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2022

HAINAN FREE TRADE PORT INVESTMENT GUIDE

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Preface

During his inspection tour in Hainan on April 10-13, 2022, Xi Jinping, General Secretary of the CPC Central Committee, President of the State, and Chairman of the Central Military Commission made the instructions to:

- Accelerate the construction of a free trade port with Chinese characteristics and global influence;**
- Turn Hainan into a demonstration of China's reform and opening up in the new era;**
- Build the Hainan Free Trade Port as a beautiful showcase to convey China's image.**

Hainan Free Trade Port shall be focused on promoting the liberalization and facilitation of trade and investment by facilitating the free, orderly, safe, and convenient flow of production factors into/out of it and establishing a modern industrial system, be guaranteed with special tax system arrangements, an efficient social governance system and a complete system of rule of law, and commit to constantly improving its law-based, international and favorable business environment and its fair, unified and efficient market environment.

Since its release, the Master Plan for the Construction of Hainan Free Trade Port has seen concrete results of its policies, noticeable effects of its major functional platforms, and fast progress in building a risk control mechanism. The building of the Hainan Free Trade Port has registered a successful start in the 14th Five-Year Plan (2021-2025) period with noticeable achievements and prominent highlights.

The year of 2022 will be a crucial year for Hainan Free Trade Port and a key preparation period for independent customs operations across the whole island.

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A Glimpse of Hainan

2022 Investment



Geographic Location

The Southernmost Province of China

Hainan overlooks Guangdong across the Qiongzhou Strait to the north and Vietnam across the Beibu Gulf to the west and is adjacent to the Philippines, Brunei, Indonesia and Malaysia to the east and the south of the South China Sea.

The largest Province of China

Hainan covers a land area of **35,400 square kilometers** and a sea area of **2 million square kilometers**, administering various islands including Hainan Island, Xisha, Zhongsha and Nansha islands, as well as their waters.

Unique Location Advantage

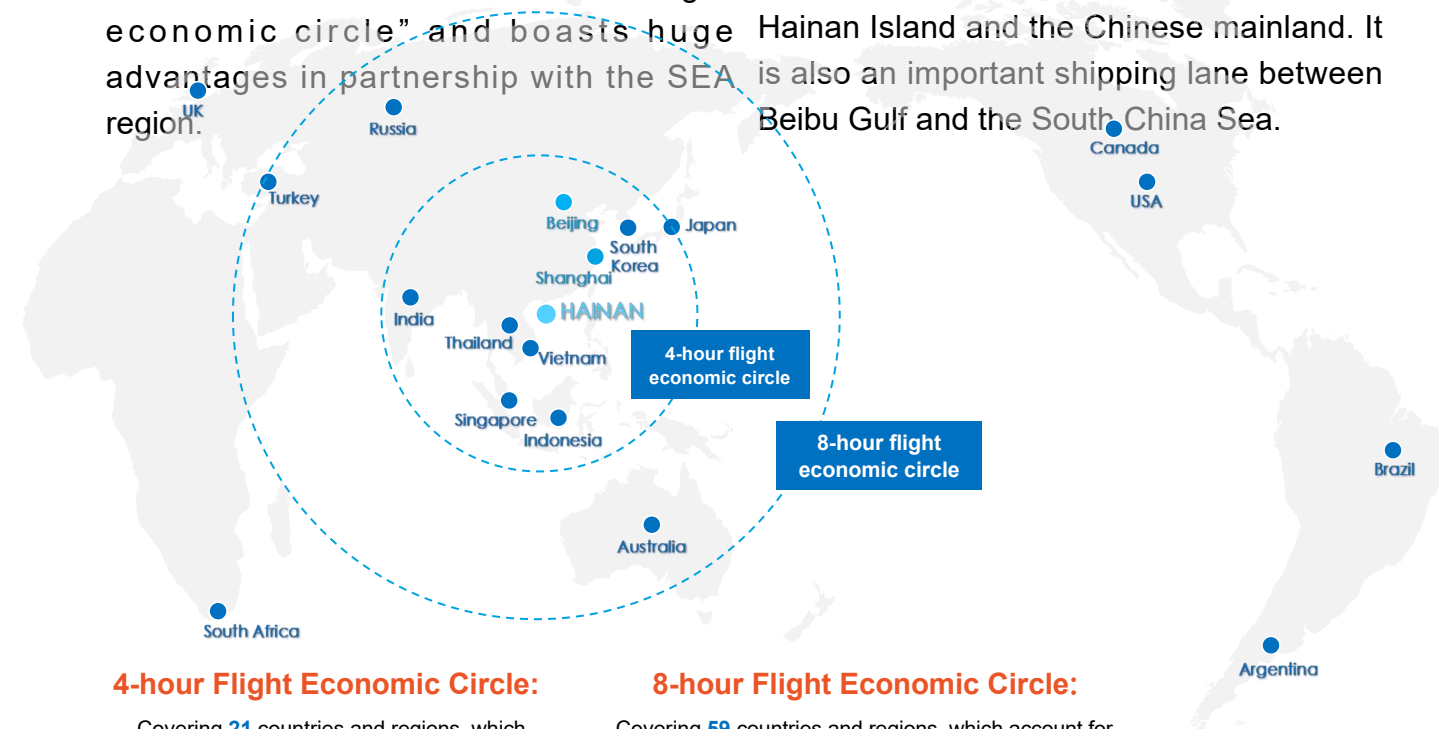
Located in the **overlapping area** of South China Economic Circle, Guangxi Beibu Gulf Economic Zone, ASEAN economic circle and SEA economic circle, Hainan is a major shipping hub that connects China's South-East coastal areas with ASEAN and SEA markets as well as an important portal for China opening-up to the Pacific and the Indian Ocean.



Transportation

An Anchor of the “External Circulation”

As a strategic anchor of the “Belt and Road” initiative and a key stop along the new western land-sea corridor, Hainan is the nearest to the SEA region among all provinces in China. Facing the Philippines, Indonesia, Brunei, Malaysia, Singapore, Thailand and Vietnam across the sea, Hainan is located in a “4-hour flight economic circle” and boasts huge advantages in partnership with the SEA region.



4-hour Flight Economic Circle:

Covering **21** countries and regions, which account for **47%** of the global population

8-hour Flight Economic Circle:

Covering **59** countries and regions, which account for **67%** of the world population

Air Transport

Global Access

Three international airports: Haikou Meilan International Airport, Sanya Phoenix International Airport & Qionghai Bo'ao Airport, offer 421 domestic passenger routes, 13 international freight routes & 103 international passenger routes. More routes to and from major destinations worldwide are added. It is expected that air service to 210 cities, including 80 overseas destinations, will be available by 2025.

Waterway Transport

“5 Ports in 4 Directions” Network

A waterway transport network with “5 ports in 4 directions with 2 hubs” will take shape by 2025. By then, Hainan is expected to offer 80 berths of 10,000 tons and above, have an overall handling capacity of 350 million tons and 7.5 million TEUs of cargo.

Railway

A High-speed Railway Network

A railway network composed of Hainan Roundabout Railway, Hainan Western Ring Railway, Guangdong-Hainan Cross-sea Railway & Ferry, and two freight railway branch lines.

Expressway

Full Coverage

41,045.54 kilometers highways with a continuously extending network. The total length of available highways in service in Hainan is expected to reach 42,000 kilometers by 2025.

Population

According to the results of the seventh national census in 2020, the total population of 19 cities and counties in Hainan is 10,081,232, an increase of 16.26% (or 1,409,747) compared with that in the sixth national census in 2010 and an average growth rate of 1.52%. Among them, 6,075,981 (which accounts for 60.27%) of the total population live in cities and towns and 4,005,251 (which accounts for 39.73%) in rural areas.

Ethnic Groups

The Han, Li, Miao, and Hui ethnic groups in Hainan Province have lived here for generations. The rest of the ethnic groups moved here after the liberation, including cadres, workers and immigrants, who were scattered throughout the province. The Li nationality people are the earliest residents on Hainan Island. Most of the Li, Miao, and Hui who have lived here for generations live in the central and southern counties of Qiongzong, Baoting, Baisha, Lingshui, Changjiang, Sanya and Wuzhishan. Han people mainly gather in the northeast, north and coastal areas. According to the results of the seventh national census in 2020, among the province's population, the Han population is 8,498,241, accounting for 84.30%; the ethnic minority population is 15,82991, accounting for 15.70%.

Tourism

Over 81 million tourists visited Hainan in 2021, up by 25.5% year on year. More than 57.83 million of the tourists stayed overnight, an increase of 6% year on year.

Economic Overview

Hainan has seen steady regional GDP growth. Statistics from the Hainan Provincial Bureau of Statistics show that the regional GDP of Hainan has grown to 647.52 billion yuan in 2021 from 7.7 billion yuan in 1988 when it became a special economic zone, surging 11.2% from a year earlier. The service sector has become its largest GDP contributor, reporting a total of 135.39 billion yuan. Wholesaling and retailing sectors registered a 35.6% growth, which was the highest among all sectors in the report.

Industrial Mix

All the sectors have registered a balanced and steady growth. The value added of the primary industry was 125.444 billion yuan, up by 3.9% than the previous year; the value added of the secondary industry was 123.88 billion yuan, up by 6.0% than the year before; and that of the tertiary industry was 398.196 billion yuan, up by 15.3% than that of the previous year.

Foreign Investment

In 2021, Hainan embraced 1,936 new foreign-invested enterprises, up by 92.6% year on year. The actually utilized foreign capital stood at 3.519 billion US dollars, up by 16.2% year on year, and conveyed a steady and rapid growth after doubling for three consecutive years from 2018 to 2020. From an overall perspective, the actually utilized foreign capital in Hainan has leaped to the intermediate level and topped the second-tier among all provinces in China.

Natural Resources

Marine Resources

As one of the provinces with the richest marine resources in China, Hainan boasts the largest sea area among all provinces. Most of the South China Sea, its islands such as Xisha Islands and Nansha Islands, and their surrounding waters are all designated as part of the province. A sea area of 2 million square kilometers, which accounts for about two thirds of that of China, provides bountiful supply to the sustainable social and economic development in Hainan.



1

Biotic Resources
The marine ecosystem with diversity on Hainan Island offers various food resources and makes a perfect tourism destination



2

Fishery Resources
Hainan boasts wide marine fishing grounds with fish diverse in specials, fast in growth and long in fishing seasons. Also, with a large area of shallow waters and mudflats, Hainan Island is an ideal place for fish farming.



3

Mineral Resources
The rich crude oil and natural gas resources in South China Sea make Hainan another "Persian Gulf", which is primarily why some neighboring forces covet the South China Sea Islands.



4

Tourism Resources
Hainan Island has a mild temperature without extremes of heat or cold and a sound marine environment, offering unique marine scenery with bathing resorts, beaches and underwater tropical scenic spots.



5

Exploitable Land
Hainan has various islands and ports that are ideal choices for marine transportation and farming. These islands, if facilitated with infrastructure, can be adapted to bases for fishery supplies, trade and tourism development, and tropical marine science research and experimentation.

Tropical Resources

Hainan features a tropical monsoon climate with abundant sunshine, a warm temperature and rich rainfall. Rainfall is concentrated between May and October when the east of the island (where the windward slopes of the southeast monsoon locate) receives more rainfalls than the west coastal area (the lee side). The Yinggehai Salt Field is located on the west coast with flat beaches, rare rains and fast evaporation, a great climate condition for salt drying.



Rich Tropical and Biotic Resources

The abundant sunshine, high temperatures in summer and rainy wet seasons produce a tropical climate with rich tropical biotic resources.

The Largest Tropical Gene Pool in China

Hainan is the largest tropical gene pool in China. Efficient tropical agriculture is available as triple cropping is practiced here. Hainan has various species of tropic crops and is a major tropical area in China.

Tropical Agricultural Resources

Hainan is diverse in tropical industrial crops, such as rubber, sisal and cocoa. When North China is covered with heavy snow, Hainan sees its perfect season for melons and vegetables. Also, tropical flowers breeding and tropical fresh water and marine culture farming are prosperous here.

Distinctive Strength

Diverse Industries

Led by **Tourism, Modern Service, High-Tech Industries**, **Efficient Agriculture** with **Tropical Features**

Vast Territory

13 times the total area of the remaining 20 free trade zones in China

Key Location

Adjacent to Southeast Asia, facing the Pacific Ocean and the Indian Ocean, Hainan is an **Important Maritime Gateway**

System Integration Innovation

The building of a free trade port policy system is underway with an emphasis on **Integrated Policy Innovation**

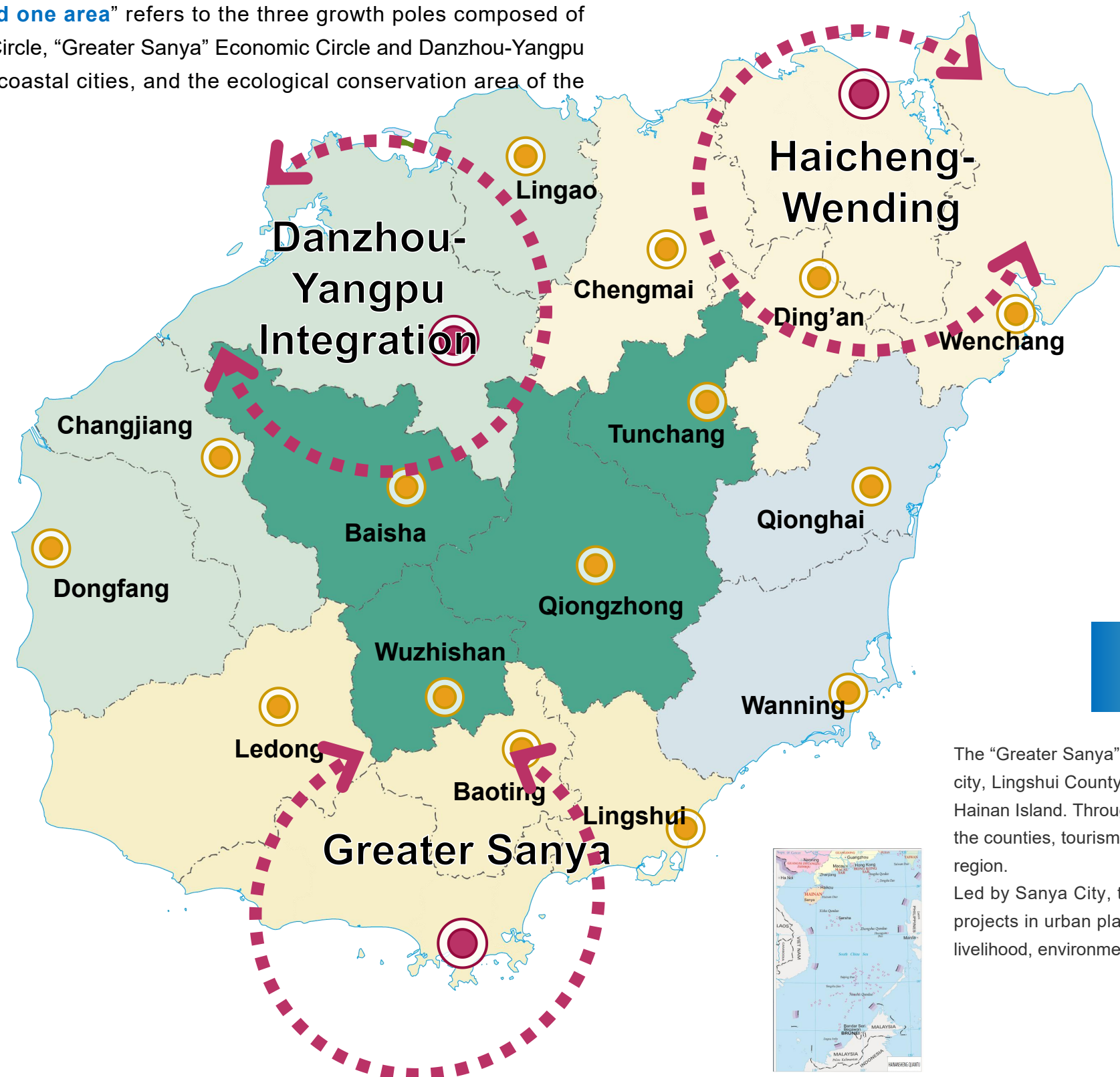
In the **2022 Report on the Work of the Government of Hainan Province**, Hainan proposed its blueprint of building “three poles, one belt and one district” with sound platforms, policies, projects and institutional mechanisms to empower the free trade zone with better-coordinated development of regions.

The “**three poles, one belt and one area**” refers to the three growth poles composed of “Haicheng-Wending” Economic Circle, “Greater Sanya” Economic Circle and Danzhou-Yangpu Growth Pole, the urban belt of coastal cities, and the ecological conservation area of the central mountains.

“Danzhou-Yangpu” Growth Pole

At the end of 2021, Hainan initiated the integrated development of Danzhou and Yangpu, building a third growth pole in Hainan with strong joint forces across the province. In the government work report, the provincial government mentioned its commitment to ensuring a good start of the integration.

The integration comes with a goal of combining the strengths of the city and the port to form a new integrated growth mix of “port, industry and city” across Xinying Bay. Neighboring cities and counties can thus benefit from the new growth pole of Hainan Free Trade Port.



“Haicheng-Wending” Economic Circle

With the highest comprehensive strength and the most concentrated factors like talents and innovations, Haikou, Wenchang, Chengmai and Ding’an play a special and leading role in the social and economic development in Hainan. As one of the two original growth poles in Hainan, it has six key industrial parks, which account for over half of the 11 key industrial parks province-wide. It plays a leading role in coordinated regional development and contributes to the building of the Hainan Free Trade Port.

“Greater Sanya” Economic Circle

The “Greater Sanya” Tourism and Economic Zone is composed of Sanya city, Lingshui County, Ledong County and Baoting County in the south of Hainan Island. Through the synergy of tourism departments in the city and the counties, tourism resources are shared and supplemented across the region.

