction, new energy, new materials, electronic information systems, bio-pharmacy, environmental protection and energy conservation, scientific and technological innovation, cultural innovation, modern logistics, and many more.

Economic Development

China's heavy industry has its roots in Shenyang, core sector is equipment manufacturing. Heavy industry was developed in the early period after the founding of the People's Republic of China, both in Shanghai and in Shenyang. Shenyang today encompasses 142 industries, and 3,033 industrial enterprises above designated size: these are (1) all state-owned enterprises and (2) private enterprises with annual sales of over 5 million RMB (about 0.7 million USD).



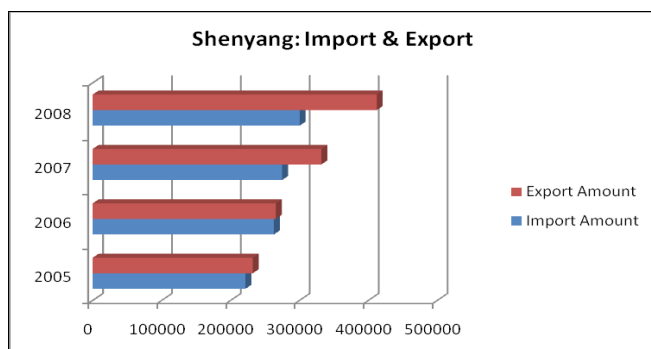
In 2009, the city's regional GDP has reached 426.85 billion RMB (about 60.98 billion USD). Investment in fixed assets was 351.99 billion RMB (about 50.29 billion USD), foreign direct investment 5.31 billion USD. The disposable income of urban citizen per capita was 18,474 RMB (2,639 USD). The average salary level in Shenyang was 37,937 RMB (5,419 USD).

The city had a total active labor force of 3.26 million, including 790,000 working in the primary sector, 898,000 in the secondary sector and 1,567,000 in the tertiary sector. Within the secondary sector, manufacturing took the lion's share (309,688) over construction (46,946). In the tertiary sector,

employment in education was strong (110,082), along with public administration (86,186), health and social welfare (58,046). State units are still the main employers in Shenyang, since only 578,000 were employed by private companies.

The pace of strategic adjustment of the state-owned economy has accelerated, with foreign and private sectors growing rapidly. Urban development space and industrial layout were expanded and optimized. Automobile and auto parts equipment manufacturing, electronic information, chemical and pharmaceutical industries have taken shape and are now one of the engines of the city's economic development. The ability of scientific and technological innovation and corporate research and development has kept improving and a number of competitive products and enterprises emerged. The pace of urban infrastructure construction has accelerated and soft environment further improved. Shenyang has seen substantial economic and social development as well as brisk improvement in people's living standards. As a result of sustainable development policies with attention to the environment, Shenyang has won the titles "National Environmental Protection Model City" and "National Forest City".

Foreign Trade and Investment



Shenyang has a central role in foreign trade. Both imports and exports increased significantly from 2005 to 2008. Foreign direct investment in Shenyang grew quickly to reach a share of 34 percent of all foreign investment in the province in 2009.

To attract more investors to Shenyang, the city government strengthened investment services in the past years, and received ac-

knowledgments from foreign investors in Shenyang. Almost fifty Global Fortune 500 Enterprises are there already, such as BMW, General Electric, Siemens, HSBC, and BASF.

Living in Shenyang

Shenyang is a convenient city to live in, public facilities are easily accessible. Public transportation includes bus, taxi, and the first line of a subway system, which was put into use in September 2010.

Shenyang has basic facilities for foreign and domestic investors, such as international schools and hospitals with clinics for foreigners (see [above](#)), international chain hotels, shopping malls and supermarkets such as Wal-Mart, Metro, and Carrefour. The city has many Korean and Japanese restaurants, but also a number of Western restaurants and fast food like MacDonalds, KFCs, and Pizza Hut. Fresh Paulaner beer is brewed at the Kempinski Hotel, and even a Swiss Restaurant, "Heidi's" can be found next to the Consulates area. In order to become a true metropolis in the near future, the city will pay much attention to further upgrade its level of internationalization, and cater to multicultural needs.

Hotels	Stars
Kempinski Hotel	*****
Sheraton Lido Hotel	*****
Shangri-la Hotel	*****
Marriott Hotel	*****
Friendship Hotel	*****
Lexington Hotel	****
Hotel Intercontinental	****

Welcome to Invest in Shenyang

With rapid economic growth, Shenyang is facing great development opportunities. The government has decided to build the city into a national equipment manufacturing center, a trade and logistics center and a financial center in Northeast China by 2012. Shenyang wants to become a key growth pole in boosting the economic development of the entire region. Given its favorable location, profound industrial foundation, and the latest national policies, Shenyang is sure to prosper and become one of the most attractive investment destinations in China.

Dalian

Shining Pearl of the Northeast Coast

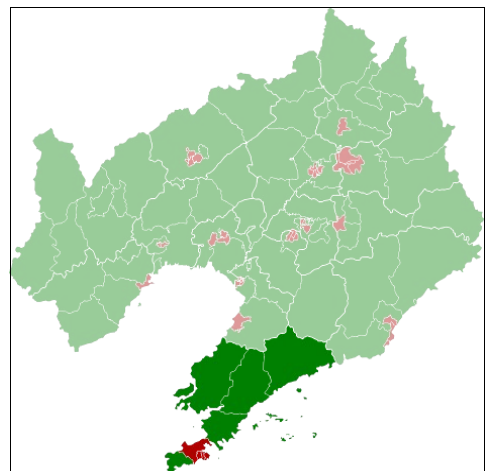
Hong Kong is said to be the “Pearl of the East”, and Liaons from Dalian are proud their hometown is called the “Shining Pearl of the Northeast”. Dalian was the first city in Northern China to be opened for foreign business in 1984, one of 14 coastal cities in China. Today, Dalian is a key international port city with a vibrant economy and a diversified culture.



Geographical Location

Facing the Yellow Sea to the east and the Bohai Sea to the west, Dalian is located at the southern tip of the Liaodong Peninsula. There are six administrative districts, three county-level cities and one county. The area of Dalian prefecture is 13,238 square kilometers, with an area of the city proper of 2,415 square kilometers. In 2009, Dalian had 5.85 million inhabitants and listed as the 14th largest city of China by population.

Like the spring city San Francisco, Dalian is surrounded by water on three sides. The city is located in a warm temperature zone with pleasant average temperatures: a



monthly high of 27.3°C in summer and a low of -7.7°C in winter. The city has sunny days up to 60 percent of the year and a fairly low annual precipitation of 590 to 800 mm.

Facing Japan and Korea to the east and located in the Northeast Asia Economic Zone and the Bohai Rim Economic Circle, Dalian serves as a significant gateway linking northern China with other countries and regions. It is a hub of seaport logistics, finance and trade, industrial information services as well as commerce and tourism.

Public transportation in Dalian is convenient. Besides bus and taxi, Dalian is the only city in China that still keeps running a modernized traditional tram, which has a history of more than 100 years.

Economic Development

The economy developed quickly over the past decade. In 2009, the total GDP of 434.95 billion RMB (about 62.14 billion USD) was composed of a secondary sector share of 48.9 percent, a tertiary sector of 43.9 percent, and a primary sector of 7.2 percent.

The private economy and the foreign-invested economy are growing faster than any other in Dalian. Accordingly, employment grows mainly in these two sectors, and they both rank highest in the province. Of the 3.83 million Liaons employed in Dalian, 34.7 percent were working in the private economy, while the provincial average stands at 14.8 percent. Also, the average salary in Dalian was higher than anywhere else in Liaoning, 38,766 RMB (about 5,538 USD). In 2009, most people were employed in manufacturing (414,044) and the least in mining (2,300). The disposable income of urban citizens per capita was 19,014 RMB (about 2,716 USD). Quick economic growth in Dalian is not only due to the increase in industry and service sectors, agriculture also plays its role. Output of fruits and aquatic products both rank the highest in Liaoning.

Industrial Pattern

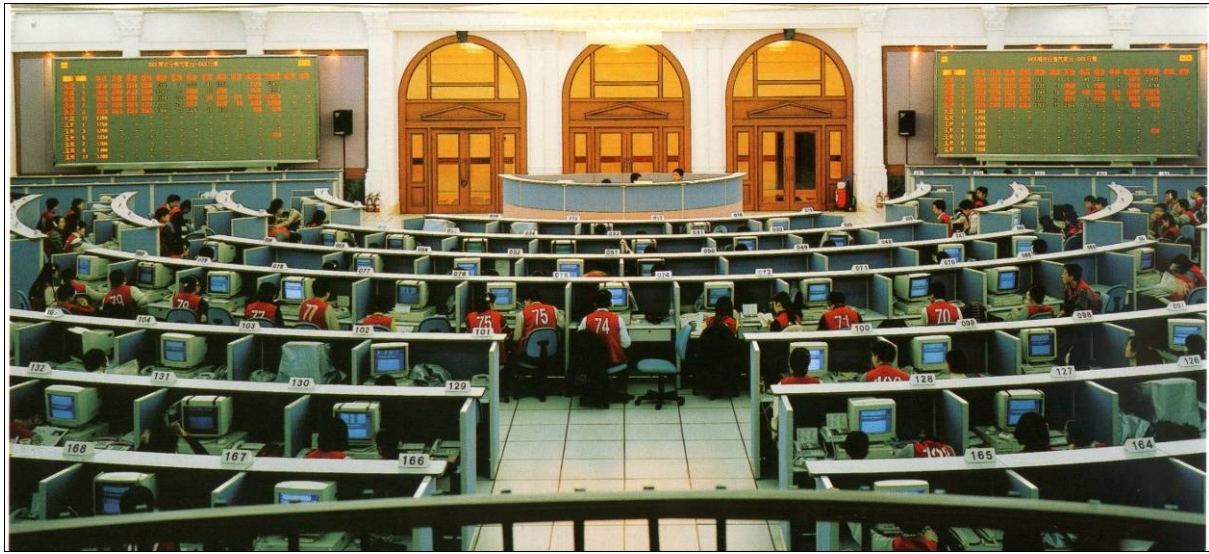
Like the composition of economic development in northeast China, Dalian's mission of development has two sides. First, Dalian holds the position as one of the leading cities in overall economy, and has a critical mass of large and medium-sized enterprises. Secondly, Dalian is the entry gate for the opening up of the entire northeast due to its location, environment, and industrial history.

Dalian will be built into an international shipping and logistics center, will be the base for petrochemical industry, shipbuilding, high-tech equipment manufacturing, and for electronic information and software development.

Leading companies in these industries have been in Dalian for some time, or started setting up operations. In shipbuilding, Dalian Shipbuilding Heavy Industry Co., Ltd. and Dalian New Ship Heavy Industry Co., Ltd. are the two biggest shipbuilders in China. As for petrochemical industry, Dalian Petro and West Pacific Petro are in the lead, as are Dalian Steel and Dalian Machine Tool Group Corporation in equipment manufacturing. Dalian is strongly focusing on its development of information technology and software industry with the entering of Intel, IBM, and other international IT companies.

Dalian Port is the most important container port in northeast China, with 196 berths and a terminal length of 33.3 kilometers in 2009. There are 85 international container shipping lines with more than 300 ships per month. About 90 percent of the container trade in northeast China is transferred in Dalian.

Tourism also contributes significantly to economy growth in Dalian. Every year from May to September, Dalian is crowded with tourists from all parts of China, and even all over the world. In 2009, Dalian received 34.12 million Chinese and 1.05 million foreign tourists, which was 14.1 percent and 35.8 percent of the total number of tourists to Liaoning.



The financial sector also develops quickly in Dalian. The city has 15 foreign banks, the highest number of foreign banks in north China, and 7 foreign insurance companies. They either set up branches here or opened representative offices. Financial institutions in Dalian have connected their settlements networks to more than 150 countries, which makes Dalian the biggest regional international settlements center. Dalian Commodity Exchange (DCE) is one of the three most active futures exchanges in China and even the world's most active in plastic futures and second in soybean futures.

An emerging industry in Dalian is the exhibition industry. Since the opening up of Xinghai International Exhibition Center in 1996, more than 300 exhibitions have been held, including China Dalian Import and Export Fair, Dalian International Garment Fair, and exhibitions and fairs in automobile, home appliance, furniture, hardware, fisheries, electronic and communication products. The Summer Forum of the Davos World Economy has been held twice in Dalian and the organizers now set up a coordination office here.

Foreign Trade and Investment

Dalian is among the top cities in China in terms of foreign investment volume. The city attracted the highest foreign direct investment (FDI), one third of the total in Northeast China. In 2009, the amount of FDI was 6.00 billion USD. More than 13,000 foreign invested companies are listed in Dalian, in-

cluding 90 of the Global Fortune 500. Some major foreign companies in Dalian include General Electric, Goodyear, Pfizer, Dell, Accenture, Hewlett Packard, IBM, NEC, Wal-Mart, LG, Hyundai, Posco, Carrefour, Thyssen Krupp Co, Nokia, and Sony Ericsson. Dalian also profits from its historic connections with Japan. Mitsubishi, who ran the Dalian shipyard many decades ago, started co-operating with Dalian in shipbuilding again in the 1980s. Canon, Toshiba, Mabuchi, Sanyo, Panasonic, Hitachi have all established production sites in the city.

Dalian Foreign Direct Investment Projects (in million dollars)	Investment volume	Registered capital	Contracted FDI	Import volume
West Pacific Petrochemical Co., Ltd.	10,130	2,580	1,100	28,900
Dalian Container Terminal Co., Ltd. (DCT)	4,800	1,600	1,600	-
Volkswagen Automatic Transmission Co. Ltd.	3,880	1,300	78	-
Intel Dalian Fab 68 Factory	2,500	500	500	-
Canon Dalian Business Machines Co., Ltd.	2,400	81	81	1,000
COSCO (Dalian) Shipyard Co., Ltd.	2,200	72	59	1,000
Panasonic Automotive Systems Co., Ltd.	2,14	2,400	1,070	2,040

Due to its geographical advantage and economic strength, Dalian has the biggest foreign trade volume in Liaoning province. The import and export volume of Dalian kept increasing over the past decades. In 2009, the import volume of Dalian was 20.06 billion USD, 68 percent of total Liaoning imports. The export volume of 21.77 billion USD was 65 percent of the provincial total.



Dalian maintains twinning relations, "Sister Cities", with 18 cities in 14 countries:

- Kitakyushu, Maizuru, and Imari (Japan)
- Oakland, Houston (US)
- Bremen, Rostock (Germany)
- Le Havre (France)
- Glasgow (UK)
- Vancouver (Canada)
- Incheon (South Korea)
- Vladivostok (Russia)
- Pointe-Noire (Congo)
- Adelaide (Australia)
- Ohrid (Macedonia)
- Genoa (Italy)
- Cienfuegos (Cuba)
- Sevastopol (Ukraine).

International Events and Honors

Festivals and Events	Month	Year
Dalian Spring Fireworks Festival	First lunar month	Annually
Dalian International Walking Festival	April/May	Annually
Dalian Sophora Japonica Festival	May	Annually
China Dalian Import & Export Commodities Fair	May	Annually
China International Software and Information Service Fair	June	Annually
Dalian International Beer Festival and Beach Carnival	July/August	Annually
Dalian International Fashion Festival	September	Annually
China (Dalian) International Garment & Textile Fair	September	Annually
Dalian International Marathon Race	October	Annually
Summer Davos	Sept 6 – Sept 8	2007
China CSIA-ICCAD Annual Conference	Oct 11 – Oct 12	2007
Honorary titles	Awarded by	Year
UN-Habitat Award	UN	1999
Award for Best Practices to Improve the Living Environment	UN (Dubai)	2000
Global 500 Roll of Honor for Environmental Protection Projects	UN	2001
Global 500 Roll of Honor for Environmental Achievement	UN	2001
Investment-grade Credit Rating Report: A-	World Bank	2003
Top 10 Cities of Economic Vitality	CCTV	2004
Top 10 Commercial Cities in Chinese Mainland, ranking No. 3	Fortune	2004
Top 10 Livable Cities in China, ranking No. 2	Business Week	2005
Model City for Internationalization of Software Industry	MOST	2005
State-level Model City in Science and Technology	MOST	2005
Top 10 International Cities in China, ranking No. 2	IUCC	2005
Top 10 Cities of Folklore Festivals in China	CTFFFF	2005
Best Tourist City of China	CNTA, WTO	2007

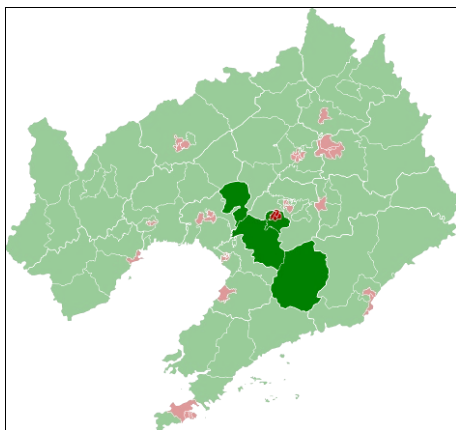
Anshan

China's Capital of Iron and Steel

Anshan is located in the middle of the Liaodong Peninsula. The city's name is derived from the shape of two mountains in the southern suburb, which resemble the shape of a horse's saddle ("Siemualin" in Manchu language). Since Anshan is the cradle of China's iron and steel industry, the city is known as "China's Capital of Iron and Steel".

The city has a population of 3.52 million, 1.78 million of them are living in urban areas. The prefecture of Anshan administers Haicheng City, Taian County, Xiuyan Manchu Autonomous County, and the four urban districts Tiedong, Tiexi, Lishan, and Qianshan.

Physical Geography



Anshan has rich forest vegetation covering the east mountain area, with a forest coverage rate of 50 percent. The mountain area abounds in apple, pear, chestnut, and tussah. Nanguo Pear is one of the city's popular specialties. With a cultivated area of 253,000 hectares, the plains of west Anshan produce corn, rice, soybean, and peanut.

Anshan has proven reserves of 51 kinds of mineral resources. Iron ore is the most important with 10 billion tons, accounting for a quarter of the country's total. Proven reserves of magnetite are 2.3 billion tons, accounting for 80 percent of the country's and a quarter the world's reserves. Talc reserves are 60 million tons, 40 percent of the China total. Xiuyan (serpentine) jade reserves are 2.1 million tons, 60 percent of the world. Xiuyan jade has been determined as top candidate to become China's national stone. In December 2006, Xiuyan Manchu Autonomous County was named "China's Capital of Jade" by the China Mining Association.

Located in the center of the Bohai Rim Economic Circle, Anshan is an important city in the Shenyang-Dalian Golden economic belt and an essential linkage between the megalopolis in the middle of Liaoning and Liaodong Peninsula Economic Development Zone. The city is located 89 kilometers to the south of Shenyang and 270 kilometers to the north of Dalian.

Changchun-Dalian Railway and Shenyang-Dalian Expressway run through the city from north to south. Haicheng-Goubangzi Railway and Haicheng-Xiuyan Railway run through the city from east to west. The oil pipeline between Daqing and Dalian passes through the city. Additionally, numerous highways link all towns and townships and provide convenient access to the city.

Economic Development

Due to the continuous development in the past decades, a complete range of industries has been set up in Anshan, with the iron and steel industry dominating.

In 2009, the GDP of Anshan was 173.05 billion RMB (about 24.72 billion USD), an increase of 12.6 percent over the previous year. The value added of scale enterprises was 67 billion RMB (9.6 billion USD), the value added of the tertiary sector was 62.8 billion RMB (9 billion USD), 19.2 percent more than 2007. The fixed assets



investment in 2009 was 87.5 billion RMB (12.5 billion USD). The overall consumption was 43.6 billion RMB (6.23 billion USD). Per capita disposable income of urban residents was 16,630 RMB (2,361 USD), and the annual consumption per capita 12,065 RMB (1,723 USD).

There are 87 large- and medium- sized industrial enterprises in Anshan. They mainly produce raw iron (16.83 million tons in 2009), steel (16.11 million tons), finished steel (16.78 million tons), cloth (170 million meters) and silk (2,474 tons).

Employment was almost evenly distributed among the three sectors as follows: primary sector 492,000 persons, secondary sector 570,000 persons, tertiary sector 752,000 persons. They were mainly employed in manufacturing (157,983), education (39,796), construction (38,331), public administration (35,400), and health and social welfare (22,592). Only a relatively small number of 122,000 people was employed by private companies, while state-owned enterprises still account for most jobs. The 2009 average salary was 30,434 RMB (4,347 USD).

Anshan Iron and Steel Group Corporation (An Steel) is the leading manufacturer, ranking eighth among the world's most competitive iron and steel producers. Main technology, equipment, and production have reached an internationally advanced level. With the emergence and introduction of a number of famous national companies, the industrial competence of Anshan is also increasing.

Industrial Mix

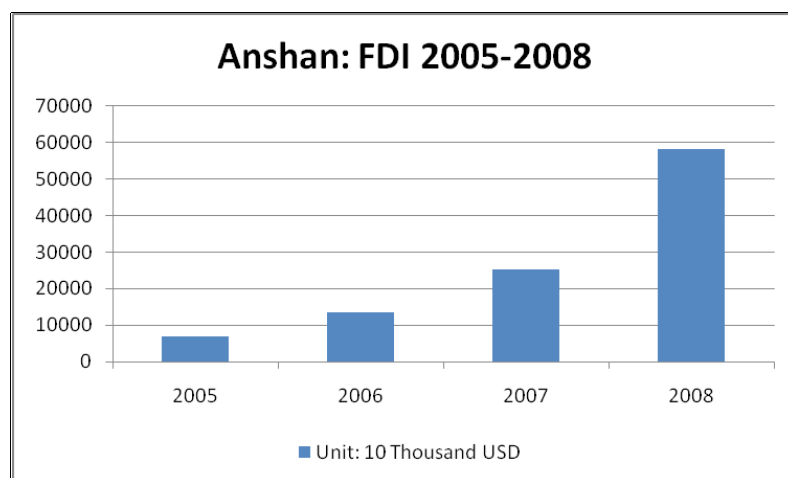
The industrial complex of Anshan is emerging with the rapid development of industrial zones. Currently, main industrial areas of Anshan are Dadaowan, Lingshan, the Anshan High-tech Zone, Ningyuan, and the Tanggangzi High-tech Agriculture Zone.

The regional industrial development strategy is to build Anshan into a pattern of “one base and four industries”. Anshan will focus on the iron and steel production base of An Steel, and simultaneously develop four other industries which are metallurgical equipment manufacturing, minerals deep processing, chemical raw materials, and textiles. An industrial cluster of steel and steel processing has come into being in Anshan.

Also, a rural economy pattern is emerging. Haicheng, a county level city of Anshan prefecture, is now planning five economic zones. This will develop Haicheng into a new industrial area with Haicheng Economic Development Zone and Teng’ao Economic Development Zone playing a significant role.

Foreign Investment and Foreign Trade

One of the first cities to implement the opening-up policy on the Liaodong Peninsula, Anshan has established trade relations with more than 100 countries and regions. Foreign direct investment has increased quickly during the past several years.



The number of foreign-funded enterprises in the city totals 660. A host of domestic and foreign enterprises have invested in the city, including Nanya Plastics Corporation of Formosa Plastics Group, Owens Corning, Formosan Rubber Group, US China Express Group, Tsingtao Brewery Company, and Zhongyou TIPO Group.

The import volume of Anshan was 1.53 billion USD in 2009, an increase of 1.6 percent over 2008. The export volume was 1.04 billion USD. Foreign trade of Anshan has been changing in regard to trade partner countries. Anshan is no more solely relying on export to ASEAN countries and Taiwan. Exports to Japan and South Korean have grown rapidly, and the export to Australia, the United States and Europe also increased.

To fill international trade and communications with life, Anshan maintains twinning relations with Amagasaki (Japan), Sheffield (UK), Lipetsk (Russia), Birmingham (US), Bursa (Turkey), and Ansan (South Korea).

Living in Anshan

Shenyang Taoxian is the closest airport, and Anshan public transportation relies on taxi and bus. International shopping malls and supermarkets include Parkson, Carrefour, and TESCO. Two five-star hotels are the Five Ring Grand Hotel and the New World Hotel.



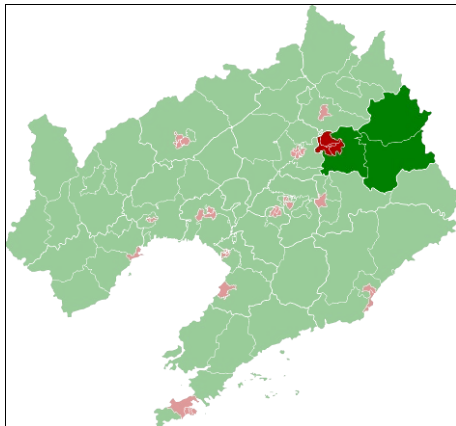
Welcome to Invest in Anshan

To refine the investment environment, Anshan has taken the lead to set up public administration service centers at municipal and county levels. Project examination time and approval procedures have been reduced by 83.5 percent. The city has introduced a series of policies and stipulations to regulate the soft environment. An “Honest and Credible Anshan” project has been launched and more government information has been made public, aiming to establish credibility systems of the government, of enterprises and individuals.

Fushun

Overview and Geography

Fushun, the nearest neighbor city of Shenyang, is a petrochemical industry city. Fushun prefecture consists of four districts (Xinfu, Wanghua, Dongzhou, and Shuncheng), three counties (Fushun, Xinbin and Qingyuan) and two economic development zones (Fushun Economic Development Zone and Fushun Shengli Economic Development Zone). Fushun has a total population of 2.23 million, composed of 1.46 million living in urban areas and 880,000 in rural areas.



Fushun is a multi-ethnic city with 34 different ethnic groups accounting for 27.5 percent of population. Main ethnic minorities are the Manchu, Korean, Hui, Mongolian, and Xibe. Fushun is 40 kilometers from Shenyang Taoxian International Airport, 200 kilometers from the seaport of Yingkou, and 400 kilometers from the Port of Dalian, linked by expressway and railway. Fushun has international shopping malls, supermarkets, convenient stores, and the four-star Fushun Friendship Hotel for accommodation.

Fushun is warmer than Shenyang in summer with more rain, and colder in winter. Spring and autumn are short. Annual average temperature is 13.9°C, precipitation 827 mm. In a typical year, it will be snowing 24 days, and the depth of frost penetration is 1.2 - 1.4 m. The terrain of Fushun is elevated in the east and south, with an average altitude of 400 - 500 m, and with forest in the mountains. The western and northern regions have hills and plains. Average altitude there is 100 - 300 m. Fushun is surrounded by mountains on three sides and crossed by the Hunhe River.

Economic Development and Business Sectors

Regional GDP of Fushun was 69.86 billion RMB (about 9.98 billion USD) in 2009, 9.6 percent more than 2008. Fixed assets investment jumped 30.5 percent to 49.6 billion RMB (7.09 billion USD). Consumption increased 5.9 percent and reached a per-capita rate of 9,265 RMB (1,324 USD), at a disposable income per capita of 13,557 RMB (1,936 USD) and average salary of 30,828 RMB (4,404

USD). Main industrial products of Fushun are coal (5.40 million tons in 2009), steel (3.69 million tons), iron (3.88 million tons) and finished steel (3.46 million tons), primarily produced by 58 large and medium-sized enterprises. Employment concentrated in manufacturing (84,968 persons), mining industry (34,786), public administration (26,266), education (23,446), and health and social welfare (10,420).



With an industrial history of over one hundred years, Fushun is a city of heavy industry. Petrochemical, coal and metallurgy are the most essential sectors, supplemented by machine building, electronics, light industry, textiles, and chemical industry. Fushun is a production base of quality fuel oil, paraffin, synthetic lubricants, hydrogenation catalysts and petrochemical catalysts.

Fushun Petrochemical Company is China's biggest oil processing enterprise and has a capacity of processing 9.2 million tons of crude oil per year, soon to increase to 12 million tons. The output of refinery products will total 10 million tons and of chemical products 4.5 million tons.

By reform and construction, the city strives to reach the following top ranks: global No. 1 in output of paraffin, light wax, and ethylene produced with new technologies; Asia No. 1 in the output of alkyl benzene; China No. 1 in the output of polythene, styrene, aliphatic alcohol, and propylene oxide. Fushun has decided to give priority to the development of the petrochemical industry and the fine chemical industry. A representative project in this regard is China North Petrochemical City. The city has Fushun Economic Development Zone, Gaowan Economic Zone and several other development zones, all of them providing preferential investment policies.

The local government implements a strategy to develop two areas and two zones: West Shenyang-Fushun New Area, East High-tech Industrial Area, South Ring Industrial Zone, and Hunhe River Ecological View Compound Zone. The first three are mainly focused on industries in new materials, advanced equipment manufacturing, petrochemical industry, and oil shale processing. The Hunhe River Ecological View Compound Zone is a supporting area for services and recreation.

Petrochemical: the city has 45 petrochemical enterprises with assets of 24.3 billion RMB (3.4 billion USD) and 33,000 employees.

Metallurgy: the city has 31 metallurgical enterprises with assets of 5.8 billion RMB (0.8 billion USD) and 23,000 employees.

Coal: the city has 8 coal production enterprises with assets of 4.8 billion RMB (0.7 billion USD) and 230,000 employees.

Machinery and Electronics: the city has 35 machinery and electronic processing enterprises with assets of 710 million RMB (102 million USD) and 9,582 employees.

Building Materials: the city has 10 building materials production enterprises with assets of 470 million RMB (67 million USD) and 3,117 employees.

Light Industry and Textile Industry: the city has 70 enterprises with assets of 2.1 billion RMB (0.3 billion USD) and 12,000 employees.

Energy: the city has 15 enterprises with assets of 2.3 billion RMB (about 300 million USD) and 1.0 million employees. The major part of the city's energy industry is the power industry, which consists of 4 enterprises, an installed capacity of 1.3 GW and annual generating capacity of 6,500 GWh. That is more than the annual energy consumption of Latvia or Luxembourg.

The rural economy has also developed in Fushun. Agriculture has been industrialized, regional distribution and professional management improved. A series of products has been defined as the focus of agricultural industrialization: edible mushrooms, wild herbs, Chinese forest frogs (*Rana temporaria sinensis*), traditional Chinese medicine, high-quality rice, wood products, livestock, poultry and fruit.

Foreign Investment and Foreign Trade

So far, foreign enterprises from 38 countries have invested in Fushun, mainly in light industry, chemical industry, real estate, electric power, machinery, metallurgy, medicine, textiles, utilities, building materials, and oil processing. Foreign direct investment was 312.84 million USD in 2009. A growing number of industrial enterprises is active on overseas markets with increasingly competitive products. Total 2009 import value of Fushun was 429.57 million USD (+26%), export value 458.81 million USD.

Focus of Investment Strategy

Petrochemical

1. Build China North Petrochemical City by focusing on Fushun Fine Chemical Industry Park to develop the petrochemical industry.
2. Petrochemical industry: focus on ethylene and other key projects and build a world-level industrial pattern featured by "oil, chemical, fiber, plastics, and lotion".
3. Fine chemical industry: Use local resource advantages to develop high-end multifunctional fine chemical products and develop the bio-chemical industry, the pharmaceutical industry and pharmaceutical intermediates.

Metallurgy

4. Adopt appropriate advanced technologies to transform traditional industries and enhance comprehensive strength.
5. Develop a large-scale, intensive and specialized metallurgical industry.
6. Rely on Fushun Special Steel Shares Co., Ltd., Fushun New Fugang Co., Ltd. and Fushun Aluminum Co., Ltd. to develop high-quality, specialized and special products.
7. Build the first-rate China north quality steel production base.
8. Build first-rate China north aluminum and aluminum alloy research and production base.

Coal

9. Boost the development of alternative industries and substitutive industries.
10. Utilize oil shale, coal-bed methane, and residual coal to develop deep processing industries.
11. Focus on comprehensive resource utilization to establish a new resource development system.

Machinery and electronics

12. Adopt advanced technologies by relying on the existing basis to upgrade product level and scale.
13. Focus on the production of engineering machinery, petroleum machinery, general-purpose machinery, electrical porcelain appliances, and TV sets. Adopt strategies featured by precision, high efficiency, automation, flexibility, and integration.
14. Mass-produce complete sets of integrated electromechanical equipment.

Building materials

15. Adopt new technologies to vigorously develop new products.
16. Raise production capacity to increase the proportion of high-grade special cements.
17. Utilize local resources to vigorously develop new building materials and light materials.

Light industry and textile industry

18. Utilize local resources to vigorously develop fine and deep processed products.
19. Prioritize eight categories of products, including plastics, wax products, chemical fiber, and household chemicals.

Energy

20. Expand production capacity by performing energy conservation, consumption reduction and improving technical equipment.
21. Build the two sets of 600,000 KW generators of Liaoning Power Plant, two sets of 300,000 KW generators of Fushun Power Plant, one set of 100,000 KW generator of Fushun Mining Group Co., Ltd., and one set of 570,000 KW generator of Fushun Economic Development Zone.

