



## Focus of Development in the Near Future

1. Increase effort on infrastructure construction in power supply, water supply, communications, telecommunications, etc. which are vital to the economy of Shenzhen.
2. Invigorate the development of exporting industrial products and increase the supplies of fresh agricultural products to Shenzhen and Hong Kong.
3. Develop substitute products for similar imported commodities to satisfy the demands of the Shenzhen market.
4. Develop highly competitive products with high technical standards and good economic efficiency.
5. Develop enterprises of sole foreign ownership and of joint ventures to invigorate the development of the associated processing industries.
6. Develop service industries in the sectors of commerce, trading, finance, science & technology, education, information, storage & warehousing etc. so as to enable the tertiary industry to better serve the requirements of an export-oriented economy.

## Encouraged Projects

Shenzhen encourages investment in the following fields and projects:

1. Infrastructure construction projects in the way of roads, bridges, sea ports, harbours, power supply, environmental protection and municipal works;
2. Advanced appropriate technology and high-tech projects, especially the seven leading industries such as computer and software, telecommunications, microelectronics and basic components, electro-mechanical integration, audio & video, important light industries and energy;
3. Basic industries such as raw materials, components;
4. Large-scale key projects which can stimulate the development of relevant industries;
5. Projects whose products are mainly for export and which can earn foreign exchange;
6. Projects for producing import substitutes needed in the domestic market;
7. Tourism development projects with national, cultural and local characteristics.

## Industries and Products with Restrictive Development

1. Products with huge existing output capabilities and limited market potentials;
2. Low-class products manufactured by using insufficient domestic material supplies or products relying on the imported raw materials but unable to be exported;
3. Products with backward technology, high consumption of water and energy, and high pollution;
4. Products processed with low-class supplied raw materials and much labour;
5. Products designated to be obsolete by the State.

## Designated Investment Zones

While improving its overall investment environment, Shenzhen has designated various investment zones such as bonded areas, one large industrial zone, which provide more favourable investment environments and policies than

other areas.

### 1. Bonded Areas

Modeling on free trade zones and adopting some policies of free ports, the bonded areas follow international practices. Imported production equipment, goods, office equipment, and materials, components and packaging materials necessary for processing products for export which will be used within the bonded areas are exempted from import tariffs, VAT and consumption tax. For the goods transported into the bonded areas from abroad or transported overseas from the bonded areas, customs tariffs and license are exempted. Shatoujiao Bonded Zone-covering 300,000 square metres, focusing on advanced export-oriented industries with appropriate development of import and export trade, transit trade, warehousing, transportation, real estate and other tertiary industries.

Futian Bonded Zone-covering 1.35 square kilometres plus a residential area of 0.63 square kilometres, mainly developing international trade, warehousing, advanced industries and high-tech industries with relevant development of finance, information, goods display and commerce and trade service sectors. Yantian Port Bonded Zone-with 0.85 square kilometres in the first development phase, concentrating on transit trade and warehousing with necessary development of production material market, commodity sales exhibitions, categorizing, repackaging, mixing, processing and finance, insurance, information, transportation, etc.

### 2. New and High-tech Industrial Park

It is a state-level high-tech industrial park, with a total area of 11.5 square kilometres, mainly developing such four industries as electronic information, bioengineering, new materials and optical electro-mechanical integration, with electronic information industry as its pillar.

### 3. Longgang Grand Industrial Park

It covers 174.4 square kilometres, with 109 square kilometres available for construction and the planning area of 80.9 square kilometres. As a large industrial base, it takes the manufacturing as the mainstay, with the advanced industrial projects as the core, correspondingly develops the tertiary industries like finance, real estate, trade and services and vigorously develops basic industries and advanced industries like computer and software, micro-electronics and components, telecommunications, audio & video, electro-mechanical integration, instruments, refined chemicals, pharmacy and bioengineering, metal material industry, light textile industry, mechanical processing and automobile.



Shekou Industrial Zone