Led by Sanya City, the economic zone has implemented 21 integrated projects in urban planning, tourism, agriculture, transportation, people’s livelihood, environment and inward investment.

Investment in Hainan

2022 Investment

Hainan Free Trade Port Law

Legislative Guidance

On June 10, 2021, the Hainan Free Trade Port Law was enacted, laying a legal foundation for the construction operations of the Hainan FTP. A series of supporting regulations have also taken effect, including the Regulations of Hainan FTP on International Vessels, Social Credit Regulation of the Hainan FTP, Regulations on Improving Business Environment of Hainan FTP, and Hainan FTP Regulation on Fair Competition.

Autonomy of Reforms

The law offers the Hainan FTP autonomy for formulating regulations under the provisions of the Constitution and the basic principles of laws and administrative regulations. Room for flexibility is given in light of the actual conditions and needs of the Hainan Free Trade Port.

Trade Liberalization and Facilitation

Except items on the lists of prohibited or restricted imports and exports, all the goods and articles may freely transfer between overseas areas and HNFTP, but the Customs shall conduct supervision by law. the principle of equal footing for both overseas and domestic market participants shall be followed for cross-border trade in services not on the negative lists.

Investment Liberalization and Facilitation

Promoting minimal approval procedures in all respects, a more simplified negative list for foreign investment and a simplified special lists for market access relaxation. Granting enterprises market access with prior commitment for more convenience in inward investment.

Free and Convenient Flows of Production Factors

Free and convenient cross-border capital flows:

Hainan FTP shall ensure that the financial sector serves the real economy and work for the free and convenient capital flow between Hainan FTP and overseas regions in an orderly manner.

Free and convenient flows of personnel:

Hainan FTP shall adopt more open talent and residence policies to pool talents; over 30 professional qualification examinations have been open to non-mainland Chinese personnel and over 200 qualified non-mainland Chinese professional qualifications have been acknowledged.

Free and convenient transportation:

Hainan FTP shall adopt more open airspace and shipping control, extend the application of the Fifth and the Seventh Freedom of The Air, and establish the "Yangpu Port of China" as the port of registry.

Secure and orderly data flow:

Hainan FTP shall launch pilot projects of cross-border data flow management, expand the openness of communication services, and gradually eliminate foreign equity limits for joint ventures.

Special Tax System Arrangements

Zero Tariff

Before independent customs operations across Hainan Island, some imported goods on the “zero tariff” lists shall be exempted from import tariffs, import value-added taxes and consumption taxes. Upon independent customs operations across Hainan Island and completion of tax streamlining and combination, imported commodities not on the catalogue of imported taxable commodities are exempted from import duties when entering Hainan Free Trade Port.

Negative List	Production equipment imported for self-use.
Positive List	Ships, aircrafts and other means of transport and yachts imported to the island for transportation and tourism.
Positive List	Raw and auxiliary materials imported for the entities’ own production or for processing trade or service trade activities “with both ends abroad” (importing materials for exporting the final product/service)
Positive List	Imported goods consumed by residents of Hainan Island (to be released)

Goods entering the Chinese mainland from HNFTP shall be subject to an import tax in principle; For output products produced by encouraged industrial enterprises without or with imported intermediary products, whose added value exceeds 30% (inclusive) after be processed at the Hainan Free Trade Port, they are exempt from import tariffs when entering the Chinese mainland, and their import value-added tax and consumption tax shall be levied in accordance with regulations.

Low Tax Rate

- For encouraged industries, enterprises that are registered in Hainan Free Trade Port and have a practical operational record are entitled to a reduced corporate tax rate of 15%.
- For tourism, modern service and high-tech industries, enterprises established in Hainan Free Trade Port are entitled to corporate tax exemption for income from new overseas direct investment before 2025.
- Qualified capital expenditure is allowed to be included in the current cost and fully deducted at one time when calculating the taxable income or adopt an accelerated depreciation or amortization approach.
- Qualified talents are entitled to a maximum of 15% effective individual income tax rate.

Tax Streamlining and Combination

- Taxes and fees, such as value-added tax, consumption tax, vehicle purchase tax, urban maintenance and construction tax and education surcharges, shall be streamlined and combined, and sales tax shall be levied on retailed goods and services upon independent customs operations across Hainan Island
- For goods entering Hainan FTP from the Chinese mainland, the value-added tax and consumption tax that has been collected shall be refunded

60 SELECTED KEY POLICIES OF HAINAN FTP

1. Maximum personal income tax of 15% for eligible talents
2. Corporate income tax of 15% on encouraged industrial enterprises
3. Exemption from import duties, import value-added tax and consumption tax on imported production equipment for enterprises' own use
4. Exemption from import duties, import value-added tax and consumption tax on imported operational vehicles and yachts
5. Exemption from import duties, import value-added tax and consumption tax on raw and auxiliary materials imported for production
6. Exemption from import duties, import value-added tax and consumption tax on imported goods purchased by island residents
7. Quota for offshore duty-free shopping raised to RMB 100,000 per person per year and with expanded categories of duty-free products
8. Exemption from corporate tax on the income acquired from new foreign direct investment before 2025 for tourism, modern services and high-tech industry enterprises
9. Qualified capital expenditures to be fully tax-deductible; or accelerated depreciation and amortization
10. Tax exemption on imports and sales for overseas exhibits during the exhibition
11. Products originating from Hainan, including output products whose added value exceeds 30 percent after the domestic processing of imported intermediary products, are exempt from taxes when entering the rest of China
12. Allowing flights in and out of Hainan to refuel with bonded aviation fuel
13. Export tax rebates on domestically built ships that are registered at Yangpu Port of China and engaged in international transport
14. Allowing ships engaged in domestic and foreign trade that transit at Yangpu Port of China to refuel with bonded oil
15. Building Yangpu Port of China into an international port of registry
16. Adopting a trial policy of tax rebates at the port of departure on goods that use Yangpu Port of China as a transit port for the final departure from China
17. Adopting an import & export management system featuring 'free flow through the first line and efficient control at the second line' in Yangpu Bonded Port Area and other qualified zones
18. Allowing overseas high-level universities and vocational colleges specialized in science, engineering, agriculture and medicine to open branch schools independently in Hainan
19. Building Hainan into an international education innovation island
20. Establishing a multi-functional free trade account system
21. Replacing pre-audit with post-audit for the banking sector on authenticity review of cross-border and new international trade
22. Applying the negative list of cross-border trade in services for Hainan Free Trade Port
23. Granting enterprises market access with a prior commitment
24. Applying the special list of market access to Hainan Free Trade Port
25. Applying the negative list of foreign investment access to Hainan Free Trade Port
26. Treating domestic and foreign enterprises as equals in government procurement
27. Implementing a more convenient visa-free entry policy
28. Salary ranges employed as main indices to evaluate talents

60 SELECTED KEY POLICIES OF HAINAN FTP

29. Implementing a negative list management system on the issuance of work permits for foreign employees
30. Permitting foreign personnel to serve as legal representatives in legal bodies, public institutions and state-owned enterprises
31. Removing restrictions on overseas ship and aircraft financing
32. Decentralizing the registration management of foreign debts issued by enterprises to Hainan
33. Expanding the scope of cross-border asset transfer
34. Prioritizing the support of listing Chinese enterprises overseas
35. Allowing enterprises listed overseas to handle foreign exchange registration directly at banks
36. Establishing Hainan International Intellectual Property Rights Exchange
37. Supporting overseas securities, funds, and futures institutions to set up wholly-owned or jointly-owned institutes in Hainan
38. Supporting the establishment of property insurance, life insurance and reinsurance companies, mutual insurance organizations and self-insurance companies
39. Supporting to develop cross-border medical insurance products in cooperation with overseas institutions
40. Supporting the construction of trading venues for international energy, shipping, property rights and equity stakes
41. Enabling non-residents to participate in trading and fund settlement at trading venues
42. Developing over-the-counter (OTC) derivatives services
43. Conducting cross-border asset management services
44. Issuing Hainan provincial bonds globally
45. Opening up value-added telecommunications services
46. Developing services of online data processing and transaction processing
47. Opening basic telecommunications services up in a safe and orderly fashion
48. Developing the International Internet Data Interaction Pilot Project
49. Expanding air traffic rights, including the Fifth Freedom and Seventh Freedom
50. Building an international aviation hub
51. Building a new international land and sea transport hub to connect Western China with the world
52. Building a regional medical center
53. Building a national base of blockchain technology and innovation-driven development
54. Building a pilot zone for cruise tourism
55. Building a pilot zone for reform, development and innovation of the yacht industry
56. Building Hainan into an International Design Island
57. Building a national base of sino-foreign trade of culture products
58. Authorizing the Hainan government to manage and adjust the use of cultivated land, permanent basic farmland, forestland and land for construction
59. Granting greater autonomy to various industry organizations
60. Formulating laws and regulations based on the reality of Hainan's free trade port construction

A Law-based, International and Convenient Business Environment

2025

Business Environment
Reaching the First-class in
China

2035

An Even Better
Business Environment

Greater Efforts Made to Optimize the Business Environment

Launched “Online Compliant Platform”:

Operated by a designated business environment optimization department, giving market entities decision making rights and building an appraisal system with peer comparison and constant surveillance.

Integrated Institutional Innovation:

As of March 2022, 123 cases of regulatory innovation in 13 batches province-wide have been published; which 4 have been included in the sixth batch of pilot free trade zones' reform experience; 1 has been included in the fourth batch of pilot free trade zones' best practices, and the results of 6 were praised by the State Council.

Fully Implemented “One Stop for Approval”:

The number of industrial parks offering a simplified approval process has grown from 3 to 14, accelerating project implementation approval by 70%.

Built Online Administrative Service Platforms:

55.6% of all services to be offered online, 30 services to be delivered in one-stop, and 1,038 services to be available across the province. Hainan has made the largest efforts in China in the reforms on separating the business license and the business permit and the number of services applying the notification commitment system ranks first nationwide. Application for new enterprises can be approved in a day. The three-year reforms of construction projects approval regulations have seen steady progress, raising Hainan's ranking of application convenience in China.

Legislative Environment

Regulations on Improving Business Environment of Hainan Free Trade Port has been introduced on September 30, 2021, in alignment with international rules and advanced domestic experience, offer legislative safeguards for a better business environment. Institutions such as **the Court of International Arbitration** and the **International Commercial Mediation Center** are established to create an international and law-based environment in the Hainan FTP.



Regulations on Improving
Business Environment of
Hainan FTP

A Strong Province with Intellectual Property Rights

2025

Stricter Protection of IP
Rights & Better Usage of
Property Rights

2035

Rank High Nation-wide &
Become A Leading IP
Province

Intellectual Property Court of Hainan Free Trade Port

It is the fourth IP courts after the ones in Beijing, Shanghai and Guangzhou and also the first IP court in China to exercise "three in one" jurisdiction over civil, administrative and criminal cases of intellectual property as an intermediate court in Hainan Province. Its establishment is an important measure to strengthen IP protection, facilitate innovation-driven development, and advance new growth patterns.

China (Sanya) Intellectual Property Protection Center

On February 9, 2022, China (Sanya) Intellectual Property Protection Center was officially put into operation. Scientific research institutes, colleges, universities and enterprises registered in Sanya administrative region can enter records at its electronic information platform. Patent examination that meets the technical field classification number may enter the rapid channel of the China National Intellectual Property Administration. The review cycle of the invention patent examination can be shortened from 20 months to about 3 months. The period for utility models can be shortened from 9 months to less than 15 days, and for exterior designs, from 8 months to less than 7 days. The “Green Channel” will largest shorten the time used in patent licensing, confirmation and protection.



Implementation Opinions on
Protecting and Utilizing Intellectual
Properties to Accelerating the
Building of Hainan into An
Intellectual Hub

The Four Pillar Industries of Hainan Free Trade Port

The four main industries, namely, tourism, modern services, new and high tech, as well as tropical high-production agriculture, contributed 70% of the industrial added value and nearly 80% of Hainan's economic growth, hence forming the major pillars of the high-quality economic development of the province.



Tourism

International Tourism, Island-wide Tourism, Duty-free Shopping

Modern Services

Finance, Logistics, Exhibitions, Business Services
Professional Services, International Education, Healthcare

High-Tech Industries

Three Emerging Industries:
Digital Economy, New Petrochemical Materials, Modern Biomedicine
Three Future-oriented Industries:
Breeding Centers, Deep-sea Science, Aerospace
Three Competitive Industries:
Clean Energy, Energy Saving and Environmental Protection,
High-end Food Processing

Efficient Agriculture with Tropical Features

Modern Seed Breeding, Plantation and Animal Husbandry,
Processing, Agritourism, Agricultural services,
“Three-based” industries: Coconut, Rubber and Betel Palm

Tourism

International Tourism

By 2025, a tourism industrial system with sight-seeing at its basis, relax resorts as its emphasis, and cultural & sports tourism and health-oriented tourism as its feature will take shape in Hainan. With improved business formats, better-released consumption potential, more high-end services available, and relating systems and mechanisms in line with international conventions, Hainan will embrace more diversified, high-end and globalized tourism services.

Over 81 million tourists visited Hainan in 2021, up by 25.5% year on year and recovering to 97.5% the amount in 2019. Income generated from tourism reached 138.43 billion yuan, up by 58.6% than that of 2020 and 30.9% than that of 2019.

Hainan will forge itself into a leading attraction of “island-wide” tourism by deepening the integration of “tourism+” and “+tourism” approaches of development, offering more and better tourism and recreational & sports facilities, fostering national-level sports-related tourism demonstration zones, and improving tourism and cultural business environment. Various measures will be applied to fuel consumption in tourism and cultural industries so that an international tourism-oriented consumption center can be built with high quality.

Investment Advantages

Grant Visa-Free Entry
To Attract Global Tourists

59 countries and regions are now eligible for visa-free entry to Hainan with a maximum stay of 30 days. Hainan will adopt more open visa-free entry policies in the future.

"Zero tariff" on Imported
Amusement Facilities

The import of 8 items of sports & tourism equipments, such as merry go round, swing, rotating platform, roller coaster, water ride amusement facilities & water park entertainment equipment, shall be exempted from customs duties, import value-added tax and consumption tax.

"Zero-Tariff" for Imported
Transport to Improve Tourism

By January 29, 2022, 106 vehicles and yachts subject to “zero-tariff” have been declared and cleared by Hainan customs with a total value of 2.4 billion yuan, receiving a tax exemption of nearly 600 million yuan. The policy greatly enhances the growth of transportation and tourism in Hainan FTP.

Expand Duty-Free Coverage
To Boost Consumption

On July 1, 2020, Hainan raised the annual duty-free shopping quota to 100,000 yuan per person from the previous 30,000 yuan with no limit on the times of purchase. The categories of goods included were also expanded from 38 to 45, with electronic products like mobile phones added. The original 8,000 yuan duty-free cap for a single product was also removed.

Preferential Policies

Eligible Enterprises	Rewards
Annual fixed asset investment in tourism projects exceeding 20 million yuan	5% of its total fixed assets investment with a cap of 20 million yuan
Listed as a national “all-for-one” tourism demonstration zone, national holiday resort, provincial “all-for-one” tourism demonstration zone or a provincial holiday resort	10 million yuan, 5 million yuan, 4 million yuan and 3 million yuan respectively
Rated as a 5A, 4A or 3A national tourism attraction	5 million yuan, 3 million yuan and 2 million yuan respectively
Newly listed as a provincial tourist town	1 million yuan
Listed as a national night cultural and tourism consumption cluster, a provincial night cultural and tourism consumption cluster, or a national tourism and leisure neighborhood	3 million yuan, 2 million yuan and 1 million yuan respectively
Newly listed as a Coconut-Level rural tourist spot, winning Gold, Silver or Bronze Award in China Special Tourism Commodity Competition and China Tourism Commodity Competition, newly rated as a five-star or four-star hotel, or newly rated as a “Gold-level” or “Silver-level” B&B hotel	100,000 yuan to 500,000 yuan
Operational vehicles and yachts including vessels, aircrafts and cars that are imported by enterprises registered in Hainan Free Trade Port as independent legal personality and engaged in transportation and tourism (in case of aviation enterprises, Hainan Free Trade Port shall be their main operation base) for transportation and tourism purpose (before independent customs operations across the whole island)	Exempted from import duties, import value-added tax and consumption tax.

Key Areas

- ➡

Holiday Resorts
International holiday resorts, theme parks, island circuit, etc.
- ➡

Cruise & Yacht
Cruise tours, yacht tours, ports, etc.
- ➡

Culture & Sports
Performances, TV and films, sports events, etc.
- ➡

Medical Tourism
TCM therapies, rehabilitation, forest therapy practice, etc.

Tourism

Duty-free Shopping

2021 Duty-free Shopping Highlights



Investment Advantages

Absolute Advantage:
only province in China
eligible for offshore
duty-free shopping

Hainan is the only province in China where domestic shoppers can enjoy duty-free shopping policies without leaving the county, which grants it an absolute advantage in domestic retailing with prices lower than domestic competitors and more diversified categories.

By 2025, Hainan will become an international tourism and consumption center with global influence on all fronts.