Benxi

Living Museum of Geography

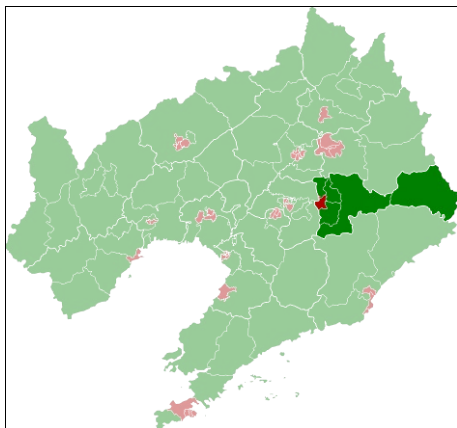
Located in the middle of Liaoning within a mountain area, Benxi is 84 kilometers south of Shenyang and 193 kilometers north of Dandong. 1.56 million people live here, including ethnic Manchu, Hui, Mongolian, Korean and other minorities. Benxi covers the four districts of Pingshan, Mingshan, Xihu and Nanfen, and two Manchu Autonomous counties, Benxi County and Huanren County. Benxi has plenty of mineral resources, making it the "Living Museum of Geography".



With its clean air, mountains and rivers, Benxi is a pleasant town to live in. Notable hotels are the five-star Marriott Hotel and Taizi City Hotel, and the four-star Pearl Hotel in downtown. Shopping malls such as New-Mart and supermarkets like Vanguard cater for residents and tourists.

Geography

Benxi has marvelous natural landscapes: Benxi Water Cave, Guanmen Mountain Scenic Area, and Jiuding Tiecha Mountain. The city's urban area is like a garden. Trees and flowers can be found everywhere in the green city. The UN has listed Benxi as a pilot city for the Agenda 21 in nature, ecological environment, sustainable development.



Benxi has improved the living conditions of residents and their environment. As a result of the "going green" campaign, the green coverage rate of the urban area has reached 40 percent. Special funds are allocated for the city's infrastructure and renovation every year.

The distance between Benxi and Shenyang Taoxian International Airport is 50 kilometers, and 190 kilometers to the Port of Yingkou. Railways are connected with the national network and the Korean Peninsula. Benxi is part of the national Shenyang Metro development strategy and expects great impetus to the development of the city.

Economic Development

Benxi's economy grew 9 percent in 2009 to a regional GDP of 68.84 billion RMB (9.83 billion USD). Value added of medium and large enterprises was 32 billion RMB (4.6 billion USD), up 18 percent. Fixed assets investment increased to 34 billion RMB (4.86 billion USD) in 2009. At an average salary of 28,382 RMB (4,054 USD), urban per-capita disposable income was 14,705 RMB (2,100 USD), and consumption per capita 11,218 RMB (1,602 USD).



Benxi is speeding up its economic development. With 46 large and medium-sized enterprises in Benxi, main industrial products are raw iron (14 million tons), steel (13 million tons), finished steel (12 million tons), cement (3 million tons) and raw coal (1 million tons). In 2008, 92,615 people were employed in manufacturing, 20,368 in education, 19,228 in public administration and social organizations, 17,913 persons in the mining industry, and 12,997 in transportation and storage. According to the type of business ownership, 63,000 were employed in private companies.

Industrial Pattern

Benxi has long been a "city of coal and iron", with raw materials industry as the mainstay. But the city has started to develop a multitude of industries, such as metallurgical industry, iron and steel deep processing, building materials manufacturing, pharmaceutical manufacturing, mining, and chemical and chemical products industry. The industrial pattern of the city supports a focus on metallurgical industry, supplemented with many "special, fine, new and customized" products. The economic structure is based on two large group enterprises, Bengang (Benxi Iron & Steel Group Co., Ltd.) and Beigang (Beitai Iron & Steel Group Co., Ltd.), and supplemented by 7 industrial parks.

Based on the iron and steel processing industry, four related industries take the lead:

1. Automobile parts industry. The production of crankshaft has topped one million, Benxi is one of the leading producers in terms of both quality and quantity. It also plays a significant role in production of auto wheels.
2. Assembly and installation industry for equipment manufacturing. Currently, Benxi has 8 enterprises being partners of equipment manufacturers in Shenyang.

3. Local enterprises, which used to produce spare parts only for local steel enterprises, started to expand their market to the whole country.
4. Benxi is building a national top level precision casting center to turn the resource advantage into a market advantage.

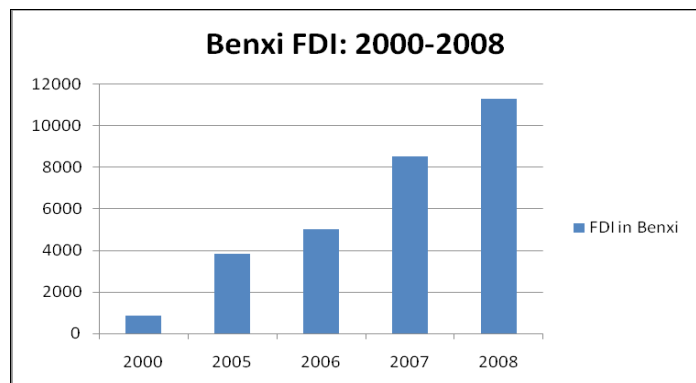
Traditional Chinese medicine (TCM) is another prosperous sector of Benxi. Medicinal herbs are grown on fields of 466 square kilometers. With total assets of TCM enterprises topping 200 million RMB (about 28 million USD), Benxi has become the "King of TCM" in Liaoning. The number of pharmaceutical enterprises has exceeded 50, most of them private enterprises, and 15 of them have an annual sales income of more than 5 million RMB (0.7 million USD). With an industrial value added of 940 million RMB (135 million USD) and profits and taxes of 718 million RMB (103 million USD) in 2008, these enterprises have ranked No. 1 in the pharmaceutical industry of Liaoning for five consecutive years.



Foreign Investment and Foreign Trade

In 2009, the foreign direct investment of the city was 201 million USD, increased by 78 percent over 2008, and exceeding the 200 million USD mark for the first time.

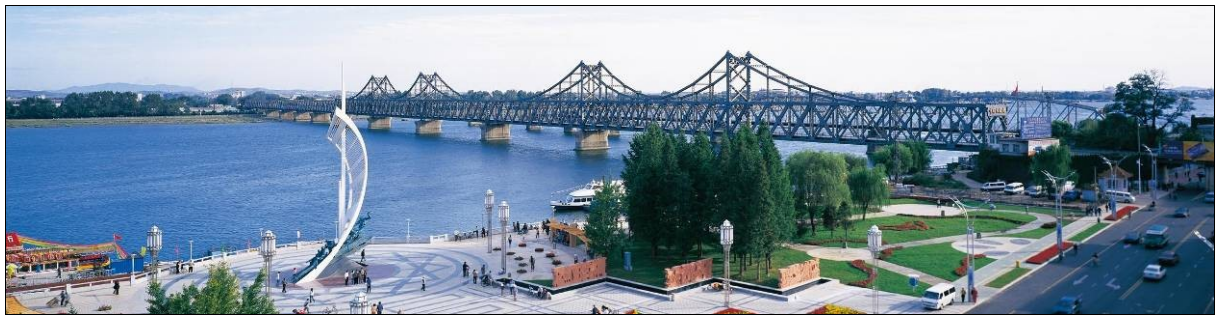
Total export volume was 646 million USD, total import 1.501 billion USD, up 19 percent.



Dandong

The Most Beautiful Border City in China

Dandong is the main border city from China to North Korea, the DPRK. Border is the Yalu River in the southeast of Liaoning Province. Development of the city is mainly driven by industry, trade, logistics, and tourism. Dandong is the biggest border city in China, and regarded by many as the most beautiful. It is a national-level border economic cooperation zone and also the only city in Asia that has complete ways of domestic and international transportation, border crossings, airport, railways, river port, sea port, highways and expressways.

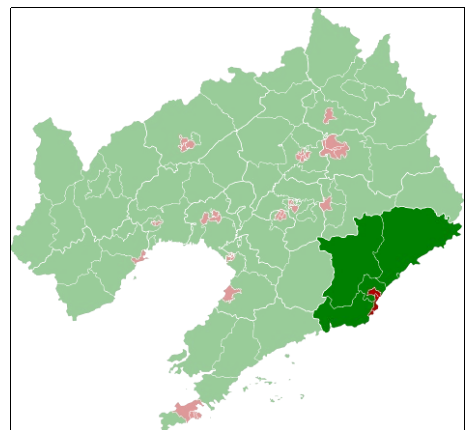


The city covers an administrative area of 15,200 square kilometers and has a total population of 2.43 million. Dandong is divided into three counties (county-level cities), three districts, and one state-level border economic cooperation zone.

Geography

Dandong has an agreeable climate, with no extreme temperatures in summer and winter. At an annual average temperature of 9°C, the city is called “Jiangnan in the North”. Jiangnan is the southern part of the YanGIZe Delta in Central-Eastern China. Dandong is the warmest and most humid region of Northeast China.

Situated in a top-rate ecological environment, the city is one of the country's most livable cities. Dandong enjoys rich freshwater resources. With more than 1,000 rivers and creeks running across the city, its per capita amount of freshwater is 1.5 times that of the country and 4.5 times that of Liaoning Province. Forest coverage is 66 percent, making Dandong the green lung of the Liaodong Peninsula.

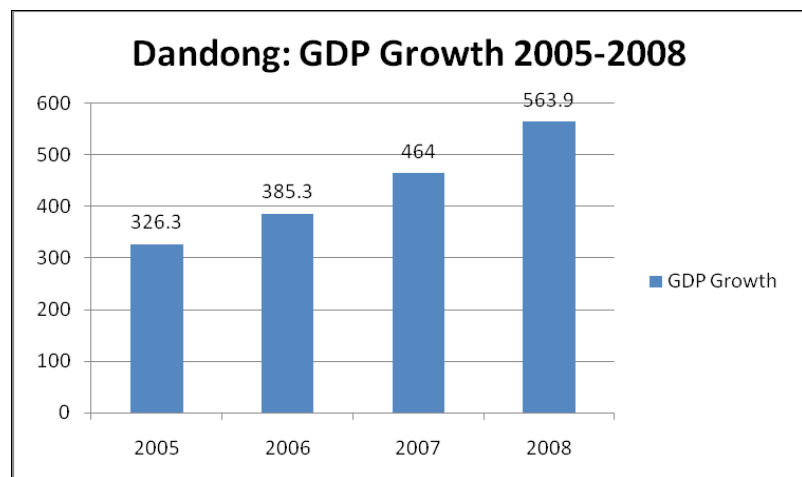


Dandong is also one of China's top tourist and garden cities. It has a total of 24 national and provincial scenic areas, nature reserves, and forest parks. The city has launched a multitude of unique tourist programs, such as tours to North Korea, border tours, thermal baths, seaside holidays, and golf courses, which greatly enchant hosts of tourists. The city has become a popular leisure resort.

Dandong will be a transfer center of the planned Tokyo-Seoul-Beijing great international passage-way. The city has already established a comprehensive land-sea-air transportation network. Distance to Pyongyang is 220 kilometers and 420 kilometers to Seoul. The city is 220 kilometers from Shenyang and 252 kilometers from Dalian, connected to both with new expressways. The railway passage in the eastern section of Northeast China and the Dandong-Tonghua Railway that are under construction will serve as new channels to bring the eastern part of Northeast China into contact with other countries and regions. The bountiful resources of the thirteen cities in the region will be available by sea.

Economic Development

Regional GDP of Dandong was 60.75 billion RMB (about 8.68 billion USD) in 2009, 16 percent more than in the year before. Fixed assets investment was 49 billion RMB (7 billion USD), up 40 percent. The average salary was 23,370 RMB (3,338 USD), leading to a disposable income per capita of urban residents of 12,827 RMB (1,932 USD), and annual consumption per capita of 10,380 RMB (1,482 USD).



Dandong has most jobs in the service sector and in agriculture and mining, while the secondary sector is less relevant for employment than in most other regions of Liaoning. The primary sector employed 460,000 persons in the year 2009, while 254,000 worked in the secondary and 468,000 in the tertiary sector.

Industrial Pattern

Dandong has more than 1,700 enterprises, light industry accounting for the major proportion. Of all 82 light industry categories defined by the state, Dandong has 68 categories. The city has a solid foundation in new industries and a leading product development capacity for the instrument industry. Four fifth of Dandong's main products, including chemical fiber, passenger buses, cars, and light-duty axles, are sold all over China or exported.

Car axles produced in Dandong dominate the domestic market. China's only enterprise designated to manufacture automotive turbochargers by the National Automotive Industry Corporation, also the biggest producer of rear axle shafts for cars and agricultural vehicles: Dandong Huanghai Automobile Co., Ltd., produces 84 types of products, with a domestic market coverage rate exceeding 95 percent. The city is home to 46 state-owned and larger private enterprises, among them 15 in the electronic information industry. Also, 16 medium-sized high-tech and software enterprises are here. Viscose produced in the city has been leading the domestic market, and its tussah products enjoy fame all over the world. Other notable industrial products of Dandong are raw coal (1.3 million tons), cement (1.0 million tons) and raw iron (0.3 million tons). A significant volume of quality agricultural products such as forest frog, rice, Chinese chestnuts, strawberry, prawn, and tobacco also comes from Dandong.

Foreign Trade

Dandong is both a coastal city and border city. It shares 300 kilometers of borderline with the Korean Peninsula. Dandong is an essential city along the Trans-Asian Railway that links Shimonoseki (Japan), Seoul (South Korea), Pyongyang (North Korea), Beijing (China), and Moscow (Russia).



As an excellent natural ice-free port in northern China, the Port of Dandong is 245 nautical miles away from the Port of Incheon in South Korea. It also has direct links with Japan and plays a vital role in connecting the countries by sea. In 2008, the handling capacity of the port stood at 34.7 million tons. The goal of the port is to increase its handling capacity to 100 million tons in 2015.

An international passageway project, which is called "a grand campaign of the 21st century", is under construction and will connect Tokyo across the "Japan-Korea Undersea Tunnel" with the Korean Peninsula, enter China at Dandong, pass through the Middle East, Moscow and Berlin, finally ending on the British Isles. The completion of this passageway will substantially enhance the strategic and economic status of Dandong as one of the eastern gateways. The city will stand out in economic and trade cooperation between China, the Eurasian Continent, Japan and the Korean Peninsula by land and sea. Great efforts are also being made to build Dandong Airport into a gateway airport.

North Korea, South Korea, Japan, and the United States are the top countries in foreign trade value of Dandong Port. Garments and accessories, base metals and related products, electromechanical products and spare parts, and anthracite coal are the commodities with the highest import value. Topping the list of exported products are crude oil, electromechanical products and spare parts, garments and accessories, agricultural products, base metals, textile materials and textile fabrics, aquatic products, and plastic products. Export of aquatic products more than doubled in 2008.



Living in Dandong

With an intact natural environment, clean and fresh air, convenient transportation, and a wide spectrum of businesses, Dandong is a fine place to live, for business, and to visit. There are many choices of hotels, including the four-star Holiday Inn which provides proper accommodation and services for international visitors. Alongside the Yalu River, many bars and restaurants serve different cultures and tastes.

Jinzhou

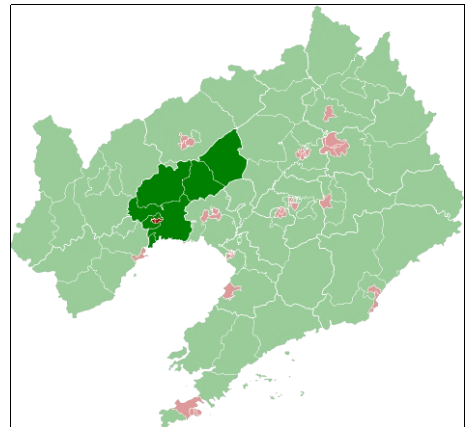
Overview

Located in the southwest of Liaoning Province, Jinzhou belongs to China's Bohai Rim Region. It is a cultural city with a history of over 2,000 years and highly reputed in trade and commerce. Additionally, it is a dynamic modern port city with huge potential for development. Jinzhou was approved as a Class-A open city by the State Council in 1985. In 1992, the city was ranked No. 40 among National Top Cities in Comprehensive Strength appraised by the National Bureau of Statistics.

By end of 2009, Jinzhou's population was 3.10 million, with 1.24 million in the city proper. More than 30 resident minorities include Manchu, Mongolian, Hui and Korean. Jinzhou prefecture has an area of 10,301 square kilometers with Linghai City, Beizhen City, Heishan County, Guta District, Linghe District, Taihe District, Songshan District, and the Jinzhou Economic and Technology Development Zone.

Geography

Located in the east of the "Liaoxi Corridor", the city is located north of the Bohai Sea and south of the Songling Mountains. It is a transportation center linking the country's northeast and north areas. Beijing-Harbin Railway, Qinhuangdao-Shenyang Dedicated Passenger Line, Beijing-Harbin Expressway and Beijing-Shenyang Expressway all run through the city. With Jinzhou-Fuxin Expressway, Jinzhou-Chaoyang Expressway and National Highway 102, Jinzhou and the neighboring cities form "an urban agglomeration within one hour of traffic". The Port of Jinzhou is the most northern first level port in China's coastal regions, and is among the top 20 national ports. With the geographical location and well-developed comprehensive transportation system of sea, land and air, Jinzhou has substantially expanded its economic and cultural influence and laid a foundation for the construction of a regional center of modern logistics.



Economic Development

The 2009 regional GDP of Jinzhou was 72.73 billion RMB (about 10.39 billion USD). The primary sector contributed 18 percent (13.3 billion RMB), the secondary sector 46 percent (33.55 billion RMB), and the tertiary sector 35.6 percent (25.88 billion RMB). Fixed assets investment was 32.41 billion RMB (4.63 billion USD). The average salary was 25,898 RMB (3,700 USD), urban per-capita income 15,386 RMB (2,198 USD), annual consumption per capita 10,795 RMB (1,542 USD).

The employed population was apportioned to the three sectors as follows: primary sector 696,000, secondary sector 321,000, and tertiary sector 657,000 persons. Only 111,000 people were employed by private companies.

Jinzhou has many large enterprises, the most notable being CNPC Jinzhou Petrochemical Corporation, Jinzhou Donggang Power Co. Ltd., and Panzhihua Titanium Co., Ltd. Numerous booming high-tech enterprises in Jinzhou Economic and Technological Development Zone and Jinzhou Hi-tech Industry Development Zone are showing high international competitiveness.

Yuancheng Biochemical Technology Co., Ltd. intends to become the largest grain deep-processing enterprise in Asia. Jinzhou Aohong Pharmaceutical Co., Ltd. takes the lead to produce Ad-egold, a kind of biochemical medicine. Huashun Enterprise Group is a key enterprise in the country's agricultural industrialization process. In total, more than 90 kinds of high-tech products and nearly 1,000 kinds of products manufactured in the city are exported to the world.



Jinzhou is speeding up the development of six industrial production bases focusing on fine chemicals and welding materials. The city is making efforts to develop four emerging industries, including new materials and auto parts. With a well-developed communications infrastructure, Jinzhou is one of the three major communications centers in Northeast China. The city's mobile phone penetration rate ranks among the highest in the province.

The coal throughput of the Port of Jinzhou has topped 10 million tons for the first time in 2008, reaching the highest in the 18 years since the port was opened to navigation. It reached 14.3 million tons in 2009.

Industrial Pattern

Oil and chemical industries as well as machinery and electronics are the city's main industrial branches. Jinzhou plans to become an important port city in western Liaoning. Guideline of the strategy for the comprehensive development of Jinzhou Bay is to integrate resources and share infrastructure, and the city will focus on the construction of the Port. It will give priority to the development of the national petrochemical processing. Efforts will be made to enhance the Jinzhou Economic and Technological Development Zone and the development of Linghai Industrial Economic Belt. All these initiatives aim to develop the city's port and marine economy and take the lead in the further development of Liaoxi Jinzhou Bay Coastal Economic Zone.

The Port of Jinzhou is one of the most northern open ports in China and the third biggest port in the northeast. Ten berths for “seven categories of groceries and three categories of oils” have been built with an annual handling capacity of more than 20 million tons. The port is also specialized in refined oil products exporting, crude oil loading and unloading, and cargo loading and unloading.

Jinzhou has an international airport that meets the requirements of McDonnell Douglas MD-82, Boeing 737 and other large and medium-sized aircrafts. Direct air routes connect Jinzhou with Dalian, Wenzhou, Shenzhen, Shanghai, Guangzhou, and Beijing.

The city has two major oil pipelines transporting the crude oil of Daqing Oilfield and Panjin Oilfield. Additionally, the city also has pipelines for crude oil and refined oil products from Jinzhou Refinery to the Port of Jinzhou. The city's post and telecommunications industry has reached an advanced level.

Efforts are being made to further develop eight industry clusters:

Petrochemical Industry Zone in the west of the city: Developing CNPC Jinzhou Petrochemical Corporation and its affiliates; focusing on the development of the petrochemical industry represented by the heavy chemical industry; building a heavy industry cluster.

Lingang Industrial Zone: Developing port related industries; building industrial zones for petrochemicals, auto parts, deep processing of agricultural products, new building materials; building a port manufacturing industry cluster.

Tanghezi Industrial Zone: Innovation of management systems, integrating effective industrial resources, liquidizing remnant assets ferroalloys, and manufacturing such products as titanium alloys; building clusters of the metallurgical and building materials industry.

Lingnan and Nanzhan IT Industry Zones: Building technology cooperation between local universities and colleges and the basis of Lingnan Industrial Park and Nanzhan IT Industry Zone in the city's new area; building an IT industry cluster through assets restructuring and enterprise relocation.

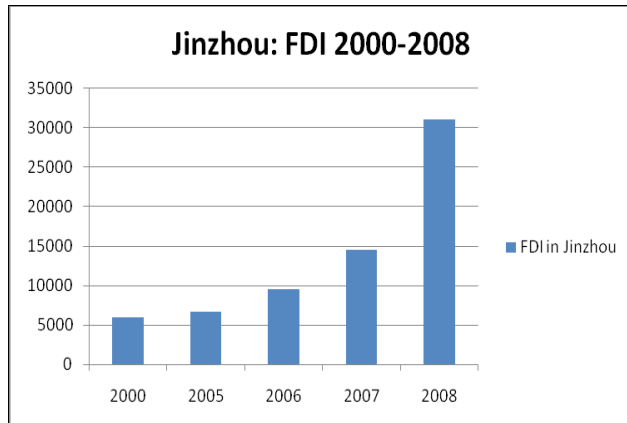
Linghai Industrial Zone: Developing the industries of papermaking, garments, electromechanical products, deep processing of agricultural products, aquaculture on tidal flats; focusing on the construction of wind farms; developing marine chemical products; building clusters for the textile processing industry and the seafood processing industry, and building a clean energy base.

Heishan Industrial Zone: Developing the wood processing industry and bentonite resources; focusing on fast-growing and high-yield plantations; extending the industrial chain through intensive fine and deep processing; establishing a building materials industry cluster.

Beining Industrial Zone: Developing breeding, slaughtering, feed, and food processing; building an agricultural products processing industry cluster.

Yi County Industrial Zone: Developing fluorite resources; Focusing on fine chemical products, such as fluorocarbon alcohol, benzene sulfonic acid; building a fine chemical industry cluster.

Foreign Investment and Foreign Trade



USD in 2009.

Jinzhou enjoys national preferential policies for foreign investment. The city has established economic and trade relations with 90 countries and regions. Investors from 30 countries and regions have set up 300 joint ventures. Foreign direct investment increased quickly in recent years. 2008 foreign capital utilization was 310 million USD, a jump of 114.2 percent. Exported products exceed 200 varieties. The import volume was 940.46 million USD, the export volume 806.47 million

Living in Jinzhou

Jinzhou Airport is the only civil airport of the international 4C level in western Liaoning Province. It offers direct flights to Beijing, Shanghai, and Dalian.

Jinzhou has many shopping malls and supermarkets, and a new Wal-mart supermarket is under construction.



Yingkou

City of Vibrant Private Economy

Yingkou is characterized by its distinct four seasons, mild climate, fertile soil, wide water and forest areas and abundance in rice, fruit and aquatic products. With the biggest fruit production base, Yingkou is called the “Land of Fruit”. The city has major reserves of magnesium and also called the “Magnesium Capital of China”. Yingkou is also the city with the most vibrant private economy development in northeast China.

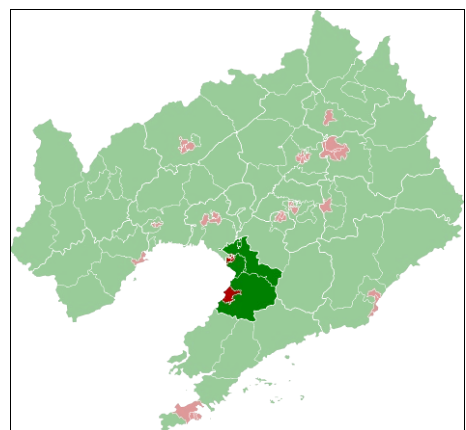


Yingkou has a population of 2.35 million on a total area of 4,970 square kilometers. The prefecture of Yingkou covers four districts and two cities, which are Zhanqian District, Xishi District, Laobian District, District of Spanish Mackerel Ring, Dashiqiao City and Gaizhou City.

Geography and Resources

Yingkou is located on the northeast coast of Liaodong Peninsula of Bohai Sea and is a coastal open city. The Daliao River, one of the eight water systems in China, influxes into the Bohai Sea from here. Yingkou is 179 kilometers from Shenyang and borders to Dalian prefecture with a distance of 220 kilometers between the two cities.

Yingkou abounds in mineral resources. There are 32 types of mineral products in the city. Magnetite is one of the four magnesium ores in the world. The reserves of talc, boron ore, potassium feldspar, albite, silica and gold ores all rank top in the country.



Yingkou also grows high quality rice with an annual production of 400,000 tons. In the Qing Dynasty, Yingkou Rice was a tribute to the imperial palace.

Yingkou is a fruit production base of 400,000 tons annually and a source of 200,000 tons of fresh water and sea products in 80 varieties. The quality of Liaonan Apple ranks No. 1 in the world. Yingkou prawns and Chinese mitten crab enjoy both domestic and worldwide fame. The city has broken several domestic and world records of China World Records Association.

Economic Development

Yingkou has developed a modern industry early, and is today one of China's light industry and textile industry centers. The city has over 40 industries and more than 3,000 enterprises providing over 700 types of products, of which more than 300 were classified as high quality products by the province and relevant ministries and commissions. The light industry, textiles, machinery, metallurgy, home appliance, electronics, building materials, musical instrument, silk spinning, petrochemical, dyeing as well as pharmaceutical industries are considered backbone industries for the economic development of the city. About one hundred enterprises have been quality certified according to ISO 9000. The production of knitted articles, cotton textile, Kapron and 66 filaments ranks top in the country. Several brands of Yingkou are well known both domestically and internationally.

Yingkou is currently positioning itself to become an key port and advanced manufacturing city. It is the only region on prefectural level in China ever covered simultaneously by two national development strategies: the Shenyang Metro and the Liaoning Belt strategies. Efforts will focus on developing industry clusters, including iron and steel, petrochemical, equipment manufacturing, new magnesium materials, textiles, new and hi-technology, modern logistics and trade and service industries.



In 2009, the GDP of Yingkou was 80.70 billion RMB (11.53 billion USD), with a primary sector of 6.75 billion RMB (970 million USD), secondary sector of 45.43 billion RMB (6.49 billion USD), and tertiary sector of 28.51 billion RMB (4.73 billion USD). Fixed assets investment was 76.26 billion RMB (10.89 billion USD). The average salary was 26,388 RMB (3,770 USD), per-capita disposable income 15,858 RMB (2,265 USD), annual consumption per capita 11,301 RMB (1,614 USD). Yingkou had 1.36 million employees, 50.7 percent in the service sector, and 18.6 percent employed by private enterprises.

Industrial Pattern

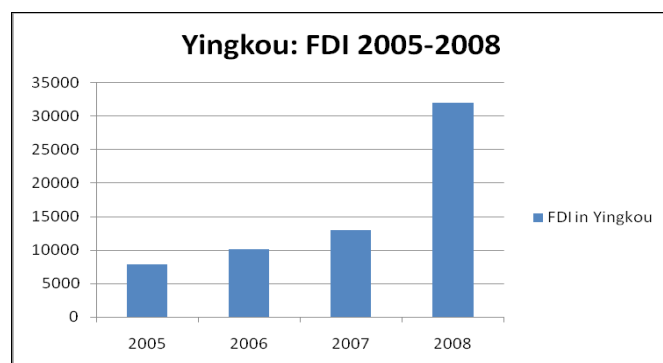
Yingkou belongs both to the Shenyang Metropolitan Economic Area and to the Liaoning Coastal Economic Belt, and is facing extraordinary development opportunities. The city intends to grasp these opportunities and has worked out the Yingkou City Strategic Development Plan. Yingkou will develop northern and southern parts of the city, with Laocheng, Laobian, Dashiqiao, and Zhongyejingcheng in the north, Haishang Xincheng, Gaizhou Laocheng, Bayuquan, and Xianren Island in the south. According to this plan, Yingkou will be the regional center of the two national development regions. The prefecture is expected to grow to a population of 2.5 million by 2015, with 1.4 million in the city.

Transportation development plans aim at creating convenient communication to support a sustainable business development. They rely on development of Yingkou Port and the promotion of city clusters, and the construction of highways to other cities. Yingkou wants to become the second biggest international shipping center and the biggest logistics center of northeast China.

In the new development strategy, Yingkou will focus on eight industrial clusters, which are steel, petrochemical, equipment manufacturing, new magnetite materials, textiles, high-tech, modern logistics, and commerce and service. The plan also emphasizes the mix of city environment and ecological environment, to reserve space for green coverage, trying to avoid an over-expansion of urban areas. This will improve the environment and makes Yingkou a comfortable city to work and live in.

Foreign Trade

As the world economy is becoming increasingly globalized and the regional economy is more integrated, Yingkou is trying to diversify its export markets. While fostering existing markets, it plans to expand to Latin American and African customers. Yingkou has established trade relations with more than 130 countries in the world. Currently, there are 30 enterprises with earnings in foreign currency of more than 10 million USD.



Enterprises from 48 countries have invested in Yingkou, mainly from Hong Kong, Japan, South Korea and Taiwan. Of all the investment, 501 million USD are from Hong Kong, 270 million USD from Japan, 251 million USD from South Korea and 173 million USD from Taiwan. Investment from these four countries and regions accounts for 62 percent of the total. In 2008, FDI

has more than doubled, and reached 504.91 million in 2009. Total volume of foreign trade was 1.673 billion USD in 2009, with 1.2 billion USD from export and 0.473 billion USD from import.

Living in Yingkou

Yingkou is a coastal city with a long history. Located between the mountains and the sea, scenery and climate make it a comfortable place for people to live in. Public transportation is based on taxis and many bus lines. A long-distance bus station and a railway station connect Yingkou to the rest of the country. Yingkou Port has ferries to Dalian, Jinzhou and Tianjin.

Famous star hotels in Yingkou include the Wandu Hotel, International Hotel, Hotel of International Trade, and the Riverside Hotel. The three most popular supermarkets are Darunfa Supermarket, Xinghong Supermarket, and New-mart.



Fuxin

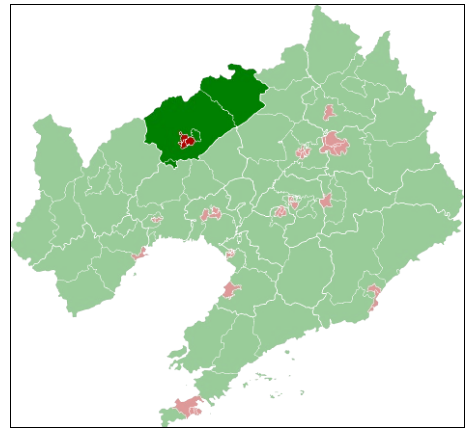
A City of Power

Fuxin, located in the northwest of Liaoning Province, used to be one of the four main mining bases of China. Fuxin Power Plant was the biggest coal power plant in Asia. Still today, Fuxin is known as the “City of Coal and Power”. The total area of Fuxin prefecture is 10,445 square kilometers, with a total population of 1.92 million. It administrates five districts and two counties, which are Haizhou District, Taiping District, Xihe District, Xinqiu District, and Qinghe District. The two counties are Fuxin Mongolian Autonomous County and Zhangwu County.

Geographical Location and Resources

Fuxin is a transportation hub in the west of Liaoning Province. It is convenient to start off from the city down south to Jinzhou, Beijing and Tianjin and up north to Tongliao and the mining area along the Huolin River. To the east of the city are Shenyang and the coastal cities, and to the west Chaoyang and Inner Mongolia’s Chifeng.

Fuxin is 170 kilometers from the provincial capital of Shenyang, and 148 kilometers from the Port of Jinzhou by highway. It takes 5 hours driving from Fuxin to Beijing by expressway. Fuxin-Shenyang Expressway provides the city with an opportunity to conduct closer exchanges with the cities in the center of Liaoning. Shenyang Taoxian International Airport is the closest airport to Fuxin.



Fuxin has a variety of mineral resources with major reserves in 228 locations. Silica sand, limestone, zeolite, perlite, fluorspar, bentonite, and granite are being exploited. Medical stone and agate reserves are rich as well. Fuxin is regarded as one of the main sources of gold. But with about one billion tons, the coal reserve tops all others. Annual coal production of Fuxin exceeds 10 million tons and the area of proven reserves is 825 square kilometers large. Energy resources also include

natural gas and oil. To further explore the energy resources, Fuxin is looking for partners to improve the power industry and develop natural gas and oil production.

Economic Development

The regional GDP of Fuxin was 28.80 billion RMB in 2009 (about 4.11 billion USD). Largest contributor to the GDP was the secondary sector with 11.86 billion RMB (1.69 billion USD), followed by the tertiary sector with 10.56 billion RMB (1.51 billion USD). Fixed assets investment was 20.15 billion RMB (2.88 billion USD). The average salary was 23,003 RMB (about 3,286 USD), per-capita disposable income 11,116 RMB (1,588 USD), and annual consumption per capita 8,384 RMB (1,198 USD).

