



The Blue Whale Island in Binhai New Area

Tianjin Binhai New Area : A Platform for Jing-Jin-Ji Cooperation

By Wu Ziran

The strategy of Coordinated Development of Beijing, Tianjin, and Hebei Province (or Jing-Jin-Ji), which was officially published in February of 2014, brings new opportunities to the Tianjin East Bonded Port Area. This area has made great strides to support the Jing-Jin-Ji region's coordinated development and take over non-capital functions from Beijing. SOEs and large enterprises, including Aluminum Corporation of China, China Railway Group Ltd., China State Shipbuilding Corporation, China Shenhua Energy Co. Ltd., China CNR Co. Ltd, China Minsheng Investment Corp., CITIC Securities Co. Ltd. and China Supply and Marketing Group Development Co. Ltd., have all established branches in the East Bonded Port Area. The four major centrally-administrated electric power enterprises, including China Datang Corp., China Huaneng Group, China Huadian Corp., and China Guodian Corp., have increased their investments to around tens of billions of yuan. The East Bonded Port Area has become a new platform for the Jing-Jin-Ji enterprises to share resources and cooperate. In 2015, 2,344 Jing-Jin-Ji enterprises made investments in this area, accounting for 61.9 percent of newly registered companies that year; the registered capital totaled 104.4 billion yuan, accounting for 49.4 percent of newly registered capital in 2015. Among them, 402 enterprises came from Beijing and their registered capital stood at 42.5 billion yuan, an increase of 1.7 and 2.2 times year on year, fully supporting the alleviation of Beijing's non-capital functions. One SOE will relocate its functional headquarters to the East Bonded Port Area every month. So far, 36 SOEs have established 60 functional headquarters in the area.

441 projects worth over 100 million yuan are relocated to Binhai New Area

With favorable national policies and innovative projects, enterprises have chosen to locate a large number of major projects in the East Bonded Port Area so as to expand new business fields through this platform. By the end of 2015, the accumulated number of registered enterprises had reached 6,968. In 2015, there were 3,789 newly registered enterprises, a year-on-year increase of 150 percent; the newly registered capital was 211.5 billion yuan, a year-on-year increase of 195 percent; the average registered capital of each enterprise stood at 55.82 million yuan and the number of newly established enterprises last year exceeded the total number of enterprises set up in the past seven years. As the investment projects have increased in



The Light Rail in Binhai New Area



Yujiapu High-Speed Railway Station



Polar Ocean World in Tianjin

scale, the quality of the projects has been improved significantly. In 2015, the number of projects with a registered capital of over 100 million yuan was 441, 130 more than the total number of such projects in the past seven years.

Promoting regional cooperation, sharing advantageous resources

The East Bonded Port Area fully plays to its advantages as an important part of the only Free Trade Zone (FTZ) in northern China. The East Bonded Port Area has strengthened its strategic cooperation, integrated resources and built relationships with other areas. By actively spreading replicable ex-

periences to other areas, the East Bonded Port Area's benefits spillover to other regions and it plays a catalytic role for regional development. In the meantime, the East Bonded Port Area has proactively explored establishing a bilateral industrial service platform, an investment cooperation mechanism and direct-sale imports to expand its sphere of influence. In this way, interconnected growth has been made both inside and outside the Tianjin FTZ. Up till now, it has reached strategic cooperation agreements with other districts, including Xiqing, Dongli, Hedong, Hongqiao and Beichen districts, and other surrounding areas, such as Anyang City in Henan Province and Changzhou Zhongjie Industrial Zone in Hebei Province.

"Innovation" From Page1

We have been actively protecting our ecological environment. Our PM2.5 pollutant concentration was reduced by 27.1 percent owing to our efforts to curb pollution from coal, dust, automobiles, industrial production etc. We have established a coordinated working mechanism and taken 12 measures to control air pollution through the use of clean coal and a total overhaul of polluting companies.

We have also expanded industrial cooperation with other cities in the region. Tianjin has been dedicated to the creation of an innovation community — hosting innovative companies which have moved out of Beijing and developing the service sector in support of industrial development in Hebei Province. Major projects, such as the Beijing-Tianjin cooperation demonstration zone of the Future Science Park, Binhai Zhongguancun Science Park, and Beijing-Tianjin Zhongguancun Science Park, have been steadily moving forward with upgraded functions.

We have been innovative in creating new working mechanisms.