**More policies for further
stimulating consumption
needs**

- 100,000 yuan duty-free quota per person per year
- 45 categories offshore duty-free commodities covering mobile phones, alcoholic, cosmetics & consumer electronics.
- Two new pick-up methods: mail delivery or pick-up when returning for island residents
- Offshore duty-free products tracing

Offshore Duty-free Shops in Hainan

Haikou: CDF (Mova Mall), Haikou Meilan Airport Duty-free Shop (T1, T2), GDF Plaza, TIMESDF Haikou Mission Hills Duty Free Town

Sanya: CDF Sanya International Duty Free Shopping Complex, Sanya Phoenix Airport CDF Shop, Sanya HTDF Shop, CNSC Sanya International Duty Free Plaza

Qionghai: CDF Qionghai Bo'ao Duty-free Shop

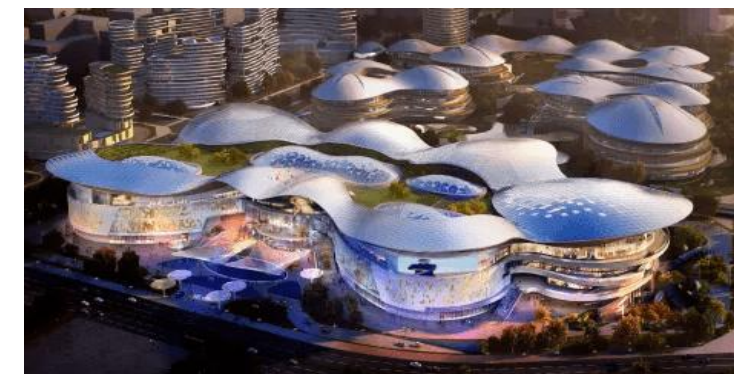
Successful Story



China Tourism Group Duty Free Corporation Limited

In 2018, China Tourism Group, a leading enterprise in tourism, relocated its headquarters to Haikou and established the CDF (Hainan) headquarters, its tourism-focused branch, as a step to further participate in the building of Hainan Free Trade Port. By far, CDF owns 6 offshore duty-free shops including Sanya International Duty-Free Shopping Complex and CDF Shops in Sanya Phoenix Airport, Haikou Mova Mall, Haikou Meilan Airport (T1, T2) and Qionghai Bo'ao. Haikou International Duty-free Plaza, which is under construction, will soon be open for shoppers in 2022 as a world-class leisure and tourism shopping complex.

CDF has become a **long-term partner** of over **1,000 worldly renowned brands** and a top travel retail operator with the most types of duty-free shops worldwide and the most shops in one country.



Key Areas

Offshore Duty-Free Shops

Better duty-free shopping environment with various brands

Mid/ High-end Consumption
Premium and featured consumer retailing with and international focus

Customer Experience

More emphasis on tourists' experience by applying cutting-edge tools like VR and AI

"Duty-free+" Integration

"Duty-free + culture and sports",
"duty-free + airlines",
"duty-free + hotels",
"duty-free + scenic spots", etc.



Supporting policies



Announcement on the Policy on Offshore Duty-Free Shopping for Tourists on Hainan Island



China Customs' Measures of Regulating Duty-Free Shopping of Offshore Tourists on Hainan Island



Announcement on Issues Relating to Offshore Duty-free Business Entities on Hainan Island



Regulations on Exempting Offshore Duty-Free Shops on Hainan Island from Value-Added Tax and Consumption Tax

Modern Services

Finance

High Quality Growth

The finance sector in Hainan grows steadily with financial service entities demonstrating noticeably enhanced financial capabilities, steady and favorable trends in various financial indicators: In 2021, the added value of Hainan's financial industry reached 42.3 billion yuan, up by 3.6% year-on-year; province-wide private financing was 114.1 billion yuan, 17.1 billion yuan (or 17.6%) higher than that of the previous year.

Vigorously efforts have been made to develop new types of offshore international trading business through convenient cross-border capital flow: In 2021, foreign-related income and expenditure in new types of offshore global trading business hit 7.4 billion US dollars, up by 500% year-on-year; Pilot banks registered 521 related transactions with a total sum of 146 million US dollars.

Upgraded Two-Way Opening up

Cross-border investment: Hainan has been promoting pilot QFLPs and QDLPs. By the end of 2021, 61 QFLP transactions have been completed with a total cross-border capital inflow of 763 million US dollars. 45 QFLP funds have been implemented with a total registered capital of 5.11 3 billion US dollars and a cross-border capital inflow of 636 million US dollars. 15 QFLP fund management companies have been registered with a total registered capital of 440 million US dollars and a total cross-border capital inflow of 6.6953 million US dollars. 3 of the QDLP companies have completed foreign exchange registration with a total registered capital of 490 million US dollars and a total cross-border capital outflow of 126 million US dollars.

Cross-border financing: Case-by-case registration of foreign debts for non-financial enterprises has been abolished. By the end of 2021, the Hainan branch of the State Administration of Foreign Exchange has completed once-for-all registration of foreign debts for 34 enterprises with a total of 13.352 billion US dollars.

Improved and Diversified Patterns

Hainan International Clearing House has been established. The smart financial services online platform has offered loans of over a hundred million yuan. Hainan's green credit balance has grown by 20%. One foreign-funded bank and two listed companies were established.

Financial MSMEs Receiving Supports

Regional governments' mechanisms to support micro, small, and medium-sized enterprises and incentive plans for various financial institutions have been built and improved. Hainan has worked to improve its fiscal approaches to motivate industrial growth, supporting MSMEs' financing through government-funded investment, loan risk compensation and financing guarantee. Services and management measures like "raising credit through rating + financial services" that are favorable to MSMEs have been promoted.

Key Areas



Financial Institutions for Open Economy:

- Banks, securities, insurances and funds both in and beyond China
- Non-bank financial institutions offering financial leasing, consumer financing and trust services
- Financial intermediaries such as accounting firms, law firms and appraisal firms



Implementation Plan on Supporting Hainan's All-rounded Reforms & Opening-Up Through Financial Measures



Financial Businesses for Real Economy:

- Financial services for trade, consumer and science & technology, green financial services and marine financial services.
- REITs services
- Offshore financial services



Interim Measures of Domestic Equity Investment for QFLPs in Hainan Province



Interim Measures of Pilot QDLPs Overseas Investment in Hainan Province

Modern Services

Logistics

Steady and Promising Trends

With favorable factors including the "Zero-tariff" policies and regulations on free and convenient transportation, logistics in Hainan have seen constant rapid growth in recent years. The total amount of social logistics in Hainan exceeded 1.024176 trillion yuan in 2021, up by 22.43% compared to 2020. The total cost of social logistics in Hainan was 107.27 billion yuan in 2021, up by 24.46% year-on-year. The total revenue of modern logistics in 2021 was 86.425 billion yuan, up by 50.50% compared to the previous year. Logistics revenue generated in transportation, storage and postal services hit 43.971 billion yuan.

An Optimized Logistics System

By sea: Adopting more open marine transportation regulations like international boat registration and streamlined procedures across the island.

By land: Major transportation projects like Bo'ao Tunnel, Haiwen Bridge and Qiongzong-Ledong Expressway have been completed and infrastructure in Hainan has seen constant improvement.

By air: The 7th freedom of the air in passenger and freight transport has been granted and the 5th freedom of the air has welcomed its first airline. A more open airline management system has been built.

Accelerated Building of Logistics Park and Optimized Distribution

With an International Digital Logistics Center at its core and emphasizing the four logistics clusters (in Haikou, Sanya, Yangpu and Dongfang) and five major logistics parks, Hainan has made efforts to attract logistics companies to improve the local capacity of modern logistics.

Capital Rewards for Modern Logistics Enterprises

Enterprises investing over 5 million yuan in online logistics platforms	30% of its total investment	3 million yuan at maximum
Investing over 5 million yuan in building cold chain warehouses (with areas over 10,000 m3 or above) or purchasing refrigeration equipment or vehicles	30% of its total investment	5 million yuan at maximum
Listed as a province-level logistics park demonstration zone	1 million yuan	
Listed as a state-level logistics park demonstration zone	Additional 1 million yuan	
Investing over 100 million yuan in building parcel distribution centers, operations centers or data processing centers	2 million yuan	
Investing over 3 million yuan in automated parcel sorting equipment	15% of the total purchase cost	1 million yuan at maximum
Using over 150,000 recyclable packages	0.4 yuan for each package used	200,000 yuan at maximum for each enterprise
Purchasing over 200,000 biodegradable environmental friendly packages in line with relevant national standards	0.3 yuan for each package used	



Rules of Rewards and Subsidies for Modern Logistics Development



Notice on Issuing the Development Plan for Cold Chain Logistics in Hainan During the 14th Five-Year Plan Period

Modern Services

Conference & Exhibition

The Broad Prospects of Hainan Conference and Exhibition Market

A series of large professional high-end conferences, including the Bo'ao Forum For Asia, Roundtable Conference on China-Africa Cooperation, and World New Energy Vehicle Congress, as well as sports events such as Tour of Hainan and Hainan Golf Open were successfully held in Hainan during the 13th Five-year Plan period. New exhibitions like Hainan World Leisure Tourism Expo and Hainan International Hi-Tech Industry and Innovation Expo are also developing prosperously.

Hainan will foster a variety of international and professional conferences and exhibitions in fields such as tourist shopping, marine tourism, healthcare, internet-based industries, featured and high efficient agriculture, and aerospace industries, emphasizing functions like "exhibition + industries", "exhibition + tourism" and "exhibition + consumption".

Investment Advantages

Accelerating Digitization & Deepening
Global Exchanges and Collaboration

Foreign institutions are allowed to independently hold foreign-related economic and technology exhibitions, except for those with words related to "China", "Chinese", "National", "State" in their names, in the Hainan Free Trade Port.

"Tax Exemption Policy" for
National Exhibitions to Boost the
Exhibition-Based Economy

The provincial budget for exhibitions will focus on introducing leading exhibition brands at home and abroad and fostering existing key professional exhibitions and conferences in Hainan.

Events



China International Consumer Products Expo

The first China International Consumer Products Expo was held at Hainan International Convention and Exhibition Center from May 7 to 10, 2021. Nearly 1,500 enterprises with over 2,600 brands from about 70 countries and regions participated in the exhibitions. The Expo attracted over 30,000 buyers and visitors and covered 80,000 square meters, offering quality products from all over the world. As China's first national exhibition themed on premium consumer products, Hainan Expo offers a platform for world economies to tap on opportunities in China as another international event after the Canton Fair, China International Fair For Trade in Services and China International Import Expo.



Boao Forum for Asia

As a non-government, non-profit international organization headquartered in China, Boao Forum For Asia (BFA) was initiated by 29 member states and holds its annual conference in its permanent headquarters in Boao Town, Qionghai, Hainan regularly. By convention, BFA 2022 will be held this spring in Boao, Hainan, focusing on six major and widely-concerned aspects including "the Covid-19 pandemic", "world economy", "green recovery and sustainable development", "digital economy", "international cooperation and global governance" and "new progress in regional collaboration in Asia".

Relevant Exhibition



China International Consumer Products Expo

The Second China International Consumer Products Expo will be held in Haikou in 2022.

Targeting a premium level and highlighting the first release of global roll-outs, the exhibitions will lay more emphasis on consumer products featuring "high-tech, novelty, quality and specialty". Hainan is committed to building the "Hainan Expo" into an important platform that drives Hainan's opening up, encourages cross-border exchanges, bridges the dual circulation, boosts consumption upgrade and inflow, and leads global consumption trends.

- **France as the country of honor**
- Exhibitions area increased to **100,000 m²**
- **100% customized booths** with eco-friendly construction
- Latest roll-outs from **brands worldwide**



Exhibition Supporting Fund

Qualification	Rewards
Listed as a key existing professional exhibition or conference fostered by the provincial government	Up to 5 million yuan each session, three sessions at most
Introducing a top 3 professional exhibition in the same field nationwide to Hainan	Exhibition area x 40 yuan/ m ² · d x duration (d) x 70% + promotion cost x 30% If a professional conference on the same theme is held during the exhibitions, then an additional reward will be entitled as follows: Venue area x 90 yuan/ m ² · d x duration (d) x 70% Meanwhile, the organizer will receive an additional 2 million yuan for each session as a reward for introducing the event.
Introducing a premium international professional conference to Hainan	Venue area x 90 yuan/ m ² · d x duration (d) x 70% + promotion cost x 30% If a professional exhibition on the same theme is held during the conference, then an additional reward will be entitled as follows: Exhibition area x 40 yuan/ m ² · d x duration (d) x 70% Meanwhile, the organizer will receive an additional 2 million yuan for each session as a reward for introducing the event.

Key Areas

- ➡ **Exhibition & Tourism:** large scale, long duration, premium positioning and high profit
- ➡ **Exhibition & Trade:** services and transactions available on-site and on-line
- ➡ **Summit & Forum:** large international or regional forum or leaders' summit



Measures of Managing
Capital Support for Exhibition
Development in Hainan

Modern Services

Business Service

Trade in Goods Registers a Steady Growth with New Growth Points

Total imports and exports in goods hit 147.68 billion yuan in 2021, up by 57.7% year on year. The volume of imports was 114.42 billion yuan, 73.6% higher than that of 2020. The number of exports was 33.26 billion yuan, an increase of 20.1% from the previous year.

Trade in Services Sees Rapid Development with an Improved Structure

Total imports and exports in services hit 28.78 billion yuan in 2021, up by 55.5% year on year. The proportion of knowledge intensive service trade increased, and the structure of cross-border service trade continued to be optimized.

Breakthroughs in Institutional Innovation and Business Environment Optimization

Reforms to streamline the government, delegate power, and improve government services report continuous progress with 8 types of administrative power delegated from provincial government to the municipal or county level and key industrial parks.

- Over 99% of administrative services were completed ahead of schedule as a result of regulations such as “services offered on one website”, “guaranteed satisfactory solution system” and “service completion due time”.
- The “Hainan Trade Single Window” for global trade has seen fruitful results; “one stop service for investment” was introduced for global investment.

Modern Services

Professional Service

Policies Benefiting Professional Service Providers and Personnel

The professional service sector in Hainan FTP has offer service providers and professionals in business operations and vocational qualifications with a series of regulations and measures, such as Regulations on Certified Public Accountants in Hainan Special Economic Zone, Regulations on Lawyers in Hainan Special Economic Zone, and Regulations on Diversified Commercial Dispute Resolution in Hainan Special Economic Zone.

Professional Qualification Examinations Open to Foreign Personnel:

Over forty examinations are listed in the Management Measures for the Practice of Overseas Personnel Participating Professional Qualification Examinations in Hainan Free Trade Port (Trial)

One-way Approval for Recognition of Non-mainland Chinese Professional Qualifications:

Over 200 professional qualifications from over 20 countries and those from Hong Kong, Macao and Taiwan of China are included in the Management Measures for the Practice of Overseas Personnel in Hainan Free Trade Port (Trial)

Key Areas

Law Firms Accounting Firms
Market Research Human Resources
Rating Services Testing & Certification
International Arbitration Intellectual Property Services



Management Measures for the
Practice of Overseas Personnel
in Hainan Free Trade Port (Trial)

Modern Services

International Education

International Education Innovation Island Has Achieved Initial Success**Fast progress of International Education Innovation Island has been seen in 2021**

Progress has been accelerated in building the “one park and five zones” including Li'an International Education Innovation Pilot Zone, which is the first education zone committed to education opening up in China.

Attract quality education resources worldwide

Li'an International Education Innovation Pilot Zone signed 22 well-known universities at home and abroad in 2021. Peking University, Nankai University, Southeast University, University of Electronic Science and Technology of China, Beijing University of Posts and Telecommunications, Communication University of China, Beijing Sport University, Minzu University of China, Southern University of Science and Technology, Michigan State University, Rutgers University, William Marsh Rice University, New York Film Academy, University of Alberta, University of Glasgow, Queen Mary University of London, Coventry University, Abertay University, HEC Paris, Universidade de Lisboa, Stockholm School of Economics, and University College Cork are among the list.

First batch of students enrolled have begun their fall term of 2021 in the “Hainan FTP International Classes” of two co-organized programs by the University of Electronic Science and Technology of China, Beijing Sport University, and the University of Alberta.

Preferential Policies



The only region in China that allows high-level overseas universities and vocational colleges to run branch schools specialized in sciences, engineering, agriculture, and medical science.



The first & most simplified approval process with the Ministry of Education and the Hainan provincial government carrying out joint approval process for China-foreign partnered institutions at the undergraduate level or above.

Key Areas

Hainan branches of renowned universities
High-level Overseas science, engineering,
agriculture and medicine universities &
vocational colleges
China-foreign collaborative higher education
Worldly famous international schools

Hainan Dao

Li'an International Education
Innovation Pilot Zone

Modern Services

Medical & Healthcare

Fruitful Results in Easing Healthcare Market Access

In 2021, the Guideline on Easing Market Access in the Hainan FTP was jointly released by the National Development and Reform Commission and the Ministry of Commerce, initiating 7 innovative measures to ease market access in the medical and healthcare areas that have seen fruitful results:

First, an e-prescription center has been built and has been offering online prescription medicine purchases and provincial-level digital prescription services.

Second, 120 domestic and imported medical aesthetics products have all been available in Lecheng Pilot Zone to build a brand with “quality and assured medical aesthetics” in Hainan.

Third, medicine market access has been greatly widened as Changan International Pharmaceutical, Letai Harbin Pharmaceutical, Biobase, Yi Ling Pharmaceutical, Kedu Healthcare Tech, Minyin International, Core Tests and several other famous medical enterprises opened their branches in Hainan.

Pioneering Policies Have Boosted Medical Consumption Inflow

Lecheng Pilot Zone has registered rapid progress in aspects like clinical studies. Preferential policies such as “prior trial” have synchronized healthcare techniques, medicine and medical equipment in Hainan to the international level. 200 new medicines and devices unavailable in the domestic market have been rolled out in Lecheng, making it a new gateway for innovative medicine and devices worldwide to China. Lecheng Pilot Zone embraced 127,300 medical tourists in 2021, up by 90.57% year on year. The total revenue of medical institutions hit 1.53 billion yuan, up by 83.7% year on year. Specially permitted medicines and devices were applied to 9,963 patients, up by 483.31% year on year.