In terms of employment, both the service sector and the primary sector ranked before industry. Of the total 1.1 million employees in 2009, 430,000 were in the tertiary sector and 383,000 in the primary sector, among them 46,543 in mining alone.

On the basis of its resource endowment and its industrial foundation, the city is focusing on the development of the following industry clusters: forest products, leather, hydraulic equipment, and fluorine chemistry. The city has been giving priority to the construction of key projects in these areas, which has boosted the development of related industries.

Agriculture is also a main element in Fuxin's economic development. The technology-based Liaoning National Agricultural Science and Technology Park is one of the first 21 agricultural parks in China. With rich agricultural resources, the city is a main producer of grain and livestock. In the production of grain, cattle and sheep per capita, Fuxin ranks top in Liaoning.



Foreign Investment and Foreign Trade

Fuxin approved 12 foreign-funded enterprises in 2008. New investment also went into 7 established projects with a combined foreign capital of 162.1 million USD. The new FDI was twice that of 2007, mainly due to the construction of Fuxin Sumirin wood products project, invested by Sumitomo Forestry Co., Ltd. (a Global Fortune 500 company). This project is a major



step in the city's forest product industry cluster, with a total of 2 billion USD to be invested. Foreign direct investment increased by 24% from 2008 to 2009 and reached 64.13 million USD.

Other projects with an investment of over 10 million USD each included Hong Kong Lida Casting Company, South Korea's Shunde Antifreeze Solution Company and Fudeli Renewable Energy Company. In 2009, the total volume of foreign trade in Fuxin amounted to 114.01 million USD, of which 7.93 million USD was import and 106.08 million USD export.

Living in Fuxin

Although some distance from Shenyang and coastal areas, living in Fuxin is pleasant. There are shopping malls, department stores, and supermarkets in the town, such as New-mart, Dashang Qian-sheng Department Stores, New World, and more. Four-star and three-star hotels are happy to welcome travellers from China and abroad.

Liaoyang

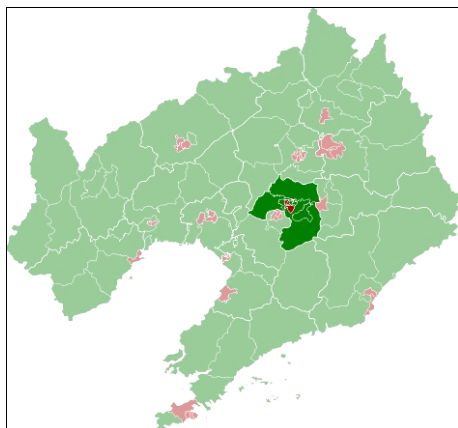
Ancient Town in the Heart of Liaoning

Liaoyang is a city with a rich culture and a long history of over 2,400 years. During this time, Liaoyang was once the capital of six regional kingdoms. In 2004, the city was listed as an "Outstanding Tourist City" by the China National Tourism Administration.

Situated in the southern part of Shenyang Metropolitan Area, Liaoyang has a total population of 1.84 million. The prefecture has an area of 4,741 square kilometers and administers five urban districts on county level (Baita, Wensheng, Hongwei, Gongchangling, and Taizihe), one city (Dengta City) and Liaoyang County.



Geographical Location and Transportation



The city enjoys a prime geographical location. The southeast of the city is located nearby the hills at the west foot of the Qianshan Mountain, the northeast neighbors upon the hills at the tip of the Longgang Mountain, and the west lies at the edge of the lower Liaohe River Plain, accounting for about half of the whole city. The Hunhe River and the Taizi River flow from Benxi into Liaoyang through Wayuxi gully in Jiguanshan Town in the city's east area.

The city is surrounded by Anshan to the south, Shenyang to the north, Benxi to the east, and the Liaohe Oilfield to the west. Shenyang-Dalian Expressway and Changchun-Dalian Railway connect Liaoyang with Shenyang at a distance of 70 kilometers. The expressway is an artery to the ports and large enterprises, such as Angang Steel Co., Ltd. and Liaoyang Petrochemical Fiber Company. Oil pipelines and railways to Changchun and Harbin link with Daqing Oilfield, the largest in China. Liaoyang-Benxi Railway and Liaoyang-Benxi Highway lead to Benxi, 79 kilometers to the east. Nearby Shenyang International Airport and the Port of Dalian connect Liaoyang with the world.

Economic Development

Liaoyang is a highly industrialized region, which is reflected in the composition of its regional GDP. In 2009, the total was 60.83 billion RMB in 2009 (about 8.69 billion USD), and the secondary sector had a share of 63 percent. The tertiary sector contributed 18.49 billion RMB (2.64 billion USD) or 30.4 percent, and the primary sector only 4.01 billion RMB (573 million USD). Fixed assets investment was 34.66 billion RMB (4.95 billion USD). The average salary was 27,737 RMB (about 3,962 USD), the per-capita disposable income of urban residents 14,568 RMB (2,081 USD), and consumption 10,460 RMB (1,492 USD).

Most of the 874,000 employees of Liaoyang worked in manufacturing (52,827 persons), construction (22,606 persons), public administration (21,917 persons), education (17,821 persons), and health and social welfare (8,281 persons). According to the ownership of employers, 113,000 people or almost 13 percent were employed by private companies.



Industrial Pattern

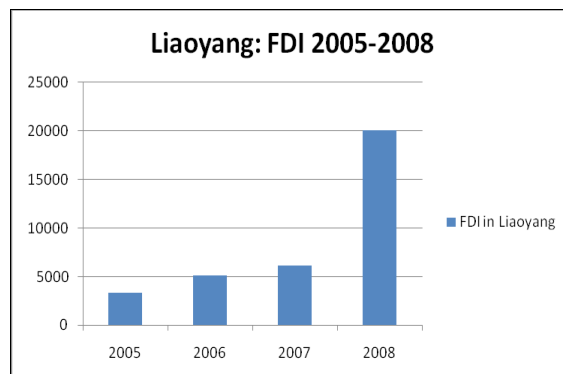
Liaoyang is an emerging modern petrochemical and textile industry city. Liaoyang Petrochemical Fiber Company is a giant petrochemical fiber conglomerate with modern technical equipment (mainly imported) and advanced management. Liaoyang has the biggest pharmaceutical machinery factory in China and national papermaking machinery and industrial paperboard production bases. Liaoyang Ferroalloy Factory is a key enterprise in the domestic ferroalloy industry. Other industries present include textiles, metallurgy, chemicals, machinery, electronics, building materials, energy, pharmaceuticals, and food processing.

Reputed as a "granary", Liaoyang prefecture also has a well-developed agriculture and functioning value-chains in the rural economy. The eastern mountain areas abound in forest and fruit, such as hawthorn and pears. The prefecture is a national and provincial grain provider and breeds lean-type pigs and freshwater fish. Agriculture is marked by rapid development and features "high yield, high quality, and high efficiency". Priority is given to "five developments": grain, greenhouse vegetables, animal husbandry (cattle, live pigs, chicken), forestry and fruit industry, and freshwater aquaculture.

Nine high-quality agricultural products clusters, ten leading industries and ten industry chains have been established and developed across the rural areas. A large number of township and village enterprise groups are active in mining, building materials, iron and steel processing, agricultural sideline products, shoes and garments, steel formwork, textile bags, aluminum profiles, and leather.

Foreign Trade

Main export products of Liaoyang are light industrial products, arts and crafts, grain, edible oil, agricultural and sideline local specialties, minerals, machinery and chemical products, textiles and garments. They are exported to more than 90 countries and regions. In 2009, the city's total foreign trade volume was 1.10 billion USD, with imports of 226.16 million USD and exports of 870.13 million USD. Foreign direct investment in Liaoyang increased quickly and totaled 817.18 million USD in 2009.



Living in Liaoyang



Located in the middle of the highway from Shenyang to Dalian, Liaoyang is close to both cities. It takes only one hour from Shenyang Taoxian International Airport to the downtown area of Liaoyang. There are modern shopping malls and supermarkets, such as TESCO, Zhongxing, and Hongyan. The Liaoyang Jiahao International Hotel and Liaoyang New Century Hotel provide good accommodation and service to travelers.

Panjin

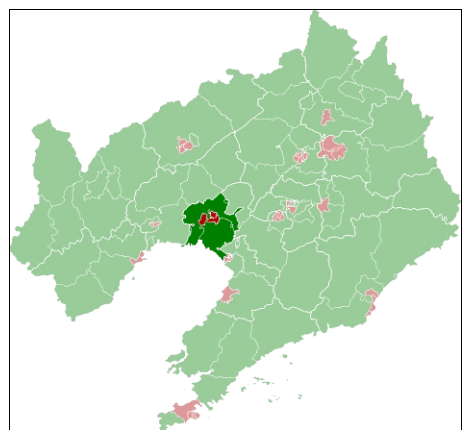
A Land of Rice and Fish



Panjin, a prefecture-level city in the southwestern part of Liaoning, is truly a land of rice and fish with beautiful sceneries and intact ecological environment. Situated in the heart of the Liaohe River Delta, its city proper is 155 kilometers from Shenyang, the provincial capital. The prefecture has a population of 1.3 million and a total area of 4,084 square kilometers, 2.75 percent of the area of Liaoning. It administers two counties, Panshan and Dawa, and two urban districts which are Shuangtaizi and Xinghontai.

Geography

Panjin has an average temperature of 9.8°C. Compared with the Liaoning average, the annual climatic conditions are slightly higher temperature, slightly less precipitation, and less sunshine hours. From April to September there will be high temperatures, more rainfall and less sunshine. In summer, between June and August, cloudy and rainy weather predominates. Temperature is on the high end, with less rainfall and much sunshine in September and October. Panjin is situated in the Cenozoic sedimentary basin in the northeast of the North China Continental Platform. Due to reactions from alluvial rivers and alluvial floods, the city was continuously covered with loose sediments. The topography is characterized by low land with a slightly higher elevation in the north and a slope of less than 2 degrees. Average elevation is 4 meters above sea level, the maximum is 18.2, minimum 0.3 meters.



Economic Development

The 2009 regional GDP of Panjin was 67.69 billion RMB (about 9.67 billion USD), with a secondary sector of 61 percent (5.90 billion USD), a tertiary sector of 28.1 percent (2.72 billion USD) and a primary sector of 10.9 percent (1.05 billion USD). Investment in fixed assets was 34.66 billion RMB (4.95 billion USD). The average salary was 24,361 RMB (about 3,480 USD), per-capita disposable income 18,563 RMB (2,652 USD) and annual consumption per capita 13,486 RMB (1,927 USD).

Most of the 1.08 million employees of Panjin worked in the primary sector (420,000 persons), including 185,672 in farming, forestry, husbandry and fishing and 144,374 in mining. Manufacturing only employed 36,123 persons, public administration 23,031, and construction 21,851.

Industrial Pattern and Resources

Panjin is situated at the joint of river and sea and has a warm climate. The region is rich in flora and fauna, especially fish. Paddy fields yield grain and high-quality rice, river and sea are source of aquatic products. The world's largest reed field is in the prefecture, source of raw materials for the paper and building industries. Panjin is said to be the land of milk and honey.



Underground are abundant oil and natural gas reserves, which account for 10 percent of China's total proven reserves. Panjin is home to Liaohe Oilfield, the third largest in China, and is the largest production base of special oils in China and the fourth largest in the world.

Land Resources

Panjin covers a land area of 407,100 hectares. Panjin rice, famous both at home and abroad, is one of Panjin's main export commodities. Panjin still has 20,000 hectares of land that can be planted. With increasing reclaimed coastal beaches each year, the land area keeps growing.

Mineral Resources

Panjin enjoys rich underground minerals such as oil, natural gas, well salt, coal and sulfur. Underground bittern resources were discovered in west Hujia and south Tianshui, Yangjuanzi, and Dongguo of Panshan County.

Reed Resources

The harvested area of reed fields in Panjin stands at 55,608 hectares, which produce about 500,000 tons of reed annually, making it one of the top producers in the world. The reeds are mainly used as raw material for paper, and account for more than 50 percent of the total reeds output in Liaoning.

Aquatic Resources

The south of Panjin has about 200,000 hectare of shallow waters, host to 40,000 to 50,000 tons of fish, shrimps, and crabs, which account for 70 percent of the total in Liaodong Bay.

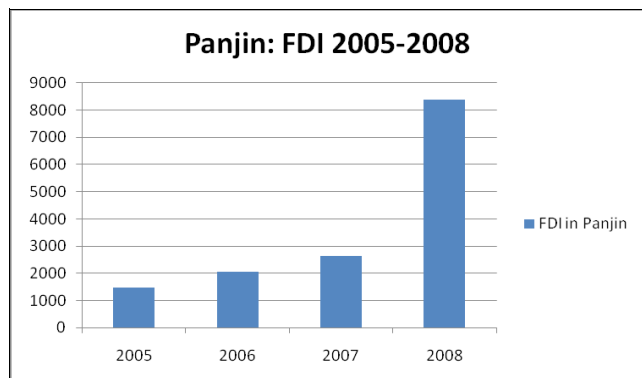
Grassland Resources

Panjin City has 4,000 hectare of high-quality pastures, which are located in Shishan Breeder Farm and Panshan County Dahuang Farm.

Foreign Trade and Foreign Investment

Foreign trade in Panjin has increased quickly. According to customs statistics, the foreign trade volume in 2009 was 375.18 million USD, import was 82.88 million, export 292.3 million USD, and foreign direct investment 301.78 million USD.

Panjin has set up trade relations with 90 countries of the world. Top five trade partner countries of Panjin are India, South Korea, Azerbaijan, Bangladesh, and Pakistan.



Travelling and Living in Panjin



Natural plains, rice and reed fields, grassland, red beaches, rare birds and spectacular rivers compose the picture of Panjin, making the region an ideal destination for tourists. More than 600 kilometers away from

Beijing, Panjin has a beach where the Suaeda grass near the sea slowly turns red in autumn, spreading across the entire beach and forming a spectacular view, called the Red Beach.

Panjin has both star hotels such as Panjin International Trade Hotel, Kunlun Hotel, Panjin International Hotel, and small clean hostels providing inexpensive but comfortable accommodation for visitors. New-mart Mall and Xinghong Shopping Mall are right choices for shopping.

Tieling

Barn of North Liaoning

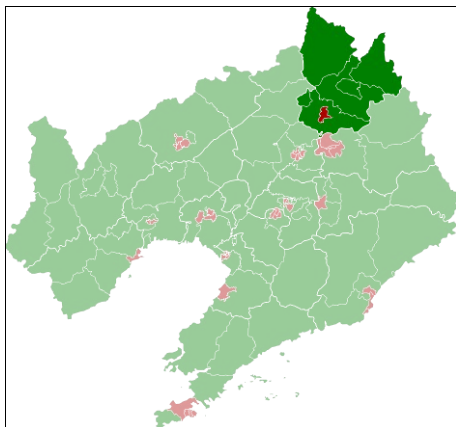
Tieling has 3.06 million inhabitants and is located in the Songliao Plains of North Liaoning. It is an agriculture area. The prefecture covers 12,966 square kilometers.

Urban Yinzhou and Qinghe Districts, the county-level cities of Diaobingshan and Kaiyuan, Tieling County, Xifeng County and Changtu County belong to the pre-

fecture. Tieling has an average 2,700 hours of annual sunshine and a precipitation of 700 mm. The temperature is 6.3°C, with a low at -31°C and a high of 35°C. The freezing period lasts 150 days. Precipitation is moderate, ideal for growing crops.



Geographical Location and Transportation



Tieling enjoys abundant water resources. The Liaohe River system with the river itself and 87 branches, has a water reserve of 3.14 billion cubic meters, of which 2.12 billion cubic meters can be utilized. This water reserve is not only able to meet residents' daily water demands but also sufficient for the city and its downstream areas' agricultural and industrial production.

Tieling features convenient transportation. Five state-owned railways, Changda Line, Pingqi Line, Simei Line, Kaifeng Line and Tiefa Line merge in the city and extend to a total of 450 kilometers. The average goods delivery by railway for each square kilometer of land is 562 tons, which is 40 times the China average. These railway lines also contribute to the international railway network. The newly constructed Tieling Railway Station provides complete services to the 60 passenger trains passing through every day. The station provides multimodal transport by connecting with relevant highway, airline and waterway shipping companies and also renders postal services.

Economic Development

The 2009 regional GDP of Tieling was 60.57 billion RMB (about 8.65 billion USD). The primary sector contributed 12.54 billion RMB (1.79 billion USD), the secondary sector 31.11 billion RMB (4.44 billion USD), and the tertiary sector 16.93 billion RMB (2.42 billion USD). Fixed assets investment reached 69.61 billion RMB (9.94 billion USD).

At an average salary of 24,066 RMB (about 3,438 USD), the per-capita disposable income of urban residents was 12,055 RMB (1,722 USD) and the annual consumption per capita 9,366 RMB (1,338 USD). In Tieling, 1.345 million people were employed mainly in the primary (573,000) and tertiary sector (469,000), while the secondary sector provided jobs for 303,000.

Industrial Pattern

Tieling has a solid agricultural foundation, considerable industrial inventory, sufficient water and power resources, abundant mineral reserves, and an advantageous geographical location.

Strong agriculture development made Tieling the "Barn of North Liaoning". With four national commercial grain supply counties, the annual grain production of Tieling amounts to 2.5 million tons, the corn production to 2 million tons. Tieling is also ahead in animal husbandry, with 1.3 million cows, 3.3 million pigs, 25,000 deer, 552,000 sheep, and 86.6 million poultry.

The secondary sector of Tieling consists of 35 industrial categories, including mechanics, electronics, metallurgy, coal mining, rubber production, food processing, leather processing, pharmacy, chemical production, and textile manufacturing. Tieling has more than 19,700 enterprises, 227 of them have an annual turnover above 5 million RMB (0.7 billion USD).



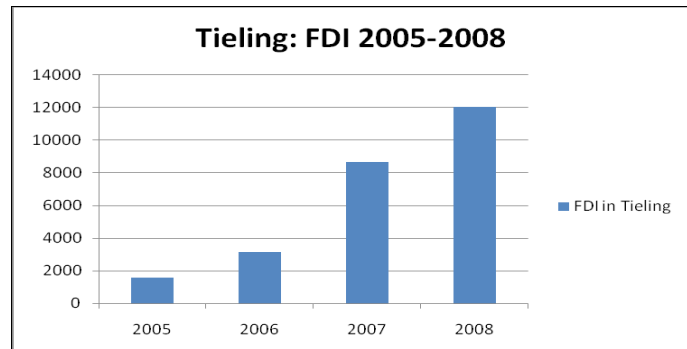
The Liaoning Guoneng Group Tieling Precision Machinery Co., Ltd. is the biggest drying equipment manufacturer and researcher in China. Tieling Huachen Rubber Products Co., Ltd. is the biggest complex rubber seal producer in China. The main industrial products of Tieling are coal, steel, copper and aluminum materials, valves, lifting equipment, chemical equipment, drying equipment, cement, rubber products, flat glass, paper and textiles.

Tieling also has 29 kinds of various mineral resources, such as coal, limestone, white clay, wollastonite, marble, granite, copper, iron, zinc, gold and many others. The coal reserve is about 2.2 billion tons, one third of the total reserve of Liaoning.

The city is a critical point to connect with Jilin and Heilongjiang provinces to the north. Within 100 kilometers around Tieling, there are 10 large cities and a population of 30 million. Those cities are mainly focused on heavy industry or chemical industry. Tieling is the city to focus on agriculture, including husbandry. The geographical location and agricultural specialty provide Tieling a major opportunity in the industrialization of agriculture and high value-added agricultural products.

Foreign Trade and Foreign Investment

The total volume of foreign trade in Tieling was 430.95 million USD in 2009, with exports of 420.17 million and imports of only 10.78 million USD. Naturally, Tieling's export was focused on agricultural products. Export of corn was two thirds of the total corn export of Liaoning. The foreign direct investment of Tieling was 171.97 million USD in 2009.



Living in Tieling



Shenyang Taoxian International Airport is about one hour's drive from Tieling, 70 kilometers. The city offers different choices of shopping malls and supermarkets, such as New-Mart, TESCO and Xing-hong. The four-star Tianxing Hotel provides good service and accommodation.

Chaoyang

Overview



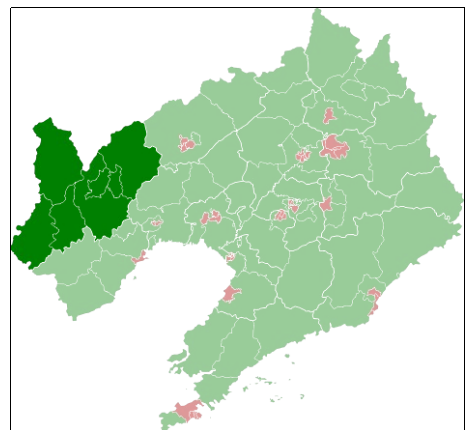
Chaoyang borders to Inner Mongolia with Chifeng and Tongliao to the north, Huludao in Liaoning and Qinhuangdao in Hebei to the south, Fuxin and Jinzhou in Liaoning to the east, and Chengde and Qinhuangdao in Hebei to the west. It is the westernmost prefecture of Liaoning.

The population of Chaoyang totals 3.43 million and the

prefecture covers an area of 19,736 square kilometers, accounting for one-seventh of the whole province. Chaoyang administrates two urban districts (Shuangta and Longcheng), two county-level cities (Beipiao and Lingyuan), two counties (Chaoyang and Jianping), and also the Kalaqin Zuoyi Inner Mongolian Autonomous Region.

Geographical Location and Transportation

Diversified natural land types can be found in Chaoyang: mountains, hills, dry land, valleys, and flatland. In addition, the land of the city is utilized in various ways. The main mountains within the city include Nulu'erhu Mountain, Duling Mountain, Daqing Mountain, and Dahei Mountain. Chaoyang has rainfall in summer, but ample sunshine, a high diurnal temperature range, and moderate precipitation. The annual average temperature is 9.9°C. Annual average sunshine duration is 2,850 to 2,950 hours, annual precipitation 450 to 580 mm and the frost-free period is 120 to 155 days. Spring and autumn are windy and drought-prone. Wind force is normally from 2 to 3 with strong northwestern winds in winter.



Chaoyang has long been a city of strategic importance in the north of the Great Wall. Today, Chaoyang remains important in transportation from Beijing and Chengde to Shenyang, Dandong, Dalian, and

other cities in Northeast China. Ten national and provincial expressways and highways and six railways running through the city ensure convenient transportation. The sound transportation network brings the city much closer to the other regions of the country. The modern communication network ensures that business visitors can keep in touch with every corner of the world.

Economic Development

Chaoyang is dominated by the secondary sector which contributed 25.98 billion RMB (about 3.71 billion USD) to the 2009 regional GDP of 51.81 billion RMB (7.40 billion USD). The tertiary sector had a GDP share of 15.63 billion RMB (2.23 billion USD) and the primary sector of 10.20 billion RMB (1.46 billion USD). Investment in fixed assets was 45.54 billion RMB (about 6.51 billion USD).

The average salary was 26,562 RMB (about 3,795 USD), the per-capita disposable income of urban residents 11,554 RMB (1,651 USD), and annual consumption per capita 8,635 RMB (1,234 USD).

The number of employees in Chaoyang was 1.798 million, with a share between primary, secondary and tertiary sectors as 4:2:3. Manufacturing provided nearly 50,063 jobs, education 40,753, and public administration nearly 37,681. More than 150,000 people were employed by private enterprises.



Chaoyang is the only prefecture in Liaoning that is not part of the two national development strategies of Shenyang Metro and Liaoning Belt. Instead, the provincial government has issued a regional development strategy for the Northwest of the province with Chaoyang as an important player and beneficiary. The Chaoyang Economic Development Zone, located in the suburban area, provides all necessary production and living facilities, which ensure perfect conditions for investment and construction.

Industrial Pattern and Resources

The pillars of agriculture in Chaoyang include planting, husbandry, forestry and fruits. The city has also formed a range of industries, with metallurgy, coal, light industry, machinery, electronics, building materials, textiles, chemicals, pharmaceuticals, food and beverages and paper making.

The prefecture has a large quantity of land resources. Agricultural land accounts for a main proportion. Since much of Chaoyang is in mountainous regions, significant differences exist in the geographical distribution of utilized land. Chaoyang also has rich mineral resources of good condition, just waiting to be exploited.

Foreign Trade

Export has developed well over the past years. A variety of 160 products in 14 categories is being exported to 60 countries and regions in Asia, Europe and America. The Chaoyang 2009 volume of foreign trade was 453.46 million USD, with exports of 370.28 million and imports of 83.18 million USD.

Living in Chaoyang

The downtown area is located 341 km to the west of Shenyang and 518 km to the east of Beijing, both to be reached by direct railways and highways. Driving from Chaoyang to Beijing takes four hours, the Port of Bijiaoshan in Jinzhou can be reached in 40 minutes. Chaoyang has an airport for medium-sized passenger planes.

Chaoyang has water, drainage, power, heat and gas supply. Several hotels, supermarkets and department stores are easily accessible.



Welcome to Invest in Chaoyang

To attract the investment of more domestic and foreign business people, Chaoyang has formulated a series of preferential investment policies.

1. Administrative fees are exempted during the construction period for projects prioritized by the municipal government.
2. Preferential prices and terms of payment are offered for merger and acquisition projects involving the city's state-owned enterprises.
3. Preferential land-use conditions are offered for overseas investors.
4. Technologies and funds are offered for overseas investors.
5. Awards are given to intermediaries introducing foreign investment.

To offer good services for investors, the city has set up an efficient service system and an administrative examination and approval center, offering one-stop service for all relevant formalities. It is the common consensus of all residents of the city to offer investors a sound investment environment. Government on prefectural and county level are making every effort to improve the investment environment by providing quality service.

Huludao

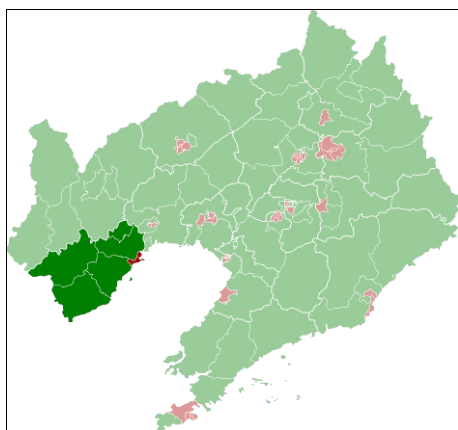
Gateway into Northeast China

Huludao has a population of 2.82 million and a land area of 10,375 square kilometers. The prefectural city is located west of Jinzhou and north of the Liaodong Bay. It is the first city into Liaoning when you travel east from Beijing, just outside the Shanhaiguan Pass in neighboring Hebei Province. Huludao is a gateway into Northeast China. The prefecture administers three districts (Longgang, Lianshan and Nanpiao), one county-level city (Xingcheng), and two counties (Suizhong and Jianchang).



Geography and Transportation

The coastal line of the city totals 261 km, ranking second in Liaoning (No. 1 is Dalian). The annual average temperature of the city is 11°C, with the highest being 25.1°C and the lowest -7.3°C. The annual precipitation of the city averages at 560 to 630 mm.



Highways, railways, ocean shipping, air transportation and underground pipelines constitute a comprehensive transportation network. The Beijing-Harbin Expressway and Railway run across the city. Local highways and railways radiate in all directions. Binhai Road is essential to link the city with the outside world. The bridge between Jinzhou and Huludao, which has recently opened to traffic, is important for the development of the "Jinzhou-Huludao Metropolitan Area" along the west coast of Liaoning Province.

Huludao has two ports, the main Port of Huludao and the Port of Suizhong. Shanhaiguan Airport is 20 kilometers away, Jinzhou Airport 50 kilometers. Numerous underground pipelines pass through, including the strategically important Daqing-Qinhuangdao Oil Pipeline and the Panjin-Huludao oil pipeline.

Economic Development and Education

The secondary and the tertiary sector contributed almost equally to the 2009 regional GDP of Huludao, which was 44.56 billion RMB (about 6.37 billion USD). The primary sector only added 6.19 billion RMB (885 million USD). Quite the opposite in employment, where most of the 1.37 million jobs were in the primary sector, followed by the tertiary and last the secondary sector. Total investment in fixed assets was 25.41 billion RMB (3.63 billion USD). Huludao's average salary was 23,943 RMB (about 3,420 USD) in 2009, the per-capita disposable income of urban residents was 15,305 RMB (2,186 USD) and the annual consumption per capita 10,051 RMB (1,436 USD).

Huludao has a number of universities and vocational colleges: Liaoning Finance and Trade College, Bohai Shipbuilding Vocational College, Huludao Vocational and Technical College, Liaoning Technical University (Huludao Campus), Shenyang University of Technology, Changchun University of Technology (Huludao Campus), Tianjin Network Engineering University (Bohai College), Huludao Open University, PLA Fourth Navy Flying College, and the Jinxi Navy Second Artillery College.

Industrial Pattern and Natural Resources

Huludao has a long history of mining. Molybdenum, lead, zinc, petroleum, natural gas, and nearly 1,000 underground ore deposits are found here, also uranium ores. The proven reserves of molybdenum ores are ranked No. 1 in Liaoning and account for one third of China. The city is one of the world's top three production bases of molybdenum ores. It also has rich offshore oil and natural gas resources.

Huludao also has rich forest and fruit resources in the mountain areas. The total area of orchards stands at 1,300 million square kilometers. Qi-ansuo Orchard is the largest in Asia. With a 258-kilometer coastline and 89 square kilometers of mudflat, the city abounds in fish, shrimp and other seafood.



Being called the Island of Zheng, an ancient Chinese musical instrument, Huludao holds the International Zheng Culture and Art Festival every two years to attract domestic and foreign visitors. There is also the International Gourd Handicraft Fair held in the city. The annual Xingcheng Seashore Carnival is a great attraction to visitors from all over the world, as is the International Swimsuit Exhibition held in Xingcheng.

Foreign Trade

Foreign trade of Huludao developed quickly in recently years with a strong expansion of international communications. The total volume of foreign trade in 2009 was 1.014 billion USD with exports of 485.22 million USD and imports of 528.48 million USD. Foreign direct investment was relatively low at 74.47 million USD. Huludao is trying to extent communication and cooperation with more and more countries and regions, to build up a multi-level and multi-subject pattern of cooperation.

Living and Travelling in Huludao

Transportation in Huludao is convenient. The Beijing-Harbin Railway and the electrified Qinhuangdao-Shenyang Dedicated Passenger Line run through the city and provide direct links for travel and trade with Shenyang and Beijing. It takes about four hours driving from Huludao to Beijing.

The city offers a variety of places for shopping, leisure, dining, accommodation, and entertainment. There are different shopping malls, bars, restaurants, and banks, such as Xinhua Plaza, the Friendship Mall, and Hongyan Department Store. A TESCO supermarket is under construction. Huludao is one of China's Tourism Cities and has a great number of cultural relics, historic spots and natural sights. The county-level city of Xingcheng is called the Second Beidaihe, which is another famous coastal destination where Mao Tsetung and other state leaders spent their vacation and held secret meetings. The Jiumenkou Great Wall has been listed by UNESCO as a world cultural heritage. It is the most eastern part of the Chinese Great Wall and over water.



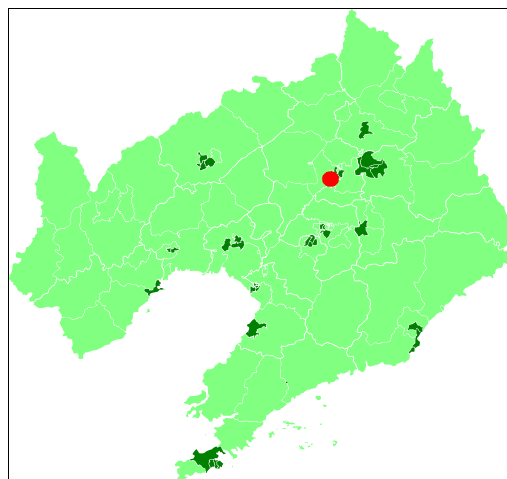
Economic Development Zones

Shenyang Economic and Technological Development Zone

Overview

Shenyang Economic and Technological Development Zone (SETDZ) was set up in 1988 and approved to be a state-level economic and technological development zone in 1993. Located at the southwest area of Shenyang City, SETDZ covers a planned area of 10 square kilometers and provides investors with a complete range of facilities and services.

After years of development, the Shenyang Economic and Technological Development Zone has attracted the investment of business people from 43 countries and regions. Up to now, a total of 90 Multinational Corporations (MNC) have invested and built factories in the development zone, of which 32 are among the Global Fortune 500 companies. So far, a total of 2,234 projects have been approved to enter the development zone, of which the number of foreign-funded projects is 1,408, and the number of those with an investment of over 5 million USD is 443. The accumulative total investment volume is 184 billion RMB (about 26 billion USD), the foreign investment volume stipulated in agreements is 13.7 billion USD, and the actually utilized foreign investment volume is 3.2 billion USD. The accumulative regional GDP is 140 billion RMB (20 billion USD), the industrial output value is 386 billion RMB (55 billion USD), tax income 14 billion RMB (2 billion USD), and the foreign exchange income through exports is 3.9 billion USD.



Major economic indicators have registered an impressive growth rate of more than 30 percent for a long time, including regional GDP, gross output value, industrial value added, fiscal revenue, utilized foreign investment and fixed assets investment. The development zone has also been ranked No. 1 among all the counties and districts of Shenyang in a comprehensive evaluation of economic construction.