A pilot program on coordinated innovation reform was conducted for the Jing-Jin-Ji area, with the aim of breaking systematic barriers to coordinated development. In the meantime, we built an integrated online tax collection platform to facilitate easier access for local companies. We have also implemented eight measures designed to support the free trade zone area, opened five direct sales centers for imported goods and promoted bonded exhibition and trade. Beijing, Tianjin and Hebei Province have formed a coordinated work system which integrates disease control, health care, market supervision, financial supervision, administrative approval services, and settlements of maritime affairs.

The China (Tianjin) Pilot Free Trade Zone (FTZ) is the only FTZ in northern China, and serves as an important pilot base for the establishment of other FTZs across the country. The Tianjin FTZ has been in operation for nearly one year. What are its major achievements in your view?

We have adhered to the principle of innovation while experimenting with the FTZ system. A list of 175 systematic reform measures has been drawn up, of which 123 have been put into practice. Among the 21 FTZ innovation measures which the Ministry of Commerce is about to promote across the country, nine of them came from Tianjin. Our innovation has further revitalized the market and attracted more entities to set up businesses. In the past year, more than 14,000 different market entities were established with total registered capital reaching 400 billion yuan.

The following can be categorized as major achievements: We improved the facilitation of investment and trade. We adopted a post-establishment national treatment and a negative-list approach for foreign investment in the FTZ. We used the filing system to record projects which were not included on the negative list. Currently, 95 percent of newly established foreign-invested companies have been registered under the regulation. We established "one window" for international trade which combines four

Customs clearance functions and nine port service functions. The online public service window saved more than 40 million yuan worth of Customs clearance fees and a great deal of time for the companies involved.

We've made a major breakthrough in financial innovation. The Central Bank issued a guideline on financially supporting the Tianjin FTZ, which further helped facilitate investment and financing, interest rate marketization and renminbi cross-border transactions. The Tianjin FTZ began a foreign exchange reform which aims to coordinate the use of foreign exchange of multinational companies. The reform has so far saved \$15 million for multinationals operating in the Tianjin FTZ. The Tianjin FTZ has more than 1,500 leasing companies whose leasehold assets account for one quarter of the nation's total while its financial leasing assets make up more than one third of the nation's total.

Regional services have been further strengthened and upgraded. After the strategy to integrate the Jing-Jin-Ji area was implemented, we managed to cut the cost for Customs clearance by nearly 30 percent. The Customs clearance procedure of inspection and quarantine has been further optimized to raise the effectiveness of clearance. Five direct sales centers for imported goods have been opened in Beijing and Hebei, and the bonded exhibition transaction mode has been copied and promoted in Beijing and Hebei.

The business environment has been further improved based on the rule of law. We promulgated the Regulations on China (Tianjin) Pilot Free Trade Zone, formulated guidelines for commercial factoring and financial leasing, set up an FTZ court, and established centers for international arbitration and intellectual property rights arbitration.

At present, people are increasingly concerned about the ecological environment. Tianjin has spared no effort in protecting its environment. Could you please elaborate on this?

We strongly believe that a good ecological environment is a precious green bank that can promote strength for sustainable development. Over the years, we have kept in mind that green mountains and clean rivers are our gold mines for economic development. We initiated a project called Beautiful Tianjin NO.1 Project which tackles air and soil pollution. We have made great achievements in improving our air condition, river tunnels, village sanitation, community neatness and green coverage. Right now, we are enjoying more green coverage in the city and our local residents have benefited enormously from a much greener environment.

We will consolidate our previous success in ecological environmental protection. In the first year of the 13th Five-Year Plan (2016-20), we will continue our commitments and take further measures to fulfill these. Our major tasks include: revamping coal-fired boilers into natural gas-fired ones and connect them to the city's natural gas pipelines and networks. We will start to relocate the Tianjin bulk cargo logistics center, clean 14 waterways, build and expand 16 sewage treatment factories, plant trees covering 36,000 hectares, and extend green coverage in the city by 20 million square meters.

Tianjin FTZ: The Test Field for Innovation

By Wu Ziran

The Tianjin Pilot Free Trade Zone (TJFTZ) has become a test field for institutional innovation. Since it was launched on April 21, 2015, the TJFTZ initiated 175 innovative measures in order to streamline governmental services, facilitate investment and trade, and promote financial innovation. Dongjiang Area has actively adopted policies to improve trade facilitation as it sees itself as a pioneer for the whole country to test a brand new system.