Preferential Policies

Focus	Policy
Market Access	Easing market access on all fronts for CROs
Medical Finance	Encouraging healthcare and long-term nursing-related commercial insurances and various kinds of pension finance
License Approval	Prioritizing the approval of B-licenses for applicants like pharmaceutical R&D institutions
“Zero Tariffs” for Production Equipment	Exempting import duties, import value-added tax, and consumption tax of production equipment imported for self-use
Tariff Exemption of Products with Value-added	For goods with 30% or more added value to the imported materials, the import tariff should be exempt when they enter the mainland. Example: the respirators declared by Breas of Fosun Parma through Macun Customs, Haikou, enjoyed a 4% exemption rate of tariff.
Income Tax Relief for Enterprises	Medical enterprises that are registered in Hainan and have a practical operational record are entitled to a reduced corporate tax rate of 15%
	High-tech enterprises are entitled to corporate tax exemption for income from new overseas direct investment
Income Tax Relief for Individuals	Effective individual income tax over 15% for qualified talents will be exempt

Opportunities

Policies Boost Rapid Growth

Piloting digital healthcare is one of the major tasks for Hainan during the 14th Five-year plan period. The first “Digital Healthcare Innovation Base” was established in Hainan FTP on February 18, 2022.

A Hub of Innovations and Talents

Lecheng, Boao has become a new hub of medical innovation and talents with its superior medical resources, loosened CRO access regulations and Real-World-Study policies. On December 18, 2021, the Hainan branch of Ruijin Hospital (a research-type hospital in Bo’ao) affiliated to Shanghai Jiao Tong University School of Medicine was put into trial operations.

Industrial Clusters Take Shape Laying Foundation for Future

Implementation of the head enterprise recruitment plan, enterprise multiplication plan, new drug and equipment variety plan, new business type cultivation plan, platform support plan has laid a good foundation for cultivating the national biomedical industry platform & building a biomedical industry cluster.

New Drives for Traditional Chinese Medicine

Hainan is committed to promoting the innovation of TCM in HFTP, strengthening the capabilities of medical education institutions and TCM institutions to foster international TCM talents. TCM-based service is a new encouraged industry category in Hainan FTP.

Key Areas



High-tech

Digital Economy

Empowering FTP with Technology

The digital economy in Hainan has seen rapid growth since 2021. The construction of high-tech HFTP has achieved initial success with revenue of internet-based industries exceeding 150 billion yuan annually and taxes collected hitting 5.8 billion yuan, up by 15.5% year on year. The digital sector displays a broad prospect.

Improving Platforms and Stages for Digital Industries

A variety of leading internet-based companies have opened their offices in industrial parks like the Resort Software Community of Hainan and Fullsing Internet Industrial Park. Mobile apps like “Haiyiban”, a digital government service portal, Hainan Public Service Platform of Educational Resources, digital medical records and Hainan Attractions app have released the driving force of the digital economy.

Enhancing Digital Infrastructure

Hainan has been constantly improving its digital infrastructure capacity, steadily initiating the construction of international communication infrastructures and offering policy and institutional support. Telecommunication services have been constantly improving and the capabilities of internet management and security have been further enhanced.

Core Advantages



Seizing the new opportunities brought by the new wave of technological and industrial revolutions, emphasizing the integration of digital techniques and real economy, and accelerating digitalization of traditional industries to drive high-quality economic development.

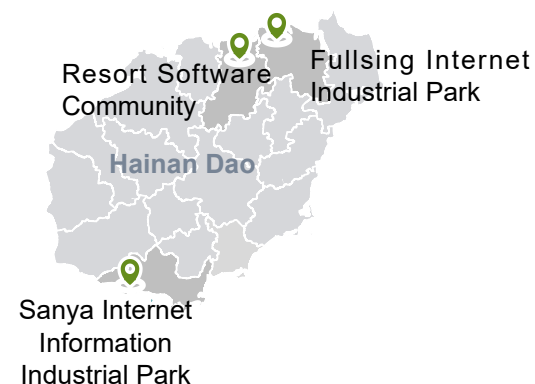


Entities in the digital sector can reduce their operational costs and focus on high-tech and AI development. Meanwhile, Low Tax Rate policies will attract high-tech enterprises and talents to relocate to Hainan.

Key Areas

Gaming Internet Big data
Block Chain Artificial Intelligence
Information Security Internet of Things
cross-border digital trade
Industrial Digitization

Highlighted Regions



JST Power Equipment

JST Power Equipment is a national high-tech enterprise headquartered in Hainan Free Trade Port. With constant investment in digitization in its technologies, production and management system, the company is majorly involved in the research and manufacturing of smart electrical equipment, high-end devices, smart energy management, and various other products of smart services. In December 2020, its Haikou digital plant was listed as a pilot manufacturer for internet innovation by the Ministry of Industry and Information Technology. On March 9, 2021, JST Power Equipment became the first listed company in Hainan on the SSE STAR Market.

High-tech

Petrochemicals & New Materials

Abundant Natural Gas and Petroleum Resources with Plans to Extend the Petrochemical Industrial Chain

A complete industrial chain composed of oil-gas exploration, processing, transportation, storage and trade has taken shape. Hainan will further extend the industrial chain and increase high-tech involvement to form a new integrated growth mix with upstream exploration, midstream processing and comprehensive utilization, and downstream new materials production. Regional headquarters will be built in Haikou and a service base will be built in Chengmai at a faster pace to build Yangpu into a hundred-billion level new petrochemical material base with international influence and Dongfang into a new material base featured with natural gas chemical products. The gross value of petrochemicals is expected to reach 200 billion yuan by 2025.

Natural Resources

A vast sea area with rich natural gas and petroleum resources that account for over 1/3 of China's total reserves

Geographical Advantage

A vital stop along the sea transportation route across the South China Sea and an ideal landing site for oil and gas from the South China Sea, covering markets across the Beibu Gulf Economic Zone and the SEA.

Preferential Policies

“Zero tariffs” for raw and auxiliary materials and policies facilitating foreign-invested petrochemical storage have benefited enterprises with tax relief and investment convenience.

Favorable Policies	Non-free Trade Zone in the Mainland	Hainan Free Trade Port
Imported petroleum and crude oil are exempt from taxes and fees	Import value-added tax rate is 13%	Import value-added tax rate is 0%
Imported petroleum and oils extracted from bituminous minerals are exempt from taxes and fees	MFN tariff for import is 6%, import value-added tax is 13%, and import consumption tax is 1.2 yuan per liter	Import tariff and import value-added tax is 0%, import consumption tax is 0 yuan per liter

Key Areas

Oil & Gas Exploration & Logistics Services
Full Industrial Chain of Green
Petrochemical Materials
Downstream Industries of Aromatics
Ethylene Projects with the Capacity of
million tons/year
Natural Gas & Petroleum Chemicals
Industrial Chain



Plans for High-Tech
Industrials of Hainan in the
14th Five-Year Plan Period

Highlighted Regions



High-tech

Modern Biological Medicine

Unique and Abundant Medical Resources

Famous as a “natural medicine storehouse” and the “capital of southern medicine”, Hainan boasts up to 3,080 types of medicinal plants. Meanwhile, Hainan sees a significant increase in the categories of biomedical raw materials by serving as a transit area of global animal and plant resources.

Industrial Basis for Pharmaceutical R&D and Production

Local pharmaceutical companies constitute an important “Hainan pharmaceutical section” in the A-shares listing market. Many well-known domestic pharmaceutical companies have built production bases in Hainan, laying a solid foundation for medical research, development and manufacturing. Pharmaceutical enterprises in Hainan are growing to be more cluster-based, high-end, international and professional. In the context of the FTP construction and the dual economic circulation in recent years, the modern biological medicine sector in Hainan has welcomed new opportunities. Hainan is demonstrating its potential “to produce quality medicine as a small island” to China and beyond.

Measures to Support Medical Development

Encouraging Industrial Clusters	1. Give support to clustered development of industrial parks 2. Facilitate imported medicines and equipment that meet urgent demands to settle in industrial parks in Lecheng 3. Improve public services in industrial parks 4. Encourage setting up public service platforms
Encouraging Production Transfer of Medicines and Medical Devices	5. Expand the coverage of preferential policies on registration and approval. 6. Welcome production transfer of medicines and medical devices from other domestic regions. 7. Welcome production transfer of medicines and medical devices from abroad.
Convenience in Registration Examination and Clinical Evaluation	8. Create more channels for registration examination 9. Conduct sound and reasonable approaches of clinical evaluation
Improving Evaluation and Approval	10. Accelerate the building of a priority path of evaluation and approval. 11. Improve efficiency. 12. Modify required application materials.

Key Areas

Biopharmacy
Modern TCM
Global OEM/ODM
High-end Chemicals
Leading Bio-pharmaceutical
Companies Worldwide

Highlighted Regions

Haikou National High-tech
Industrial Development Zone
Boao Lecheng International
Medical Tourism Pilot Zone

Development Direction

Introducing Leading Bio-pharmaceutical Companies and Innovation-oriented Companies Worldwide	Work towards the higher-end along the industrial chain and more upmarket products by making good use of policies such as tax relief in HFTP and the “nine national policies” in Bo’ao.
Improving Industrial Services and Facilities	Attract medical outsourcing service vendors that offer preclinical and clinical study, new medicine registration, manufacturing and other services of the medicine life cycle.
Encouraging Innovation	Accelerate the commercialization of key medical innovation projects by building demonstration bases for commercializing innovation results and platforms for international technologies, new medicine commercialization services, new medicine development technical services and clinical tests collaboration.
Modifying the Mechanism of Fiscal Support	R&D and other tax relief policies for national high-tech enterprises; tariff exemption on imported production equipment and materials for self-use; Helping quality biopharmaceutical companies to go listed and encouraging financing through listing.
Supporting Medical Companies to Find New Business Opportunities	Encourage local enterprises to apply for certification in Europe, the U.S., France and Japan, and explore the global market. Support local enterprises to have a larger global presence and integrate global resources through outward investment, mergers and acquisitions and strategic alliances.

Successful Story

Qilu Pharmaceutical (Hainan) Co., Ltd

Established in 2005 with a total investment of over 1 billion yuan as a “Medicine Exportation Base” of Qilu Pharmaceutical Group, Qilu Pharmaceutical (Hainan) has been rewarded with various titles such as a National High-tech Company, a National Technical Innovation Demonstration Company, and a Top 100 Industrial Enterprises with Comprehensive Strength in the Industry of Chemical Medicine in China. With a global vision and constant efforts in high-end pharmaceutical research and high-end smart manufacturing projects, Qilu Pharmaceutical (Hainan) aims to become an industrial model for pharmaceutical companies in Hainan through steady and efficient production. In 2016, the company completed and delivered its first aseptic injection order to the U.S., which marked the entry of Hainan pharmaceutical companies into the global market.



Notification by Hainan MPA on Further Improving Services to Support the Development of the Biopharmaceutical Industry



Interim Measures of R&D Stamps for the Biopharmaceutical Industry in Hainan

High-tech
Seed Breeding

A “Silicon Valley of Seed Breeding” with a Global Perspective that Meets Domestic Needs

To implement the plans on building a “silicon valley of seed breeding” in Hainan and form a development landscape with the Futuristic City as its main part and Baokongyang and Anmayang as its wings, 242,600 mu of standard seed breeding land have been built and seed resources from Chile, Brazil and Germany have been introduced. Hainan also introduced education resources from six key higher education institutes with cutting-edge agricultural education resources and faculties, including China Agricultural University, Nanjing Agricultural University, Hainan University and Henan University.

Hainan Yazhou Bay Seed Laboratory was established on May 12, 2021, to build a scientific and innovative platform for the seed breeding industry.

Investment Advantages

Cutting-edge Technologies
Worldwide

Hainan has attracted 415 seed breeding companies including Longping High-tech, China National Seed Group and German KWS and teams led by academicians such as Cao Xiaofeng, Li Song, Jia Yinsuo, Fan Yunliu and Zou Xuexiao.

Precise Investment
Targeting

Hainan focuses its investment efforts on the seed-breeding industry concerning “testing, fieldwork services, lab management, commercialization and monetization”, fostering a variety of CROs to promote the transformation of seed-breeding R&D to covering year-round seed breeding, the entire industrial chain and synergy in clusters.

Key Areas

- ➡ Seed-breeding Research & Service
- ➡ Seed-breeding Innovation
- ➡ Seed Sources Evaluation and Storage
- ➡ Seed Trading
- ➡ Intellectual Properties Trading

Highlighted Regions



Regulations on Seed Production and Operation Licence for Seed Imports and Exports of HFTP

Successful Story

China National Seed Group Relocating to Yazhou Bay

On October 9, 2021, China National Seed Group, the seed breeding business unit of Syngenta in China, completed the registration of its headquarters relocation and acquired the license of operating in Yazhou Bay Science and Technology City of Sanya. It is the first state-owned seed breeding company in Hainan. Syngenta will work closely with the Hainan government in various aspects including seed business strategic planning, headquarter construction and Yazhou Bay Seed Breeding Lab.



Preferential Policies

Elite High-tech Company Pool



Action Plan of the “Elite Initiative” of High-Tech Companies in Hainan

Subsidies	Subsidies are given to companies on the list that invested over 3% of their sales revenue in R&D. The subsidies are 15% of the exceeding amount with a cap of 3 million yuan for “Seed Companies”, 5 million yuan for “Gazelle Companies” and 10 million yuan for “Leading Companies”.
Requirements	<ol style="list-style-type: none">1. Independent legal person with actual operations in Hainan.2. With complete management regulations, stable technical and management teams, sound production and credit conditions. No major environmental, production or safety incidents during the past three years; no major R&D ethics issues; not listed in the List of Enterprises with Serious Illegal and Dishonest Acts3. Priority is given to enterprises in key areas including seed breeding, deep sea, aerospace, digital economy, new petrochemicals and modern biopharmacy.4. Application is open to enterprises on a voluntary basis; evaluation is completed on a selective basis.

Relevant Event



High-tech
Deep-Sea**An Ideal Natural Lab for Deep Sea Research and Experiment**

Administrating over 2/3 of China's sea area, Hainan boasts unique advantages in deep-sea exploration and exploitation. Most of the sea area over 1,000 meters in depth is located in the South China Sea. Sanya Deep Sea Science and Technology City is only 128 km away from the 1,000-meter-depth sea area and 2,000-meter-depth sea area, which makes it an ideal natural lab for deep-sea research and experiment.

Improving Innovation Capacity

The first co-established state key laboratory by Hainan Province and national ministries (State Key Laboratory of Marine Resources Utilization in the South China Sea) in Hainan has been approved for construction, pooling the strengths of several scientific research institutions such as the Innovation Platform of Southern Base of the NDSC and CGS South China Sea Geological Innovation Base.

Major Progress in Deep-sea Technology Exploration and Implementation

Despite fierce competition worldwide, researchers in China have successfully developed a series of advanced deep-sea equipment such as the "Jiaolong" and the "Fendouzhe". However, from a general view, deep-sea exploration and exploitation in China are still in an early stage.

Core CompetenceSuperior Natural Conditions with
Geographical and Resources
Advantages

Hainan is the nearest province of China to the deep sea. Most of the South China Sea is deeper than 400 meters and the average depth is 1,212 meters, which gives Hainan unique geographical advantages for deep-sea scientific research and industries relating to oil and gas resources, methane hydrate and biological resources.

A Spotlighted Region Backed
by National Strategies

Hainan has become the underpinning and securing base for South China Sea exploitation and has gathered technical strengths and talents from institutions such as the Institute of Deep-sea Science and Engineering, CAS. A series of key national deep-sea equipment, including the research vessel "Exploration 1", the manned submersible "Deep-sea Warrior" and the 10,000-meter-depth manned submersible "Striver", are all in Hainan.

Key Areas

- ➡ Deep-sea and Far-reaching Sea Exploration
- ➡ Marine Engineering Equipment
- ➡ Exploration, Development and Utilization of Marine Resources

Highlighted RegionsHigh-tech
Aerospace**The Only Satellite Launch Site in Low Latitude Regions of China**

Located in Longlou Town, Wenchang, Hainan, the Wenchang Satellite Launch Center is China's first coastal launch site and one of the few low-latitude launch sites worldwide.

A Gathering Place of Talents, Universities and Research Institutes

- The Hainan government has signed framework agreements and strategic cooperation agreements with CNSA, China Aerospace Science and technology corporation, China Aerospace Science and Industry Corporation Ltd., and the Chinese Academy of Sciences to bring new drives to the aerospace industries in Hainan.
- In the future, CNSA will strengthen its cooperation with Hainan, introducing more social resources, aerospace research and experiment projects and commercial aerospace businesses to Hainan. With constant efforts, CNSA will support the development of Hainan's aerospace industries and economy and help to complete the local aerospace industrial chain.

Undertaking Major National Satellite Launch Missions

Including Long March 5, Long March 7 and Long March 8 rockets, geosynchronous satellites, polar-orbiting satellites, large space stations and deep-space satellites

Core Competence**Location**

Located near the equator, it features fuel-saving low-latitude launching, high safety levels in rocket flight areas and debris falling areas, and fewer size limits in sea transportation.

Industrial Basis

More advanced technology and more beautiful scenery compared with other launch sites. High technological starting point and better layouts.

Tech & Talents

A large tech and talent pool that fosters professional experts with global leading technologies.

Global Synergy

Hainan owns close contact with countries around the South China Sea and along the Silk Road as the largest free trade port worldwide, a prerequisite for global synergy.

Key Areas

- ➡ High-end Aerospace Equipment Manufacturing
- ➡ Rocket and Commercial Satellite Development
- ➡ Satellite Navigation
- ➡ Aerospace Big Data

Highlighted Regions

High-tech Clean Energy

Large Demand in Clean Energy

Hainan aims to achieve peak CO₂ emissions before 2025 and carbon neutrality before 2050. Surrounding the goals to build Hainan into a “national ecological experiment zone” and an island of clean energy and with the strengths of Yangpu Economic Development Zone and Hainan (Changjiang) Clean Energy Industrial Park, a clean, secure, low-carbon and highly efficient energy system and a clean energy vehicle industrial cluster are expected to take shape by 2025 with a total production value of over 33 billion yuan.