In June 2009, the development zone received the title of "Demonstration Area of Adjustment and Renovation & Development of Equipment Manufacturing Industry of Old Industrial Bases in the Tiexi New Area" by the National Development and Reform Commission (NDRC) and the Office of the Leading Group for Northeast China of the State Council. The zone is the core part of the West Shenyang Industrial Corridor, and has been listed in one of two major development strategies formulated by Liaoning Province. Currently, the SETDZ has become an area with the most substantial economic vitality, competitiveness and development potential in China.

Industrial Environment

The zone has priority in Liaoning under one of the two key development strategies. So far, the following industry clusters have taken shape in the zone:

- 1) Equipment manufacturing industry cluster. It consists of nearly 200 enterprises represented by North Heavy Industries Group Corp and Shenyang Blower Works Group Co., Ltd.
- 2) Automobile and auto components industry cluster. It consists of more than 150 enterprises represented by Shenyang SAC Hino Auto Co., Ltd and Brilliance Auto E2 Engine Co., Ltd.
- 3) Pharmaceutical and chemical industry cluster. It consists of more than 60 enterprises represented by Northeast Pharmaceutical BASF Vitamin Co., Ltd. and Shenyang Paraffin Chemical Co., Ltd.
- 4) Food and beverage and packing industry cluster. It consists of more than 50 enterprises represented by Shenyang Coca-Cola Beverage Co., Ltd. and Zhongfu Packing Co., Ltd.
- 5) Textile, garment and dyeing and finishing industry cluster. It consists of more than 20 enterprises represented by the Printing and Dyeing Industry Park.
- 6) Motorcycle and motor components industry cluster represented by Shenyang Tianli Motorcycle Manufacturing Co., Ltd. and Shenyang MACAT Motorcycle Co., Ltd.

Many other industry clusters are under development, which involve home appliances, pumps and valves, metallurgy, casting and forging and non-ferrous metals, generating increasing agglomeration effects. The Instrument Industrial Park, Mold Industrial Park, Casting and Forging Industrial Park, Private Industrial Park, Taiwan Industrial Park, Ningbo Industrial Park and Heavy Chemical Industry Park have been put into operation. Several other parks are under construction, including the Machine Tool Functional Parts Industrial Park, Automobile and Auto Components Industrial Park, Power Generation and Power Equipment Industrial Park, Rail Transportation Industrial Park, and Construction Machinery Industrial Park. They all possess the capability to carry out large projects.

Functional Parks

Shenyang Chemical Industry Park

Shenyang Chemical Industrial Park (SCIP) is a comprehensive industrial park which is located at the northeast end of the industrial corridor in the west of Shenyang. With new and high technology as a pioneer, fundamental chemical industry as a support, the SCIP has set a new goal for development in the near future, the output value of the chemical industry park will reach 80 to 100 billion RMB (about 14.3 billion USD) in 5 to 7 years. The gross output value is aimed to reach 200 billion RMB (28 billion USD) in 2015. Supported by chemical engineering, the chemical industry park is dedicated to utilizing high and new technologies to conduct deep processing and production with high value added. Chemical materials, fine chemicals and rubber products, coal chemicals, ethylene and propylene, are highlighted in the development of the chemical industry park.

In the long run, the chemical industry park will be built into a large chemical and pharmaceutical production base that is featured by the integration of upstream and downstream operations. The production base will focus on industry clusters in the fields of petrochemicals, chlor-alkali chemicals, fine chemicals, and special rubber products.

Shenyang Metallurgical Industry Park

Located in the southwest of Shenyang, the West Shenyang Industrial Corridor is an important area for the interaction of the economic activities between the hinterland and the coastal area of Liaoning Province. Based in Shenyang and supported by the Shenyang Metro Policy of Liaoning and the central government, the industrial corridor is a comprehensive economic area with its influence covering Northeast China. As a new strip-type industrial base, the West Shenyang Industrial Corridor focuses on the development of advanced equipment manufacturing industry, new chemical industry, modern metallurgy deep processing and new materials industries.

Shenyang Metallurgical Industry Park is just located at the core area of the West Shenyang Industrial Corridor, which benefits the park for development in its geographical location. Its priorities include deep-processed steel and iron products, nonferrous metal smelting and processing products and new metallurgical materials. It is aimed that the metallurgical industry park will be built into an important metallurgical deep processing and logistics base in Northeast China.

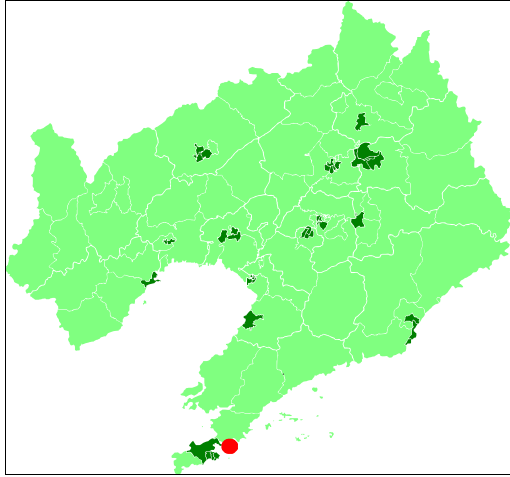
Contact Information:

Investment Promotion Bureau
Shenyang Economic and Technological Development Zone
No. 28, Huahai Road, 110141 Shenyang, Liaoning, China
Tel: +86 400 655 8877
Fax: +86 24 25812748

<http://www.seda.gov.cn> (Website in Chinese)

Dalian Economic and Technological Development Zone

Overview



Dalian Economic and Technological Development Zone (DETDZ) was among the first development zones approved by the State Council, covering an area of 20 square kilometers, a population of 550,000, and 180,000 employees. It is located in the northeast of Dalian, 27 kilometers from downtown Dalian, 25 kilometers from the airport, 27 kilometers from the railway station and 400 kilometers from Shenyang. The zone also has mountains and hills and a wide sea area with 130 kilometers of coastline.

Dalian is a major international harbor city and a logistics center of Northern China with 85 percent of the cargo from Harbin, Shenyang, Changchun and other areas are being shipped via Dalian Port. Dalian Development Zone is surrounded by six ports: Dalian Port, Dayaowan Port, Beiliang Port, Catfish Bay Oil Harbor, Monk Island Coal Harbor and Dalian Bay Fishing Harbor. As a non-freezing deep water port, the throughput is second to none in Northeast Asia. The transportation network radiates in all directions and the liners can reach Southeast Asia, Europe and North America.

Industrial Environment

Northeast China has trained a large number of skilled industrial workers. One of the areas with the best labor quality in China, Dalian has a labor force of more than 1.3 million and all kinds of technical specialists. The labor force grows by 87,000 annually, providing sufficient human resources for a stable development of Dalian Economic and Technological Development Zone with high quality.



The Dalian Economic and Technological Development Zone makes good use of the national and provincial development strategies for the Liaoning Belt and of several development plans of Dalian City, striving to build a distribution center for the integrated circuit industry in Northeast Asia and an advanced manufacturing base for Liaoning. The zone is concentrating on finished automobiles, optical, mechanical and electronic integration, the bio-industry, the energy-saving and environmental protection industry and the tourism industry.

Functional Parks

Dalian Mould Industrial Park

Dalian has many universities, colleges and secondary technical schools with engineering majors and vocational training for the mould industry with advanced teaching facilities and established mould technology service platforms serving mould enterprises. Dalian Mould Industrial Park invites enterprises producing large panel stampings, plastics, die casting moulds and ultra-precision moulds for automobiles. The park is providing development space and opportunities for mould enterprises and strives to drive the development of the mould industry in the Northeast region.

Dalian Golden Pebble Opto-electronic (OE) Industrial Park

Dalian Golden Pebble Opto-electronic (OE) Industrial Park is one of the five national semiconductor lighting engineering industrialization bases and the core industrial zone of Dalian National Semiconductor Lighting Engineering Industrialization Base with an area of 2.5 square kilometers. It has functions of research and development, incubation, pilot-scale and large-scale production as well as industrial support services for various projects of opto-electronics and semiconductor lighting. In addition to national and Dalian favorable policies for the opto-electronics industry, enterprises settling here enjoy additional preferential policies according to Provisions on Promoting the Development of Opto-electronics in Dalian Economic and Technological Development Zone.

Dalian Golden Pebble IT Industrial Park

The Park is located 15 kilometers from the east of the central development zone and 2 kilometers from the INTEL chip plant, and covers a total area of 3.8 square kilometers. Golden Pebble IT Industrial Park is building a production and distribution center for semiconductor equipment and materials and an industrial service center for the semiconductor manufacturing industry, while developing high-tech industries represented by the IT industry at the same time.


Contact Information:

Dalian Economic and Technological Development Zone

Room 301, No.1 Jinma Road, 116600 Dalian, Liaoning, China

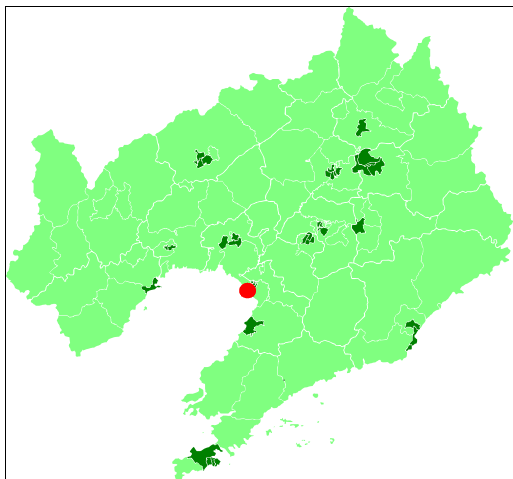
Tel: +86 411 8761 4301, +86 411 8761 1156, +86 411 8762 2666

Fax: +86 411 8753 0036, +86 411 8765 6930

 <http://www.dda.gov.cn> (Website in English and Chinese)

Yingkou Economic and Technological Development Zone

Overview



Covering an area of 5.6 hectares, Yingkou Economic and Technological Development Zone (YETDZ) is located by the Bohai Sea and at the head of the Liaodong Peninsula. It was officially approved by the State Council in 1992. The zone was defined as part of "Liaoning Belt" according to the national strategy formulated in July 2009. But YETDZ is also part of the "Shenyang Metro" and is nearest to the sea in the megalopolis in middle Liaoning Province. Located within YETDZ, Yingkou Port is the 10th largest port along the coast in China. With more than 140 international and domestic airlines, it has navigation access to more than 50 countries and

regions. Yingkou Economic and Technological Development Zone has a 28.5-kilometers coastline. Yingkou Economic and Technological Development Zone is a crossing point of two regional development strategies, and link to the outside world for the cities in the center of the Shenyang-Dalian area.

Industrial Environment

At YETDZ, over 500 domestic and foreign enterprises from more than 30 countries work together both in the secondary sector with metallurgical petrochemical, equipment manufacturing, high and new technology, modern logistics, minerals processing, new energy, new building materials, textiles and garments, and in the service sector with commerce, logistics, tourism and real estate. They are growing and developing vigorously. To name a few: Angang Steel Bayuquan New Plant with 13 million tons of annual output, Huaneng Yingkou Power Plant with a total installed capacity of 3.6 million kilowatts – the largest thermal power plant in Northeast China, and Vesuvius Company from the UK.



Functional Parks

YETDZ functional parks are located at one of two industrial zones: Lingang Industrial Zone and Binhai Industrial Zone.

Industrial Parks in Lingang Industrial Area

Science & Technology Industry Park is located in the center of Lingang Industrial Area. The aim of the park is to develop high-tech industries and promote the sustainable development of low consumption and high efficiency economy. The park is an ecological and compound high-tech industrial park, with the high-tech industry as the main function, and with education, science and residential conditions as its supporting function. It is also an integrated data and technology center of various industry chains of Lingang Industrial Area.

SME Innovation Park is located to the south of New Angang Steel Road and to the east and west of Ping'an Avenue. The park is an ancillary SME park, with the aim of addressing issues for large enterprises like Angang Steel and Yingkou Jiatuo Heavy Equipment Manufacturing. Many enterprises have settled in the park, such as Yingkou Shengji Packaging Company, Angang Steel Automobile Transportation Company, Liaoning Modi Enterprise, Danone Hydraulic Company, and Fengyuan Mechanical Company.

Modern Equipment Manufacturing Industrial Park is located in the northeast of Lingang Industrial Area. The park is bordering SME Innovation Park on the south and adjacent to the Shahe green belt on the east. There are several large enterprises on the west of the park such as Angang Steel Bayuquan New Plant, Air Liquide, and Three Metallurgical Construction. Attracted by its location and transportation facilities, many large enterprises such as Yingkou Jiatuo Heavy Equipment Manufacturing have settled in the park.

New Building Materials Industrial Park is located in the south-central part of Lingang Industrial Area and has an area of 750,000 square meters. Leading industries of the park are waterproof sealant materials industry and new building materials industries.

Deep Processing of Steel and Supporting Industrial Park is located in the south of Lingang Industrial Area and covers an area of 1.5 square kilometers. Focusing on the industries of deep processing of steel, supporting enterprises, stock yard, and steel and iron industry, the park aims to form a chain development model in steel manufacturing, processing and selling.

Automobile and Parts Industrial Park is located in the northeast of Lingang Industrial Area and covers an area of 1.8 square kilometers.

Gangqian Modern Logistics Industrial Park is located in the southeast part of Lingang Industrial Area and has 1.2 square kilometers. Focus is on modern logistics, logistics processing and manufacturing industries. Enjoying flat terrain and advanced transportation networks, the park is adjacent to the Shenyang-Dalian Expressway Bayuquan Exit and 4 kilometers from Yingkou port.

Industrial Parks in Binhai Industrial Zone

Electrical Equipment Industrial Park: is located in the south of Binhai Industrial Zone. The leading industries are: semiconductor lighting, OLED, flat panel displays such as LED displays, new electronic components and other high-tech optoelectronic products.

Light Industry Park: covers 2.8 square kilometers and is located in the north of Binhai Industrial Zone. Combined with plastic industry, the park focuses on developing organic polymer materials, light manufacturing, precision instruments and meters and mechanical and electrical integration, and related industries.

Metallurgy Chemical Industrial Park: is located in the northeast of Binhai Industrial Zone, the park covers a planned area of 5.2 square kilometers and focuses on leading industries such as new metallic materials and fine chemicals industries.


High-tech Innovation Park: is located to the south of Light Industry Park with a planned area of 5.9 square kilometers and focuses on leading industries such as electronic information, biotechnology, new energy and environmental protection industries.

Contact Information:

Investment Promotion Bureau
Yingkou Economic and Technological Development Zone
Middle Section, Qiantangjiang Road
115007 Yingkou, Liaoning, China

Tel: +86 417 628 7566

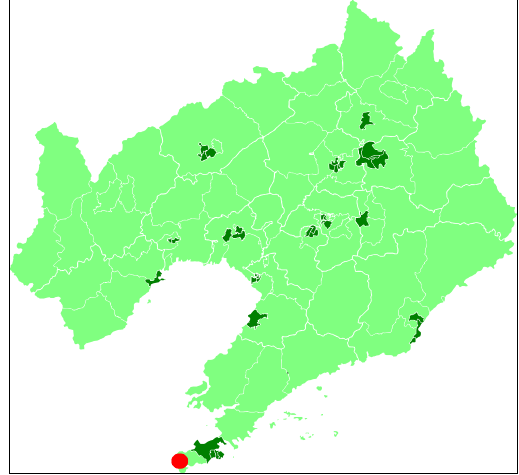
Fax: +86 417 628 7066

 <http://www.ykdz.gov.cn> (Website in English and Chinese)

Dalian Lüshun Economic Development Zone

Overview

Established in 1992, Dalian Lüshun Economic Development Zone (DLEDZ) was made a provincial-level development zone of Liaoning in 2002 and covers 10.1 square kilometers. It was incorporated into Dalian's development plan in 2004 and became one of the 10 key industrial parks of the city. In April 2008, DLEDZ was upgraded by the provincial government to a priority zone of the Liaoning Belt. It is situated at the southern tip of the Liaodong Peninsula, facing Shandong across the sea, neighboring the Yellow Sea to the east, and the Bohai Sea to the west. Located only 45 kilometers from downtown Dalian, it sits in the center of the Northeast Asia Economic Circle.



Industrial Environment

As a result of 17 years of development and construction, cumulatively 2.5 billion RMB (about 300 million USD) have been invested in the area. The development strategy includes transportation, water supply, electricity, heating, sewage, telecommunications and broadband networks. DLEDZ represents a rare provincial-level development zone in China, enjoying transportation advantages of ports, railways, train ferries, highways, and urban light rail. It is a land and water transport hub that connects the three economic zones in Northeast, East and South China, and is a logistics distribution center.



More than 200 domestic and foreign-funded projects have been introduced to the zone, with an actual capital utilization of more than 8 billion RMB (about 1.1 billion USD). In 2009, there were 34 key construction projects with planned investment over 30 million RMB (about 4.3 billion USD).

Ten well-known Chinese enterprise groups have set up factories in DLEDZ, including Dalian Heavy Industries, Dalian Crane Works Group, Dalian Shipbuilding Industry Group, Dalian Daxian Group, and China CNR Corp Group. Also, 50 shipbuilding and auxiliary equipment manufacturing firms have settled in the zone.

Functional Parks

The planning space of DLEDZ is 10.1 square kilometers, divided into three functional areas: processing and manufacturing park, port navigation logistics park, and tourism, education and residence park. DLEDZ features shipbuilding, supporting facilities of shipbuilding, major equipment manufacturing, high-tech and cultural industries, and navigation logistics in an excellent ecological environment.

Contact Information

Lüshun Economic Development Zone
Shugang Road
116000 Dalian, Liaoning, China

Tel: +86 411 8620 0223

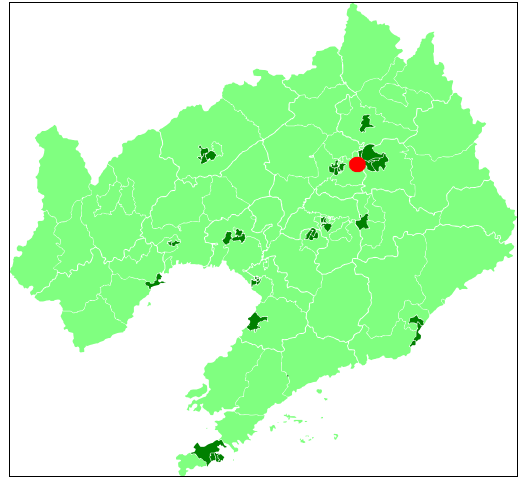
Fax: +86 411 8620 0278

<http://www.lsedz.com> (Website in Chinese)

Fushun Economic Development Zone

Overview

Liaoning Fushun Economic Development Zone (LFEDZ) is a development zone approved by the provincial government in 1993 and located right between Shenyang and Fushun, with 12 kilometers distance to either city center. It borders to the west with Shenyang Hunnan New District, Dongling and Qipanshan, and to the east with the city of Fushun. It covers 16 square kilometers with a population of 120,000. LFEDZ is 25 kilometers from Shenyang Taoxian International Airport, 380 kilometers from Dalian, and 200 kilometers from Yingkou.



Investment Environment

The Zone has on one hand easy access to the energy and material resources of Fushun, on the other hand also easy access to the technologies, culture, research and living quality of Shenyang.

In 2007, a strategy to integrate Shenyang and Fushun was proposed and promoted, first step to build the Shenyang Metro cluster of cities in central Liaoning, which aims to become the fourth pole of China's economic growth. The integration of resources is an effort of coordinated regional development in China and a key strategic decision to achieve positive interaction between the hinterland and coastal sectors and speed up urban transformation.



LFEDZ features an organic mix of modern urban space and green eco-cycle technologies. Hunhe River separates an ecology zone with focus on environmental protection and tourism resources in the north, and a modern industries and living zone in the south, which contains advanced manufacturing industries, such as energy equipment, safety equipment and auto parts, modern service industries such as residential, commercial, and finance properties. A financial services center is being built by Fushun city.

Functional Parks

Liaoning Fushun Economic Development Zone consists of the Central Zone, Gaowan Economic Zone, Lishi Economic Zone and Danan Economic Zone.

Preferential Policies

1. Standard factories will be built within the Equipment Base with a total area of 1 million square meters, which can be either purchased or leased by firms. For leases, a 50 percent discount shall be offered for two years. For one-time purchases, a 15 percent subsidy shall be granted.
2. Businesses anchored in the Equipment Base can voluntarily choose "Liaoning", "Shenyang" or "Fushun" in their titles and use Shenyang's area code "024" in their telephone numbers.
3. For foreign invested businesses with land use rights, within the first three years after start of operations, based on the investment amount and tax contributions, financial support shall be offered of an equal amount of the local revenue that is composed of income tax, business tax and value-added tax paid by the firms. If the average annual growth rate of sales exceeds 15 percent, the firms shall then be given further financial support of 50 percent of the local revenue that is composed of income tax, business tax and value-added tax for another two years.
4. Preferential tax policies apply in the Equipment Base. High-tech businesses as recognized jointly by the science and technology authorities and tax authorities shall enjoy a concessionary corporate income tax rate of 15 percent.
5. Firms in the Equipment Base are encouraged to be listed. Those firms that are listed domestically or overseas shall enjoy further one-time subsidies of 300,000 RMB to 1 million RMB (43,200 to 144,000 USD) in addition to the existing policy support.
6. Provincial-level-and-above R&D institutions or key labs led by authoritative experts shall be granted 100,000 - 300,000 RMB (14,400 - 43,200 USD) start-up capital. Based on their laboratory equipment or construction inputs, for every 1 million RMB (144,000 USD) investment, they shall receive laboratories of 100 square meters, exempt from rental and property management fees. For research projects approved by national ministries or commissions, local authorities shall incorporate them into the annual science and technology development-funding plan.
7. Foreign and overseas research staff, who come to work in the Equipment Base to lead national-level or provincial-level advanced equipment manufacturing projects with a tenure of five years and above, shall be awarded research startup capital of 200,000 RMB (about 28,800 USD) to 1 million RMB (144,000 USD), depending on the technological content and the contribution to the development of the Equipment Base, temporary housing with an area of 90 - 150 square meters and a 50,000 - 150,000 RMB (7,200 - 21,600 USD) housing allowance.

Contact Information:

Management Committee

Fushun Economic Development Zone

No. 1 Binhe Road, 113122 Fushun, Liaoning, China

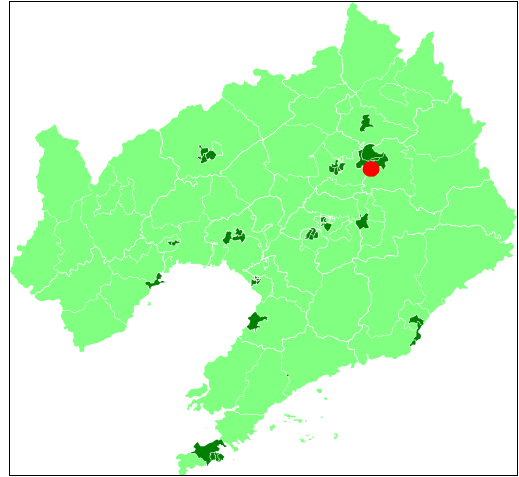
Tel: +86 413 660 7000

<http://www.fsjjkfq.gov.cn> (Website in Chinese)

Fushun Shengli Economic Development Zone

Overview

Liaoning Fushun Shengli Economic Development Zone (LFSEDZ) was founded in June 1988 and approved by Liaoning Provincial Government as a provincial-level development zone in March 1993. It is the first development zone in Fushun and also one of the six provincial-level development zones in Liaoning Province. Located in the city proper of Fushun, LFSEDZ is built on the industrial area deserted by old coalmines, with a total area of 10.3 square kilometers and a population of 50,000. LFSEDZ leverages on Fushun Mining Bureau, a super large state-owned enterprise, and embraces unique advantages, being one of the six



earliest provincial-level development zones in Liaoning Province. Situated in the central city cluster of Liaoning Province, LFSEDZ enjoys distinct location advantages and convenient transport conditions. It is 40 kilometers away from Shenyang, 35 kilometers from Shenyang Taoxian International Airport, 400 kilometers from Dalian Port and 200 kilometers from Yingkou Port.

Industrial Environment

Liaoning Fushun Shengli Economic Development Zone enjoys a number of administrative authorities and favorable policies granted by the province and the city. It is also blessed with the advantage of a supporting environment with unique features. The scale has been expanding with increasing economic aggregate, with a diversified economic structure including light



industry, food, building materials, machinery, and trade. At present the zone is home to 333 enterprises, utilizing a total of US\$ 62.83 million foreign investment, and realizing GDP of 3.7 billion RMB (about 0.5 billion USD) with a tax revenue of 500 million RMB (about 71 billion USD). Recent years have seen a 20 percent and above economic growth rate consistently. Leveraging on the super large enterprises in Fushun, LFSEDZ is committed to transforming and revitalizing old industrial base. Currently, there are 300,000-square meters industrial plants that can be utilized, which have unique ad-

vantages and play a unique role in attracting foreign investment, transforming traditional industries, making full use of idle assets, and developing new industries. LFSEDZ is also extremely rich in coal, coal-bed methane, oil shale, and groundwater.

Potential and Prospects for Growth

As Liaoning Fushun Shengli Development Zone mainly makes use of industrial deserted land, without occupying arable land or farmland. It is in the category of protected and fostered development zones, thus has great growth potential. In phase one, 3.2 square kilometers was developed, and in the next term, industrial deserted land of 5 square kilometers shall be developed.

According to the development plan of the zone, in the future each year will see an input of 50 million RMB (about 7 billion USD) to develop the area to a larger extent. Shengli Industrial Park, which was developed in the first place and covered an area of 3.2 square kilometers, is focusing on light industry, food, textile, machinery, electronics, building materials and other new industries.

It is expected that within three years, investment in the park will exceed 3 billion RMB (about 0.4 billion USD), with an industrial output value of 8 billion RMB (1.1 billion USD), and a GDP above 2 billion RMB (0.3 billion USD). As a result, the park will become an important emerging industrial area and a new economic growth engine in Fushun. Development strategies will also bring rare opportunities for LFSEDZ, which is ready to enter into a new stage of development.

Contact Information:

Fushun Shengli Economic Development Zone
No. 1 Dong'er Street, South Garden
113008 Fushun, Liaoning, China

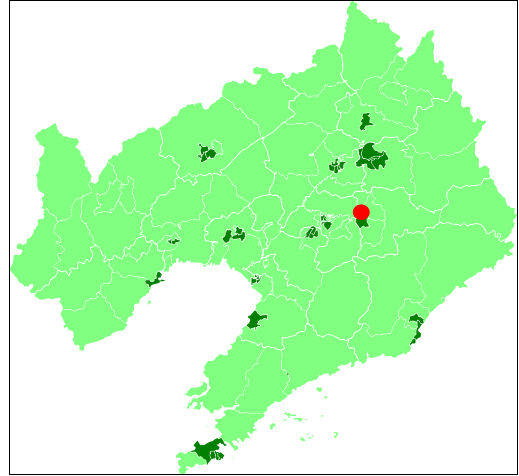
Tel: +86 413 254 3678, 254 3679

<http://www.fsslda.com> (Website not verified)

Benxi Economic Development Zone

Overview

Liaoning Benxi Economic Development Zone (LBEDZ) is situated in the Shenyang Metro, or the cluster of cities in central Liaoning Province. It neighbors Shenyang to the north with a distance of 43 kilometers, and Benxi, its home city, to the south by 21 kilometers, covering a total area of 8.6 square kilometers. LBEDZ has established a modern transportation network by land, sea and air. The zone is 210 kilometers from Dadong Port of Dandong, 200 kilometers from Bayuquan Port of Yingkou, and 360 kilometers from Dalian Port. The annual cargo throughput of the above three ports are 8.5 million tons, 75.37 million



tons and 170 million tons. LBEDZ has a distance of 30 kilometers from Shenyang Taoxian International Airport, which has now opened 74 domestic and international routes, connecting 55 cities and has an annual passenger throughput of 2.5 million and cargo throughput of 61,000 tons.

Industrial Environment

As a pioneering and demonstration zone for emerging sustainable industries, institutional innovation, scientific and technological progress, LBEDZ has grasped development trends and seized the opportunity of national preferential policies to build a modern Traditional Chinese Medicine (TCM) Industry and Equipment Manufacturing Support Industry into its pillar industries.

Modern TCM industry

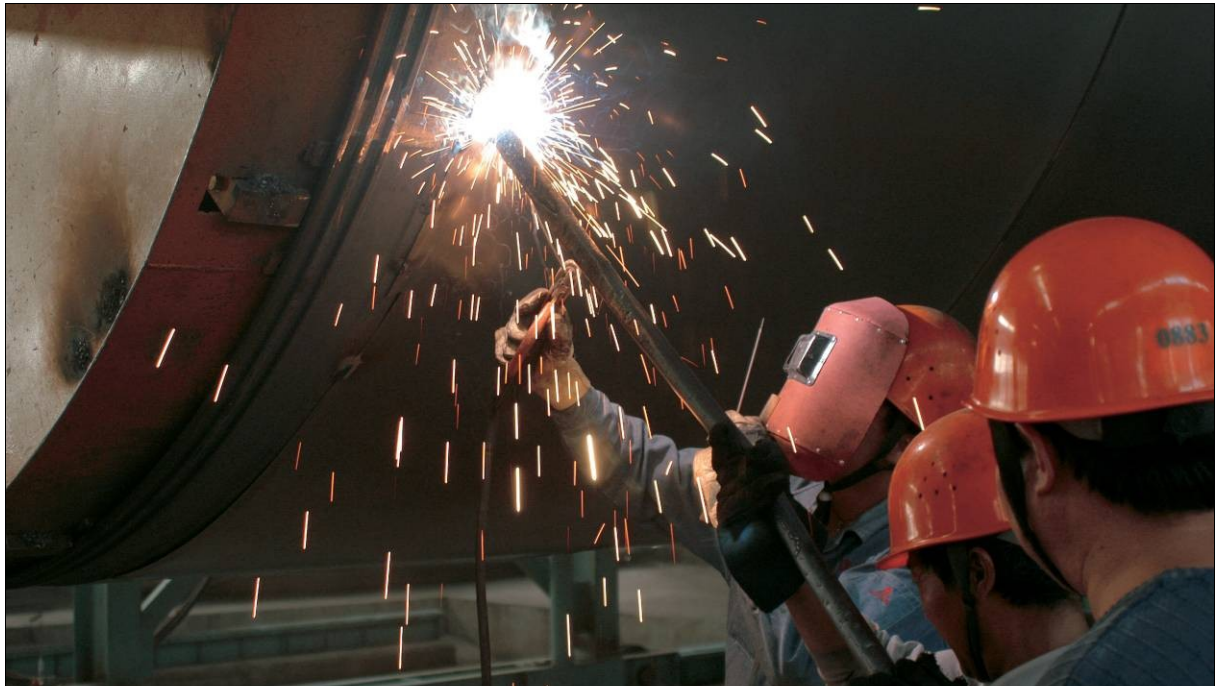
LBEDZ is using the TCM resources of Benxi City in scientific planning and sustainable development. Guided by the market and driven by innovations, the zone is optimizing the TCM product structure, improving technical levels, and expanding the industrial scale by developing competitive products and implementing large projects. To this end, the pace of upgrading the TCM industry has accelerated and the modern TCM industry was established, ultimately to become a sustainable industry in Benxi, guiding and leading the adjustment and upgrading of the TCM industry in the whole province.

Equipment manufacturing support industry

This sector is guided by the market, introducing projects in auto parts, machinery equipment and accessories, new hardware, new pipes and fittings and steel structure. It is forming a cluster of equipment manufacturing support industry.

Functional Parks

The Benxi Modern TCM High-tech Industrial Park consists of five functional areas: research and development incubator area, industrial area, education and training area, seedlings demo areas and business and logistics area. The LBEDZ endeavors to enable the Park to realize several first-class levers within 10 years. The North China modern TCM valley is to be established, which features vertical organic links and an effective integration of horizontal elements. The Park will be based in Benxi, integrate Liaoning, cover China and face the whole world.



The Equipment Manufacturing Support Industrial Park is to be built at Xiapingtai Village in the west of the LBEDZ. The Park will supply two types of products: (1) high-quality products to be supplied to equipment manufacturing industries such as autos and machine tools in Shenyang Economic Zone (SEZ), and (2) supporting products for large enterprises such as Benxi Iron & Steel (BXIS) and Beitai Iron & Steel (BTIS). LBEDZ has assisted local firms to cooperate with BXIS and BTIS and supply high-quality supporting products for SEZ and the two steel works. The firms in the LBEDZ are currently expanding their production scales and improving the quality of their products and service.