One-stop service

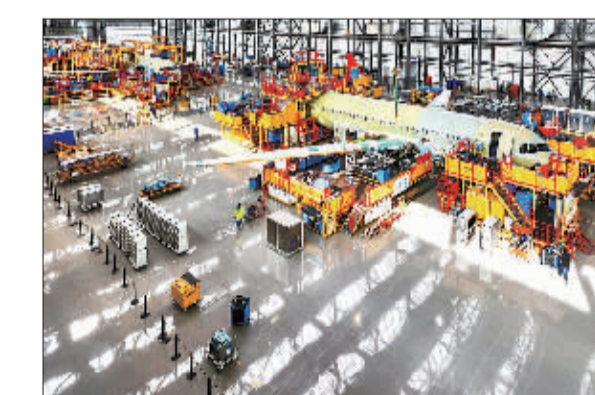
The Comprehensive Service Center of Dongjiang Area, a carrier of the TJFTZ's administrative reform, houses the Administrative Committee's offices of the TJFTZ, the Administrative Committee of Dongjiang bonded area, and several important bureaus. It provides a place for many business services, such as setting up companies, qualification approval, customs clearance, foreign exchange control and taxation. Companies can acquire business licenses, official seals and invoices within one day, as services under the 241 authorities delegated by Tianjin Municipality are accepted in a single window time-frame and processed in a timely fashion. It takes a mere two hours for foreign-invested programs outside the negative list to get registered. From start to finish, companies can complete the procedure within eight days, and foreign-invested companies within 15 days. By providing well-arranged services, the process is further compressed. Dongjiang Investment Service Company covers registry and taxation services, as well as customs clearance and foreign exchange services. These investment facilitation measures are hugely convenient for enterprises and satisfy a wide range of company needs. More companies are enjoying the fruits of reform, and the momentum for future expansion is well accrued.

Enhanced trade facilitation

Since the foundation of the TJFTZ, Tianjin Customs has come up with 29 measures to facilitate clearance. Inspection and Quarantine Administration adopted 24 measures in succession to facilitate inspection and quarantine. At the end of last year, Dongjiang Port was selected as the only eligible port for the inspection and quarantining of fresh aquatic products. These combined measures further promoted trade. The Dongjiang Management Committee actively sought innovative supervision policies with other port authorities in line with measures taken by the Tianjin cus-



Tian Jin Airport Economic Area



Final Assembly Line of Airbus A320



Yujiapu, Central Business Zone in Binhai New Area

tom, Inspection and Quarantine Administration and Border Inspection. Based on the functional advantages of existing policies and the unique location, port authorities chose Dongjiang Area as their innovation base. They enlisted the first batch of innovative measures, for example, a centralized taxation mechanism and electronic clearance documents.

The pioneer of innovative leasing industry

Dongjiang plays a leading role in the financial leasing industry. After the establishment of the TJFTZ, a lot of companies engaged in leasing businesses flocked to the Dongjiang area. In May 2001, the State Council approved the Program on Building Core Functional Area of the Northern International Shipping Centre of Tianjin and approved the building of the National Demonstration Area of leasing innovation. After years of effort, Dongjiang area explored more than 30 kinds of innovative business models including bonded leasing, SPV leasing, off-shore leasing, cross-border leasing and associated leasing. Since the first aircraft leasing business was completed, the leasing item has been expanded to include large equipments, such as ships, subway equipments, high-speed railway locomotives, etc. Leasing industry now becomes a benchmark business in this northern port city and a unique feature of TJFTZ.

Many "firsts" in leasing industry

More and more leasing pilot programs are located in Dongjiang area. Nearly all types of domestic leasing innovation were originated in Dongjiang. Dongjiang has witnessed the first helicopter leasing business conducted by leasing companies through using foreign debt and the first to receive foreign currency for leasing business. The first SPV equity transfer was completed, initiating the mechanism of using an intermediate for supervision and transaction. The first credit-financing business with Canada was completed. Dongjiang assisted ChunQiu Airlines and Standard Chartered to complete the first financing business in the Japanese yen. Dongjiang helped IBCB Leasing, Minsheng Leasing, CBM Leasing and other large leasing companies explore multiple maritime project platforms. In Dongjiang, a leasing industry including aircraft leasing, ship leasing, maritime platform leasing, infrastructure leasing and large equipment leasing is taking shape.

A platform for registration and transfer of leasing products

The Opinions of the People's Bank of China

Tianjin Binhai New Area Consolidates Green Power

By Wu Ziran

This year marks the 10th year since implementing a national strategy of developing and opening up Tianjin Binhai New Area. Over the past decade, Binhai New Area (BNA) has made several innovations that have stimulated the economy through green development. It has explored a model of developing the economy and protecting the environment simultaneously and has continuously found new areas of economic growth so that the green economy can become the "new normal."