Key Areas

**Nuclear Energy Hydrogen Energy
and other Clean Energies;
EV, HFCV and Intelligent Vehicles**



Hainan
Comprehensive
Energy Reform Plan



High-tech Energy Saving & Environmental Protection

Building a Demonstration Base of Biodegradable Plastic Production with Global Influence

Seizing the opportunity of the “plastic bags ban” across the province, Hainan is vigorously building an industrial chain of biodegradable materials and the Yunlong Biodegradable Material Production Base in the Haikou High-tech District.

Promoting Green Construction Materials and Green Buildings

Hainan accelerates its efforts in developing green buildings and construction materials by fostering Hainan (Changjiang) Clean Energy Industrial Park, Ding'an Taling Industrial Park, Ding'an Xinzhu Green Construction Industrial Park.

Key Areas

**Biodegradable Plastic Materials
Bags & Tableware
Biodegradable Agricultural
Consumables such as Plastic Mulch
New Functional Glass
New Construction Materials
Prefabricated Buildings**



High-tech High-end Food Processing

Abundant Raw Materials

Hainan is abundant in coconuts, pineapples, mangos, various melons and vegetables even in winter, which lays a good foundation for agricultural product processing.

Reduced Production Cost due to “Zero Tariffs”

Enterprises are exempt from import duties, import value-added tax and consumption tax for raw/auxiliary materials for food processing and production equipment for self-use that match the requirements on “the lists”, except for products prohibited for import.

Import duty Exemption Policies on “value-added Processing”

For goods that are produced by the encouraged industrial enterprises and do not contain imported materials or with an added value to the imported materials that are processed in Hainan Free Trade Port of more than 30% (including), the import tariff should be exempt when they enter the mainland through the “second line”, and the import value-added tax and consumption tax shall be levied in accordance with the regulations. This policy has been piloted in Yangpu Bonded Port, Hainan Comprehensive Bonded Zone and Haikou Airport Comprehensive Bonded Zone.

Example: coffee processing equipment

Coffee processing enterprises with “a front store and a backend factory” can enjoy dual-exemption from import duties and value-added tax. Take unroasted coffee for example. Importing and processing unroasted coffee usually requires procedures including cleaning, roasting, grinding, cold extraction, cryoconcentration, freeze-drying, packaging, etc. Equipment required is usually imported.

Procedure	Equipment	Import Price (x10k yuan)	Import Duty (%)	Import VAT (%)	Exemption (x10k yuan)
Cleaning	Cleaner	2-5	10	13	1.22
Roasting	Roaster	15-20	10	13	4.86
Grinding	Grinder	10-15	8	13	3.31
Cold extraction	Extraction tank	2-5	10	13	1.22
freeze concentration	Vacuum Thickener	10-15	10	13	3.65
Freeze-drying	Lyophilizer	25-40	9	13	9.27
Crushing	Crusher	5-8	8	13	1.76
Packaging	Packing machine	2-8	8	13	1.76

Cost reduced for
each set of
processing
equipment:
270,400 yuan



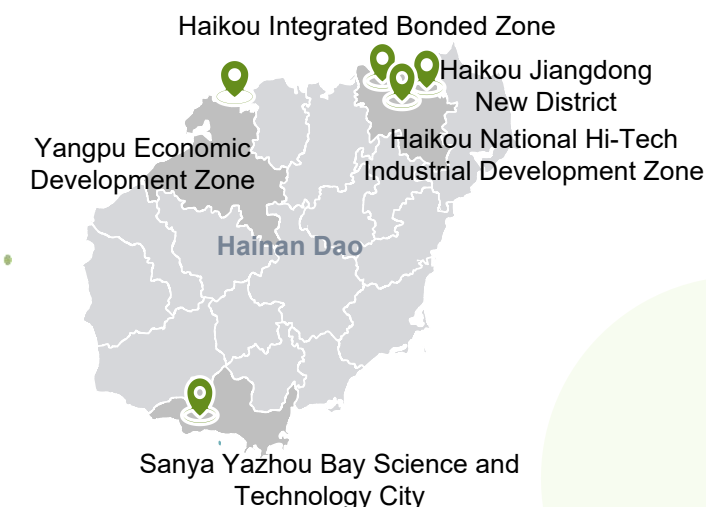
Notice on the “Zero-Tariff” Policy
for Imported Raw and Auxiliary
Materials in FTP



Import Duty Exemption for
Goods Produced in Hainan or
with 30% Added Value

Key Areas

**Deep Processing of:
Agricultural and Sideline Products
Tropical Fruits and Vegetables
Functional Food
High-end Pet Food**



High-tech

High-efficiency Agriculture
with Tropical Features

Unique Resource Advantages for Developing Tropical Agriculture

Located in a tropical area, Hainan has an average annual temperature of 22-27°C, average annual sunlight of 1750 – 2650 hours, and a 50% - 60% sunlight rate. The distinctive geographic location and climate have created good conditions for tropical fruit industries in Hainan.

Diversified Tropical Fruit Species

Several species, including Yongxing wampee, Sanya mango, Chengpai orange and Baoting rambutan, have received the Agro-product Geographical Indications granted by the Ministry of Agriculture of China. The Window to Worldwide Tropical Fruits in Qionghai has introduced over 400 tropical fruits from all across the world and successfully bred 150 special species such as the “birds nest” fruit, chocolate-pudding fruit and finger lemon, 50 of which have already been commercialized and have a total plantation area of 15,000 mu.

Freshness Ensured by Free, Convenient and Open Transportation Policies

Hainan FTP adopts free, convenient and open transportation policies to facilitate and guarantee transportation services, simplify the verification process of entry and exit, improve customs clearance procedures for tropical fruit, and shorten the time of transportation to ensure freshness.

Successful Story



Hainan Shengda Modern Agricultural Development Co., Ltd

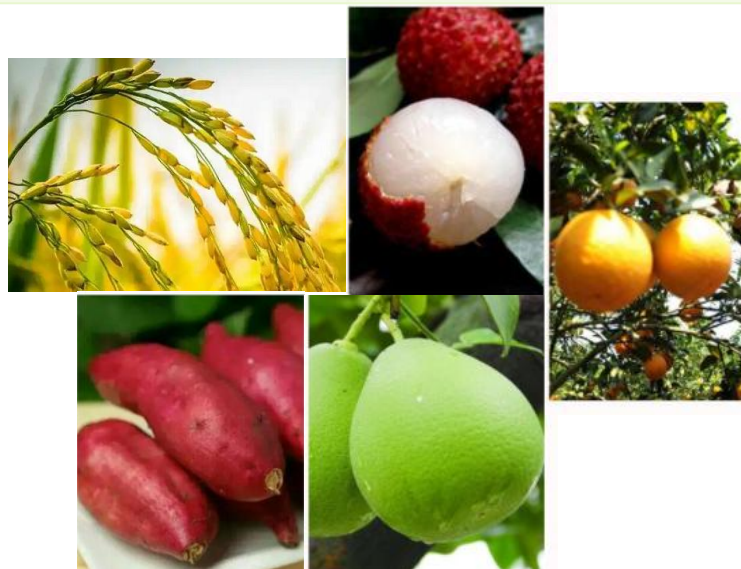
Located in Dalu Town, Qionghai, Shengda Modern Agricultural Development is majorly involved in introducing, breeding and promoting tropical fruits, crop plantation development, and sales of fruit and flower seedlings. It is a leading domestic player in the selective breeding of new varieties. As one of its major projects and a key project in Xionghai's national agriculture opening-up and cooperation pilot zone, the Window of Global Tropical Fruits has multiple functions including the introduction, selective breeding, demonstrative plantation, and educational tour of novel and rare fruit species. By far, the project base has over 200,000 trees of new fruit species, breeding over 2.5 million seedlings annually and hitting 18.2 million yuan in sales revenue during the past three years.

Key Areas

Food Crop Tropical Fruit
Perennial/ winter Fruits and Vegetables
Featured Livestock and Poultry
Tropical Cash Crops
Marine Fisheries



China (Hainan)
International Tropical
Agricultural Products
Winter Trade Fair



High-tech

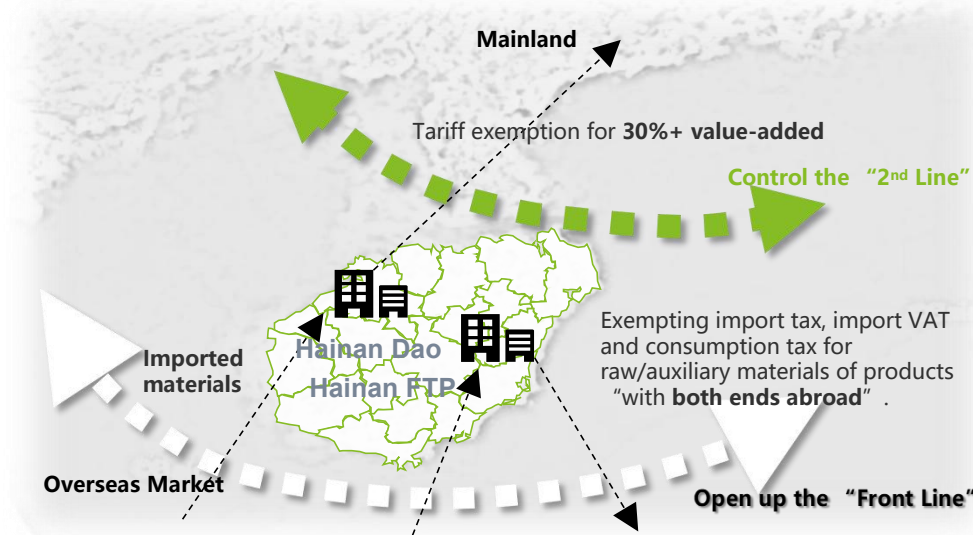
Supporting Policies

Preferential Policies

Content	Benefits
Rewarding high-tech companies for increasing R&D investment: reward up to 2 million yuan for enterprises (listed in the online registration platform of the Provincial Bureau of Statistics) that increase their annual R&D budget by 30% or more, and up to 1 million yuan for other enterprises.	Incentives to relocated high-tech companies
Rewarding newly moved-in high-tech companies: for high-tech enterprises relocated to Hainan Province during the effective time, rewards are granted by 5% of fixed-asset investment or 10% of R&D investment within the 12 months after relocation with a 5 million yuan cap.	
Encouraging investment in enterprises with low energy consumption, advanced technologies and import/export orientation, and construction of information industry, infrastructure and public facilities. Adopt the lowest rate in various expenses for the land used for the project and exempt its rental expenses to the municipal government.	Reducing the land cost for high-tech companies

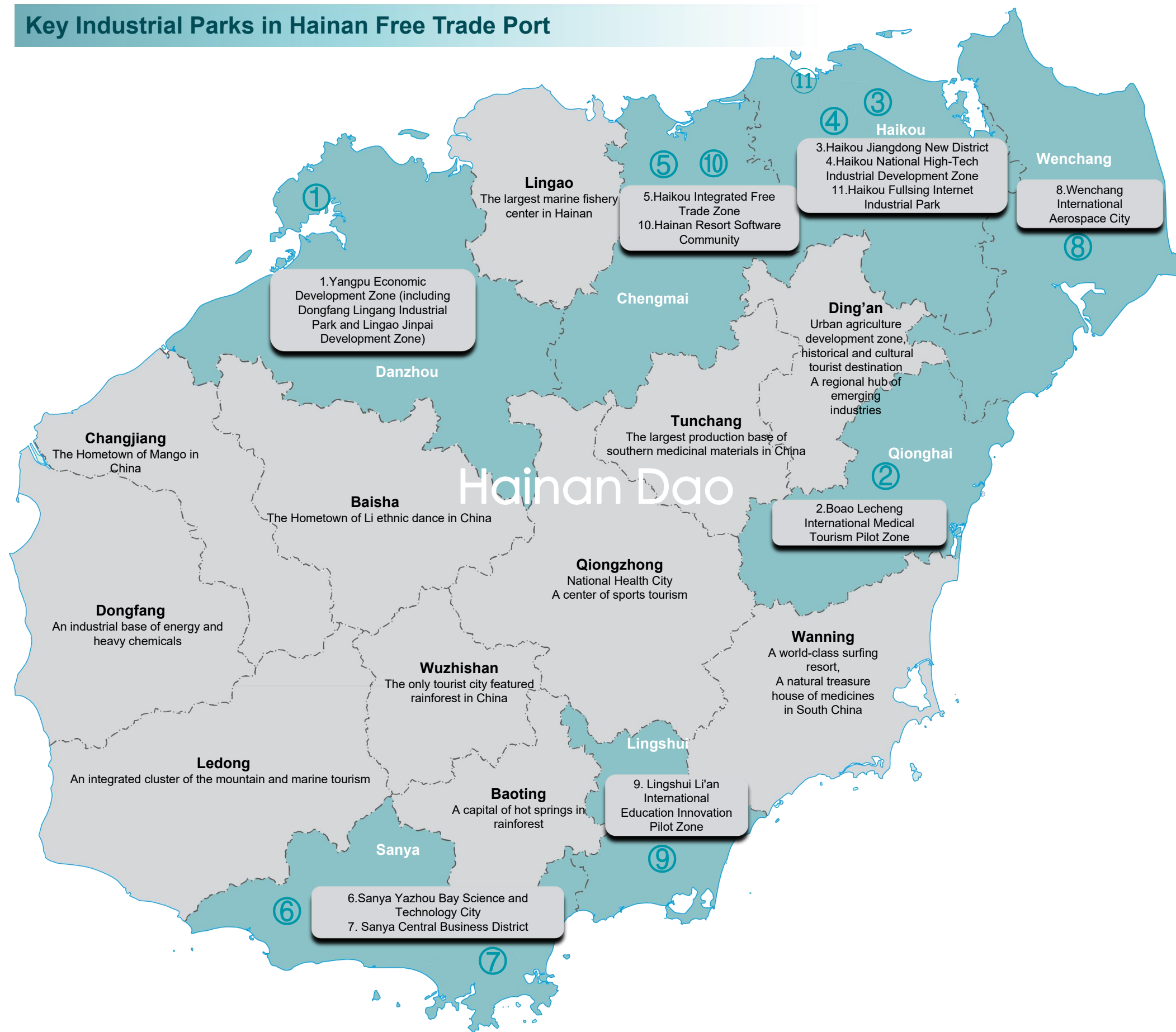
Tax Policies

Content	Benefits
15% corporate income tax rate	Low tax rates for enterprises and individuals;
The individual income tax rate of high-end talents is capped at 15%	
New income from outward investment return in the three pillar sectors is exempt from corporate income tax	Enterprises are encouraged to invest overseas.
“Zero-tariff” policies for raw and auxiliary materials, production equipment, means of transportation	Enlarging the cost advantage for manufacturers in Hainan
Goods that contain imported materials and parts and have the added value from processing more than 30% are exempt from import tariffs when sold in Mainland China.	Tariff relief for high-end product manufacturing



Policies to Support High-Tech Companies' Development in Hainan (Tentative)

Key Industrial Parks in Hainan Free Trade Port



Hainan Province is composed of **4** prefecture-level cities, **5** county-level cities, **4** counties, **6** autonomous counties.

The implementation scope of Hainan Free Trade Port is the whole region of **Hainan Island**.

The **11** key industrial parks established at the same time with Hainan Free Trade Port will work as pilot zones and trial lands for policies relating to the Hainan Free Trade Port.

Yangpu Economic Development Zone

Located in the northwest of Hainan, Yangpu Economic Development Zone is China's first national economic development zone approved by Deng Xiaoping in 1992 to be contiguously developed by foreign investors under the policy of the bonded zone. It is also the junction of the new Western Land-sea Corridor and the 21st Century Maritime Silk Road. Yangpu has been given the mission to build a pilot demonstration zone for Hainan Free Trade Port and its Bonded Port Area is also known as a prototype of the free trade port.



Yangpu Economic Development Zone

A shipping hub on the new Western Land-sea Corridor
A commodity trading and distribution center
An advanced manufacturing base
An innovation demonstration zone for international trade

Positioning

Green Petrochemicals Shipping & Logistics Business Services (International Trade)
High-end Tourist Consumer Goods Manufacturing Healthy Food Processing

Focus



Energy & Chemical

Olefins downstream industries and fine chemicals.



Advanced Manufacturing

The new generation of information technologies, high-end CNC machines and androids, NEV manufacturing, Integrated circuits, high-end medical devices, Internet of Things devices, smart manufacturing equipment and new materials.



Shipping & Logistics

International shipping, commodity distribution, logistics and storage, cold chain, international trade.

Infrastructure



Complete Residential Facilities

Banks, schools, hospitals, hotels, etc.



Mature Public Facilities

Public ports, standard factories, validation platforms, storage, etc.

Preferential Policies

Island-wide

- Zero tariff: 1 negative and 3 positive lists
- Low tax: 15% income tax for individual/enterprise
- Tax exemption for new overseas direct investment income

First in Yangpu

- "free flow through the first line and efficient control at the second line"
- Tariff exemption for 30%+ added value
- Allow business premises in the Customs Special Supervision Zone

Exclusive in Yangpu

- "Yangpu Port of China" as the port of registry
- Tax rebate for ships built in China
- Allow ships with both domestic and foreign trade goods on board to refuel with bonded oil
- Tax rebate at port of departure

Online Access



Boao Lecheng International Medical Tourism Pilot Zone

As the only "special medical zone" in China that has realized opening-up in the medical areas, Boao Lecheng International Medical Tourism Pilot Zone has attracted domestic and international high-end medical tourist services and cutting-edge medical research outcomes worldwide and has formed an industrial cluster of international medical services. Over 20 medical institutions have started operations in Lecheng and over 10 other institutions are expected to join the league, covering various industries such as tumor prevention and treatment, aesthetic medicine, anti-aging, health management and rehabilitation.