Contact Information:

Management Committee

Liaoning Benxi Economic Development Zone

Shiqiaozi Town, 117004 Benxi, Liaoning, China

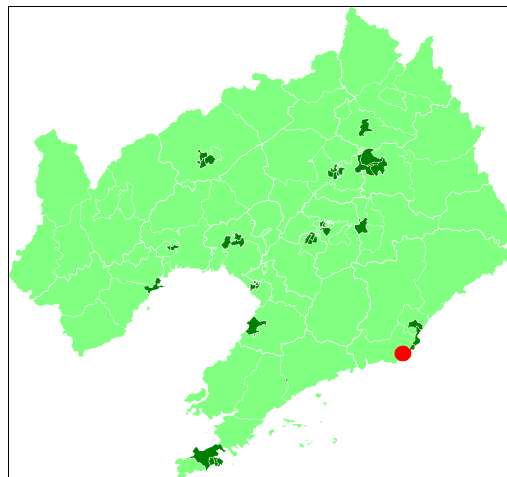
Tel: +86 414 585 8072

<http://www.benxi.gov.cn/wbj/kfqindex> (Website in Chinese)

Dandong Qianyang Economic Development Zone

Overview

Qianyang is China's largest border town, with a total area of 120 square kilometers, a population of 80,000, and 14 administrative villages. It is located at the junction of the Yalu River and the Yellow Sea, neighboring the Democratic People's Republic of Korea (North Korea) just across the river. Qianyang Town is the first gateway connecting the Eurasian Channel to Pyongyang, Seoul, and Tokyo. It enjoys a special geographical condition of being next to borders, the Yalu River and the Yellow Sea, and has a significant strategic position in international market penetration of North Korea.



In 1992, Qianyang Town was first approved by Dandong City as "Dandong Qianyang Special Economic Zone", then in 1994 by Liaoning Province as "Liaoning Dandong Qianyang Economic Development Zone" (LDQEDZ). In July 2009, the development of the Liaoning Belt was listed as a national strategy. Qianyang Town, situated at the eastern tip of the Belt is now an important components of Dandong's coastal development, and has an opportunity to demonstrate its strategic position.

Industrial Environment



LDQEDZ has commissioned the Liaoning Provincial Institute of Urban Planning to design the infrastructure facilities planning, which takes full account of the city's spirit and charm, cultural landscapes and natural beauty, economic characteristics and environmental quality, featuring industrial area, storage area, commercial area, residential area, living area and tourist resorts.

LDQEDZ hosts 480 enterprises with a total investment of 1.1 billion RMB (160 million USD), with an agreed foreign investment of 105 million USD and an actual foreign investment of 41 million USD. The zone is now home to 41 foreign-funded enterprises, including plants from the United States, Germany, Japan, North Korea, South Korea, Hong Kong, Taiwan and Singapore.

Functional Parks

LDQEDZ features functions of multiple parks, which currently include five industrial clusters:

Textile and Garment Industrial Park:

Advanced textile technology and products, high-grade flax, silk, cotton, various grades of clothing, shoes and hats processing.

High-tech Industrial Park:

Fine chemicals, pharmaceutical processing, and a manufacturing and assembly of various instruments and meters.

Food Industrial Park:

Qianyang rice, deep food processing and preservation packaging, mainly represented by fruits, nuts, seafood, and vegetables.

Paper-making Machinery and Paper Industrial Park:

Paper-making machinery processing and high-grade household paper and culture paper.

Metallurgical Machinery Industrial Park:

Mostly high-tech based metallurgical processing industry, and manufacturing, processing and assembly of machinery equipment.

Contact Information:

Management Committee
Dandong Qianyang Economic Development Zone
No. 10 Anyang Street
118301 Dandong, Liaoning, China

Tel: +86 415 715 6177

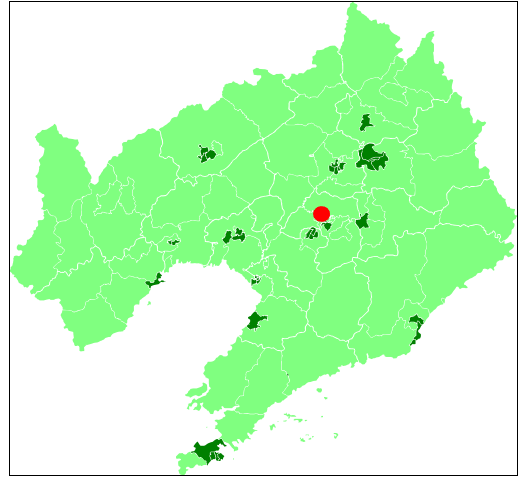
Fax: +86 415 715 6557

<http://www.ddqykfq.com> (Website in Chinese)

Liaoyang Economic Development Zone

Overview

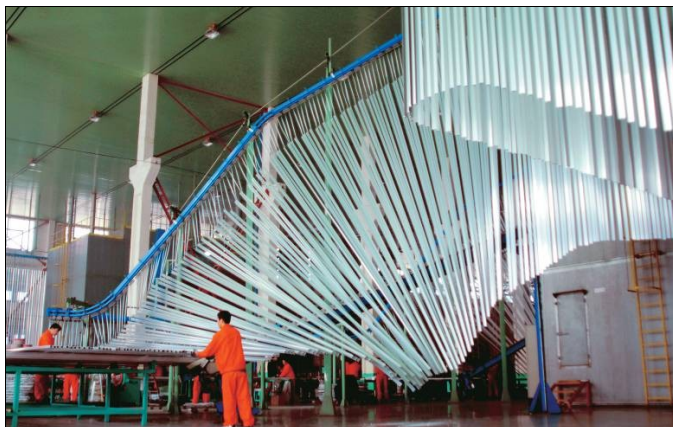
Liaoning Liaoyang Economic Development Zone (LLEDZ) is situated at the west of Liaoyang city, covering an area of 4.7 square kilometers. It was approved as a provincial-level development zone in January 2002. LLEDZ is in the center of the Liaoning Cluster of Cities (Shenyang Metro) and takes a strategic position. The construction of Shenyang Metro will constitute a platform for LLEDZ to open up to the outside world. The Shenyang-Dalian expressway and state highway No. 202 run across the zone. The zone is adjacent to Fanrong Road to the south and Zhenxing Road to the north, two highways leading to the expressway.



LLEDZ aims to incorporate more products into the Shenyang Metro. The zone is 65 kilometers from the center of Shenyang, 60 from Shenyang Taoxian International Airport, 332 from Dalian, and 162 kilometers from Yingkou.

Industrial Environment

LLEDZ are using the slogan "You invest and I provide service; You make a fortune and I develop". Key industries are being developed in the zone, including intensive processing of steel, machinery and equipment manufacturing, and automotive support industries.



LLEDZ has put in place a good investment environment where hardware matches software. At present, the zone has a complete support infrastructure: water in industry quantities from underground wells or from the city water system, electricity from Liaoyang First Thermoelectric Plant and heat from the Shishuang Heating Station.

The zone is also connected to Liaoyang Sewage Treatment Plant, two telecommunications stations, and a large power substation. The region is rich in resources of building materials. Liaoyang has 10 large cement plants and 30 large steel mills, providing gravel, bricks, aluminum, and steel in good quality and at low prices.

Functional Parks

LLEDZ has four industrial parks: (1) Metallurgical Park with deep processing of rolled steel, (2) Equipment Manufacturing Park with heavy machinery equipment, (3) Taiwan Industrial Park with automotive accessory products and high-tech products, and (4) Small and Medium Sized Enterprise Park, emphasizing in high technology with an investment below 10 million RMB (1.4 million USD).

Contact Information

Liaoyang Economic Development Zone

Middle Section, Fanrong Road, 111000 Liaoyang, Liaoning, China

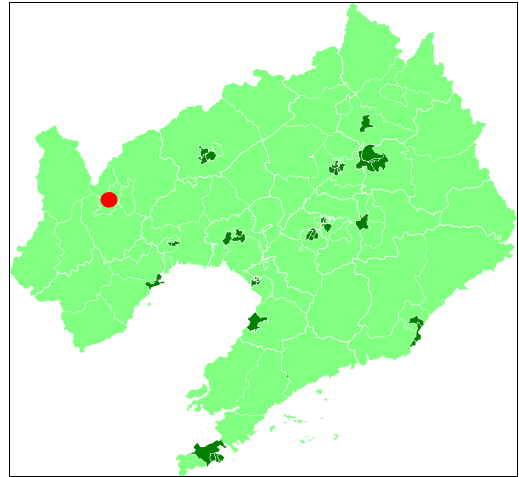
Tel: +86 419 219 0190

Fax: +86 419 219 0801

Chaoyang Economic Development Zone

Overview

Liaoning Chaoyang Economic Development Zone (LCEDZ) was established in 1992 and approved in 1994. It covers an area of 0.5 square kilometers, with one sub-district and six administrative villages under its jurisdiction. Total population is 50,000. LCEDZ can be reached by six railways and ten highways. Chaoyang-Jinzhou Expressway, Beijing-Siping Expressway, and Chaoyang-Chifeng Expressway are forming a direct express road network. Beijing-Shenyang High-speed Railway will be built soon, one station to be within the LCEDZ. After completion, Beijing and Shenyang can be reached within one hour.



Industrial Environment

LCEDZ has defined four industries in its development targets: Metallurgy, equipment manufacturing, agricultural products processing and culture and tourism. New energy and modern logistics industries are supported. By the end of 2008, LCEDZ achieved a GDP of 1.1 billion RMB (about 150 million USD) with an average annual growth rate of 41 percent. Foreign capital of 1.6 billion RMB (0.2 billion USD) has been invested at an average annual growth rate of 51 percent. Total investment in fixed assets grew at an annual rate of 161 percent. The zone currently hosts 430 enterprises of various types, including 194 industrial enterprises and 42 industrial enterprises above designated size. Leading industries are food processing, medicine and chemical industry, new energy, trade logistics, machine casting, and electronic information. The construction of infrastructure has been accelerated. A total of 300 million RMB (43 million USD) was invested in a new road and more than 30,000 square meters of greeneries.

Contact Information:

Chaoyang Economic Development Zone
No.5 Section 6, Changjing Road
122000 Chaoyang, Liaoning, China

Tel: +86 421 381 2878

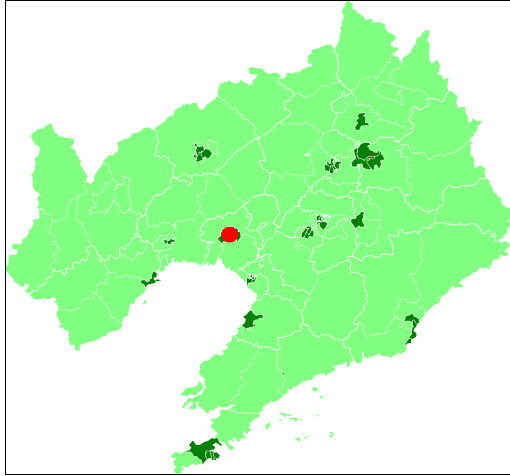
Fax: +86 421 381 5336

<http://www.cykfq.gov.cn> (Website in Chinese)



Panjin Economic Development Zone

Overview



Liaoning Panjin Economic Development Zone (LPEDZ) was set up in 1992 and approved in 1993, covering an area of 6.2 square kilometers. It is situated at the west of Panjin city, near the Bohai Sea and in the central belt of the Liaohe Delta. With Panjin, the Liaohe Oilfield, and Xinglongtai District, it has rich resources, convenient transportation, a pleasant climate and beautiful landscape. In 2005, LPEDZ became one of the first development zones passing the acceptance inspection of the National Development and Reform Commission.

Industrial Environment

Liaoning Panjin Economic Development Zone has built the China Panjin Production Base of Petroleum Equipment, a production base for petroleum equipment of the China National Petroleum Corporation and listed as a key project of the Liaoning Belt in 2008.

The production base includes both petroleum equipment manufacturing and petroleum engineering technical services. It has eight areas, including a drilling equipment manufacturing area and an oil extraction equipment manufacturing area. The base took shape after a long period of development.

An area of nearly three square kilometers has now been built, 72 projects launched. Their investment totals 6.7 billion RMB (1 billion USD) and their accumulated output tops 15.7 billion RMB (2.2 billion USD). In 2008, output registered at 5.2 billion RMB (700 million USD), an increase of 154 percent year on year. During the first half of 2009, output grew at 145 percent as compared with the same period of the previous year. If all goes according to plan, gross industrial output value will reach 150 billion RMB (21 billion USD) by 2015, regional added value 55 billion RMB (7.9 billion USD).



Panjin High-Tech Petroleum Industry Park aims to become a petroleum equipment manufacturing industry cluster and a world production base of petroleum equipment with global influence.

Functional Parks

LPEDZ implemented a special operating mechanism with four parks: High-tech Petroleum Park, Xinglong Industrial Park, Zhongxing Business and Trade Park and Culture Industrial Park.

High-tech Oil Park

Focus on the development of modern industry, the innovation of high technology and the export-oriented economy, supporting by the advantage of petroleum and chemical industry.

Xinglong Industrial Park

Aim at the development of non-state-owned enterprises with establishing an industrial park--paradise for private entrepreneurs.

Zhongxing Business and Trade Park

Prosper in commercial circulation, improve the living environment for residents by constructing first-class business and trade park.

Culture Industrial Park


Build a business platform by attracting more famous artists and excellent cultural works from home and abroad to develop and promote cultural industry.

Contact Information

Panjin Economic Development Zone
No. 55 Middle Liaohe Road, Xinglongtai District
124010 Panjin, Liaoning, China

Tel: +86 427 287 5600

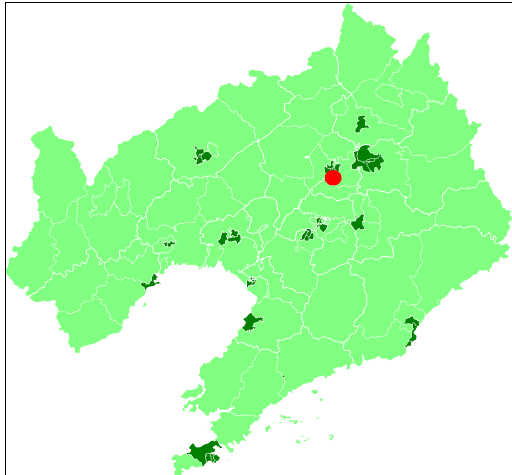
Fax: +86 427 287 5677

 <http://www.pjedz.com.cn> (Website in English and Chinese)

High-Tech Zones

Shenyang High-Tech Industrial Development Zone

Overview



Located within the Shenyang Hunnan New District, Shenyang National High-tech Industrial Development Zone (SNHIDZ) was initially set up in 1988 and approved in the first batch of state-level high-tech industrial development zones in 1991. In January 2001, the city decided to build Hunnan New District into a high-tech zone as "North China's Pudong". Development of the zone sped up and kept growing ever since. The District has an area of 27.5 square kilometers and receives support of the Ministry of Science and Technology.

Industrial Environment and Functional Parks

Electronic Information Industry

The information industrial cluster is composed of Neusoft Software Park, Only Information Industry Park, LG Electronics, Shenyang Software Park, and Tsinghua Tongfang Industrial Park. The parks integrate the functions of product development and manufacturing, information and technology services, industry incubation and promotion, and the transfer of industries.



Advanced Manufacturing Industry

Four enterprise clusters have been formed: (1) an auto cluster represented by China Aerospace Mitsubishi, China Aerospace Xinguang, Xingyuandong, Xinguang Brilliance, (2) an automatic product cluster represented by Siasun robots and KYKY, (3) a machinery manufacturing cluster represented by Toshiba Elevator, Shenyang Hongda Textile, GE Turbines, and GE gas turbines, and (4) medical machinery manufacturing enterprises such as Neusoft Digital and Shenda Endoscope.

New Materials Industry

This district has 15 firms engaged in various new materials. A technological platform connects them with the Metal Institute of the Chinese Academy of Sciences and the Institute of Metallurgical Technology of Northeastern University. Companies include INCO, Hengtong Optical Communications, Shenyang Hejin Holding, and Vacuumschmelze China Magnetics. They all made achievements in nano-materials, alloy materials, new building materials, and chemical materials.

Biomedical Industry

This area hosts 34 biotechnology enterprises, 20 of them large, which account for 10 percent of all large enterprises in the zone. The bio-firms are notable in the areas of bio-pharmaceutical and biomedical equipment. The bio-pharmaceutical cluster is represented by Xiehe Pharmaceuticals, Shuangding Pharma, Nuokang Biopharma, and Liaoning Chengda Biotechnology, the biomedical cluster by Neusoft Digital Medical Equipment, Neusoft Philips, Changjiang RMB, and Wanlin Biochip.

Singapore Industrial Park (SIP)

The SIP was founded in 2003 by Singapore's Ascendas Group, with leading companies in IT and IC equipment manufacturing. The park extends to Third Ring Expressway in the south and Shenyang Polytechnic University in the west. The SIP has three centers, four belts, and nine parks. Three centers refers to knowledge innovation center, management and service center, and science and technology expo center. Four belts refers to the support services industrial belt, the innovation industrial belt, the knowledge electronic IT industrial belt, and the technology electronic IT and high-tech manufacturing industrial belt. Nine parks refer to Innovation Lake Park, Electronic IT Industrial Park, two high-tech industrial parks, a high-tech and IT industry integrated park, a logistics park, two electronic IT manufacturing industrial parks, and a residential apartment park.

Eighty projects of five million RMB (0.7 billion USD) or more have been signed, 43 of them commenced, and more than 180 are under negotiation. Projects already started include a factory of the National Automatic Identification Technology Association, Dawning computer project, Sino-American intelligent sensing instrument project, Microsoft, Intel's software training project, environmental protection and energy saving building materials production base project, Mercedes-Benz's RV project, Henderson's LED R&D center, intelligent sensing instrument R&D center, and Weishen Institute of Automatic Identification Technology.

Contact Information:

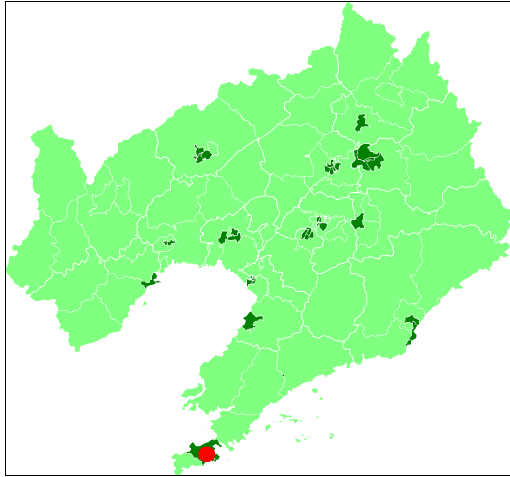
Shenyang High-tech Industrial Development Zone
No. 3 Shiji Road, Hunnan Industrial District
110168 Shenyang, Liaoning, China

Tel: +86 24 2378 7666

<http://www.hunnan.gov.cn> (Website in Chinese)

Dalian High-Tech Industrial Zone

Overview



Dalian High-tech Industrial Zone (DHIZ) was one of the first national high-tech industrial parks, established in 1991. The planned area is 13 square kilometers, comprising Qixianling Industrialization Base, Digital & DNA Port, High-tech Business Incubator for returned overseas students, Software Park, South Lüshun Road Software Industrial Zone, Longtou Sub-park and other development zones. The growth rate has recently soared, with rapid development of Dalian Software Park. Leading industries are software, information services, multimedia, digital entertainment and integrated circuits. Bioengineering and advanced instrument manufacturing

are affecting the regions along East Liaohe Road and Huanghai Expressway.

The number of registered enterprises is 2,700. More than 800 of them are foreign-funded enterprises from more than 50 regions and countries, such as the United States, Germany, United Kingdom, Australia, Taiwan and Hong Kong, including 50 Global Fortune 500 enterprises. Also, 700 high-tech enterprises have been introduced. Accordingly, the zone formed high-tech industrial clusters centering on software and information services, multimedia and digital entertainment, biomedicine and life sciences, semiconductor and electronic information, and advanced equipment manufacturing.



Functional Parks

Qixianling Industrialization Base: The zone covers 5.7 square kilometers and consists of Industrial Zone, Business Incubator, High-tech Business Incubator, Export Base of High-tech Products and Multi-media Corridor. Many internationally renowned IT and IC enterprises such as HiSoft, Luming Science and Technology Building, Dell, BearingPoint and Ericsson have settled here.

Software Park: This park covers an area of 7.2 square kilometers and records 100 percent annual increase of export. More than 100 enterprises have settled in Dalian Software Park, 42 percent of them foreign-invested enterprises, 50 percent export-oriented. Most products are exported to Japan.

DD Port: Biomedicine and advanced equipment manufacturing industrial zone.

Longtou Sub-park: This zone for integrated circuits is 30 kilometers from downtown Dalian and 2 kilometers from the city proper of Lüshun. A newly built University Town supplies abundant human resources. The sub-park is dominated by high-tech industry and directed by the integrated circuit industry with high-tech content. The park provides good community services, educational institutions, business centers, office space and other infrastructure.

Contact Information:

Investment Promotion Bureau
Dalian High-Tech Industrial Zone
Room 208, No. 1 Gaoxin Street
Qixianling Industrial Base
116025 Dalian, Liaoning, China

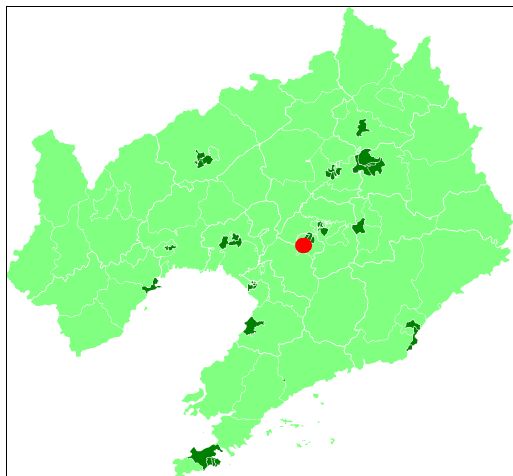
Tel: +86 411 8479 3643

Fax: +86 411 8479 3620

<http://www.ddport.com> (Website in Chinese)

Anshan High-Tech Industrial Development Zone

Overview



Anshan High-tech Industrial Development Zone (AHIDZ) was approved in 1992 and covers an overall area of 7.9 square kilometers. The eastern section is situated between the Anshan Dongshan Scenic Area and the Qi-an-shan National Park, the zone surrounded by mountains on three sides and a river on the fourth. To date, 4.3 square kilometers of the eastern section and 2.7 square kilometers of the western section have been developed.

Industrial Environment

AHIDZ provides favorable policies, capital and technology to enterprises with potential and scale. Hainuo Group's projects in concrete mixing stations and Julong Group's projects in banknote sorters were awarded treasury bonds and special loans of 343 million RMB (50 million USD). AHIDZ has assisted Huaye Group, RXPE, Leading Group and Weibang Pharmaceutical Company to prepare for IPOs.

Functional Parks

Eastern Section

This section is located in the east of the city. Planning is based on human-centered design ideas and aims to build an ecological living environment. Focus is on scientific and technological R&D and developing high-tech industries, with priorities being given to advanced manufacturing and new materials industries, supplemented by electronic information, bio-pharmaceutical, fine chemicals, and mechanical and electrical integration industries. The zone wants to create "an R&D base for original innovative products, a concentration base for high-tech products, an incubation base for high-tech products, and an export base for high-tech exports."

Western Section

The predecessor of the western section of AHIDZ is Anshan Economic Development Zone, which was established in 1990. Now, 2.7 square kilometers for this section have been developed and are home to 1,100 firms. Specializing on different functions, the western section is divided into the Central Area, Residential Area, Industrial Area and Warehousing Area.

AHIDZ is transforming into a feature park, which, along with Liaoning Julong Financial Equipment Industrial Park and Tsinghua Tongfang (Anshan) Environmental Protection Equipment Industrial Park, has been listed among the top ten industrial parks in Liaoning Province.

Contact Information:

Management Committee
Anshan High-Tech Industrial
Development Zone
114044 Anshan, Liaoning, China

Tel: +86 412 521 1009

Fax: +86 412 521 1056

 <http://www.asht-zone.gov.cn>

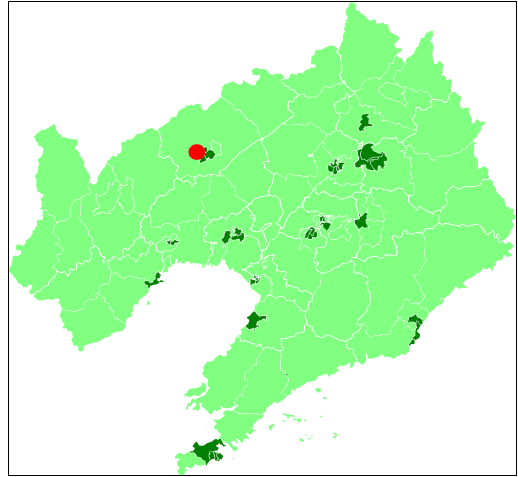
(Website in English and Chinese)



Fuxin High-Tech Industrial Zone

Overview

Liaoning Fuxin High-Tech Industrial Zone (LFHIZ) is a provincial-level high-tech zone approved in 2006, covering an area of 0.2 square kilometers and promoted by the National Development and Reform Commission. It was formerly known as Fuxin National Agricultural Science and Technology Park, one of the first 21 agricultural science and technology parks approved by the Ministry of Science and Technology in 2001. It is also one of eight agricultural and sideline products processing bases of China and a state-level agricultural standardization demonstration base.



Industrial Environment

LFHIZ has more than one hundred firms, covering a dozen industries. Representative are Fuxin Zhulin Forestry Co., Ltd., invested by Japan's Fortune 500 Sumitomo Group, Liaoning Fulong Biological Technology Development Co., Ltd. from Taiwan, Liaoning Xinsheng Digital Technology Co., Ltd., a rapidly growing IT firm engaged in satellite channel technology, Fuxin Kewei Biotechnology Co., Ltd., and Liaoning Dongning Pharmaceutical Co., Ltd.

Functional Parks

LFHIZ is divided into two industrial parks, the Ecological Demonstration Park and the Science and Technology Service Park. These parks support the equipment manufacturing industry, agricultural deep processing, commercial and residential development, biotechnology and pharmaceutical industry, textile industry, and modern agriculture technology, textiles, and logistics. The Ecological Demonstration Park builds leisure and resort industries. The Science and Technology Service Park mainly hosts service organizations.

Contact Information

Investment Attraction Bureau of Fuxin High-Tech Industrial Park
123000 Fuxin, Liaoning, China

Tel: +86 418 281 3888

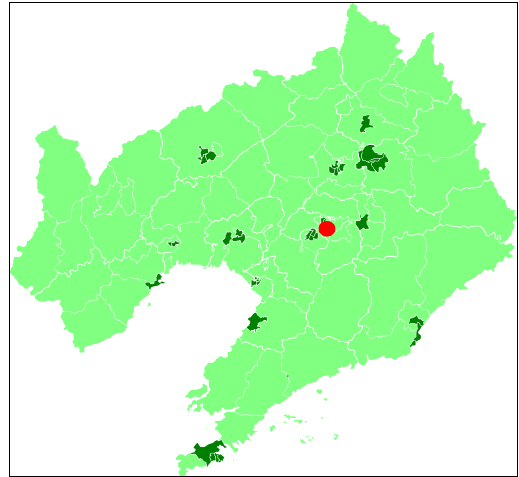
Fax: +86 418 219 5577

E-mail: gxqzs2008@sina.com

Liaoyang High-Tech Industrial Zone

Overview

Liaoning Liaoyang High-tech Industrial Zone (LLHIZ) is part of the Shenyang Metro in central Liaoning. In contrast to the ancient town of Liaoyang, LLHIZ is a center of 21st century progress. Situated in the south-east of Liaoyang, the zone was founded in 1992. It covers a planned area of 4.4 square kilometers and is 50 kilometers from Shenyang Taoxian International Airport. Shenyang-Dalian Expressway and Harbin-Dalian Railway run through the zone from north to south, Liaoyang-Benxi Railway and Benxi-Liaoyang Expressway from east to west. As a result, the zone developed convenient logistics facilities.



Industrial Environment

The zone is specializing within four pillar industries: chemicals, chemical fiber, plastic, and non-ferrous metal processing. The chemical industry is specializing on processing raw materials ethylene oxide, C5, and C9. The chemical fiber industry uses polyester and polypropylene to develop functional fiber and non-woven fabrics. The plastic industry makes packaging products, engineering plastics, and plastic building materials, using raw materials like polyester, polypropylene, and polyethylene. Their output accounts for 85 percent of the region.

Functional Parks

The High-Tech Zone has exchanges and cooperation with Europe, the United States, Japan, Korea, and Taiwan. The zone has a national-level Productivity Promotion Center that integrates promoting scientific and technological achievements, a Spark Program Technology-intensive area, provincial-level high-tech zones, and a provincial science and technology pioneering zone.

Contact Information:

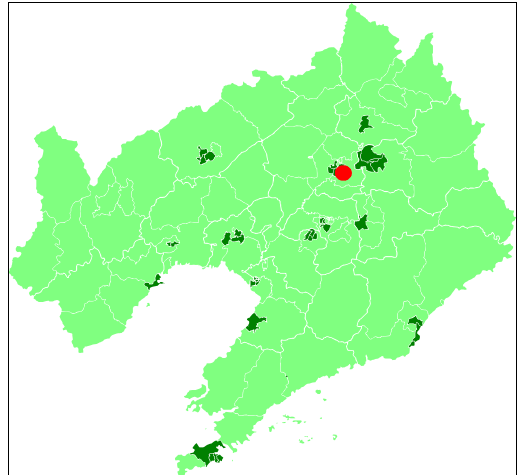
Liaoning Liaoyang High-Tech Industrial Zone
No. 295 Wensheng Road, 111003 Liaoyang, Liaoning, China
Tel: +86 419 415 0173
Fax: +86 419 415 0173
E-mail: office4150060@163.com

Free Trade and Export Processing Zones

Shenyang Export Processing Zone

Overview

Shenyang Export Processing Zone (SEPZ) was the first export processing zone in Northeast China, established in 2003. Situated within the Shenyang Hunnan New District, the planned area is 0.7 square kilometers between Zhuke Street in the northeast, Zhangguan River in the southwest, Shenyang-Fushun Railway in the southeast and Hunnan Avenue in the northwest.



Industrial Environment

Thirty export-oriented firms with more than 10 million USD of annual exports have settled in the zone.

With 100 suppliers outside the zone, a total of 90,000 people are employed. The zone features industries like electronic information, advanced manufacturing, new materials and biomedicine, as well as a complete infrastructure of service facilities with a fast and convenient customs clearance.

Enterprises in the Park

Britain's Poulenc Investment Corporation (medical scanner project), Singapore's Rick Technology Development Co., Ltd. (MRC efficient heating system project), the United States Air Power Group (Air Power Transmission System Project), Germany's Vacuumschmelze (magnetic material items), Ruiyang Huacheng Resin Co., Ltd. (Japanese plastic products project), Shenyang Xidi Detection Co., Ltd. (automatic ultrasonic imaging monitoring system project), Shenyang Silicon Technology Co., Ltd. (American SOI project), have settled in the Park.


Contact Information:

Shenyang Export Processing Zone

No. 27 Shiji Road, Hunnan New District, 110179 Shenyang, Liaoning, China

Tel: +86 24 23789890

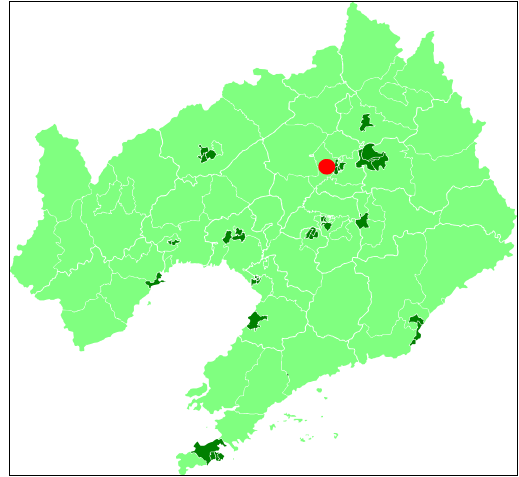
Fax: +86 24 23789891

 <http://www.syepz.gov.cn> (Website in English and Chinese)

Shenyang (Zhangshi) Export Processing Zone

Overview

Liaoning Shenyang (Zhangshi) Export Processing Zone was set up with approval of the State Council in 2005. Located within the Shenyang Economic and Technological Development Zone, the export processing zone covers an area of 0.6 square kilometers. After passing the acceptance inspection jointly organized by nine national ministries and commissions in 2007, the export processing zone completed construction and began operation.



Industrial Environment

The export processing zone highlights industries such as equipment manufacturing, automobile and auto components, electronics, precision machinery, new energy, new materials, and fine chemicals.

Functional Parks

Machinery Industrial Area: The construction of standard factory buildings for projects in the machinery industry has been completed, covering 19,000 square meters. The factory buildings are suitable for machining and parts manufacturing enterprises.

Light Industry Area: A light industry factory building of 76,800 square meters has recently been completed. It is suitable for electronics, electrical, textile, garment and other light industries.

Specialized Production Area: An area of 42,000 square meters was set up for key projects in production buildings.

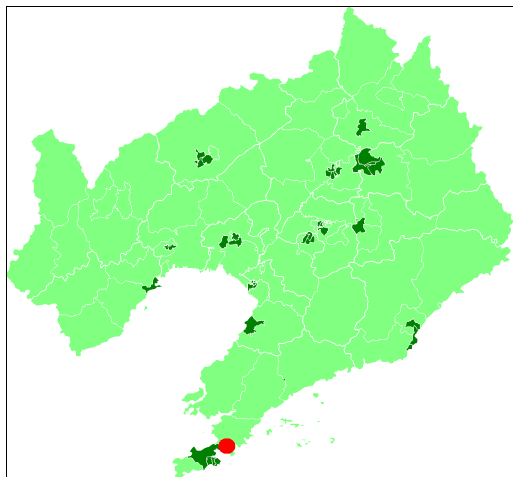
Logistics Industry Area: According to the country's requirement that bonded logistics areas shall be set aside in export processing zones, the export processing zone has a logistics industry area of 21,000 square meters.

