

Five-star enterprise

China's thriving commercial landscape continues to attract both SMEs and mega-corporations to regional innovation hotbeds. **Patricia Clarke** identifies four of the country's most promising enterprise hubs – metropolises ripe for investment

SHANGHAI

Shanghai is transitioning and evolving – from a global financial hub to a burgeoning business scene – as the Chinese government ramps up efforts to turn the mega-city into an international technology hotspot by 2030. (sz.gov.cn)

The world's most populated city has long been ripe with talent, as well as investor and government support, making it an ideal setting to pilot China's first mainland Free Trade Zone (FTZ) in 2013. The initiative was set up to encourage innovation – particularly in China's flourishing technology sector – with a new

set of financial policies and relaxed trade regulations.

Though Shanghai FTZ struggled to find its feet when it was first established – with many concerned that the area had nothing new to offer



Below: A statue of The Bund Financial Bull in Shanghai where businesses look to take advantage of the FTZ

compared to the nearby business hubs of Singapore and Beijing – competition has driven exponential development.

Today, more than 18,000 companies are registered at Shanghai FTZ, a number set to increase following the construction of a free port in the zone.

Established to rival Singapore and Hong Kong's shipping ports, this project will combat China's high oil prices, as well as overcoming tight trade regulations.



FUJIAN

This coastal province in south-east China has merged seaside leisure with solid business development, firmly establishing itself as an enterprise hotspot with a series of burgeoning tech cities and start-up clusters. (fujian.gov.cn)

While the region's capital, Fuzhou, is a well-established FTZ, the Chinese government introduced a series of ground-breaking policies in 2015 to rejuvenate enterprise activity in the area. Delivering financial support to companies registered in the area, the policies were designed to facilitate business development by attracting quality employees and increasing operational productivity.

Conditions in Xiamen, the 'low-pressure Beijing', are favourable for tech start-ups and creative businesses housed in the region's first shared office space – Xiamen United Development (xudc.com). The city's coastal location provides a more relaxed atmosphere for creative SMEs, but with Taiwan a mere stone's throw away: it is attracting a growing number of the island's entrepreneurs thanks to low labour costs and substantial tax breaks.

TIANJIN

Nestled between the thriving start-up hubs of Beijing and Hebei, the city of Tianjin is becoming an entrepreneurial



hotbed in its own right, and was recently celebrated for being home to China's 'little tech giants' – promising technology SMEs with future potential. (tj.gov.cn)

To enable these budding businesses to develop and attract significant revenue, Tianjin launched its own FTZ, and has set a up ¥1b (\$150m) innovation fund to attract further talent to the area; subsidising equipment and research, as well as providing significant compensation to cover unpaid bank loans. Not only have these prospering SMEs attracted government support, they have

Above: National Day decorations in the square in Guangzhou with the CBD backdrop Right: Xiamen Xiangshan Yacht Club and CBD – the 'low pressure Beijing' FTZ is ripe for investment and opportunities for high-end networking

also racked up millions in private investment, making Tianjin an investment hub for private enterprises. Venture Capital fund Gobi Partners, for example, is involved in a \$1.54m municipal partnership with the Tianjin Binhai New Area, aiming to invest

50 per cent of this sum in Tianjin's start-ups; promising huge returns.

GUANGDONG

Though the province of Guangdong is home to Guangzhou – a booming port city that trades with over 300 ports worldwide



– the region's true status as a commercial hotbed has been established by the presence of Shenzhen, China's answer to Silicon Valley. (gd.gov.cn)

After being declared China's first Special Economic Zone (SEZ) in 1979, what was once a small fishing village near Hong Kong became a hub for foreign investment; a financial boom followed. Today, the city is lauded as the home of global innovation – low-price manufacturing, labour and trade have drawn thousands of bright minds to the city to develop technological marvels, including major brands like Huawei and ZTE.

Now Shenzhen produces 90 per cent of the world's electronics and is set to build on this staggering market share. In 2016, the region invested 4 per cent of its GDP in research and development to continue growing as a commercial and industrial hub. ■