Boao Lecheng International Medical Tourism Pilot Zone

Over 200 world-leading medicines and medical devices
A permanent global medicine and medical devices innovation exhibition
The only real-world clinical data application pilot project in China



Positioning

Health Management
Nursing & Rehabilitation

Specially Permitted Healthcare
Aesthetic Medicine & Anti-aging

Focus



Medical Services

Cancer treatment, SCT, Orthotics (joint) treatment, dentistry, Integration of TCM and western medicine, regenerative medicine, translational medicine, CVD treatment, etc.



Health Management

Health management center, medical examination center, international maternity hospital, rehabilitation center, medical cosmetic center, anti-aging center.



Health Services

International medical and health organizations, medical information service institutions, Boao International Health Forum, Boao Medical Information Platform, medical tourism intermediary service platform.

Infrastructure

- ❖ Convenient Transportation
- ❖ Beautiful Scenery
- ❖ Mature Commercial and Residential facilities

Preferential Policies

01

Simplified approval procedures for medicines and devices urgently needed for clinical use

02

An e-prescription center is built in the pilot zone

03

Renowned medical cosmetic institutes are welcome to locate in the pilot zone

04

Support medical institutions to conduct clinical tests

Online Access



Haikou Jiangdong New District

Haikou Jiangdong New District is located on the east coast of Haikou, with Dongzhai Port in the east, Nandu River in the west, the east coastline to the north and the second phase of the ring road and the provincial highway to the south. It features unique advantages, a first-class ecological environment and distinctive prospects. With a total planned coverage of 298 km², the district is composed of an east ecological functional area and a west industrial integration area and conveys an integrated urban-rural mix with “one port, two centers, four clusters, ten streams, a hundred cozy villages, a thousand hectares of wetland and thousands of mu of orchards”.



Haikou Jiangdong New District

An exhibition area of Hainan FTP
A display of national eco-friendly pilot zones
An experience zone of international tourist consumption
A service zone for implementing China's major strategies
A demonstration of modern service industry clusters

Positioning

4

Aviation: air transportation, business jet, warehouse & logistics, financial lease, international trade, aviation maintenance, aviation processing & manufacturing, bonded fuel

New finance: banking, securities, insurance & reinsurance, factor markets, cross-border finance, trade finance, consumer finance, fortune management, funds, financial technologies, etc.

+

Premium consumer goods: the processing of premium consumer goods including perfume, high-end food and jewelry

Digital industries: 5G application, blockchain, big data, cloud computing, AR, AI, IoT, ITS, metaverse, etc. and relevant industries

X

Export-oriented services: trade in goods/services, international auction, conference & exhibition, game & comics, etc.

Preferential Policies

- ✓ 3 million yuan one-off rewards for newly settled regional headquarters of cross-border enterprises; 2 million one-off rewards for newly settled regional headquarters of international organizations (institutions).
- ✓ 10 million yuan one-off rewards for newly settled comprehensive (regional) headquarters of high-tech or other companies that fall into the secondary industry and promise to contribute at least 30 million yuan financially to the local economy within the first year since its registration; 5 million yuan one-off rewards for newly settled comprehensive (regional) headquarters of tourist or other companies that fall into the tertiary industry and promise to contribute at least 20 million yuan financially to the local economy within the first year since its registration.
- ✓ 2 million yuan one-off rewards for newly settled rapidly developing headquarters that promise to contribute at least 8 million yuan financially to the local economy within the first year since its registration.

Infrastructure



Healthcare: 5 comprehensive hospitals within 15-minute-length of traffic, including several 3A hospitals such as the 1st Affiliated Hospital of Hainan Medical University Dongjiang, Hainan Hospital of Traditional Chinese Medicine and Haikou Hospital of the Maternal and Child Health.



Education: rich resources featured with international education powered by Harrow Haikou, Jiangdong Maple Leaf International Schools, Haikou School affiliated to Beijing Normal University, Haikou Jiangdonghuandao Experimental School, etc.



Greenland: 8 large urban theme parks in planning, including a Riverside Eco-park, a Sports Park and an Inland River Scenery Park.

Online Access



Haikou National Hi-tech Industrial Development Zone

Established in 1991 with a planned coverage of 85.44 km², it is the only national-level hi-tech zone in Hainan province. With a “seven parks in one zone” layout, it displays a diversified growth pattern and administrates Mei'an Eco-tech New City, Medical Valley Industrial Park, Shiziling Industrial Park, Haima Industrial Park, Yunlong Industrial Park, Mission Hills Resort and West Coast Headquarters Economic Zone. It is the only industrial region in the Hainan Free Trade Port covering all the three industrial pillars of “tourism, modern service, and high-tech industry”.

Haikou National Hi-tech Industrial Development Zone

A national model establishment
A national intellectual property demonstration zone
A national demonstration zone for the mass entrepreneurship and innovation initiative
A national demonstration zone for entrepreneurship and innovation of small and micro companies
A national demonstration platform of public service for SMEs
One of the first pilot projects of the upgraded mass entrepreneurship and innovation initiative



Positioning

“3+X”

Industrial Mix

Biopharmacy
Eco-friendly industries
Advanced manufacturing such as high-end food processing
Digital economy and modern services

Focus

- **Mei'an Eco-Tech New City:** medicine production & certification, medical devices production and development, new industries integrated with medicine, advanced manufacturing, modern logistics
- **Medical Valley Industrial Park:** R&D and manufacturing of medicines and dietary supplements, traditional Li medicines
- **Shiziling Industrial Park:** new energy, new materials, functional food, eco-friendly and health industries
- **Haima Industrial Park:** auto parts, modern services
- **Yunlong Industrial Park:** modern devices, light industries concerning tourist handicrafts and sports products

Features

7 Parks in 1 Zone

Mei'an Eco-Tech New City
Mission Hills Resort
Medical Valley Industrial Park
Shiziling Industrial Park
Haima Industrial Park
Yunlong Industrial Park
West Coast Headquarters Economic Zone

Preferential Policies

01

Pharmacy

Up to 10 million yuan rewards for projects that are listed in the national major projects of significant new drugs development and have been declared and commercialized in Hainan. Up to 12 million yuan rewards for introducing Type I innovative drugs in research or being commercialized from global markets.

02

Headquarter Economy

10 million yuan one-off rewards for newly settled comprehensive (regional) headquarters of high-tech or other companies that fall into the secondary industry and promise to contribute at least 30 million yuan financially to the local economy within the first year since its registration.

03

Sustainable Economy

1 million yuan, 3 million yuan, 5 million yuan and 8 million yuan one-off rewards by phase to full biodegradable material enterprises when their annual main business income exceeds 100 million yuan, 300 million yuan, 500 million yuan and 1 billion yuan.

Online Access



Infrastructure

- ❖ **Commodities:** Mei'an Nanling Center, Medical Valley Talent Apartment, Yongxiu Garden
- ❖ **Education:** Haikou School Affiliated to Shanghai World Foreign Language School, Hainan Maple Leaf International School, Haikou Dongzhi Manor Kindergarten
- ❖ **Transportation:** Line 3 shuttle bus to and from downtown within 35 minutes; enterprises may also design shuttle bus routes by need

Haikou Integrated Free Trade Zone

With the highest opening-up level and the most densely gathered import-oriented industries, it is the first comprehensive bonded zone in Hainan, one of the three special customs supervision areas. The bonded zone enjoys convenient transportation and a unique location as it is located close to Macun Port (about 2 km away), a Class 1 port of China, 5 km away from the roundabout highway, 6 km away from the roundabout highway High-speed Railway Station, 40 km away from Meilan Airport and 90 km away from Yangpu Port.



Haikou Integrated Free Trade Zone

Bridging the domestic and global markets
Enjoying domestic and global resources
Double preferential policies as a special customs supervision area and part of the free trade port
A promising land featuring the bonded system and advanced manufacturing

Focus

-  **Storage and Distribution Centers for World-famous Brands**
-  **International Trade Logistics**
-  **Bonded Processing of High Added-value Products**
-  **Financial Lease**
-  **Premium Advanced Manufacturing**
-  **Regional Functional Headquarters of international enterprises**
-  **Cross-border E-commerce**
-  **Duty-free Products**

Online Access



Functional Regions

Duty-free products distribution center	Processing & manufacturing base for high added-value products
Regional center for international trade	Exhibition & trade center for imported goods
Regional functional headquarters	Regional distribution center for international logistics
Advanced manufacturing center	

Preferential Policies

- Adopting import and export management regulations that “free flow through the first line and efficient control at the second line”
- Applying the tariff exemption policies for added-value processing in the Hainan FTP
- The designated port of “Kimberley Process” (rough diamond import)
- A national comprehensive pilot zone for cross-border e-commerce
- The only import customs port for finished vehicles in Hainan

Infrastructure

Mature Supporting Facilities: residential areas with staff canteens and dormitories; international commerce centers and over 400,000 m² of warehouse and factories; administrative departments including customs, tax departments, market regulation, public security.

Sanya Yazhou Bay Science and Technology City

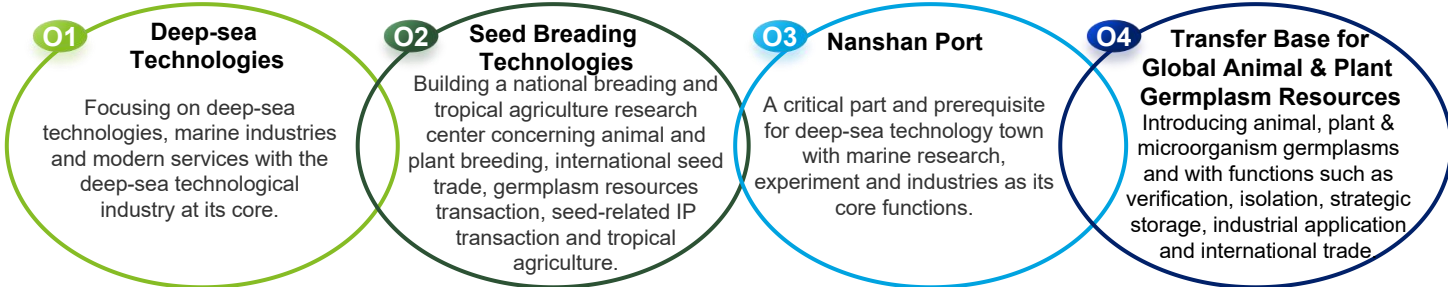
Located in western Sanya, Hainan by the side of Nanshan Cultural and Tourism District and Daxiaodongtian Scenic Spot, the Sanya Yazhou Bay Science and Technology City covers a planned area of 69.3 km² and focuses on industries regarding seed breeding and deep-sea technologies, as is requested in the master plan of the Hainan Free Trade Port.

Sanya Yazhou Bay Science and Technology City

A pioneering technological town of
coordinated land and marine development
openness and innovation
industrial prosperity
cultural confidence
energy-saving and eco-friendly economy



Positioning



Focus

-  **Seed Breeding Technology City:**
 - Seed Breeding
 - Animal and plant breeding technology
 - International seed trade
 - Germplasm resources transaction
 - Seed-related IP transaction
 - Tropical agriculture
-  **Deep-sea Technology City:**
 - Deep-sea technologies: equipment, materials and communication
 - Deep-sea industries: ship, marine engineering equipment, marine public service

Online Access



Preferential Policies

- For Individuals:**
 - Rewarding Measures for Talent Introduction of Sanya Yazhou Bay Science and Technology City (Revised in 2021)
- For Enterprises:**
 - Preferential Policies for Industrial Development of Sanya Yazhou Bay Science and Technology City
 - Measures on Fostering High-Tech Enterprises of Sanya Yazhou Bay Science and Technology City
 - Measures and Implementation Details of Supporting SMEs of Sanya Yazhou Bay Science and Technology City

Infrastructure

Transport
Accommodation

Education
Healthcare
Business

Sanya Central Business District

Located in the central area of Sanya, the district covers a planned area of 442.51 hectares including 4 major sub-districts, i.e., the Phoenix Coast, East Coast, Yuechuan and Hailuo. The district aims to build a “4+2” modern service industry mix led by headquarters economy, financial services, modern trade, cruises & yachts and supported by specialized services and recreational industries.



Sanya Central Business District

A leading area for international tourist consumption

The only industrial zone in HFTP featuring the cruise and yacht industry

One of the first pilot cities for sea tourist routes

Positioning

Headquarters Economy

Attracting domestic and cross-border enterprises to forge a gathering zone of headquarters and a multi-functional center of finance & investment, settlement, operation management, asset management, sourcing, design, R&D and sales.

Modern Commerce

Duty-free shopping, high-end businesses, cross-border e-commerce, trade in service, building the district into a comprehensive demonstration zone for international high-end business, a consumption hub with cross-straits influence, and an international tourist consumption center.

Professional Services

Introducing world-famous accounting firms, law firms, consulting firms and evaluation agencies to offer cross-border enterprises, financial institutions and trade companies auditing, tax, strategic consulting and asset evaluation services.

Financial Services

Attracting fintech companies, cross-border financing platforms by foreign, state or privately-owned companies, management agencies of funds, capital and assets, regional or functional headquarters of exchanges and settlement organizations worldwide.

Cruise & Yacht

Building a world-class cruise and yacht consumption center, a world-famous yacht display and trade center, and a world-leading yacht innovation and service center with well-planned offshore fishing platforms, underwater ranges, yacht training bases, a maritime cultural museum and an international yacht trade company.

Culture & Recreation

Introducing institutions in fields such as artwork exhibition and auction, sports, recreation, and leisure tourism; offering bonded artwork exhibition, auction and trade services; organizing large international exhibitions and festival events.

Online Access



Infrastructure



Various Recreation Facilities
Cruises, yachts, etc.



Complete Public Facilities
Plazas, waters, green space, commercial areas, office buildings, apartments

Preferential Policies

Wide Coverage: covering all the “4+2” industrial mix composed of headquarters economy, modern trade, cruises and yachts, financial services, sports and culture and professional services

Various Aspects: from start-up subsidies, office rental, talent acquisition, operational rewards to humanistic care

Wenchang International Aerospace City

Wenchang International Aerospace City is a vital component of the Hainan Free Trade Port and one of the 11 key industrial areas of the Hainan Free Trade Port's construction. It is mainly composed of a high-tech zone, a launch site and a tourist spot, in which the high-tech zone covers a planned area of 18,000 mu and is a demonstration zone of the entire aerospace city.

Wenchang International Aerospace City

An industrial base for key technological innovations in aerospace

An industrial base for space technology innovation & strategy

A demonstration base for innovation-integrated industries

An industrial base for international cooperation in aerospace technology

An aerospace data center



Positioning

An aerospace city with “four bases and one center” covering the entire industrial chain, including electronic information, high-end devices, new materials, satellite R&D, rocket R&D, space science and exploration, international cooperation and exchanges and financial services. The “one center” refers to the Aerospace Supercomputing Center that develops and applies aerospace data services to leverage the value of aerospace information.

Major Technological Innovation Industrial Base in the Aerospace Field
R&D of satellite, rocket and aerospace ground equipment

Space Technology Innovation Strategic Industrial Base
Space science and exploration, satellite application

Integrated Innovation Industry Demonstration Base
Electronic and information, high-end devices, new material, new energy

Aerospace Global Cooperation Industrial Base
Aerospace-related education & training, aerospace financial services, global aerospace cooperation and exchanges

Aerospace Data Center
Aerospace big data

Online Access



Focus



Innovation in Space Science & Technology:
R&D of asteroid probes and small-sized space exploration satellites



Global Cooperation in Aerospace-related Industries:
International Astronautical Congress, China Commercial Aerospace Import and Export Fair, World Commercial Aerospace Conference



Aerospace Big Data Center:
collecting, pre-processing, storage, processing, trading, application and analysis of aerospace big data



Integrated Innovation:
intelligent aerospace electronics and information, solar energy, hydrogen energy, R&D of androids and drones



Major Scientific and Technological Innovation Industries in the Aerospace Field:
small commercial satellite design, satellite assembly and testing, payload technology, mid to large commercial remote sensing, telecommunication and navigating satellite

Preferential Policies

Incentives for New Enterprises with Substantive Operations:

Incentives are given after reviewing the specific qualifications including aerospace enterprises, research institutes, high-tech enterprises, headquarters, innovation platforms, etc.

Capital incentives:

For independent accounting enterprises that are registered in the Aerospace City and are producing and substantively operating in the Aerospace City, rewards are given for selling complete rockets and satellites by 10% of the contracted value with a cap of 5 million yuan.

Free Offices:

Offer offices free of charge to newly established or relocated enterprises with substantive operations in the Aerospace City.

Fund Equity Incentives:

Establish Hainan Aerospace Industry Incentive Fund to reward qualified enterprises in Aerospace MRO, rocket development or other encouraged high-tech industries with equities up to 100 million yuan in value.

Lingshui Li'an International Education Innovation Pilot Zone

Established on June 3, 2020 in Lingshui, Lingshui Li'an International Education Innovation Pilot Zone features internationalization and openness and actively introduces first-class educational resources worldwide. Aimed to fulfill the new education requirements of Hainan Free Trade Port, it contributes to the national strategy of "three districts and one center" in Hainan and is committed to building a new benchmark and highland for the opening-up and development of Chinese education.



Lingshui Li'an International Education Innovation Pilot Zone

A national demonstration zone for education innovation

A foster base for highly competent,
international and innovative talents

A crucial platform for consumption backflow of
international education

A pilot zone for education reforms in China

A demonstration hub for higher education
institutions worldwide

Positioning

Based on Local Advantages in Higher Education and Talent, the Following Industries are Prioritized:



Foreign-owned or China-foreign co-established higher education from bachelor to doctoral studies.



Modern services: education advisory and evaluation, foreign-related education, education services such as overseas study tours and training, culture, tourism, sports, creative design, film & TV, publishing, etc.



Scientific and technological innovation industries: 5G, cloud computing, big data, AI, IoT, VR, etc.