Contact Information

Shenyang (Zhangshi) Export Processing Zone
No. 28 Huahai Road, 110141 Shenyang, Liaoning, China
Tel: +86 24 25373209
<http://www.sydz.gov.cn> (Website in Chinese)

Dalian Export Processing Zone

Overview



Liaoning Dalian Export Processing Zone was established with approval of the State Council of China in 2000 as one of the first 15 export processing zones of the country. The approved area is 2.95 square kilometers, designed area of Phase One is 0.6 square kilometers. It mainly undertakes projects like semiconductor and related industries led by the Intel chip project.

Industrial Environment


Enterprises in the zone enjoy tax exemption, protective tariffs and other preferential policies. The customs carries out 7-days, 24-hours customs clearance service for goods in and out of the zone, incoming goods can be "picked up instantly". Categories of enterprises include trading companies, processing enterprises, warehousing enterprises, logistics and distribution enterprises, business service firms, and financial institutions.

Functional Parks

More than 70 enterprises have settled in the zone, including Haier Industrial Park, Iris Ohyama, Koyo Bearing, Dalian Ryosei Automotive Components Co., Ltd., and Dalian Mato Furniture Co., Ltd. The zone has leading industries like household appliances, light industry, building materials and medical equipment. The future industrial orientation of the zone will be electronic information, optical-electronics, precision machinery and modern integrated logistics.

Contact Information:

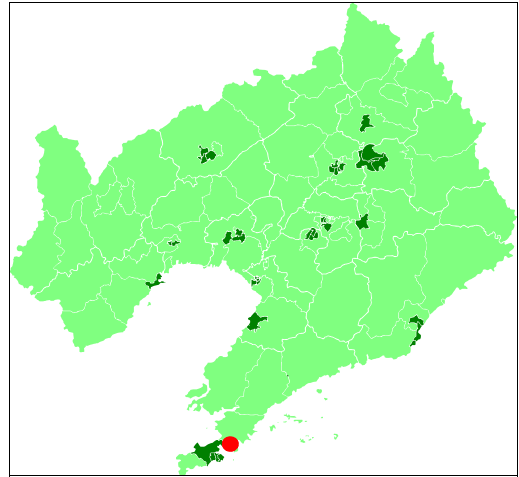
Investment Promotion Bureau
Liaoning Dalian Export Processing Zone
No. 199 Jima Road
116600 Dalian, Liaoning, China
Tel: +86 411 8761 5838
Fax: +86 411 8761 4959

 <http://www.dda.gov.cn> (Website in English and Chinese)

Dalian Free Trade Zone

Overview

Dalian Free Trade Zone (DFTZ) was established in 1992, covering a planned area of 1.25 square kilometers. Located at the center of the new urban area of Dalian, it is adjacent to Dalian Economic and Technological Development Zone. Nearby Dayaowan Port is one of the four best deep-water ports in China with 70 container lines, 60 of them international. Relying on Dayaowan Port, the Free Trade Zone covers all the functions of port operation, transit, international distribution, international procurement, entrepot trade, export processing and exhibition. With port, logistics, processing and other functions, Dalian Free Trade Zone has favorable policies and a complete service.



Industrial Environment



After decades of construction, the zone is now home to 2,000 enterprises, including over 500 foreign-invested enterprises from 41 countries and regions, such as Itochu, Prologis, IMC and Toshiba.

Functional Parks


Dalian Free Trade Zone is composed of the main zone, Dayaowan Free Trade Port Zone, Dagu Mountain Peninsula Lingang Industrial Park and Dayaowan Free Trade Port Zone Ershi Libao Functional Area.

Contact Information:

Investment Promotion Bureau of Dalian Free Trade Zone
116600 Dalian, Liaoning, China

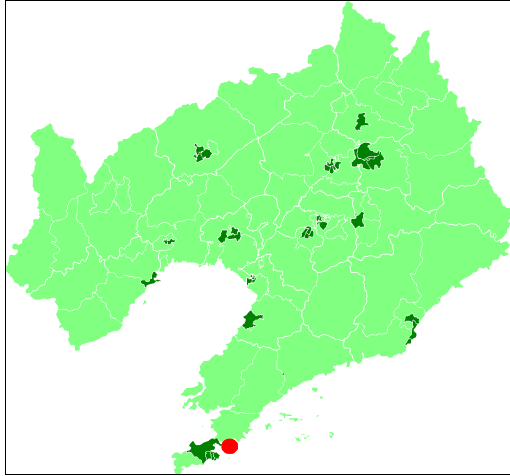
Tel: +86 411 8730 8566

Fax: +86 411 8731 7579

 <http://www.dlftz.gov.cn> (Website in English and Chinese)

Dalian Dayaowan Free Trade Port Zone

Overview



Dalian Dayaowan Free Trade Port Zone (DDFTPZ) was established in 2006 with an area of 6.9 square kilometers. In June 2007, an area of 3.1 square kilometers of the first development phase was jointly inspected and accepted by relevant ministries and commissions of the State Council. It started operations in August of the same year. Dalian Dayaowan Free Trade Zone complements the Dalian Free Trade Zone described above.

Functional Parks

The free trade port zone, as a Chinese characteristic free port, is covering all the functions and policies of free trade zones, export processing zones, bonded logistics parks and other special customs supervision zones.

Based on the policies of Dalian Free Trade Zone, the Dalian Dayaowan Free Trade Port Zone Ershi Libao Functional Area region is focusing on the functions of logistics and processing and vigorously developed modern logistics industry and high value-added neighboring-port processing industry.

Contact Information:

Investment Promotion Bureau
Dalian Dayaowan
Free Trade Port Zone
No. 1 Jinma Road
116600 Dalian, Liaoning, China

Tel: +86 411 8730 8566

Fax: +86 411 8731 7579

 <http://www.dlftz.gov.cn>

(Website in English and Chinese)

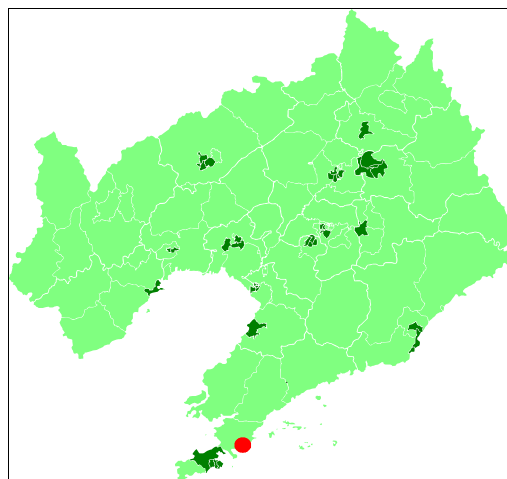


Liaoning Special Development Zones

Golden Pebble Beach National Tourist Resort

Overview

Established in October 1992, Dalian Golden Pebble Beach National Tourist Resort is one of the first 12 tourist resorts approved by the State Council and is a key scenic spot of Liaoning. It covers a land area of 13.6 square kilometers and a sea area of 58 square kilometers with 30 kilometers of coastline. It has been certified to ISO 9001 and 14001 Quality and Environmental Systems. The 50 kilometers from downtown Dalian take 52 minutes by urban rapid railway. Dalian Zhoushuizi International Airport is 56 kilometers away, Shenyang-Dalian Highway 30 kilometers.



The resort has a geological history of 600 million years and is known as a "natural geological museum." The Ten-mile Gold Coast is an ideal place to swim and enjoy the cool air in summer. It is venue of the annual Dalian International Beach Cultural Festival and the Dalian International Winter Swimming Festival. Other highlights are the International Hunting Club, Kingdom of Discovery Theme Park, Golden Pebble Golf Course, International Conference Center, Binhai National Geological Park, Model, Film and Video Art Center, and Equestrian Base.

Industrial Orientation


The resort aims to attract Silva Hotel, Seaview Hotel and other high-class resort hotels, international brand stores and other commercial service facilities, animation castles, interior amusement parks, indoor ski fields and other large recreation facilities, yacht clubs, other entertainment projects, and projects based on ecosystem development.

Contact Information:

Dalian Golden Pebble Beach National Tourist Resort
No. 1 Jinma Road, 116600 Dalian, Liaoning, China

Tel: +86 411 8790 0139

Fax: +86 411 8753 0036

 <http://www.dda.gov.cn> (Website in English and Chinese)

Appendices

Opinions of the State Council on Further Implementing the Strategy of Revitalizing the Old Industrial Bases Including Northeast China

[State Council Document No. 33/2009]

People's governments of provinces, autonomous regions and municipalities directly under the Central Government, and ministries and commissions directly under the State Council.

Important by-stage achievements have been made in the past five years since implementation of the strategy of revitalization of the old industrial bases including Northeast China. Specifically, major breakthrough was made on institutional innovation with focus on reform of state-owned enterprises, the economic system with diversified ownership structure was under rapid development, the economic structure was optimized, the independent innovation ability was obviously improved, those bases were more open to the outside world, the infrastructure was ameliorated, key livelihood issues were gradually solved and both urban and rural areas took on a new look. It is proved by the practice that the strategy of the Central Government for revitalizing the old industrial bases including Northeast China is timely and correct. However, deep-rooted problems on aspect of system and structure in the old industrial bases including Northeast China are to be solved, the achieved results are to be reinforced and the potential for accelerated development are to be exerted. In current situation, the government shall learn from experience gained from practices, enrich the revitalization strategy and formulate new policies and measures in a timely manner, which are necessary to counter global financial crisis, promote steady and fast economic development and boost rejuvenation of the old industrial bases including Northeast China. To this end, opinions are proposed as follows:

I. Optimize economic structure and build a modern industrial system

1. Speed up merger and restructuring of enterprises. The principle of market domination and government guidance shall be insisted on and regional, industrial and ownership limits shall be eliminated. Efforts shall be made to optimize resource allocation, promote merger and restructuring of enterprises and develop large corporation groups with international competitiveness. Where any association and restructuring of enterprises in Northeast Region involves disposal of any asset of shares converted from debts, the right concerning such shares shall be properly handled by new disposal approaches according to real situations. China supports association and restructuring of large corporation groups under the Central Government with local enterprises, encourage private and foreign-invested enterprises to participate in reform and restructuring of enterprises in the old industrial base and give prior supports to merged or restructured enterprises for their technical transformation.

2. Make great efforts to facilitate nonpublic economy and small and medium sized enterprises. A fair competition environment shall be created to equally protect different ownerships and boost development of nonpublic economy. Policies on financing, taxation and market access shall be put into effect to encourage nongovernmental investment in infrastructure, public utility, financial service and social causes. The government shall promote the co-development of public assets, private assets and foreign assets and actively develop the mixed-ownerships economy. Employees are allowed to hold certain percentage of shares of their restructured enterprise. Small and medium sized enterprises shall be guided to innovate in institutional system and improve operation and management level and market competitiveness. The advantages of concentration of large enterprises in the old industrial bases including Northeast China shall be fully exerted and small and medium sized enterprises are encouraged to establish cooperation relationships with large enterprises to form industrial chains and develop to be professional, unique and superior. The government shall improve its service to small and medium sized enterprises' entrepreneurial financing, continue the establishment of the credit system and the credit guarantee system for such enterprises and support small and medium credit re-guarantee enterprises and their affiliates to expend their businesses.
3. Improve and empower pillar industries. The plan on adjusting and revitalizing key industries shall be carried out. More efforts shall be made on structural adjustment, elimination of backward facilities and avoidance of repeated construction. The government shall actively promote IT-based industrialization, transform traditional industries by modern IT means and improve the level of digitalization and intellectualization. The more shares of the Central Government budget shall go to adjustment and reconstruction projects in the old industrial bases including Northeast China. Industries with competitiveness, key enterprises and important brands in this region are encouraged to increase market shares. More efforts shall be made to increase the production of large castings and forgings, nuclear power equipment, wind power equipment, shield machinery, advanced vessel and marine engineering equipment, large agricultural machinery, high-speed motor chain units, high-power locomotives, high-end digital control machine tools and key parts and components, which are of competitiveness and are in urgent need in market. Enterprises are encouraged to purchase equipment made in China and apply initial important technical equipment. The Export-Import Bank shall arrange certain credit quota annually to support export of important technical equipment made in northeast China and the People's Bank of China and the Administration of Foreign Exchange shall give policy supports. More efforts shall be made to promote structural adjustment of auto industry in northeast China, mainly developing autos of self-owned brands, autos with small capacity engines, autos using new energy and key parts and components. The product structure of steel industry shall be further adjusted. Efforts shall be made on energy saving and emission reduction, elimination of backward facilities and improvement of market competitiveness. Meanwhile, more efforts shall be made on resource exploration and development and foreign co-operation, and improvement of guarantee level of ore resources supply. The oil industry shall be optimized. The organs concerned shall speed up the execution of large oil-refining and ethylene projects, improve processing capability and develop fine chemicals and chemical fertilizer industries.

4. Take initiatives to nurture industries with potentials. The region shall develop basic support parts and components, processing tools and special raw materials by taking advantage of its strong equipment manufacturing ability. It shall develop civil-military dual-purpose technologies by take advantage of concentration of military industrial enterprises to promote co-development of civil and military purpose technologies and enhance the leading role of military industrial enterprises. Relying on its advantage as a raw material processing base, the region shall spare no efforts to develop downstream distinctive light industries. With the advantages of its large quantity of agricultural and forest products with superior qualities and its developed stockbreeding, the region may put more efforts on development of deep processing of agricultural and forest products. The advantage of abundant Chinese medical plant resources shall be given full play to develop modern Chinese medicines. Since it is located in the center of northeast Asia, the region shall enhance its cooperation with neighboring countries on energy and resources development. Emerging industries including aviation, electronic information, biological pharmaceuticals, new energy and new materials shall be proactively developed. Local governments are encouraged to set up special support funds for those industries with potentials.
5. Speed up the development of modern service industry. Domestic and foreign financial institutions are encouraged to establish branches and offices in Northeast Region. Cities that meet certain requirements are encouraged to undertake financial reform and innovation. Small and medium financial institutions are under active support. The region may promote establishment of auto financial companies and expand auto consumption financing channels. The northeast property transaction platform shall be improved on aspect of mutual connection, regional integration and function expansion. Dalian Commodity Exchange is supported to build itself an important futures transaction center in Asia and launch new types of futures with competitiveness in northeast China and consistent to its functional positioning based on improvement of its current listing future types. The modern logistics shall be facilitated. Researches shall be made to formulate special plans for development of logistics in northeast China and a batch of major regional logistics parks shall be established in a comprehensive way. The development of software and service outsourcing industries shall be quickened. Three service outsourcing demonstration cities---Dalian, Harbin and Daping---are under major support and Yanji and Suifenhe are encouraged to take advantages of their unique locations to develop software and service outsourcing industries. The plan for adjustment and revitalization of cultural industry shall be carried out to support accelerated development of cultural industries including cultural innovation, publishing and distribution, production of films and TV programs, performances and recreation, cultural exhibition, digital sector and animation, so as to create cultural brands with characteristics of Northeast Region. Constructions of public cultural infrastructure and projects for benefits of the public shall be strengthened and the public cultural service system shall be improved. Efforts on protection of cultural relics shall be heightened and overseas cultural exchange shall be expanded. More efforts shall be made to develop tourism. The organs concerned shall launch special plans for tourism development in Northeast Region as soon as possible to enhance construction of tourism infrastructure, develop appealing destinations with distinctive features and improve management and service level, so as to build barrier-free larger northeast tourism zone.

6. Support the fast development of clusters of key industries. Liaoning coastal economic zone, Shenyang economic zone, Heilongjiang-Daqing-Qiqihar industrial corridor and Changchun-Jilin-Tumen region economic zone are encouraged to speed up development and become high-class modern industrial bases in China. The organs concerned shall formulate development plans to support Shenyang Tiexi old industrial base to be adjusted and reconstructed as a new demonstration zone of equipment manufacturing and support the development of the equipment manufacturing clusters in Dalian, so as to create an advanced equipment manufacturing base with international competitiveness. Efforts shall be made to promote the construction of the energy and heavy chemicals base in east area of Inner Mongolia, coal-based power and chemicals base in east area of Heilongjiang and coal-based chemicals in west area of Liaoning to improve the transformation and utilization level of resources. The leading role of hi-tech industrial bases including Shenyang, Changchun, Harbin, Dalian and Tonghua shall be fully exerted to form advanced industries and industrial clusters with core competitiveness. Regions with mature conditions are supported to establish distinct industrial parks with influences and large scale. The development of Changchun automobile industry development zone and railway transport equipment industrial park shall be speeded up. Endeavors shall be made on establishment of Dalian national ecological industrial demonstration zone (under category of venous industries). The expansion of national economic and technical development zones and upgrading of major provincial development zones that meet requirements in northeast China shall be promoted.

II. Speed up the technological advancement of enterprises and fully improve their independent innovation capability

7. Strengthen technical transformation of enterprises. Technical transformation of enterprises is an important content of adjustment and reconstruction of the old industrial base and critical experience for obtaining achievements on revitalization. More supports shall be given to technical transformation: the fund for adjustment and reconstruction of the old industrial bases including Northeast China shall be appropriated from the current relevant special investment funds and the investment from Central Government budget will be increased to support technical transformation of enterprises in the old industrial bases including Northeast Region, mainly for a batch of recently-selected projects. The share of the budget of the Central Government for operation of state-owned assets for state-owned enterprises in the old industrial bases including Northeast Region shall be increased. The investment fund for equipment manufacturing industry shall be established as soon as possible, mainly supporting the technical transformation and merger and restructuring of equipment manufacturing enterprises in northeast area.

8. Improve independent innovation capability. The old industrial bases including Northeast Region shall give play to the human resource advantage and establish a sound system to encourage independent innovation. In the major development fields in the old industrial base, based on leading enterprises and major projects, a batch of technical innovation and hi-tech industrialization projects with strong leading power and influence and quicker returns shall be carried out. The scientific research and industrial advantages of the old industrial bases including Northeast Region shall be fully utilized. Through major national scientific and technical special projects and special

projects of building innovation ability, a batch of project research centers, engineering labs and enterprise technical centers shall be established and breakthroughs on core technologies and key generic ones may be made. Enterprises are supported to effectively utilize internationally innovation resources to improve their abilities of creation and recreation based upon introduction and absorption. The old industrial base is supported to attract talents and teams of entrepreneurship and R&D ones in urgent need in some major industries. The national projects of introduction of one thousand talents and introduction of one hundred talents shall mainly support introduction of overseas talents to the old industrial bases including Northeast China. Flexible policies and measures such as share participation by means of technology and option incentives are encouraged to be taken so as to create good environment for high-end talents to put their abilities to use.

9. Promote industrial application of the results of independent innovation. All efforts shall be made to promote the application of the results of independent innovation so as to transform such results into advanced productivity and culture new economic growth powerhouses. More supports shall be given to application of independent innovative results in hi-tech fields including new energy, new materials, biology, IT, aviation and high-speed railway. Vigorous endeavors shall be made to promote combination of efforts of enterprises, universities and research institutions and encourage institutions of higher learning and scientific and research institutions to transfer their independently innovative results to enterprises and more scientific and technical personnel to found scientific and technical enterprises. Scientific and technical enterprises that satisfy requirements are under prior support to be listed in the second board to raise funds. Special funds for hi-tech industry development in the old industrial bases including Northeast Region shall continue to exist, mainly supporting construction of national hi-tech industrial bases in the old industrial bases including Northeast Region, application of results of independent innovation and innovation ability. The local governments concerned shall formulate policies to support the application of the results of independent innovation to production in the old industrial base.

III Speed up the development of modern agriculture and reinforce its fundamental position

10. Vigorously develop modern agriculture. The Northeast Region is of advantaged conditions to develop modern agriculture. Governments in the region shall focus on improving land productivity, resources utilization rate and labor productivity and launch policies and measures to boost development of modern agriculture in Northeast Region. Those governments shall take into consideration of the plan for newly increase of 100bn grain production across the country to enhance grain production in the region and build the region a steady national strategic grain base. More efforts shall be made on implementation of the scientific and technical program for increase of grain production and promotion of new technologies for high yield, superior quality, cost saving and efficient improvement. The structure of agricultural machinery shall be optimized and the mechanical level of agriculture shall be improved. Efforts shall be heightened on construction of storage yards for agricultural machinery and tractor roads. The subsidies for agricultural machinery operation in important links such as deep scarification shall be studied. Research shall be made on a long-term system for stabilizing production of corns and soybeans. The policy of national collection and storage of corns and soybeans produced in Northeast Region shall contin-

ue to be executed at proper time. The state-owned farms shall continue to play its positive role in developing modern agriculture and safeguard national food safety. The program of 插 o-development of large state-owned farms and counties shall be promoted to provide demonstration and socialization services for local agriculture development. Agricultural cooperation between

Northeast Region and the outside shall be enhanced and the enterprises that meet requirements are supported to undertake agricultural cooperation and development in neighboring countries and regions.

11. Strengthen infrastructure construction in agriculture and rural areas. Basic agricultural infrastructure with focus on water conservancy facilities and infrastructure in rural areas with focus on water, power, road and gas shall be built. The construction of major water conservancy projects including diverting Nenjiang River to Baicheng and to irrigation areas of the Sanjiang (Songhua River, Heilong River and Wusuli River) Plain, the downstream of Nierji Reservoir, the downstream of Chuole hydro complex and Da'an, and renewal and reconstruction of large irrigation drainage pump stations. The reservoirs with potential dangerous conditions shall be reinforced and the projects of water-efficient irrigation demonstration and small farm water conservancy shall be carried out. The special campaign of disseminating knowledge of scientific storage of grains shall be conducted and the technologies for scientific storage of grains shall be promoted. The development of new grain inventory and circulation businesses such as grain bank is under support. Nonstop transport of bulk grains by railway to other regions in China shall be promoted, the through transport by water and railway shall be more used and large grain logistics bases, transfer stations and load stations with strategic significance as well as grain warehousing and drying facilities shall be built. Active efforts shall be made to promote IT-based agriculture, establish a sound system of providing scientific, technical and socialized services and improve services. The development of urban and rural areas shall be planned in a comprehensive way and the development of small towns and central villages shall be quickened by combining the construction of new socialistic countries. The conditions of living and production of people in rural areas shall be ameliorated. The drinking water safety issue existed in rural areas shall be solved as soon as possible. The support funds of governments at the county level or below for construction projects for the public benefits in rural areas shall be cancelled.

IV Strengthen infrastructure construction and create conditions for overall revitalization

12. Accelerate the building of a comprehensive transport system. The special railway lines from Beijing to Shenyang, from Shenyang to Dandong and from Harbin to Qiqihar and the railways from Jilin to Tumen, from Dalan to Dandong, from Harbin to Mudan River and from Harbin to Jiamusi shall be started to build. The reconstruction of the existing railways including Mudan River-Suifenhe and the construction of the following railways shall be promoted: the northeast border railway, the Yiershi-Arihashate railway, the Baiyinhua-Chifeng-Jinzhou port coal special line, Tongjiang River Railway Bridge and the coastal railway. The main and feeder airports shall be constructed under a comprehensive plan. Efforts shall be made to improve the layout of airports in Northeast Region, advance the expansion and relocation of some airports in the region during the 11th Five-Year Plan period, and do good job on preparations for the expansion and relocation

of some other airports to be expanded and relocated in the 12th Five-Year Plan period. Since the development of highway is relatively backward in Northeast Region, more investment shall be made in building highways and rural roads in Heilongjiang, Jilin and Inner Mongolia by consideration of the features of extremely cold in winter of the region. The team for coordination and promotion of transport infrastructure in Northeast Region shall be set up to coordinate, guide and facilitate building of transport facilities in the region and formulate a comprehensive transport plan for the region.

13. Optimize energy structure. The following two projects shall be started to build: two 10mn kilowatt wind power bases in the east area of Inner Mongolia and northeast China, and the channels for transport of coal-based power from the east area of Inner Mongolia and Heilongjiang to the outside. The first-stage works for the Liaoning Hongyan River Project Phase II and Xudapu and Jilin nuclear power project. The construction of grids in northeast area shall be enhanced and the reconstruction of the existing grids shall be promoted, so as to improve the power transmission ability of major grids. Efforts shall be heightened on reconstruction of grids in rural areas, especially major grain production areas, and forest regions. The issues concerning grid interconnection of small power resources including wind power shall be solved. Intellectual grid construction pilots may be made on the northeast grid.

V. Take initiatives to promote the transition of resource-oriented cities to facilitate sustainable development

14. Nurture and empower substitute and alternative industries. To develop substitute and alternative industries is the ultimate solution to economic transformation of cities that have exhausted resources. Efforts shall be made to implement the special plan for resource-based cities to create jobs, comprehensively use resources and develop substitute and alternative industries, and support and guide such cities to form their new dominant industries as soon as possible. Development banks and other financial institutions are encouraged to enhance their efforts to support the sustainable development of the said cities. For those cities, supports shall be given on aspect of layout of industries, examination and approval of projects, land use, loans and financing, technical development and market access. Those cities are encouraged to build parks for substitute and alternative industries and actively take transferred industries. The plan for development of substitute and alternative industries in the resource-based cities shall be formulated and implemented.
15. Establish a long-term sustainable development system. The system of reserves for sustainable development of resource-based cities shall be launched as soon as possible and the government-supported section of the special reserve fund shall be used to solve problems concerning environmental treatment in resource-based cities. Sustainable development pilots may be conducted in resource-based cities where resources exploitation is at growth or maturity stage. The formulation of the Regulations for Sustainable Development of Resource-based Cities shall be expedited. The people's governments at the provincial level shall full perform their duties to launch policies and measures to support the sustainable development of those cities and make

the works on transformation of development mode as one element of the system for assessing the major officials of the people's governments of resource-based cities.

16. Give more financial policy supports. More guidance shall be given on transformation of development mode of cities that have exhausted their resources and the effectiveness of use of fiscal transfer payment by the said cities shall be improved. The central budget shall give more funds for treatment of extremely large mining pits and deep gobs in resource-based cities. On appropriation of the special fund for finding alternative resources instead of exhausting mines, more supports shall be given to the cities that have exhausted resources in the old industrial base in northwest China. The resource-based enterprises in the above-said cities are supported to develop and utilize resources outside the region and China.

VI Practically protect ecological environment and vigorously develop green economy

17. Strengthen ecological building. The development of forestry and forest area economy shall be oriented by ecology. The fall of timbers in the state-owned forest areas in northeast China shall be further reduced and efforts shall be made to put forward transformation of economic development mode and promote sustainable economic development in the areas. The natural forest protection project shall continue to be executed, the relevant policies and measures shall be improved and the support efforts shall be heightened. The achievements of vegetation restoration project shall be enhanced and more efforts shall be spent on cultivating, managing and protecting forests. More emphasizes shall be paid to the function of Daxinganling and Xiaoxinganling as ecological screens and the plans for ecological protection and economic transformation of the said areas shall be formulated. The reform of the collective-owned forest right system shall be promoted and the pilots for reform of state-owned forest right system shall be steadily advanced. Efforts shall be made to enhance restoration and protection of natural meadows and construction of ecological projects including comprehensive treatment of soil erosion in black earth area. Organs concerned shall make more endeavors on ecological projects including protection and restoration of wetlands and treatment of desertification and environment of mines, and undertake eco-migration of residents living in the core area of Zalong wetland in Heilongjiang.
18. Take initiatives to promote energy saving and emission reduction. Organs concerned shall fully implement the relevant laws, regulations, plans and industrial policies and enhance control of the total amount of major pollution sources. The expansion of industries that have high energy consumption and cause heavy pollution shall be restricted and small enterprises engaged in coal-based electricity generation, steel, paper making and cement that cause heavy pollution shall be closed down. Focusing on industries of energy, raw materials, equipment manufacturing and agricultural product processing, organs concerned shall enhance management of industrial parks and promote clean production. The low carbon technologies are supported to be developed and applied and the development of circular economy is encouraged. Organs concerned shall spend more efforts in promoting the application of energy-saving technologies and products, develop environmental-friendly structures and green structures that save energies and land, and implement the project of promoting energy-saving products for the public benefits.

19. Enhance treatment of environmental pollution. Organs concerned shall enhance water pollution prevention and treatment of major drainage basins including Songhua River and Liaohe River and support areas in Songhua River Basin to conduct pilots of compensation for discharge amount of major pollutants and transaction of discharge right. More efforts shall be made on construction of wastes and sewage treatment facilities in large cities, promote wastes classification, recycling and clean incineration and gradually raise the standards of charges for treatment of sewage, waste and discharge in urban areas. Industrial pollution shall be under strict monitoring and shall be prevented and treated and the pollution sources from agriculture shall be solved in a comprehensive way. Efforts shall be made to promote the comprehensive treatment of environment in rural areas so as to create a beautiful look of countries.

VII Focus on livelihood of the people and facilitate social causes

20. Create more jobs by all means. Organs concerned shall actually pay more attention to employment, carry out policies for employment of university graduates, immigrant workers from rural areas and groups having difficulties to find jobs, and ensure stability of employment situation. The said organs shall well exert the functions of governmental investment and major construction projects on promoting employment, vigorously create more jobs for persons needing special care, and try to help at least one person in a family that nobody has a job find job. Policies and measures for supporting entrepreneurs shall be proactively carried out to create more jobs. The enterprises engaged in service industry and nonpublic economy and small and medium sized enterprises are encouraged to create more jobs. Enterprises in difficult operation are guided and supported to adopt flexible employment and working hours and give training to employees while not reduce jobs as much as they can do.
21. Actively improve social security system. Efforts shall be made to promote the comprehensive planning at the provincial level for endowment insurance of employees in urban areas and properly raise the standards of basic retirement pensions of people retired from enterprises. The system of the minimum living guarantee for people in rural and urban areas shall be improved. Organs concerned shall energetically promote the pilots of new endowment insurance in rural areas and extend the coverage of rural cooperative medical insurance. Works on social insurance of farmers whose farms have been expropriated shall be well done. Organs concerned shall improve the policies and regulations on employment injury insurance, expand the coverage of such insurance and solve the issues of making the treatment of persons who suffered employment injuries before implementation of the said insurance to be subject to comprehensive management of employment injury insurance.
22. Solve outstanding livelihood issues including housing and heating in winter. Works on handling letters and calls from the public shall be well done and more efforts shall be made on solving livelihood issues with high public concerns. Efforts shall be heightened on construction of tenements and affordable housing in urban areas and reconstruction of squatter settlements in state-owned forest areas, dilapidated houses in state-owned reclamation area, dilapidated houses in rural areas and dilapidated school houses as well as squatter settlements in mining areas. Supports shall be given to reconstruction of squatter settlements in urban areas. Organs concerned

shall give more supports to the combined heat and power development project carried out in extremely cold areas in Northeast Region, speed up reconstruction of concentrated heat supply networks in cities in Northeast Region and solve issues of heat supply for families receiving social welfare support in urban areas. The program of development-oriented poverty reduction shall be promoted in rural areas to help more poverty-stricken people to increase incomes.

23. Facilitate education, health and other social causes. Organs concerned shall study and promote reform of educations of all kinds, improve educational quality and provide human resource support for revitalizing the old industrial base. The organs concerned shall give full play to the advantage of cluster of universities and colleges in Northeast Region and improve the level of major institutions for higher learning. Contents of vocational education and school sizes shall be properly decided by consideration of optimization and upgrading of industrial structure in the old industrial base. More supports shall be given to vocational education practice bases and improvement of basic abilities of vocational education. Organs concerned shall promote the reform of medical care system, quicken the establishment of the basic medical insurance system covering people in urban and rural areas, establish a sound medical care service system at the community level and expand the coverage of medical insurance for workers and residents in urban area.

VIII Deepen regional cooperation and promote economic integration in the region

24. Facilitate regional integration. The Northeast Region is encouraged to conduct cross-province economic cooperation, promote reasonable flow of factors for production and improve the level of integrated development. Recently, cooperation on integration on aspect of tourism, logistics, transport and science and technology shall be conducted at first. Organs concerned shall fully implement the Plan for Revitalizing Northeast Region, do good job of urging and inspecting the execution of tasks prescribed in the said Plan, and speed up the construction of major infrastructure described in the Plan. The industrial matchmaking and reasonable division of work between the east region of Inner Mongolia and three provinces in Northeast Region shall be promoted. The tax policies to support the adjustment and reconstruction of the old industrial bases including Northeast Region shall be studied.
25. Establish a cooperation system in Northeast China. The negotiation system of administrative chiefs of four provinces (autonomous region) in Northeast Region shall be established to research issues concerning coordination in construction of major cross province infrastructure projects, layout of industries and regional coordinated development, and propose opinions on major issues concerning adjustment and reconstruction of the old industrial base on a regular basis.

IX Deepen reform and opening up and vitalize social and economic development

26. Deepen reform of state-owned enterprises. Organs concerned to promote the reform of state-owned enterprises, make endeavors to establish a sound modern corporation system and rejuvenate the economy in the old industrial base. During enterprise restructuring, organs concerned shall insist on handling issues according to procedures prescribed in laws and regulations, make transparent practices, actually safeguard legitimate rights and interests of employees and pre-

vent loss of state-owned assets. People's governments at all levels in Northeast Region shall promote works on pilots of reform of collective-owned plants set up by large state-owned enterprises and the relevant departments shall make a summary of the previous works and improve policies for those pilots. The issues concerning medical insurance, employment injury insurance and social insurance of the retirees from enterprises directly under the central government or delegated to local government that have closed down according to policies and from local enterprises that have gone bankruptcy according to law shall be properly handled. The disposal of bad bank loans concerning the equipment manufacturing industry in Northeast Region shall be finished as soon as possible. The reform of state-owned enterprises engaged in industries of grain, commerce and trade, construction, agricultural cultivation, forestry and culture shall be quickened.