BNA supports cleaner production. This is developed to spur industrial upgrades, and make a proactive move to close down heavy-industry companies, suspend their operation, merge them with others or make them shift to different line of production. The area reduces energy consumption, pollution and emissions through adopting a "high-end, high-quality and high-tech" industrial methods. It has promoted a green transformation in the traditional manufacturing industry and built a green and low-carbon industrial system.

BNA spares no efforts in developing a circular economy — an industrial economy that avoids producing pollution and waste. Conforming with the rules of reducing, reusing and recycling, it adheres to integrating the whole picture and build eco-industrial parks, an eco-city and circular-economic chains. Companies are keen on making innovation. Businesses have started to conserve energy, improve efficiency

on Financial Support in China (Tianjin) Pilot Free Trade Zone serves as strong support for the development of Dongjiang's leasing industry. By the end of December 2015, 1,449 companies were registered in Dongjiang with registered capital totaling 131.76 billion yuan. Dongjiang has leased 600 aircraft (one in 10 civil aircraft is leased in Dongjiang), 11 aircraft engines, 80 global merchant shipping vessels, eight overseas oil drilling platforms, with leasing value amounting to 400 billion yuan. CMI, Shenhua, Chinalco, CITIC security, China Railway Group, Norinco Group, Tiens, Vcanland, Beijing Enterprises Water, Sound Environmental Resources, China Water Environment Group, Tianjin Binhai New Area Construction & Investment Group, Tianjin Yishang and a series of central enterprises and large companies have all established leasing companies in Dongjiang. Shihang Leasing, Ping An Leasing, Anpeng Leasing, Kunlun Leasing and other aircraft leasing companies were also moved in to the area. Overseas companies were also attracted to the area. Top 10 aircraft leasing companies, namely, AerCap, ALC, ACG, and Standard Chartered Leasing have started or will start their business in Dongjiang. The shipping leasing and offshore platform leasing are developing well. Huarong Financial Leasing, CIMC Raffles, Cosco Shipyard, the Far Eastern Group and other offshore engineering companies, the Maesky Group, Kylin Capital, Profundo and other overseas enterprises established partnerships within Dongjiang area. Medical equipment industry advanced rapidly. The management information system for medical equipment in financing and leasing industry was further expanded. Leasing companies such as Nanshan, Union Linker, Shouxin, Weizu, the Far Eastern, Zhongcheng, Derun, Yihui, Universal Medical together signed 652 medical equipment leasing contracts worth of 14.73 billion yuan. Huijin, Weibaili, Ainuo, Feilijinrong, Wankang, Maihe, and Dayin leasing companies stationed their headquarters in Dongjiang. Currently, Dongjiang is engaged in building the National Leasing Industrial Park to attract more leasing companies in order to make Dongjiang the center of the leasing industry.

Looking forward, Dongjiang will further promote policy and carry out systematic reform to offer first-class experience for leasing companies. Dongjiang will also build an internationally advanced leasing center for aircraft leasing and establish an industrial base for ship and offshore construction leasing. Taking advantage of the One Belt and One Road Initiative, Dongjiang is sparing no effort in facilitating large equipments going abroad by financial leasing. Dongjiang will further expand the business scope of leasing and build a platform for the registration and transfer of leasing products.

and produce more cleanly. BNA has pilot enterprises for a circular economy, including a national level circular-economy pilot project in Tianjin Beijing Power Station and Tianjin circular-economy pilot projects in Tianjin Changlu Hangu Saltern Co. Ltd., Tiantie Metallurgical Group Steel Plate Co. Ltd., Bluestar (Tianjin) Chemical Co. Ltd., Tianjin Kaiwei Chemical Co. Ltd., Tianjin Lianbo Chemical Co. Ltd., Tianjin Yunhai Yusen Tech-industry Co. Ltd., Tianjin Pharmaceutical Holdings Gencom Pharmacy Co. Ltd. and Tianjin Yuchuan Building Materials Co. Ltd. The area has established several demonstration parks, such as the Tianjin Economic-Technological Development Area and the Tianjin Harbor Economic Area, two national level circular-economy demonstration parks, and the city-level Tianjin Airport Economic Area. BNA has formed circular economy chains in over 20 areas, including aerospace, petrochemicals, equipment manufacturing, electronic information, bio-pharmaceuticals, modern metallurgy and food processing industries.

The area has increasingly improved its energy mix. It promotes solar photovoltaic (PV) energy, thermal systems and heat pump systems. Clean energy, such as wind and biomass power, is also promoted. It has gradually established a modern, low-carbon, safe and efficient energy system, which mainly relies on combined heat and power and is supplemented by a regional heat source, with new and clean energy power being complemented.