Infrastructure

- ❖ **Education:** international schools/classes are established to offer quality education to children of high-end talents.
- ❖ **Healthcare:** quality medical resources are introduced to provide quality medical services.

Preferential Policies

Tax Policies

- Imported educational research equipment for self-use can enjoy "zero tariff" policies, the 15% CIT policy and even lower tax rates for educational institutions.
- Both domestic and foreign teachers can enjoy the 15% tax rate cap policy for high-end and urgently needed talents.

Talent Policies

- Enable port visa, long-term visa and house-purchase policies for foreign senior managers and those working and doing investment for long terms in Hainan.
- Allow foreign students with a bachelor's degree or above at key universities in China to work or start businesses in Hainan and offer them convenience in applying for residence permits.
- Allow high-level foreign talents working in schools to join science and technology projects (specialized projects or funds) in China and work as hosts or chief scientists on major projects.

Online Access



Hainan Resort Software Community

Hainan Resort Software Community, as a major platform for developing the digital economy in Hainan, is one of the key industrial parks to implement the mission of Hainan Free Trade Port and a demonstration zone to advance the construction of Hainan Free Trade Port. It has been listed as a National Tech Company Incubator and one of the first National Digital Service Export Base. In 2021, the Park registered a revenue of over 100 billion yuan and a total tax of over 10 billion yuan.

Hainan Resort Software Community

A cradle of digital trade

An innovation place for digital finance

A gathering place for mid/high-end talents



Focus

Blockchain

Online Access



Digital finance Digital health

Digital culture & sports industries

Haikou Fullsinging Internet Industrial Park

Positioning to build a leading area of Hainan digital free trade port, a gathering area of digital economic headquarters and an international offshore innovation demonstration area, focusing on the development of four industrial ecological chains: digital trade, intelligent IOT, financial technology and international innovation. The park has been recognized as a national science and technology enterprise incubator and a national cultural export base, and has been listed as China Hainan Human Resources Service Industrial Park. At present, the park has gathered the world's top 500 enterprises such as Alibaba, bytedance, Xiaomi group, Schneider and Tesla. In 2021, the operating revenue ranked among the "100 billion yuan club" and ranked second among the 11 key parks of Hainan free trade port in 2021.

Focus



Digital Trade Industrial Clusters: cross border data flow, cross-border e-commerce, digital culture and digital services



IoT Industrial Clusters: smart city, chip design, digital home, digital health



Fintech Industrial Clusters: blockchain, digital finance, private equity fund, QFLP, QDLP



International Innovation: foreign Investment enterprises, international talents, international cooperation, unicorns



Preferential Policies

- **Element Reward:** Reward enterprises operate substantially according to business income scale and innovation ability for R&D, daily operation, leasing, HR and other expenses
- **Fund Investment:** Set industrial investment fund for enterprises focus on innovative by leading investment, independent investment, creditor's rights and other ways
- **Provided by the Market:** Focus on the construction tasks of smart Hainan and smart Haikou, collect more than 100 application scenario solutions from enterprises in the park every year, and provide construction financial support.

Online Access



Haikou Chengmai Wenchang and Ding'an

The City of Coconuts

Known as “the city of coconuts”, Haikou is located on North Hainan Island. It is the capital city of Hainan Province, a political, economic, technological and cultural center and transport hub of the province.

Resources

Haikou Meilan International Airport
Haikou Jiangdong New District
Haikou Integrated Bonded Zone
Haikou National Hi-tech Zone
Haikou Fullsing Internet Industrial Park
Haikou Port (Xiuying Port)
Xinhai Port
Hainan University

Investment Highlights

Duty-free consumption
Culture & sports
Education
Shipping
Aviation
Information and communication
Advanced low-carbon manufacturing

Finance leasing
Offshore trade
Modern finance



Haikou Chengmai

Located on northwestern Hainan Island and with a population of 560,000, Chengmai was awarded such titles as “global home of longevity” and “China’s best recreational and tourism county”. In 2021, it realized a regional GDP of 40.08 billion yuan, ranking fourth in the province.

Resources

Old Town Economic Development Zone
(Including Jinma Logistics)
Chengmai Oil and Gas Exploration Service Base
Chengmai Fushan Coffee Culture Town
Hainan Yongqing Cultural Tourist Attraction

Investment Highlights

Petroleum and gas
Digital economy
High value-added manufacturing
Modern logistics
Selenium-rich featured agriculture
Agriculture-culture-tourism integrated industry



Global Home of Longevity

International
Aerospace Town

Located in northeastern Hainan Province, Wenchang has a population of about 600,000. It is the site of Wenchang Satellite Launch Center in Hainan. Qinglan Port is a national first-level open port and an important South China Sea-oriented port hub.

Resources

Yueting Industrial Park Zone
Fengjia Bay Modern Fishery Industrial Park
An international satellite launch center
High-end aerospace product R&D and manufacturing base
Aerospace big data development and application base

Investment Highlights

Aerospace science and technology
Aerospace service
Culture and creativity
Financial service
Business service
High-tech manufacturing
Fishery industry
Agricultural and sideline product processing



Wenchang Ding'an

photo by Wang Pinzhao

Located in the northeast of Central Hainan Island and 28 km away from Haikou, Ding'an has the title of “the hometown of traditional Chinese folk art (Hainan opera)”. It is also a development zone of urban agriculture in Hainan, a historic and cultural tourist destination and a regional hub of emerging industries.

Resources

Ding'an Taling Industrial Park
Ding'an Xinzhu Prefabricated Buildings Base
Wenbifeng Pangu Culture Tourism Area
Nanli Lake National Westlake Park
Murui Mountain Tourism Scenic Area
Ding'an Ancient Town

Investment Highlights

New-type food processing
Biological and new medicine
Advanced manufacturing and automation
Prefabricated building



The Hometown of
Hainan Opera

Great Sanya

The Oriental Hawaii

As the only tropical coastal city in China, Sanya owns unique geographic advantages and rich tourism and cultural resources ranging from lakes, rivers, springs and seas to countryside sceneries. It also has a world-class air environment.

Resources

Sanya Yazhou Bay Science and Technology City
Sanya Central Business District
Sanya Internet Information Industry Park
Haitang Bay National Coast Recreation Park
Sanya Phoenix International Airport
Phoenix Island International Cruise Terminal
Transfer base for the introduction of global animal and plant germplasm resources

Investment Highlights

Seed breeding

Ocean technology

Financial services

International exhibition

Health industry

Logistics industry

Education

Cruise & yacht

Tourism

Modern trade






Located on the southeast area of Hainan Island and at 18 degrees north latitude, Lingshui County has a population of 425,000, of whom 56.5% are ethnic minorities, mostly Li people. Lingshui is also among the second batch of National All-for-one Tourism Demonstration Zones.

Resources

Lingshui Li'an International Education Innovation Pilot Zone
Lingshui Qingshui Bay International Information Industrial Park
Hainan Nanping Health Industrial Park
Runda Modern Agriculture Industrial Park

Investment Highlights

Rest areas along the Roundabout Tourist Highway
Sea-wind town industry
Charging & related infrastructure for EVs
Wenluo Modern Logistics Park
Nanwan Monkey Island Leisure Fishery Sea Farm



A Demonstration Zone
for Marine Economy

A Natural Greenhouse


A mountain-side coastal city, Ledong has a land area of 2,766.42 km², 561.21 km² of which is arable land, a sea area of 1,726.8 km², and a coastline of 84.3 km. It is the largest autonomous county with the largest population in Hainan.

Resources

Agricultural Products Processing Industrial Park
Maogong Mountain Tourist Attraction
Daling Ecological Industrial Park
Jianfeng Ridge National Forest Park
Yinggehai Lingang Industrial Park
Yinggehai Salt Field
Ledong Zhongxing ecology smart headquarters

Investment Highlights

Tourism
High-tech industry
Information technology
New energy
Low-carbon economy
Sustainable economy
High-efficiency agriculture with tropical features





Baoting is the southern portal to the central ecological zone of HFTP. With a highway that runs through the entire Hainan Island from the east to the west and the central line, passengers can arrive at Haitang Bay through Shanhai Expressway in 20 minutes and Sanya Phoenix Airport in 60 minutes. Baoting is also known as “China’s Best Cultural and Ecological Tourism Destination”, “National All-for-one Tourism Demonstration Zone”, and “The City (County) with the Ideal Climate for Health in Hainan”.

Resources

Hainan Yanoda Rainforest Cultural Tourism Zone
Hainan Binglanggu Li & Miao Cultural Heritage Park
Qixianling Hot Spring National Forest Park
Shenyu Island Cultural Tourism Zone
The fire-drill technique of Li people
The spinning, dyeing and embroidery technique of Li people

Investment Highlights

Healthcare tourism
International exhibitions
Sports rehabilitation
Service industry
Medical industry
Energy headquarters
Hot spring tourism



Home of Chinese Folk Art

Other Western Regions

Located in the northwestern area of Hainan and neighboring the Beibu Gulf, Danzhou is the economic, transport, communication and cultural center of western Hainan and also a county with the largest land area and the longest coastline in Hainan.

A Central Western City

Resources

- Yangpu Port
- Haihua Island in Hainan
- Danzhou campus of Hainan University
- Chinese Academy of Tropical Agricultural Sciences
- Hainan Movie Academy

Investment Highlights

- International logistics service
- Information technology
- Trade and finance headquarters
- Further processing of agricultural products
- Hydrogen fuel cell vehicle
- New chemicals
- High-end medical devices
- Offshore engineering equipment
- "Internet + culture + innovation + tourism"



Danzhou



Dongfang

photo by Lin Shifang

Located in the southwest of Hainan and with a total population of 444,500, Dongfang has a land area of 2,272 km², a sea area of 1,823 km² and a coastline of 134 km. It is also where Lingang Industrial Park, the Overseas Chinese Economic Zone, the National Nature Reserve for Datian Thamin, the Macaque Ridge Provincial Nature Reserve, and the Provincial Nature Reserve for black-faced spoonbill.

Resources

- Dongfang Lingang Industrial Park
- Basuo Port
- Yulinzhou Tourist Attraction
- A million-mu Ganen Plain
- Daguangba Reservoir
- Overseas Chinese Economic Zone

Investment Highlights

- Tourism Education
- Modern Logistics
- Health Industry
- Energy-saving, eco-friendly and clean energy industry
- Fine chemicals and new materials
- High-end food processing

An International Coastal
Park City Ideal for Living,
Working and Traveling

Hainan's Largest
Marine Fishery Center

Located in the northwest of Hainan Island and with a total area of 1,317 km², Lingao boasts several fine natural ports such as Jinpai, Xinying, Diaolou and Huanglong, which gives it outstanding conditions for mariculture and marine fishing and makes it an important fishery town in Hainan.

Resources

- Lingao Jinpai Port
- New types of the tropical construction industry cluster
- Modern aviation technology industrial park
- Modern tropical fishery and farming demonstration zone
- International coastal cities of leisure experience zone
- Lingao "Red Tourism" resort

Investment Highlights

- Marine fishery
- Cultural tourism
- Agricultural exhibition
- Leisure tourism
- Prefabricated building
- Rural tourism
- Warehouse and logistics
- Air transportation of goods
- Aviation-focused exhibition
- Tourist equipment production
- High-efficiency agriculture with tropical features
- Processing and logistics for agricultural products



Lingao



Changjiang

Located on the west border of Hainan and neighboring the Beibu Gulf, Changjiang County has a total land area of 1,620 km², a sea area of 867 km² and a coastline of 63.7 km. It is composed of 8 towns and has a population of 260,000, about one-third of which is Li in ethnicity.

Resources

- Clean Energy Hi-tech Industrial Park
- Qizi Bay National Marine Park
- Bawang Ridge National Forest Park
- Shilu Iron Mine National Mine Park
- Haiwei National Wetland Park

Investment Highlights

- Recycling economy
- Marine fishery
- Zero carbon manufacture
- Healthcare base
- Resort and health services
- Water theme park
- All-for-one year-round tourism
- Nuclear power modern marine industry
- Processing and logistics of agricultural products
- Nuclear-power-related industries and new materials
- Logistics and processing of modern agricultural products



The Cornucopia of Hainan

Other Eastern Regions

Located on the east coast of Hainan, Qionghai has a total land area of 1,710 km² and a sea area of 1,530.8 km². It has 521,400 permanent residents and 550,000 population living in 28 countries and regions or in Hong Kong, Macao and Taiwan, which gives the city titles such as “a town of culture”, “a hometown for overseas Chinese” and “a town of civilization”.

Resources

Boao International Airport
Boao Forum for Asia International Convention Center
Boao Lecheng International Medical Tourism Pilot Zone
Dalu Agricultural Product Deep Processing Zone
Qionghai National intelligent network connection
National experimental zone for opening-up and cooperation in agriculture

Investment Highlights

Deep processing of agricultural products
Conference and exhibition
Healthcare
Aviation service
High-tech industry
Tourism



Permanent Conference Venue
for Boao Forum for Asia



Qionghai



Wanning used to be called “Wanzhou” in ancient times. It is located on the southeast coast of Hainan Island, with a land area of 1,901 km², a sea area of 2,770 km² and a coastline of 109 km. Wanning is famous as “the home of longevity”, “a world-class surfing resort”, “an areca nut origin in China” and “a town of calligraphy in China”. It was rewarded with the title “a city with a nice investment environment” in 2021.

Resources

Xinlong Health Tourism Industrial Park
Areca-nut Industrial Park
Shimei Bay – Shenzhou Peninsula Tourist Area
Sun Moon Bay Surfing Town
Shanqin Bay Resort
Wuchang Port Economic Zone
Liji New-type Industrial Park
Industrial Aquaculture Park

Investment Highlights

High-efficiency agriculture with tropical features
Energy-saving and eco-friendly industry
Tourism
Marine fishery



A World-Class Surfing Resort
and an Areca Nut Production
Place in China



Wanning



Other Central Regions

An Ethnic Li County with
Beautiful Scenery

Located in the west-central area of Hainan Province at 18 degrees north latitude, Baisha County has a tropical humid monsoon climate with an average annual temperature of 22.7°C. It has a population of 195,000 and a total area of 2,117.2 km² with an 83.47% forest coverage. Its regional development target is known as “three zones, one base and one park”. Three zones: Hainan Township Modernization Demonstration Zone, Hainan FTP Demonstration Zone for Environmental Protection, Central Hainan Ecological and Cultural Tourism Demonstration Zone. One base: Central Hainan Ecological Agriculture Base. One park: Hainan Free Trade Port Central Park.

Resources

Meteor Crater Tea Garden Town
The Beauty Peak Baisha Uprising Relics
Qiongya Team Relics
Jiujia Ridge Hongkan Waterfall
Intangible cultural heritages such as Jinmian double-sided embroidery

Investment Highlights

Sports and culture-related tourism
Modern agriculture
E-commerce
Agricultural and forest product processing



Wuzhishan is located in the south-central area of Hainan Island and is named after the highest mountain on Hainan Island. It is also an inhabited area of ethnic minorities in central Hainan.

Resources

Yahu Terraced Fields
A'tuo Ridge Scenic Area
Wuzhi Mountain National Nature Reserve

Investment Highlights

Tourism + Culture
Tourism + Sports
Tourism + Healthcare
Tourism + Agriculture
Tourism + Education
Biopharmacy Health-related industry
Modern logistics
High-efficiency agriculture in tropical mountains



Emerald Mountain City

Located in the central area of Hainan Island, Qiongzong County is an inland transport hub that bridges the south with the north and the east with the west. It is also in the junction area of Hainan highways. Qiongzong has a total area of 2,704.66 km² and a total population of 214,200.

Resources

Limu Mountain National Forest Park
Baihua Ridge AAAA-level Tourist Attraction
Qiongzong Luqiao International Seafood Industrial Park
Hainan Wanling Agricultural Product Processing and Logistics Park
South China Medicinal Plants Processing and Sightseeing Industrial Park

Investment Highlights

Sports tourism
Industrial-park-based economy
Forest healthcare industry



A Natural Oxygen Bar



photo by Pan Zhiqiang



photo by Xu Kaidi

Located in north-central Hainan, Tunchang is bounded on the east by Ding'an County and Qionghai and neighboring Qiongzong County on the south and Chengmai County on the northwest. Tunchang is also known as “a gateway to Central Hainan” and has an administrative area of 1,224.28 km² and a population of 255,400.

Resources

Jialetan Resort Painting Street
Fengmu Deer Farm Qing'ao Hot Springs
Muse Lake Scenic Area
Black Pig Breeding District
Yangjiao Ridge Crystal Mine Relics
Hainan Xiangshan Industrial Convergence Tourist Area
South China Medical Plant Planting and Production Base
The Fragrant Culture Park of Dreamland Xiangshan (4A Class)

Investment Highlights

Deep and fine processing of agricultural products (Black pig industry)
High-efficiency agriculture with tropical features
South China medical plants industry
Renewable agriculture
Healthcare tourism

A Town of Crystal and
Medical Plants

Business Environment

2022 Investment



Business Environment

Hardware & Software Integrated

- **Software: a better business environment.** Hainan aims to give more convenience to investors, simplify approval and standards of production and operations, improve the business environment for inward investment, lower the threshold for start-ups, improve the quality and efficiency of corporate-related services, and build long-term mechanisms to improve the business environment.
- **Hardware: Hainan Free Trade Port Law**

Registration

- Service is available at the “**e-registration**” online platform and the designated service window.
- **Company registration can be completed in one working day**, in which 0.5 working days are used for enterprise registration and 0.5 are used for employee insurance, housing fund registration, company seal preparation and invoice application.
- All application procedures are **digitized** without requiring hard copies of any materials.

Foreign Investment

- **Adopt the most open measures of foreign investment access in China (the negative list system)** that anchors international standards to facilitate free and convenient investment.
- **The Special Management Measures for Cross-border Service Trade at Hainan Free Trade Port (Negative List) (2021 Edition)** is the first negative list in the field of cross-border service trade in China, highlighting China’s commitment to deepening its opening-up policies.
- Support the establishment of various R&D centers, innovation centers and technical centers by foreign-owned enterprises to motivate the commercialization of global advanced technologies.