27. Advance reform in other fields. The areas in Northeast Region that meet requirements to conduct national support reform pilots shall be decided as soon as possible. The fiscal management system shall be reformed and the finance of counties shall be subject to the direct administration of the province. The establishment of the basic finance guarantee system at the county level shall be studied. Efforts shall be made to improve the policies for enterprise bond issuance and explore diversified approaches of improving enterprise bond credit. More efforts shall be spent in developing diversified new rural financial institutions and promoting innovation of financial products and services in rural areas. The development of agricultural insurance shall be quickened, pilots and risks shall be expanded, and subsidies from central government shall be increased. A sound market for transfer of land use rights in rural areas and transaction of factors for forestry shall be established, so as to regulate administration and enhance efforts on service. Organs concerned shall check administrative charges imposed on enterprises, carry out policies and measures for enterprises that meet requirements to delay their payment of premiums of social insurance, and on reduction of fee rate and expansion of the expenditure scope of unemployment insurance funds, and reduce the burdens of enterprises. The reform of urban heat supply system and rural water conservancy administration system shall be promoted.
28. Further open up to the outside world. Liaoning coastal economic area and Changchun-Jilin-Tumen River economic area shall be more open to the outside. The Guidelines for Plan on Cooperation between the Old Industrial Bases Including Northeast China and Far East Area of Russia is urged to be concluded and put into action. The formulation and implementation of the plan for protection and development of Heixiazi Island shall be quickened. Organs concerned shall combine the works on opening-up of coastal and border areas, development of overseas resources, regional economic cooperation and taking of domestic and overseas transferred industries and support areas that meet requirements to set up border trade centers, economic cooperation centers, export-oriented processing zones and imported resources processing zones. Organs concerned shall make researches on establishment of China-Russia local cooperative development fund to support the implementation of the projects stipulated in the guidelines for plan of cooperation between local areas of China and Russia. The overseas ports may be utilized to conduct cooperation on cross-border transport of domestic commodities, and the channels for joint sea-and-rail transport in Heilongjiang and Jilin shall be kept for normal operation. Organs concerned shall

vigorously make institutional innovation of administration of special zones under customs' monitoring, quicken the construction of Dalian Northeast Asian International Shipping Hub with Dalian Dayaowan Bonded Zone as the core, Suifenhe Comprehensive Bonded Zone and Shenyang Bonded Logistics Center, and facilitate bonded logistics and processing industry in the Northeast Region. The pilots for settlement of trade in goods in RMB may be conducted. The Northeast Region is encouraged to enhance economic and trade cooperation with Hong Kong, Macao and Taiwan.

Revitalization of the old industrial bases including Northeast China is a long-term hard task. The People's governments at all levels in this region, other regions and the relevant departments under the State Council shall fully carry out the scientific outlook on development, free minds to make innovation, and cooperate with each other to put all policies into effect. They shall promote the old industrial bases including Northeast Region to step on a new stage when countering global financial crisis and speed up to build its new growth powerhouse with unique advantages and competitiveness, so as to make contributions to national economic growth.

State Council

Sept. 9, 2009

Promotion of further Opening-up of the Old Industrial Bases in Northeast China

All the people's governments of provinces, autonomous regions and municipalities directly under the central government, all the ministries and commissions of the State Council and all the organs directly under the State Council.

Further opening-up is an important component of the strategy to revitalize the old industrial bases in Northeast China, and also an important approach to its realization. In accordance with the "Opinions of the Central Committee of CPC and the State Council on the Implementation of Revitalization Strategy of the Old Industrial Bases in Northeast China" (Zhong Fa [2003] No. 11) and in consideration of the actual conditions of Northeast China region, the opinions for implementation of its further opening-up have been approved by the State council and are hereby presented as follows:

1. We shall encourage foreign investment to participate in the restructuring and transformation of state-owned enterprises, so as to accelerate structural and mechanism innovation.
 - A. In accordance with the requirements of carrying out the strategic adjustment in state-owned economy, we shall explore and extend new modes of utilizing foreign investment, encourage foreign investment to participate in the restructuring and transformation of state-owned enterprises, promote structural and mechanism innovation, and reinforce the adaptive ability of state-owned enterprises in old industrial bases to market economy.
 - B. We shall encourage foreign investors, through methods such as merger, shareholding, to participate in the restructuring and transformation of state-owned enterprises. The taxes owed by the enterprises which are historical accumulations and have become really uncollectible can be exempted with the approval of the State Council in accordance with specific regulations. We shall encourage qualified foreign-invested stockholding companies to go public in the capital markets in China and overseas.
 - C. We shall actively explore the effective ways to vitalize state-owned assets. We shall permit foreign-invested enterprises to purchase the bad creditor's rights and shareholder's rights from financial property management companies and to reshuffle and dispose of their properties in accordance with relevant laws.
 - D. We shall continue to improve the social security environment for the development of foreign-invested enterprises. Foreign investors, after their merger of state-owned enterprises, shall deal with the issues such as labor relations, laying off employees for economic reasons and social security in compliance with current laws, regulations and rules and the principle of national treatment.
 - E. We shall further regulate and promote the merger and reshuffle of domestic enterprises by foreign investors. We shall establish a healthy property right exchange mechanism in Northeast China, so as to create a convenient and normative environment to facilitate

foreign investors in their investment through modes like merger and shareholding. Merger of state-owned enterprises by foreign investors shall be subject to asset assessment carried out in compliance with the relevant Chinese laws and policies, and the price of asset exchange shall be determined by the results of asset assessment recorded in or approved by relevant departments or bureaus.

2. We shall strengthen the policy guidance to push forward the technological advancement of key industries and enterprises.
 - A. We shall, on the present basis, bringing into full play of comparative advantages and aiming at the improved overall quality and core competitiveness, actively introduce foreign investment to accelerate the technological advancement of key industries and enterprises, enhance the assimilation and absorption of introduced technologies, and improve self-driven innovation capabilities and boost industrial upgradation.
 - B. We shall support foreign investment in key industries and enterprises. We shall actively guide foreign investment to national key industries, such as modern agriculture, equipment manufacturing, chemistry, hi-tech industry and agricultural products processing and accelerate development in supporting industries, so as to build modern industrial bases with stronger competitiveness. The state government will give preferential treatment to Northeast China in the distribution and arrangement of key projects in the above-said industries and give policy-based loan for the introduction of important key technologies and equipments, with reduced percentage of capital funds as approved for key projects. Foreign investment in key projects which have been approved by the State to build with T-bonds can have the approved discount government loans, subsidies and reduced amount of capital funds of the original projects, and can increase their stockholding rights transferred from Chinese state-owned enterprises upon approval.
 - C. We shall extend the application of the Catalog of Priority Industry for Foreign Investments. The application of "Catalog of Priority Industry for Foreign Investments in Central and Western Areas" is extended to Liaoning Province (Jilin and Heilongjiang Provinces have already been included). Any foreign investment projects in Northeast China which are in conformity with the Catalog are eligible for the preferential policy in import taxes for the category of encouraged foreign investment.
 - D. We shall encourage foreign investment in hi-tech industries and R&D centers. We encourage multinational corporations, in the form of sole investment or joint venture with local enterprises, science and research institutions or higher education institutions, to establish R&D centers in Northeast China. In addition to eligibility for the preferential policies stipulated in the "Notice of the State Council Concerning the Adjustment in the Taxation Policy of Import Equipment" (Guo Fa [1997] No. 37) and "Notice of the General Office of the State Council forwarding the Opinions of the Ministry of the Foreign Economic and Trade Concerning the Further Encouragement of Foreign Investment" (Guo Ban Fa [1999] No. 73), approved foreign-invested enterprises' technological centers are also eligible for exemption of import duties and import value-added taxes in accordance with

current regulations for the self-use consumptive materials, reagents, sample equipments, sample products which are not available in China.

- E. We shall encourage foreign investments in continual industry and substitutive industry. The State will, through priority arrangements in the distribution of productivity of key projects, encourage and guide foreign investment to the deep processing and continual industry projects in the resources-exhausted cities of Northeast China, and also bring into full play and make comprehensive use of existing resources, talents and productive capacities, so as to push forward the transition of these cities.
3. We shall further extend the areas of opening-up and exert efforts to improve the level of development of the service industry.
- A. We shall adapt ourselves to the needs of the new situations in the opening-up process, of the development of advantageous industries in old industrial bases, of the change in the functions of cities and of the promotion of employment, and at the same time actively introduce foreign investment to upgrade the traditional service industry and focus on developing modern service industry, in order to push forward the opening-up in the sector of service industry.
 - B. We shall encourage foreign investment in the construction of urban public facilities. Under the condition of the establishment by city governments of an effective supervising mechanism and the guarantee of public interest and security, the restriction on the shareholding percentage of foreign investment can be lessened in the construction and operation of gas, heating and water supply and drainage network. Foreign investor can become the controlling party when approved.
 - C. We shall extend the opening-up of the financial service industry. In accordance with the commitment to WTO in opening up financial service sector, we shall further extend the opening-up of banking industry and accelerate the development of financial services in securities, futures and insurance. Priority permits will be granted to sub-branches and operations by foreign banks in Northeast China. Foreign financial organizations are encouraged to join stock in local city commercial banks and participate in the restructuring and reshuffle of rural credit cooperatives. Foreign insurance companies, which have advantage in areas such as supplementary pension and agricultural insurance, are encouraged to begin their operations in Northeast China. Priority permits are also granted to joint venture securities companies, securities investment and fund management companies, insurance brokers companies and foreign insurance companies which operate in Northeast China.
 - D. We shall encourage foreign investment in transportation industry. The shareholding percentage of foreign investment, in operations such as in railway passenger and cargo transportation, cross-border and within-border road transportation, regular or irregular international freight and international multimodal container transportation, can be raised

upon approval. Foreign investment is also encouraged in air transportation and general aviation.

- E. We shall extend the pilot scope of foreign-invested logistics enterprises. It can be extended to the provinces of Liaoning, Jilin and Heilongjiang.
4. We shall bring into full play the regional advantages to promote the healthy development of regional economic cooperation.
- A. We shall, by taking advantage of the geographic position of Northeast China region and implementing the "going global" strategy, deepen the cooperation and development with bordering states in energy sources, raw materials and mineral resources. We shall actively engage in regional economic cooperation, explore international market, bring along the export of commodities, technologies and labor. We shall continue to render support to Northeast region in their building of the platform of cooperation with bordering states in international trade, investment, science and technology and tourism.
 - B. We shall give more impetus to the frontier trade development in Northeast China. We shall study and develop policies conducive to the development of frontier trade, simplifying procedures in aspects such as export tax rebate, administration of import and export commodities and personnel exchanges, while strengthening the administration. We shall improve and extend the use of Renminbi in frontier trade settlement, so as to facilitate trade and investment. A pilot plan is to be carried out in Northeast China for export tax rebate in Renminbi for small amount export trade.
 - C. We shall strengthen the economic and technological cooperation with Northeastern Asian region to push forward the development and opening-up of frontier region. We shall continue to expand the international cooperation and development of Tumenjiang area, actively exploring new modes of development and opening-up in frontier region. We shall accelerate the construction of frontier economic cooperation zone, frontier trade zone and export processing zone, enabling Heihe, Suifenghe (Dongning), Huichun and Dandong to become areas that assume the functions of logistics, trade, import and export processing and international trade and tourism.
 - D. We shall encourage investment and development abroad in the forms of joint venture, cooperation and merger. We shall, through further studying relevant policies and improving the policy supporting system, increase the support in the subsidies to the initial cost of overseas key development projects by enterprises in Northeast China and discount loans to them, and make priority arrangements for the import of their products.
 - E. We shall encourage qualified enterprises to participate in international tender and contracting international cooperation projects. For the manufacturing and processing projects and technological cooperation projects in overseas construction contract and overseas investment that can bring along export of equipment and labor, the current supportive measures, such as discount loans, loans on favorable terms and the market ex-

pansion cost in terms of overseas exhibition and advertisement, will be further strengthened and expanded.

- F. We shall accelerate the development of Dalian as an international shipping center in Northeast Asia. We shall lay more emphasis on the construction of port facilities and the further opening-up of Dalian port, so as to enhance its capacity in absorbing foreign investment and assembling basic shipping elements. We shall expand the scope of the pilot plan of interaction between free trade zone and port. We shall render policy support and give priority examination and approval to foreign-invested large-scale port projects, near-port industry in encouraged category, and logistics projects.
5. We shall create a favorable development environment to safeguard an accelerated opening-up.
- A. We shall make efforts to utilize more international loans on favorable terms in adding to infrastructure construction and development in social undertakings such as environmental protection, education and public health. We shall continue to shift the government functions and improve service awareness and service standard, so as to provide convenient favorable environment for foreign-invested enterprises in carrying out their business activities.
 - B. We shall further improve the development level of existing development zones. We shall push forward the construction of innovation system in Northeast region, characterized by self-driven innovation under the circumstance of opening-up, in Northeast region in order to improve the capability of self-driven innovation of existing development zones. When their approved planning areas have been fully utilized, the national level development zones and the provincial development zones that have good potential of development, distinctive industrial features and are of high driving power can, in accordance with the requirements of improvement and rectification of land market, determine on a reasonable land-use scale after going through required procedures. Northeast region is encouraged to draw upon successful experiences of other regions to build new-type industrial parks and modern manufacturing bases in cooperation with the EU and its members or other developed countries on the basis of existing development zones with good infrastructure.
 - C. We shall push forward the construction of infrastructural facilities. The State government will make more capital input for the infrastructural facilities of harbors, frontier ports, bridges, frontier cities and frontier farms, accelerating the construction of railway passage project in east part of Northeast China and the integrated construction of road, harbor and port with Russia and the road, harbor and trade zone with DPRK, so as to push forward the implementation of cooperation projects abroad. The State government will, in carrying out its plan of international aid, make priority arrangements for the construction projects of infrastructural facilities such as transportation, harbors and airports linking frontier ports in Northeast region.
 - D. We shall encourage foreign investors to establish joint venture vocational training institutions. In accordance with the "Regulations of the People's Republic of China on

Chinese-Foreign Cooperation in Running Schools", foreign investors are encouraged to cooperate with Chinese higher education and vocational education institutions in establishing advanced vocational education institution for training various vocational professional talents and international business personnel. In such an activity, they are eligible for the same treatment given to other Chinese vocational education institutions, except stipulated otherwise in other laws and regulations. In the meantime, other departments and bureaus concerned shall actively study the preferential tax policy concerning the exemption of import tax on their import of articles for purpose of research and education. Any experiment and training bases that are qualified to receive financial support from the central government are eligible for unified supportive policies.

- E. We shall encourage the Northeast region to introduce talented people from overseas and to make avail of studying abroad programs to foster the most-wanted talents for Northeast region. We shall increase the fund allocation to Northeast region for the recruitment of foreign experts and sending personnel abroad for training, and support qualified departments and units in conducting extensive international talent exchange and cooperation. We shall, by actively applying and availing the World Bank loans and other international cooperation programs and introducing high-quality educational resources, push forward the Sino-foreign cooperation in running schools and boosting the development of education in Northwest China.
- F. We shall establish a healthy service system for the introduction of foreign investment by small and medium-sized enterprises. Foreign investors are encouraged to establish guarantee agencies in the form of Sino-foreign joint venture, aiming pertinently at providing for small and medium-sized enterprises services such as financing guarantee, information consultancy and legal assistance.
- G. We shall attach great importance to the organization and implementation of extension of opening-up. The extension of opening-up in Northeast China is a systematic undertaking as well as a long-term task, of which great importance should be attached in terms of the leadership and implementation. All relevant departments of the State Council and the People's Governments of the three provinces in Northeast China shall formulate detailed rules for implementation in accordance with these implementary opinions. The Office of the Leading Group for Revitalizing Northeast China and Other Old Industrial Bases shall establish an effective coordination mechanism with relevant departments of the State Council and the three provinces in Northeast China, in an endeavor to bring about the actual implementation of all policies through consolidated coordination.
- H. The above-said policies are also applicable to enterprises from the regions of Hong Kong, Macau and Taiwan, and other economic organizations and individuals participating in the revitalization of old industrial bases in Northeast China.

General Office of the State Council

June 30, 2005

Opinions of CPC Liaoning Provincial Committee and Liaoning Provincial People's Government on the Implementation of Further Opening-up

[Liao Wei Fa 2005 No. 24]

In order to implement the Opinions of the General Office of the State Council on Implementing the Promotion of Further Opening-up of the Old Industrial Bases in Northeast China (Guo Ban Fa [2005] No. 36), seize the opportunities of revitalizing the old industrial bases in Northeast China and the opening-up in the coastline areas, and implement the opening-up policy in Liaoning Province in a comprehensive and broad way, Liaoning Province hereby puts forward the following opinions based on the practical situation.

1. General Requirements of Opening-up

- a. Recognize clearly new opportunities in opening-up. Developing an open economy is an objective requirement of adapting to the economic globalization, and also an inevitable choice of promoting the economic development in Liaoning Province. Liaoning Province shall seize the opportunity of global industrial restructuring and industrial transfer in coastal areas in inland China, adhere to the "Scientific Development Concept", take advantage of its location, resources, industry and technologies to boost reform, restructure, development and revitalization through innovation of systems and mechanisms.
- b. Explicit the objectives of opening-up policy. The quality and level of utilizing foreign investment shall be improved comprehensively and the growth of foreign trade shall be fundamentally changed. The independent innovation capabilities of high-tech and equipment manufacturing industries shall be enhanced. Industrial agglomeration shall be formed, driven by leading enterprises. The economic and social development of Liaoning Province will lead to a comprehensive, coordinated and sustainable path by bringing the advantages of coastal cities and port-vicinity industries into play. Within a short period of time, efforts shall be made to further improve the investment environment. Economic competitiveness shall be upgraded significantly. The level of opening-up of the national economy will be enhanced and the contribution of foreign trade to the economic growth will increase significantly.
- c. Explicit the general requirements of the opening-up. Aiming at building new national industrial base and important growth area, Liaoning shall expand the level of opening-up with emphasis in a comprehensive and broader way on building Liaoning into a province with strong economy. Everyone in Liaoning shall change his/her conventional mindset and strengthen the sense of urgency, responsibility and mission. CPC committees, governments and other fields and all departments shall take "Three Favorables" (whether it promotes the growth of the productive forces in a socialist society, whether increases the overall strength of the socialist state, whether raises the people's living standards)

as a fundamental measure, break with conservative views of status quo bias, negative, self-reclusive and narrow-minded, get rid of all the obstacles to the economic development and promote development of the open economy in Liaoning more effectively.

2. Strategic Pattern of Opening-Up

- a. Increase the level of opening-up in all aspects. Resources shall be shared by coastal cities and inland cities in Liaoning Province and form new opening-up pattern featured by mutual reliance, mutual support, clear emphasis and overall promotion. Led by open economic development in Dalian, the opening pace of the Liaodong Peninsula shall be accelerated. Backed up by the central cities of Liaoning, the Northeast Asia Shipping Center shall be established as soon as possible. Relying on Dandong and Jinzhou, a more comprehensive opening-up pattern will be formed, in harmony with Liaodong Peninsula.
- b. Speed up the building up of Dalian as Northeast Asian International Shipping Centre. Speed up the construction of coastal ports and integrate port resources. Based on the principles of unified planning, reasonable distribution, professional labor division, coordinated development and benefit sharing, Liaoning Province shall break the administrative regional restrictions. With Dalian Port as the core and supported by Dandong Port, Jinzhou Port, Yingkou Port and Huludao Port, a port alliance shall be set up accordingly. Railways, highways as well as collection and delivery systems stretching to the inland cities in the province must be constructed well. Efforts shall also be made to increase international liners and air routes.
- c. Promote the development of the coastal economic belt. Speed up the industrial restructuring and upgrading in coastal areas to promote the development of coastal cities and port-vicinity industries. Efforts shall be made to complete a coastal highway network, integrate coastal land resources, develop processing trade, promote the construction of small towns and townships and build up the coastal economic belt of high internationalization, emerging industry clusters and beautiful scenery in Liaoning Province.
- d. Expand the pilot scope of collaboration between ports and the bonded areas to Changxing Island, Dandong, Jinzhou, Yingkou and other ports gradually. Develop the functions of international transit, international distribution, international procurement and international trade in the Dalian Port Zone as soon as possible, and promote the construction of the free trade zone on the Dagushan Peninsula. Linked by railways and highways with the central cities of Shenyang, Changchun and Harbin, as well as traffic hubs such as Dandong, Yingkou, Manzhouli and Tongliao, Liaoning Province shall establish the logistics system in Northeast China, logistics distribution center and bonded logistics park, realize import and export customs clearance on the spot, which will help the ports in the province to become the gateway to the Northeast Logistic Network. Expand the functions and roles of the port and speed up the construction of "inland port" in the hinterland cities in Northeast China.

- e. Increase the role of the megalopolis in Liaoning Province in industrial agglomeration. Shenyang shall be built into the economic centre of Northeast China to become the leading area for cooperation in Northeast Asia. Based on its industrial characteristics and resource advantages, central cities in Liaoning Province shall integrate resources, optimize structure, implement cross development strategy so as to form a united economic system. These cities shall also set examples for others in introducing multinational enterprises and leading projects, developing high-tech industries and optimizing foreign capital.
- f. Jinzhou and Huludao shall take advantage of the ports, speed up opening-up, and drive the economic development of inland cities in Liaoning Province. Panjin shall make full use of the advantages of the leading industries of petrochemical and fine chemicals, integrate resources, and increase the level of openness. Fuxin and Chaoyang shall combine the advantage in resources, utilize foreign and domestic funds, and develop cereal processing and food industry. In this way the overall opening-up pattern will be formed in western Liaoning Province.
- g. Open wider to other domestic cities to promote domestic economic cooperation. Taking advantage of industry, technology and ports resources; cities in Liaoning shall expand the economic cooperation and technical communication with other cities in the Northeast region, around Bohai Sea Rim Economic Zone, and coastal provinces of China. Encourage research institutions and enterprises to invest and cooperate with Liaoning through capital, patents, technology and brand name products, and attract technology and management talents from all kinds of fields and all around nation to establish businesses in Liaoning.

3. Upgrade the Role of Leading Areas Comprehensively

- a. System and mechanism innovation shall be conducted in all kinds of development zone. Under the new situation, development zones shall carry new connotations. Management systems shall be renewed to broaden development space. Earnestly following the *Regulations for Economic and Technical Development Zones in Liaoning Province*, the development zones above provincial level shall act as leaders during the opening-up process. These zones, where featured industry parks, parks of foreign countries and research parks plan to set-up, shall implement a relatively closed administration system to guarantee fast and sustained development. New export processing zones and provincial development zones shall be established. Shenyang Equipment Manufacturing Park and Changxing Island Port-Vicinity Industrial Park shall be constructed as soon as possible. Liaoning shall also strive to establish free trade zones with great potential to satisfy economic development. Dalian and Shenyang Export Processing Zone, Shenyang (Zhangshi) Export Processing Zone, Yingkou Singapore Industrial Park shall be properly developed and the declaration and construction of export processing zones shall be escalated. Shenyang Finance and Trade Development Zone shall vigorously develop modern service industries and form industrial concentration so as to become the financial centre

of Northeast China. Jinzhou Economic Development Zone shall upgrade its economic capacity and quality and create favorable conditions for its shift to national status.

- b. Improve policy systems of development zones through effective guidance. According to the actual development situation and related policies of China, Liaoning Province shall redefine the land use scale to meet the actual demands of development zones above a provincial level. The compensation fees of new land for construction shall be refunded after collection. Apart from the amount paid to the State, the remainder collected by Liaoning Province shall be refunded to the development zones for designated use. Liaoning shall give its support to development zones above provincial level. Land to be used for attracting foreign capital in development zones shall be approved as soon as it is declared. As for development zones above provincial level outside the central cities, the municipal administration for city planning shall set up affiliated institutions for independent land examination and approval so as to increase efficiency. Well-developed zones can establish sub-zones to enlarge their effect through brand build-up and rich experience in resources and management. Administration service fees shall be regulated and the fees collected by Liaoning Province shall be phased out for zones above provincial level, thus producing an "investment lowland effect".

4. Broaden Investment Fields and Improve the Quality and Level of Foreign Investment Attraction

- a. Encourage the participation of foreign capital in the restructuring of state-owned enterprises by mergers and acquisitions, equity participation. Apart from fields in which foreign investment is prohibited by related laws and regulations of China, the restriction on share-holding proportions of state-owned enterprises in Liaoning shall be lifted. Where foreign investors merge with a state-owned enterprise, hold shares, or have joint shares in restructuring a state-owned enterprise, the tax arrears can be exempt if approved. The province's administrations of property rights shall make vigorous efforts to seek foreign strategic investors and together with tax administrations define the state-owned enterprises that have tax arrears to gain support from the State. Liaoning Province shall encourage foreign companies to buy out distressed debt and stock of financial asset management companies and restructure and dispose assets thereof. Foreign companies merging with state-owned enterprises shall strictly follow China's laws and regulations when dealing with labour relationships, staff reductions and social welfare. Enterprises absorbing foreign capital shall, according to the *Opinions of Liaoning Provincial People's Government on Further Reform of State-owned Enterprises* (Liao Zheng Fa [2005] No.15), enjoy more benefits in capital evaluation, procedure changing, personnel resettlement, technology transfer, product development and domestic equipment purchasing. A loan interest subsidy and the amount of capital subsidy of state-owned enterprises already possessing national bonds or key projects supported by provincial financial departments shall not be changed. At the same time, they could be transferred to stocks of China's state-owned enterprises if approved.

- b. Based on the industrial development, the contents of foreign invested superior industries in Liaoning shall be compiled. Projects meeting the requirements of the *Catalogue of Priority Industries for Foreign Investment in the Central and Western Regions* shall enjoy preferential tax benefits. Foreign investment in high-tech industries as well as in research and development centers shall be encouraged. Besides preferential tax benefits, tariffs and value-added taxes shall be exempt when investors import materials, substances and samples from foreign countries. Foreign investors shall also be encouraged to invest in continuous and substitutive industries.
 - c. Highlight foreign investment priorities. Positively guide foreign investors to enter the industries of modern agriculture, equipment manufacturing, chemicals, high technologies and agricultural product processing. Speed up the development of supporting industries. The attention of foreign investors shall be directed to infrastructure so as to realize diversified investment and market-based operations. Efforts to introduce advanced technology, equipment, management experience and talents, especially state-of-the-art navigation and ship building technologies as well as famous brands, shall be strengthened for the purpose of fostering mass high-tech industry and driving the reconstruction of key industries and enterprises. Innovation in technology and products shall also be made so as to enhance core competitiveness. Encourage foreign investors to establish research centers, headquarters and investment companies.
 - d. Innovate the modes of investment attraction. An innovative mode guided by the government with the assistance of related agencies shall be founded. Based on industrial parks, this enterprise-oriented mode shall be operated by professionals. More effort shall be put in the development of agencies engaging in investment attraction so as to reduce costs and improve efficiency. Liaoning Province shall strive to expand the channels of investment attraction, such as industry chains, mergers and acquisitions, increasing capital, listing and financing, the internet, agencies etc. The enterprises in the province are being encouraged to list overseas. Enterprises having absorbed foreign stock and capital shall be treated as well as foreign investors are in Liaoning Province. Professionals shall be sent to main areas and countries, for instance, Europe, the Americas, Japan, Korea and Singapore to positively attract local capital. Cities in Liaoning can establish institutions of such kind abroad by virtue of the roles of friendship cities, embassies, overseas Chinese and compatriots from Hong Kong, Macao and Taiwan. Attention shall also be paid to the roles of attorneys in order to improve the rate of contract performance and reduce managing risk.
5. Speed up Conversion of Growth Patterns of Foreign Trade
- a. Invigorate trade through science and technology in an all-around way. While putting such policies into operation, Liaoning Province shall adjust and optimize structures of products to be exported. More effort shall be paid to technology renewal, research of exported products and the reform of traditional industries by using electro-mechanical and high-tech products. Liaoning shall give attention to fostering and supporting key export

enterprises possessing core technologies and independent intellectual property rights and owning famous brands. E-business and other advanced trade modes shall be popularized to push ahead information-based construction. The structure of imported products shall be optimized. Import of energy, raw materials, advanced technologies and key equipment shall also be enhanced.

- b. Vigorously promote the transformation and upgrading of processing trade. The quality and level of processing trades shall be improved through vigorously developing technology-intensive and high value-added processing projects. Positive efforts will also be made to take on foreign manufacturing transfer and service outsourcing so as to drive the development of modern processing trades. Liaoning will make active efforts to improve the level and added value of traditional trade products, thus driving processing trades to extend research, sales and after-sales service. By means of technology spin-offs, OEM and ODM shall be gradually substituted by self-initiated brands.
- c. Intensify brand construction of products to be exported. Related departments of Liaoning Province will formulate the *Guidance of the Development Export Brand in Liaoning Province* to direct enterprises to make plans for brand construction, develop exported brands, register trade marks overseas, promote brands and apply for patents, international quality standard assessments and product access permission. Key export enterprises possessing core technologies, independent intellectual property rights and own famous brands shall be given more help and support. Exporting enterprises shall be funded to develop new products, apply for the assessment of quality systems, register foreign trade marks and patents, deliver product information and commercials and participate in foreign professional exhibitions and promotion conferences.
- d. Actively support the export of agricultural products. We shall earmark more capital to increase the amount of agricultural and aquatic products to be exported. Key enterprises involved in exporting agricultural and aquatic products shall be supported and policies of tax rebates for exported products shall be completed. Liaoning Province shall develop the agriculture conforming to international agricultural standards through improving systems of input, production and processing. A number of high-level leading enterprises and high quality exporting bases of shall be set up. Exchanges in agricultural economy and technology with foreign countries shall be enhanced so as to promote new technology and products as well as abilities and leveling of deep processing of agricultural products.
- e. Exploit international markets. Traditional markets in Hong Kong, Taiwan, Japan, Korea and Southeast Asia shall be consolidated and the markets in EU and North America shall be developed in depth. Emerging markets in Russia, India, the Middle East and Latin America shall be vigorously exploited. Using the opportunity of canceling quota, facilitate local textile and apparel enterprises to enter the high-end markets of Europe and America. Large circulating enterprises shall be supported to establish sales networks to drive the export of domestic products. Measures against foreign trade barriers shall be

formulated by establishing pre-warning mechanisms for exported bulk products and supporting enterprises to answer suits against anti-dumping. Investigations about industrial impairment shall be enhanced and also pre-warning mechanisms for imported products shall be set up so as to protect the legal rights of enterprises in the province and the security of the industrial economy.

- f. Expand frontier trade. Dandong shall vigorously develop a pilot tax refund scheme for exported products in small frontier trade to be settled in RMB. The procedures of tax rebating for exported products, the administration of imported and exported products and personnel exchanges shall be simplified to facilitate trade and investing activities. The functions of the Dandong Border Cooperation Zone shall be improved to make Dandong home to logistics distribution, the processing of exported and imported products, international trade activities and tourism.

6. Carrying Out the Strategies of "Go Global"

- a. Speed up the pace of "go global". Cooperation with neighboring countries on energy, raw materials and mineral resources shall be continuously deepened. While actively participating in regional economic cooperation, Liaoning shall also encourage enterprises to provide supports to or independently assume cooperative projects. During cooperation, international trade friction and barriers shall be minimized. The enterprises in the province are supported to exploit minerals, oil and gas, forests and fishery abroad, with Russia and Australia as the primary areas. Support shall be given to local enterprises to enter into business abroad in ways of mergers and acquisitions, change of stock rights and being listed abroad. Production bases, research centre and sales networks shall be established to satisfy the development of enterprises in foreign countries. Liaoning shall lend more support to large enterprises to found factories or undertake overseas projects with their own capital. Such projects will help the exportation of technologies, workers, machines and electronic products as well as the sale of complete sets of equipment. The construction of professional bases accommodating local workers assigned shall be quickened.
- b. Innovate employment and service mechanisms of "go global" projects. The policy systems of "go global " will be soon constituted and improved. More help shall be devoted to overseas projects related to energy and processing trades, project contracts and base establishments for staff training. A safety warning system against overseas investment and contract staff as well as systems preventing risk and dealing with emergencies shall be founded at the same time. A service network promoting overseas investment and information exchange shall be improved. Local international talent banks will provide human resources. The general achievement evaluation system for overseas investment shall be further improved through better coordination and supervision.
- c. Properly implement national supporting policies for overseas development. More support shall be given to production and processing projects as well as technology cooperative projects to drive the export of equipment and Chinese workers. Provincial support shall

be centered on loan interest subsidies, preferential loans and subsidies for overseas exhibitions. These effective measures will give a push for the enterprises in the province to develop abroad by means of joint venture, cooperation as well as mergers and acquisitions.