Talent Services

- **Measures to Verify High-end Talents in Hainan Free Trade Port** were published to offer guidance for high-end and urgently needed talent qualifications in Hainan Province.
- A “**single window**” for talents is set up to offer convenient services to talents.
- Policies and measures such as Standards of “High-end, Specialized and Urgently Needed” Foreign Talents in Hainan Free Trade Port (2020 – 2024 Trial Edition) and Interim Regulations of Work Permit for Overseas Talents in Hainan are issued to enable “one-stop” approvals for work permits and residence permits of foreigners in Hainan and corresponding service windows are set in key industrial parks.

Transparency

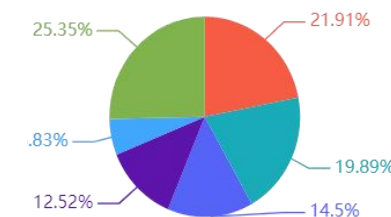
- **Agriculture:** hold conferences to facilitate the sound development of new-type agricultural business entities to revitalize rural economy.
- **Industry:** enable data sharing between the government and enterprises and big data applications, exploring the commercialized operations of data.
- **Tourism:** enable data sharing between the government and enterprises; conduct online and offline quantitative evaluations of tourist service platforms and institutions.

Investment Services

Project Approval

Establish **an online approval & regulation platform for investment projects and construction projects.**

- Categorize project registration into approval-required projects, confirmation-required projects and record-required projects.
- Categorize project application into construction projects (e.g. real estate, private residence, industrial plants, Municipal service roads and bridges) and non-construction projects (e.g. PV power system, land rearrangement, farmland improvement and afforestation)



TOP 3 sectors for investment projects:
Construction, Environment and Public Facilities Management, Real Estate

Credit System

Hainan Corporate Credit Information Publication System:

- Offering reporting, publicity, inquiry and complaint functions for market entities including enterprises, specialized farmers cooperatives and individually-owned businesses.
- Connected to the national individually-owned business development service network and small & micro enterprise list.

Credit Loans

“1+N” Monetary and Credit Policy System:

- Credit structures of financial institutes were adjusted according to the “1 + N” policy. By late October 2021, the budget for various loans in Hainan summed at 1,049.8 billion yuan, a YOY increase of 5.4%.
- The loan budget in industrial parks grew fast. By late October 2021, the total loan budget in 11 key industrial parks (including the enterprises in the parks) in Hainan reached 63.1 billion yuan, up by 28.4% year on year.

Patents

Eligible through the **China Patent Application** website:

- **8,000 yuan/item** rewards for patents authorized in China with an address in Hainan Province;
- 100,000 yuan/item rewards for **GI protection products or products with GI brands**;
- 100,000 yuan/item rewards for **plant variety rights** granted by national authorities and reviewed by the corresponding provincial departments.

Guaranteed Discount Loans for Start-ups

Hainan initiated the Regulations on Guaranteed Discount Loans for Start-Ups (Trial Version) to encourage entrepreneurship and employment.

- Increase the amount limit of guaranteed discount loans to no higher than 300,000 yuan for individuals and no higher than 3 million yuan for small and micro enterprises.
- Remove the counter-guarantee requirement for guaranteed individual start-up loans of 100,000 yuan or below.
- Loans can be applied from a local bank of the start-up program.



投资海南
我们为企业跑

WE RUN FOR YOUR BUSINESS

Hainan Provincial Bureau of International Economic Development is a government agency established by the Hainan Provincial Government on April 11, 2019 and authorized by the Hainan Government to facilitate foreign trade and investment, provide professional services to global enterprises and exhibitions, and establish overseas representative offices. With a working mechanism of "horizontal linkage and vertical coordination", IEDB works with government departments and industrial parks to offer investors professional services and solutions to various difficulties and problems in project implementation, building a one-stop service platform for global investors with superb experience.

Global Investment
Service Hotline

4008-413-413

Email Address

4008413413@investhainan.cn

Official Website

www.investhainan.cn



Contact Hainan is affiliated to Hainan Provincial Department of Commerce, a government department responsible for regulating domestic and foreign trade, global economic and technological cooperation and inward investment in Hainan. As the founder of the website and to facilitate the construction of HFTP, the Department of Commerce established the online investment and talent platform, offering first-class services and efficient management to leading enterprises and talents from across the world in Hainan.



中国国际消费品博览会
CHINA INTERNATIONAL
CONSUMER PRODUCTS EXPO



Hotline

4008-413-413



Host

Ministry of Commerce of People's Republic of China

The People's Government of Hainan Province

Organizer

Trade Development Bureau of the Ministry of Commerce

Hainan Provincial Bureau of International Economic Development



Holding the Hainan Expo is an important action to follow the important instructions made by General Secretary Xi Jinping and the guiding opinions of the central government on deepening the reform and opening up in Hainan in an all-round way, and an important move to implement the Overall Plan for the Construction of Hainan Free Trade Port. It is also an important starting point for building an international tourism consumption center, bringing together quality consumer products resources, optimizing domestic market supply, building a new favored place for opening wider to the world, and raising the international influence of Hainan Free Trade Port.

Investment in Hainan

Regional Contacts

Haikou

Contact person: Luo Wenjuan, Wang Junzhe

Organization: Haikou International
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Ding'an

Contact person: Fu Danzhu
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Lingshui

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Organization: Lingshui
Investment Service Center
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Dongfang

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Organization: Dongfang
Investment Service Center
TEL: 0898-25520880

Qionghai

Contact person: Wu Jin
Organization: Qionghai
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Baisha

Contact person: Wu Jijingzi
Organization: Baisha Investment
and Business Service Center
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Chengmai

Contact person: Liao Mingming
Organization: Chengmai County
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Sanya

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Baoting

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Lingao

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Wanning

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Organization: Wanning
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Wuzhishan

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Wenchang

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Ledong

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Danzhou

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Changjiang

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Tunchang

Contact person: Peng Fei
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Qiongzong

Contact person: Fan Xingyao, Huang Pengyu
Organization: Qiongzong
Investment Promotion Center
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Investment in Hainan

Contacts of Key Industrial Parks

Yangpu Economic Development Zone

Contact persons: Ms. Zeng, Ms. Lin
TEL: 0898-28826502、0898-28810168

Boao Lecheng International Medical Tourism
Pilot Zone

Contact person: Wu Yanping
TEL: 13910068401

Haikou Jiangdong New District

Contact persons: Mr. Cui, Ms. Ran
TEL: 15203656229、13907556178

Haikou National Hi-Tech Industrial
Development Zone

Contact person: Ms. Liu
TEL: 4008-51-8888

Haikou Integrated Bonded Area

Contact persons: Li Ping, Mi Dandan
TEL: 18089818100、13876565321

Sanya Yazhou Bay Science and Technology
City

Contact person: Huang Jiesi
TEL: 18808919810

Sanya Central Business District

Contact person: Li Wanyao
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Wenchang International Aerospace City

Contact persons: Liu Nian, Wu Jinjin
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Lingshui Li'an International Education
Innovation Pilot Zone

Contact person: Zhang Yuechi
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Hainan Resort Software Community

Contact person: Nie Chengtao
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Haikou Fullsing Internet Industrial Park

Contact persons: Mr. Hu, Mr. Wu
TEL: 16680442518、18520240945

Key Hainan Free Trade Port Policies

Guiding Principles

Guiding Opinions on Supporting Hainan for Comprehensively Deepening Reform and Opening-up (the Central Committee of the CPC and the State Council, April 11, 2018)

Master Plan for the Construction of Hainan Free Trade Port (the Central Committee of the CPC and the State Council, June 1, 2020)

Hainan Free Trade Port Law of the People's Republic of China (the Standing Committee of the National People's Congress, June 10, 2021)

Tax Policies

1. Circular about Individual Income Tax Policy for High-End and Urgently Needed Talents at Hainan Free Trade Port (MOF and STA, June 23, 2020)

The individual income tax rate is capped at 15 percent for 'high-end' and 'urgently needed' talents working at the Hainan Free Trade Port.

[\[Supporting Policies\]](#)

Interim Measures of List Management for High-end and Urgently-needed Talents Enjoying Hainan Free Trade Port's Preferential Policies on Personal Income Tax (the Hainan Government, August 26, 2020)

Circular about Implementing Income Tax Preferential Policies for High-end and Urgently-needed Talents at Hainan Free Trade Port (Department of Finance of Hainan Province, etc., December 15, 2020)

2. Circular about Preferential Corporate Income Tax Policy for Hainan Free Trade Port (MOF and STA, June 23, 2020)

Enterprises in encouraged industries and engaging in substantive operations are entitled to Corporate Income Tax at a reduced tax rate of 15 percent.

[\[Supporting Policies\]](#)

Announcement on Preferential Corporate Income Tax Policy for Hainan Free Trade Port (Hainan Provincial Tax Service, July 31, 2020)

Announcement on Preferential Tax Policy for Enterprises in Encouraged Industries and Engaging in Substantive Operations at Hainan Free Trade Port (Hainan Provincial Tax Service, etc., March 5, 2021)

Corporate Income Tax Preferential Catalog for Enterprises Engaging in Tourism, Modern Services and High-tech Industries at Hainan Free Trade Port (MOF and STA, March 18, 2021)

3. Announcement on Offshore Duty-free Shopping Policy in Hainan (MOF, the General Administration of Customs, and STA, June 29, 2020)

Offshore shopper enjoys an annual quota of 100,000 yuan, unlimited times; the number of categories is increased by 7 including consumer electronics; the single tax-free purchase regulation only applies to cosmetics (30 items), cell phones (4 items) and liquor (up to 1,500 ml); all business entities with a tax-free product distribution qualification can equally participate in the offshore duty-free business on Hainan Island.

4. Circular on the "Zero Tariff" Policy of Hainan Free Trade Port for Production Equipment for Self-use Purpose (MOF, the General Administration of Customs, and STA, March 4, 2021)

The production equipment imported for self-use purposes by enterprises registered in Hainan Free Trade Port and having independent legal personality is exempt from duties, import value-added tax and consumption tax, except for the commodities that are not eligible for exemption from taxes as explicitly prescribed in laws, regulations and relevant provisions or whose import is prohibited by national provisions, as well as the equipment listed in the Negative List of Production Equipment for Self-use Purpose Entitled to the "Zero Tariff" Policy of Hainan Free Trade Port attached to the Circular.

[\[Supporting Policies\]](#)

Circular on Adjusting the "Zero Tariff" Policy of Hainan Free Trade Port for Production Equipment for Self-use Purpose (MOF, the General Administration of Customs, and STA, February 14, 2022)

Implementing Measures of the Customs for the "Zero Tariff" Policy for the Production Equipment for Self-use Purposes in Hainan Free Trade Port (Trial Version) (the General Administration of Customs, March 4, 2021)

5. Circular on the "Zero Tariff" Policy of Hainan Free Trade Port for Imported Raw and Materials (MOF, the General Administration of Customs, and STA, November 11, 2020)

A list of 169 items with their 8-digit HS Codes covering agricultural products (e.g. coconuts, etc.), industrial raw materials (e.g. coal and petroleum oil, etc.), chemical raw materials (e.g. xylene, methanol, etc.), preformed-bars for drawing optical fiber, and newly added items such as fresh durian, vinyl chloride, and aircraft parts and components are exempt from duties, import value-added tax and consumption tax.

[\[Supporting Policies\]](#)

Regulatory Rules on the "Zero Tariff" Policy of Hainan Free Trade Port for Imported Raw and Materials (the General Administration of Customs, November 30, 2020)

Circular on Adjusting the "Zero Tariff" Policy of Hainan Free Trade Port for Imported Raw and Materials (MOF, the General Administration of Customs, and STA, December 24, 2021)

Tax Policies

6. Circular on the "Zero Tariff" Policy of Hainan Free Trade Port for Imported Means of Transportation and Yachts (MOF, the General Administration of Customs, and STA, December 25, 2020)

Means of transportation and yachts on the List of "Zero-tariff" Vehicles and Yachts in Hainan Free Trade Port imported by qualified enterprises at the Hainan Free Trade Port are exempt from import duties, import VAT and consumption tax.

[\[Supporting Policies\]](#)

Implementation Measures of the "Zero Tariff" Policy of Hainan Free Trade Port for Imported Means of Transportation and Yachts (Trial Version) (the General Administration of Customs, January 5, 2021)

Circular on Issuing the Regulations on the "Zero Tariff" Policy of Hainan Free Trade Port for Imported Means of Transportation and Yachts (the Hainan Government, December 30, 2020)

Announcement Concerning Issues Related to Confirmation of Enterprises Qualified for Importing Means of Transportation and Yachts Enjoying the "Zero Tariff" Policy of Hainan Free Trade Port (Department of Transport of Hainan Province, February 8, 2021)

Circular on Issuing the Detailed Regulations on Commercial Vehicles Enjoying the "Zero Tariff" Policy of Hainan Free Trade Port (Trial Version) (Department of Transport of Hainan Province, July 26, 2021)

7. Circular on the Tax Rebate Policy at Port of Departure of Hainan Free Trade Port (MOF, the General Administration of Customs, and STA, January 5, 2021)

Cargo containers of goods shipped and declared for export by an eligible export enterprise from a port at the place of shipment (the port of shipment), carried by an eligible transport enterprise, transited through customs directly by waterway or stopping over at a designated port (port of call) and leaving China from Hainan's Yangpu Port (port of departure). The type of tax rebate is a value-added tax.

8. Circular on the Policy of Hainan Free Trade Port on Refueling Domestic Ships with Both Domestic and Foreign Trade Goods on Board with Bonded Oil and Locally Produced Fuel Oil (MOF, the General Administration of Customs, and STA, February 26, 2021)

Domestic ships with both domestic and foreign trade goods on board which transit at Yangpu Port are allowed to refuel with bonded oil required for the voyage, or export tax rebate could be claimed if the ships refuel with locally produced fuel oil for the voyage at Yangpu Port. The tax-free oil required for the voyage refueled with by domestic ships in this article is exempt from duties, value-added tax and consumption tax.

[\[Supporting Policies\]](#)

Circular on Issuing the Interim Measures of Bonded Oil for Ships at Hainan Free Trade Port (the Hainan Government, December 14, 2021)

9. Circular on Policies Concerning the Value Added Tax on Global Transportation Ships at Hainan Free Trade Port (MOF, MOT and STA, September 3, 2020)

Apply the value-added tax rebate policy to domestically built ships registered at Yangpu Port of China and engaged in global transportation and transportation in Hong Kong, Macao and Taiwan.

[\[Supporting Policies\]](#)

Regulations on Value-Added Tax Rebate for Global Transportation Ships (STA, December 2, 2020)

10. Notice on the Favorable Taxation Policies for Import Exhibits Sold during the Exhibition Period of China International Consumer Products Expo (MOF, STA, and the General Administration of Customs, April 26, 2021)

The import exhibits not exceeding the specified upper limit sold during the exhibition period of Hainan Expo are exempt from import duties, import value-added taxes and consumption taxes.

11. Interim Measures of the Customs for the Collection and Administration of the Taxes on the Domestic Sales of Goods with Added Value from Processing in the Yangpu Bonded Port Area (the General Administration of Customs, July 8, 2021)

Goods produced by enterprises engaged in encouraged industries in specific regions (the Yangpu Bonded Port Area, Haikou Comprehensive Bonded Area, and Haikou Airport Comprehensive Bonded Area) that do not contain imported materials and parts or contain imported materials and parts and have the added value from processing more than 30% are exempt from import tariffs when sold outside the area within the territory of China.

[\[Supporting Policies\]](#)

Interim Measures for the Collection and Administration of the Taxes on the Domestic Sales of Goods with Added Value from Processing in the Yangpu Bonded Port Area (Haikou Customs, July 13, 2021)

12. Circular on the Policy of Hainan Free Trade Port on Refueling Flights Entering and Leaving the Island with Bonded Aviation Oil (MOF, the General Administration of Customs, STA, CAAC, July 8, 2021)

Domestic flights entering and leaving Hainan Island are allowed to be refueled with bonded aviation oil at the officially open national aviation ports within the island; such bonded aviation oil is exempt from customs duties, value-added tax and consumption tax; those who voluntarily intend to pay the import-related value-added tax may declare the same during the customs clearance.

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AFTERWORD

The year of 2022 is a crucial year for Hainan Free Trade Port and a key preparation period for independent customs operations across the whole island.

2022 Hainan Free Trade Port Investment Guide (hereinafter referred to as "the guide") aims to display the brand new image of the smooth start and vigorous development of the construction of Hainan Free Trade Port on the basis of *The Hainan Free Trade Port Law*, *the Overall Plan for the Construction of Hainan Free Trade Port*, *the 14th Five Year Plan for National Economic and Social Development of Hainan province* and *the Outline of Long-term Objectives in 2035*, providing guidance for global investors who intend to carry out investment and economic and trade activities in Hainan. The maps used in the guide had been reviewed and approved by Hainan Administration of Surveying Mapping and Geoinformation, Review Number: 琼S (2022) 052.

The guide was jointly prepared by Hainan Provincial Department of Commerce, Hainan Provincial Bureau of International Economic Development and Deloitte. It has received full support from provincial departments, cities and counties and key industrial parks in terms of the collection, updating and verification of materials and data. All materials and data used in this guide are up to March 2022 and have been officially provided by provincial departments, cities and counties and key parks or obtained through public channels. Here, We would like to thank all relevant departments for their efforts and the translation support provided by CTIS.

The guide publishes in bilingual form (Chinese and English) which elaborates the three dimensions of "a Glimpse of Hainan", "investment in Hainan" and "Business Environment". It provides one-stop investment information for global investors. Global investors are welcome to read, share and put forward valuable opinions and suggestions.