7. Expand Opening-Up of the Service Industry

- a. Enlarge and deepen the opening-up of the business and the service sector. Modern forms of circulation and organization such as chain operation, logistic distribution and e-business shall be vigorously developed. Transnational business groups shall be encouraged to set up purchasing centers in Liaoning for export. Shenyang, Dalian, Yingkou, Dandong and other central cities and coastal areas shall be deemed as major attractions of the province for foreign investors to engage in logistics. Trans-national enterprises and foreign logistics companies shall be encouraged to participate in the development and construction of logistic parks and distribution centers in Liaoning. Local traditional industries of wholesaling, retailing, storage as well as food and beverage shall be reformed by adopting advanced international technologies and management methods. Large amount of foreign capital shall be channeled to small and medium cities as well as rural areas so as to promote the development of urban community business and rural commerce.
- b. Encourage foreign investment in the transportation industry. The proportion limit on foreign capital, which is involved in railway passenger and freight transport, domestic and international road transport, regular and irregular international sea transport as well as international container and inter-modal transport, shall be extended after approval. This policy may also apply to investment by foreign investors and preferential loans by the World Bank and the Asian Development Bank into the construction of urban gas and heat supply, urban water supply and drainage pipelines, communications infrastructure, air navigation and general aviation.
- c. Encourage foreign investment in financial markets. Liaoning Province shall make efforts to attract foreign banks, security and insurance institutions and all kinds of funding and financial agencies to establish institutions or subsidiaries, as well as to set up equity or contractual joint financial ventures. The application of foreign capital banks to establish institutions and start up business shall be given approval priority. Overseas strategic investors shall be encouraged to push the reform and reconstruction of urban commercial banks. Liaoning Rural Credit Union shall speed up the introduction of foreign capital and the reform in property right systems. Foreign capital insurance companies with advantages in pensions shall be supported to enter Liaoning Province. Foreign capital companies with advantages shall be encouraged to establish insurance institutions for beginning a new system of rural cooperative medical insurance featuring benefits and risk sharing. Liaoning Province shall strive to found wholly or jointly invested professional agricultural insurance companies.

- d. Support direct financing of state-owned, private and foreign-funded enterprises in capital markets at home and abroad. A library about candidate enterprises to be listed shall be established. Strength shall be devoted to finding and fostering these potential enterprises and giving them necessary guidance. A promotion platform for enterprises to be listed shall be built up. Enterprises investing in Liaoning with capital acquired by initially going listed or absorbing financial capital overseas shall enjoy preferential policies or treatment according to their investment volume. The Dalian Commodity Exchange shall be encouraged to strengthen its communication and cooperation with foreign countries to develop future markets and create new futures categories.
- e. Encourage foreign investors to cooperate with relevant institutions in Liaoning Province in setting up vocational training institutions. Unless otherwise stipulated by the laws and regulations of China, foreign investors cooperating with local institutions of higher education and vocational training in founding higher education or vocational training institutions to foster vocational technicians, international businesspeople, shall be treated the same as other vocational education institutions in China.

8. Comprehensively Improve the Soft Environment

- a. Create a favorable open environment. Governments and administrations at all levels shall change working styles, improve service quality and increase work efficiency for establishing a service-oriented government of honesty. The departments of law enforcement shall conform to open and regular examination and approval procedures and avoid arbitrary behaviors when examining companies. Policies of salaries and bonuses based on charging and penalties shall be stopped. Efforts shall be made to create a fair and transparent legal environment and a stable policy environment, where comprehensive services will be provided, talents will be treated favorably and people can lead a high quality life.
- b. Promote the "Governmental System of Keeping the Public Informed" in all relevant departments. Administrations playing the roles of examination and approval shall make public their application procedures, working processes, required materials and time limits. The primary responsibility system (the first person consulted being held responsible), the service commitment system and the system of notifying on site as well as completing formalities within a limited period shall be implemented throughout the province. Government departments shall provide "one-stop" services to improve work efficiency and service quality. At the same time, in case an office provides material lists and document samples necessary for examination and approval, it shall clearly state its suggestions and requirements for modification on the application materials and perform the examination and approval of all formalities at one time. As for foreign projects within local approval authority, the feasibility report for the project proposal foreign-funded enterprises shall be remitted. Special favors shall be given to foreign influential projects in procedure transaction, land use and supporting infrastructure. Joint meeting systems for projects invested by foreigners shall be built up accordingly. Liaoning Provincial

People's Government shall hold and preside over a joint meeting to discuss and make resolutions for major projects requiring coordination. All the departments in all areas of the province shall promptly execute the decisions made at the meeting.

- c. Create a favorable environment to attract foreign investors. Importance shall be attached to foreign-funded enterprises that have been established or under construction. Favorable construction and development conditions shall be developed in accordance with contracts and agreements, with a view to guaranteeing smooth establishment and healthy development. Administrations serving foreign-funded enterprises shall, with the principle of providing services, hold regular seminars to listen to opinions and suggestions of foreign investors to solve any problems of their concern. The complaints of foreign investors shall be properly handled. Governments and juridical departments shall actively cooperate with each other to successfully deal with complaints filed by foreign investors. Major complaints shall be directly submitted to related departments, even to provincial and municipal leaders. A hierarchical responsibility system for complaints and a system of one person being responsible for one case shall be implemented. Different kinds of complaints shall be dealt with seriously within a limited period and the solutions shall be fed back to foreigner investor promptly.
- d. Improve the service and speed of customs clearance. Customs clearance procedures shall be simplified by providing such services as "early customs declaration", "customs declaration by appointment" and holiday services. Service awareness shall be enhanced and port functions shall be strengthened to cover inland areas. Both the construction of customs clearance procedures and a public information platform shall be expedited to reduce related costs involved in customs clearance. In this way, the overall service quality and efficiency of customs clearance can be tremendously improved.
- e. Establish a healthy and civilized human environment and living environment. Activities shall be organized to enhance public awareness of creating a favorable investment environment. A pleasant living environment shall be created in Liaoning Province for foreign investors. "Communities for foreign investors" shall be planned and built in the areas with large numbers of foreign-funded enterprises. A package of services shall be provided for foreign investors, which involve education of their children, health care, SATV, culture and entertainment.

9. Perfect Industry-supporting Systems

- a. Establish supporting service systems for industrial development. Industries shall be clustered to form industry chains and supporting systems with features of the province. The advantages of local industries and the requirements of foreign-funded enterprises shall be earnestly analyzed based on which enterprises can guide and encourage small and medium enterprises to make vigorous efforts to support related facilities for leading industries with a view to forming industrial clusters. A coordinated project library as well as a public information communication network shall be established for the purpose of realizing reconstruction and integration of production factors and resources. In

order to boost industrial clusters, Liaoning Provincial People's Government shall provide capital aid to small and medium enterprises for support of large enterprises and major projects. Small and medium enterprises as well as private companies may, by virtue of loan guarantees and subsidies for loan interest, develop supported industries for large enterprises and key projects. In this way, industry and product chains will be extended and industrial clusters will be formed.

- b. Introduce foreign capital to develop and perfect service systems for small and medium enterprises. Encourage and attract foreign investors in the establishment of service systems for small and medium enterprises by means of foreign sole ownership, joint venture, capital investment, and equity participation. The system may include financial guarantee, information consulting, technological service, talent training and legal service. Cooperation with foreign investors in capital shall be encouraged to set up guarantee institutions to provide the services aforesaid to small and medium enterprises. Cooperation shall be developed with listed financial institutions overseas to promote small and medium enterprises to list abroad. For this aim, preliminary guidance shall be provided for foreign investors. The systems of capital subsidies and legal aid for anti-dumping shall be founded and the related institutions providing such services shall be accordingly built up. Small and medium enterprises shall be encouraged to respond to anti-dumping claims.

10. Further Improve Guarantee Mechanism of Opening-up

- a. Intensify the guidance on opening-up. CPC committees and governments at all levels shall make every effort to determine the guidelines, objectives and measures pertaining to opening-up which require the attention of top leaders of the Party and Governments. All cities in Liaoning Province shall improve effective examination, evaluation and incentive systems of an open economy. Based on its development, effective cadre performance can be appraised. All functional departments shall consolidate their consciousness of opening-up and work hard to successfully organize related activities.
- b. Establish a joint-meeting system on opening-up. Governments at all levels shall set up a joint meeting on opening-up organized by chief leaders of governments and attended by related administrations. The meeting shall focus on coordination and direction in planning, policy implementation, project promotion and response to complaints from foreign investors. A team led by chief leaders of the CPC committees and governments responsible for opening-up shall set up promptly. As a standing institution, a foreign affairs office for opening-up shall be established. To satisfy the requirements of a market economy, governments and departments at all levels shall promote the reform and innovation of administration systems featuring rational relationships, clear responsibilities, simplified hierarchies and high levels of efficiency. All functional departments shall, based on reality, formulate and improve measures and make concerted efforts to fulfill the task.

- c. Intensify external publicity. A unified plan for external publicity shall be developed. The media shall help Liaoning Province to build a fresh new image to attract foreign investors. High-quality promotional materials shall be designed and published to emphasize the province's new image as an old industrial base in Northeast China. This attractive brand will make Liaoning Province better known and more influential at home and abroad.
- d. Earnestly implement all policies related to opening-up. Objectives and tasks of opening-up shall be analyzed in a scientific and rational way. Related departments of all cities of Liaoning Province shall carefully research measures released in these suggestions and work hard to put them into practice. Related functional departments shall constitute appraisal and bonus distribution methods for opening-up activities. Appraisal regarding the quality of services of related departments, all kinds of development zones and parks of all levels shall be directly associated with evaluating the performance of CPC committees and governments at all levels. A pleasant atmosphere for mind emancipation and sound development shall be created to protect and arouse the initiative of all walks of life. Effective measures shall be taken to bring the level of the opening-up to a new height and expedite the rejuvenation of the old industrial bases in Liaoning Province.

Several Opinions of Liaoning Provincial People's Government on the Policies for Further Opening-up of Key Coastal Areas for Economic Development

[Liao Zheng Fa 2006 No.3]

All the municipal people's governments, all the departments and commissions of the Provincial People's Government and all the organs directly under the Provincial People's Government:

In accordance with the strategic plan formulated by the Provincial Committee of the CPC and the Provincial People's Government on the development of the coastal economic belt and the "Five Points and One Line", efforts will be focused on the following five areas (hereinafter referred to as the five key areas) in the opening-up process in the future: Dalian Changxing Island Harbor Industrial Zone, Liaoning (Yingkou) Coastal Industrial Base, Liaoxi (Western Liaoning) Jinzhou Bay Coastal Economic Zone (including Jinzhou Xihai Industrial Zone and Huludao Beigang (North Port) Industrial Zone), Liaoning Dandong Industrial Park, and Dalian Zhuanghe Huayuankou Industrial Park. To expedite the development of the coastal economic belt, the following new preferential policies will be implemented in the five key areas as from Jan 1, 2006 for two consecutive years:

1. 70 percent incremental return will be given for the value-added tax, business tax, corporate income tax, personal income tax, and housing property tax paid to the provincial financial authorities by the five key areas on the basis of the figures of 2005, for infrastructure construction and the development of leading industries.
2. Hi-tech industries recognized by relevant authorities in the five key areas will pay corporate income tax at a rate of 15 percent.
3. The domestic-funded high-tech enterprises in the five key areas will be exempt from corporate income tax for two consecutive years, from the first profitable year.
4. Liaoning Provincial Credit Guarantee Center for SMEs will give priority to providing guarantees for the bank loans applied for by the eligible enterprises in the five key areas.
5. Discount loans of a certain duration will be granted by the provincial financial authorities for the technical transformation and service projects in the five key areas in such industries as equipment manufacturing, raw material processing, fine chemicals, agricultural products deep processing, textiles, pharmaceuticals.
6. The foreign trade and export-oriented enterprises in the five key areas will be subsidized by the SME International Market Development Fund in carrying out quality system certification, making product publicity and promotion, and participating in international professional exhibitions.
7. Priority will be given to the development of enterprises in the export processing bases established in the five key areas. The foreign trade development fund for the old industrial bases in Northeast China will be allocated mainly for intellectual property rights purchasing, export

product upgrading, new product research and development, overseas product registration and information dissemination, agricultural product development and cultivation.

8. All the enterprises in the five key areas (including those under construction and newly established) are exempt from administrative fees. Administrative fees involving enterprises for state administration will be borne by the five key areas or municipal financial authorities; the enterprises are exempt from administrative fees for provincial administration. The stipulation is also applicable to the new administrative fees involving enterprises during the implementation of the preferential policies.
9. The five key areas have the economic management authority of provincial economic and technological development zones.
10. The principles of "government leadership, market operation, effective financing, and progressive development" will be implemented. Efforts will be made to guide China Development Bank and other financial institutions to set up financing platforms and define priorities and financing modes. Financial institutions shall actively develop the key projects in the five key areas by adopting the following measures: 1. Participating in project planning and feasibility study; 2. Conducting technical support and financing support; 3. Performing government credit and corporate credit.
11. "Enclaves" enjoying preferential policies will be demarcated within Liaoxi (Western Liaoning) Jinzhou Bay Coastal Economic Zone. Places of certain area (enclaves) may be provided for Chaoyang and Fuxin by Jinzhou and Huludao within their respective regions. In addition to the preferential policy stipulated in Article 1, enterprises in the "enclaves" will enjoy 100 percent incremental return, with the two cities (the cities providing and utilizing the "enclave") each sharing 50 percent.
12. As for the content involving Dalian in the above policies, Dalian Municipal People's Government will formulate implementation methods by referring to related provincial policies. The other cities may formulate encouragement and support policies in line with their specific conditions.

Appendix: Demarcation of Key Coastal Areas for Economic Development

January 21, 2006

Demarcation of Key Coastal Areas for Economic Development

The key coastal areas for economic development are as follows: 1. Along the Bohai Sea: Dalian Changxing Island Harbor Industrial Zone, Liaoning (Yingkou) Coastal Industrial Base, and Liaoxi (Western Liaoning) Jinzhou Bay Coastal Economic Zone (including Jinzhou Xihai Industrial Zone and Huludao Beigang (North Port) Industrial Zone); 2. Along the Yellow Sea: Liaoning Dandong Industrial Park and Dalian Zhuanghe Huayuankou Industrial Park.

1. Dalian Changxing Island Harbor Industrial Zone

The planned area and the area in the initial phase of Dalian Changxing Island Harbor Industrial Zone are 129.7 sq km and 50 sq km respectively.

2. Liaoning (Yingkou) Coastal Industrial Base

Liaoning (Yingkou) Coastal Industrial Base is located to the south of the city's Minxing River, to the north of the north tributary of the Daqing River, and to the west of Zhuanglin Road. The planned area and the area in the initial phase are 120 sq km and 20 sq km respectively.

3. Liaoxi (Western Liaoning) Jinzhou Bay Coastal Economic Zone

4. Jinzhou Xihai Industrial Zone

Jinzhou Xihai Industrial Zone is located in Jinzhou along the Jinzhou Bay. The industrial zone is to the south of Kunshan Road and to the north of the Port of Jinzhou. To the east and the west of the industrial zone are Huludao and Bohai Street respectively. The planned area is 22.76 sq km.

5. Huludao Beigang (North Port) Industrial Zone

Huludao Beigang (North Port) Industrial Zone is located to the north of Jinhu (Jinzhou-Huludao) Feeder Railway and to the east of the Lianshan River. The Grand Coastal Freeway runs through the industrial zone. The planned area and the area in the initial phase are 21.87 sq km and 16.87 sq km respectively.

6. Liaoning Dandong Industrial Park

Liaoning Dandong Industrial Park is located 10 km to the east of the Port of Dadong along Yalu River Avenue. The planned area and the area in the initial phase are 30 sq km and 18.6 sq km respectively.

7. Dalian Zhuanghe Huayuankou Industrial Park

Dalian Zhuanghe Huayuankou Industrial Park is located in Mingyang Township, Zhuanghe (county-level city), Dalian. The planned area and the area in the initial phase are 50 sq km and 15 sq km respectively.

Income Tax Law of the People's Republic of China on Enterprises with Foreign Investment and Foreign Enterprises

The Income Tax Law of the People's Republic of China on Enterprises with Foreign Investment and Foreign Enterprises was adopted at the Fourth Session of the Seventh National People's congress on April 9, 1991. This law is promulgated now and will be effective as of July 1, 1991.

President of the People's Republic of China: Yang Shangkun

April 9, 1991

Article 1

Income tax shall be paid in accordance with the provisions of this Law by enterprises with foreign investment within the territory of the People's Republic of China on their income derived from production, business operations and other sources.

Income tax shall be paid in accordance with the provisions of this Law by foreign enterprises on their income derived from production, business operations and other sources within the territory of the People's Republic of China.

Article 2

"Enterprises with foreign investment" referred to in this Law mean Chinese-foreign equity joint ventures, Chinese-foreign contractual joint ventures and foreign-capital enterprises that are established in China.

"Foreign enterprises" referred to in this Law mean foreign companies, enterprises and other economic organizations which have establishments or places in China and engage in production or business operations, and which, though without establishments or places in China, have income from sources within China.

Article 3

Any enterprise with foreign investment which establishes its head office in China shall pay its income tax on its income derived from sources inside and outside China. Any foreign enterprise shall pay its income tax on its income derived from sources within China.

Article 4

The taxable income of an enterprise with foreign investment and an establishment or a place set up in China to engage in production or business operations by a foreign enterprise, shall be the amount remaining from its gross income in a tax year after the costs, expenses and losses have been deducted.

Article 5

The income tax on enterprises with foreign investment and the income tax which shall be paid by foreign enterprises on the income of their establishments or places set up in China to engage in production or business operations shall be computed on the taxable income at the rate of thirty percent, and local income tax shall be computed on the taxable income at the rate of three percent.

Article 6

The State shall, in accordance with the industrial policies, guide the orientation of foreign investment and encourage the establishment of enterprises with foreign investment which adopt advanced technology and equipment and export all or greater part of their products.

Article 7

The income tax on enterprises with foreign investment established in Special Economic Zones, foreign enterprises which have establishments or places in Special Economic Zones engaged in production or business operations, and on enterprises with foreign investment of a production nature in Economic and Technological Development Zones, shall be levied at the reduced rate of fifteen percent.

The income tax on enterprises with foreign investment of a production nature established in coastal economic open zones or in the old urban districts of cities where the Special Economic Zones or the Economic and Technological Development Zones are located, shall be levied at the reduced rate of twenty-four percent.

The income tax on enterprises with foreign investment in coastal economic open zones, in the old urban districts of cities where the Special Economic Zones or the Economic and Technological Development Zones are located or in other regions defined by the State Council, within the scope of energy, communications, harbor, wharf or other projects encouraged by the State, may be levied at the reduced rate of fifteen percent. The specific measures shall be drawn up by the State Council.

Article 8

Any enterprise with foreign investment of a production nature scheduled to operate for a period of not less than ten years shall, from the year beginning to make profit, be exempted from income tax in the first and second years and allowed a fifty percent reduction in the third to fifth years. However, the exemption from or reduction of income tax on enterprises with foreign investment engaged in the exploitation of resources such as petroleum, natural gas, rare metals, and precious metals shall be regulated separately by the State Council. Enterprises with foreign investment which have actually operated for a period of less than ten years shall repay the amount of income tax exempted or reduced already.

The relevant regulations, promulgated by the State Council before the entry into force of this Law, which provide preferential treatment of exemption from or reduction of income tax on enterprises

engaged in energy, communications, harbor, wharf and other major projects of a production nature for a period longer than that specified in the preceding paragraph, or which provide preferential treatment of exemption from or reduction of income tax on enterprises engaged in major projects of a non-production nature, shall remain applicable after this Law enters into force.

Any enterprise with foreign investment which is engaged in agriculture, forestry or animal husbandry and any other enterprise with foreign investment which is established in remote underdeveloped areas may, upon approval by the competent department for tax affairs under the State Council of an application filed by the enterprise, be allowed a fifteen to thirty percent reduction of the amount of income tax payable for a period of another ten years following the expiration of the period for tax exemption or reduction as provided for in the preceding two paragraphs.

After this Law enters into force, any modification to the provisions of the preceding three paragraphs of this Article on the exemption from or reduction of income tax on enterprises shall be submitted by the State Council to the Standing Committee of the National People's Congress for decision.

Article 9

The exemption from or reduction of local income tax on any enterprise with foreign investment which operates in an industry or undertakes a project encouraged by the State shall, in accordance with the actual situation, be at the discretion of the people's government of the relevant province, autonomous region or municipality directly under the Central Government.

Article 10

Any foreign investor of an enterprise with foreign investment which reinvests its share of profit obtained from the enterprise directly into that enterprise by increasing its registered capital, or uses the profit as capital investment to establish other enterprises with foreign investment to operate for a period of not less than five years shall, upon approval by the tax authorities of an application filed by the investor, be refunded forty percent of the income tax already paid on the reinvested amount. Where regulations of the State Council provide otherwise in respect of preferential treatment, such provisions shall apply. If the investor withdraws its reinvestment before the expiration of a period of five years, it shall repay the refunded tax.

Article 11

Losses incurred in a tax year by any enterprise with foreign investment and by an establishment or a place set up in China by a foreign enterprise to engage in production or business operations may be made up by the income of the following tax year. Should the income of the following tax year be insufficient to make up for the said losses, the balance may be made up by its income of the further subsequent year, and so on, over a period not exceeding five years.

Article 12

Any enterprise with foreign investment shall be allowed, when filing a consolidated income tax return, to deduct from the amount of tax payable the foreign income tax already paid abroad in respect of the income derived from sources outside China. The deductible amount shall, however, not exceed the amount of income tax otherwise payable under this Law in respect of the income derived from sources outside China.

Article 13

The payment or receipt of charges or fees in business transactions between an enterprise with foreign investment or an establishment or a place set up in China by a foreign enterprise to engage in production or business operations, and its associated enterprises, shall be made in the same manner as the payment or receipt of charges or fees in business transactions between independent enterprises. Where the payment or receipt of charges or fees is not made in the same manner as in business transactions between independent enterprises and results in a reduction of the taxable income, the tax authorities shall have the right to make reasonable adjustment.

Article 14

Where an enterprise with foreign investment or an establishment or a place set up in China by a foreign enterprise to engage in production or business operations is established, moves to a new site, merges with another enterprise, breaks up, winds up or makes a change in any of the main entries of registration, it shall present the relevant documents to and go through tax registration or a change or cancellation in registration with the local tax authorities after the relevant event is registered, or a change or cancellation in registration is made with the administrative agency for industry and commerce.

Article 15

Income tax on enterprises and local income tax shall be computed on an annual basis and paid in advance in quarterly installments. Such payments shall be made within fifteen days from the end of each quarter and the final settlement shall be made within five months from the end of each tax year. Any excess payment shall be refunded and any deficiency shall be repaid.

Article 16

Any enterprise with foreign investment and any establishment or place set up in China by a foreign enterprise to engage in production or business operations shall file its quarterly provisional income tax return in respect of advance payments with the local tax authorities within the period for each advance payment of tax, and it shall file an annual income tax return together with the final accounting statements within four months from the end of the tax year.

Article 17

Any enterprise with foreign investment and any establishment or place set up in China by a foreign enterprise to engage in production or business operations shall report its financial and accounting systems to the local tax authorities for reference. All accounting records must be complete and accurate, with legitimate vouchers as the basis for entries.

If the financial and accounting bases adopted by an enterprise with foreign investment and an establishment or a place set up in China by a foreign enterprise to engage in production or business operations contradict the relevant regulations on tax of the State Council, tax payment shall be computed in accordance with the relevant regulations on tax of the State Council.

Article 18

When any enterprise with foreign investment goes into liquidation, and if the balance of its net assets or the balance of its remaining property after deduction of the enterprise's undistributed profit, various funds and liquidation expenses exceeds the enterprise's paid-in capital, the excess portion shall be liquidation income on which income tax shall be paid in accordance with the provisions of this Law.

Article 19

Any foreign enterprise which has no establishment or place in China but derives profit, interest, rental, royalty and other income from sources in China, or though it has an establishment or a place in China, the said income is not effectively connected with such establishment or place, shall pay an income tax of twenty percent on such income.

For the payment of income tax in accordance with the provisions of the preceding paragraph, the income beneficiary shall be the taxpayer and the payer shall be the withholding agent. The tax shall be withheld from the amount of each payment by the payer. The withholding agent shall, within five days, turn the amount of taxes withheld on each payment over to the State Treasury and submit a withholding income tax return to the local tax authorities.

Income tax shall be exempted or reduced on the following income:

1. the profit derived by a foreign investor from an enterprise with foreign investment shall be exempted from income tax;
2. income from interest on loans made to the Chinese government or Chinese State banks by international financial organizations shall be exempted from income tax;
3. income from interest on loans made at a preferential interest rate to Chinese State banks by foreign banks shall be exempted from income tax; and
4. income tax of the royalty received for the supply of technical know-how in scientific research, exploitation of energy resources, development of the communications industries, agricultural, forestry and animal husbandry production, and the development of important technologies may,

upon approval by the competent department for tax affairs under the State Council, be levied at the reduced rate of ten percent. Where the technology supplied is advanced or the terms are preferential, exemption from income tax may be allowed.

Apart from the aforesaid provisions of this Article, if preferential treatment in respect of reduction of or exemption from income tax on profit, interest, rental, royalty and other income is required, it shall be regulated by the State Council.

Article 20

The tax authorities shall have the right to inspect the financial, accounting and tax affairs of enterprises with foreign investment and establishments or places set up in China by foreign enterprises to engage in production or business operations, and have the right to inspect tax withholding of the withholding agent and its payment of the withheld tax into the State Treasury. The entities and the withholding agents being so inspected must report the facts and provide relevant information. They may not refuse to report or conceal any facts.

When making an inspection, the tax officials shall produce their identity documents and be responsible for confidentiality.

Article 21

Income tax payable according to this Law shall be computed in terms of Renminbi (RMB). Income in foreign currency shall be converted into Renminbi according to the exchange rate quoted by the State exchange control authorities for purposes of tax payment.

Article 22

If any taxpayer fails to pay tax within the prescribed time limit, or if the withholding agent fails to turn over the tax withheld within the prescribed time limit, the tax authorities shall, in addition to setting a new time limit for tax payment, impose a surcharge for overdue payment, equal to 0.2 percent of the overdue tax for each day in arrears, starting from the first day the payment becomes overdue.

Article 23

The tax authorities shall set a new time limit for registration or submission of documents and may impose a fine of five thousand yuan or less on any taxpayer or withholding agent which fails to go through tax registration or make a change or cancellation in registration with the tax authorities within the prescribed time limit, or fails to submit income tax return, final accounting statements or withholding income tax return to the tax authorities within the prescribed time limit, or fails to report its financial and accounting systems to the tax authorities for reference.

Where the tax authorities have set a new time limit for registration or submission of documents, they shall impose a fine of ten thousand yuan or less on the taxpayer or withholding agent which again fails to meet the time limit for going through registration or making a change in registration with the tax authorities, or for submitting income tax return, final accounting statements or withholding income tax return to the tax authorities. Where the circumstances are serious, the legal representative and the person directly responsible shall be investigated for criminal responsibility by applying the provisions of Article 121 of the Criminal Law.

Article 24

Where the withholding agent fails to fulfill its obligation to withhold tax as provided in this Law, and does not withhold or withholds an amount less than that should have been withheld, the tax authorities shall set a time limit for the payment of the amount of tax that should have been withheld, and may impose a fine up to but not exceeding one hundred percent of the amount of tax that should have been withheld.

Where the withholding agent fails to turn the tax withheld over to the State Treasury within the prescribed time limit, the tax authorities shall set a time limit for turning over the taxes and may impose a fine of five thousand yuan or less on the withholding agent; if the withholding agent fails to meet the time limit again, the tax authorities shall pursue the taxes according to law and may impose a fine of ten thousand yuan or less on the withholding agent. If the circumstances are serious, the legal representative and the person directly responsible shall be investigated for criminal responsibility by applying the provisions of Article 121 of the Criminal Law.

Article 25

Where any person evades tax by deception or concealment or fails to pay tax within the time limit prescribed by this Law and, after the tax authorities pursued the payment of tax, fails again to pay it within the prescribed time limit, the tax authorities shall, in addition to recovering the tax which should have been paid, impose a fine up to but not exceeding five hundred percent of the amount of tax which should have been paid. Where the circumstances are serious, the legal representative and the person directly responsible shall be investigated for criminal responsibility in accordance with the provisions of Article 121 of the Criminal Law.

Article 26

Any enterprise with foreign investment, foreign enterprise or withholding agent, in case of a dispute with the tax authorities on payment of tax, must pay tax according to the relevant regulations first. Thereafter, the taxpayer or withholding agent may, within sixty days from the date of receipt of the tax payment certificate issued by the tax authorities, apply to the tax authorities at the next higher level for reconsideration. The higher tax authorities shall make a decision within sixty days after receipt of the application for reconsideration. If the taxpayer or withholding agent is not satisfied with

the decision, it may institute legal proceedings in the people's court within fifteen days from the date of receipt of the notification on decision made after reconsideration.

If the party concerned is not satisfied with the decision on punishment by the tax authorities, it may, within fifteen days from the date of receipt of the notification on punishment, apply for reconsideration to the tax authorities at the next higher level than that which made the decision on punishment. Where the party is not satisfied with the decision made after reconsideration, it may institute legal proceedings in the people's court within fifteen days from the date of receipt of the decision made after reconsideration. The party concerned may, however, directly institute legal proceedings in the people's court within fifteen days from the date of receipt of the notification on punishment. If the party concerned neither applies for reconsideration to the higher tax authorities, nor institutes legal proceedings in the people's court within the time limit, nor complies with the decision on punishment, the tax authorities which made the decision on punishment may apply to the people's court for compulsory execution.

Article 27

Where any enterprise with foreign investment which was established before the promulgation of this Law would, in accordance with the provisions of this Law, otherwise be subject to higher tax rates or enjoy less preferential treatment of tax exemption or reduction than before the entry into force of this Law, in respect to such enterprise, within its approved period of operation, the law and relevant regulations of the State Council in effect before the entry into force of this Law shall apply. If any such enterprise has no approved period of operation, the law and relevant regulations of the State Council in effect before the entry into force of this Law shall apply within the period prescribed by the State Council. Specific measures shall be drawn up by the State Council.

Article 28

Where the provisions of a tax agreement concluded between the government of the People's Republic of China and a foreign government are different from the provisions of this Law, the provisions of the agreement shall prevail.

Article 29

Rules for implementation shall be formulated by the State Council in accordance with this Law.

Article 30

This Law shall enter into force on July 1, 1991. The Income Tax Law of the People's Republic of China on Chinese-foreign Equity Joint Ventures and the Income Tax Law of the People's Republic of China on Foreign Enterprises shall be annulled as of the same date.

References

1. China Statistical Yearbook, various years, China Statistics Press
2. Liaoning Statistical Yearbook, various years, China Statistics Press
3. Atlas of Liaoning Province, Planet Map Publishing House
4. Liaoning China 2009, Liaoning People's Publishing House
5. List of the Development Zones Approved by the State in the Province Liaoning, Liaoning Provincial Development and Reform Commission
6. List of Foreign-funded Enterprises in Liaoning, Liaoning Provincial Development and Reform Commission
7. Statistics about Foreign Trade of the Province Liaoning with Neighbor Countries in 2008 and 2009, Liaoning Provincial Development and Reform Commission
8. Comparison of Main Economic Indicators of the Province Liaoning in 2008 and 2009, Liaoning Provincial Development and Reform Commission
9. State Council Document No. 33, Liaoning Provincial Development and Reform Commission
10. Chen Zhenggao, Governor of the Province Liaoning, Speech on the Approval of the Shenyang Metropolitan Area as a New National Comprehensive Industrial Reform Experimental Area in April 2010, Liaoning Provincial Development and Reform Commission
11. Development Plan for the Liaoning Coastal Economic Zone (2009), Liaoning Provincial Development and Reform Commission
12. Liaoning Provincial Investment Guide 2010 (Chinese Version), Liaoning Provincial Information Centre
13. Dalian Hi-tech Industrial Zone Foreign Investment Promotion Bureau, June 2008
14. Dalian Foreign Trade & Economic Cooperation Bureau, June 2008
15. Ministry of Commerce of the People's Republic of China
16. Liaoning Provincial Bureau of Foreign Trade and Economic Cooperation
17. Government Work Reports of the 14 Prefectures in the Province Liaoning 2009
18. Statistical Bulletin on the Economic and Social Development of Liaoning 2009, Liaoning Provincial Statistics Bureau
19. Photographs and maps provided by:
 - Liaoning Provincial Development and Reform Commission
 - Liaoning Provincial Information Center
 - GIZ Liaoning Employment Promotion and Training Programme

Editorial Team

Team Leader	周喜鼎	Zhou Xiding, Vice Director Liaoning Provincial Development and Reform Commission
Vice Team Leaders	沈禾木	Helmut Schönleber, Programme Director Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	张杨	Zhang Yang, Division Chief Liaoning Provincial Development and Reform Commission
	阴炎	Yin Yan, Vice Division Chief Liaoning Provincial Development and Reform Commission
	孙晓立	Sun Xiaoli, Division Chief Liaoning Provincial Bureau of Foreign Trade and Economic Cooperation
	王家仁	Wang Jiaren, Assistant Director Liaoning Provincial Information Center
Team Members	孙淼	Sun Miao Liaoning Provincial Development and Reform Commission
	陈杨	Chen Yang Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	付佳	Fu Jia Liaoning Provincial Information Center
	纪凌	Ji Ling Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	金旭阳	Jin Xuyang Liaoning Provincial Bureau of Foreign Trade and Economic Cooperation
	李静	Li Jing Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	李莹	Li Ying Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	李臻	Li Zhen Liaoning Provincial Information Center
	毛锐	Mao Rui Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	谭震洋	Tan Zhenyang Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
	王旭东	Wang Xudong Liaoning Provincial Information Center



Liaoning Provincial Development and Reform Commission

Foreign Capital Utilization Division
Liaoning Provincial Development and Reform Commission

No. 45-2, Beiling Street
Huanggu District 110032
Shenyang, Liaoning Province
PR China

T +86 24 8689 2807
F +86 24 8689 2807
I www.lndp.gov.cn