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**Circular of the General Office of Chongqing Municipal People's
Government on the Printing and Issuance of the Industrial Development
Plan for China (Chongqing) Pilot Free Trade Zone (2018-2020)**

The people's governments of all districts / counties (autonomous counties),
departments of the municipal government, and relevant organizations:

With approval of the municipal government, the Industrial Development Plan
for China (Chongqing) Pilot Free Trade Zone (2018-2020) has been printed and
is hereby issued to you. Please implement the plan diligently.

The General Office of Chongqing Municipal People's Government

March 23, 2018

(This document is for public release.)

Industrial Development Plan for China (Chongqing) Pilot Free Trade Zone

(2018-2020)

This Plan has been formulated pursuant to the Circular of the State Council on the Printing and Issuance of the General Plan for China (Chongqing) Pilot Free Trade Zone (Guo-Fa-[2017] No. 19, hereinafter referred to as the "General Plan") and the Outlines of the Thirteenth Five-Year Development Plan for Chongqing Municipal National Economic and Social Development (Yu-Fu-Fa [2017] No. 6) in order to comprehensively promote the construction of China (Chongqing) Pilot Free Trade Zone (hereinafter "Chongqing Pilot Free Trade Zone")

I. Background to the Plan

The Chongqing Pilot Free Trade Zone covers an area of 119.98 square kilometers (including 66.29 square kilometers located in the Liangjiang District, 22.81 square kilometers in the Xiyong District, and 30.38 square meters in the Guoyuan Harbor District), featured with a relatively large economic scale and considerable industrial variety. A cluster of industries and enterprises has taken shape, primarily engaging in trade, logistics, finance and high-end manufacturing. All this means it has a solid foundation for industrial development.

(I) The multimodal transportation system functions remarkably.

The three major regional hubs of communications, i.e., airports, harbors and railways, are undergoing continuous improvement in their functions, with the multimodal transportation system becoming increasingly sophisticated. In 2011, the China-Europe Railway (Chongqing) was put into operation. As of end-2017, 1573 runs of trains had been achieved, 12 major overseas distribution points had been established, and more than 40 cities along the line had been covered. The railway has entered a period of normalized operation. On September 25, 2017, the "Chongqing-Guizhou-Guangxi-Singapore" southbound transportation corridor combining railways and ocean shipping commenced normalized operation, opening an international railway-shipping system connecting Chongqing with Southeast Asia and Europe. The special railway for entering the Guoyuan Harbor has been put in full operation. The construction of the east-ring railway is speeding up. The Guoyuan Harbor's third-generation modern inland river harbor and the state-level integrated hub with a multimodal system combining railway, highway, river, and air transportation has basically taken shape.

(II) The trade logistics sector grows vigorously

Chongqing Pilot Free Trade Zone has become a major gather place for cold-chain

logistics, urban logistics, bonded warehousing (distribution & delivery), international trade and transit trade enterprises, with the scale of its export-oriented economy expanding year-to-year. In 2017, the Lianglu-Cuntan Bonded Port and the Xiyong Comprehensive Bonded Area achieved an import & export volume of RMB260.19 billion, accounting for 57.7% of the city's total. The vehicles imported via Chongqing's railway ports numbered 3228 units, taking the lead in inland ports for vehicles. The river, railway, air and other ports are functioning effectively, and various kinds of functional organizations and market players primarily engaging in export-oriented economic businesses are speeding up their concentration. The trade logistics sector is showing a trend of rapid development.

(III) The concentration of industrial clusters is accelerating.

The Lianglu-Cuntan Bonded Port Area, Xiyong Comprehensive Bonded Area, Chongqing High-tech Area and other open platforms are speeding their transformation and upgrading to high-end manufacturing and emerging industries, having developed the two 10 billion-level industrial clusters of electronic information and automobiles, as well as biomedicine, smart devices and other advantageous industrial clusters. They are playing an increasingly strong role in leading and affecting the city's industrial development.

In 2017, the industrial added value of enterprises above the designated size in Liangjiang New Area recorded RMB103.77 billion, representing a growth of 6.3%. The total industrial output value of enterprises above the designated size in Xiyong Comprehensive Bonded Area recorded RMB154.17, representing a growth of 26.9%. The total industrial output value of enterprises above the designated size in Chongqing High-tech Zone recorded RMB43.58 billion, representing a growth of 26.5%.

(IV) Financial services undergo accelerated improvement

The financial system is relatively sophisticated and contains all the factors required. The banking, securities, insurance and other traditional financial institutions are widely distributed. The production elements market, financing guarantee companies and other new-type financial institutions are developing rapidly. The quantity of foreign-funded financial institutions undergoes continuous growth. All this means it has solid development foundation in the areas of financial opening and innovation, e.g., improving cross-border financial settlement services, conducting cross-border bi-directional investment and financing, and strengthening financial service functions.

(V) New business formats and new models are constantly springing up

The market players have strong autonomy and capabilities for innovation, and there is a good atmosphere for conducting unprecedented experiments in the industry. New

business formats are growing rapidly, including bonded show trading, cross-border e-commerce, service outsourcing, professional services, cultural creativity, tourism MICE, financing leasing, data services and social services. Policy resources and advantages are fully utilized, creating sound atmosphere for expanding new business formats and exploring new models.

(VI) Good foundations exist for opening up

On the strength of its complete port system combining river, railway and air transportation facilities, it has the hardware conditions for connecting international and domestic markets, and providing logistics and relevant services.

State-level new areas, comprehensive experimental reform areas, bonded port areas, comprehensive bonded areas and other areas under special customs regulation have laid solid foundation for the pilot free trade zone's opening up. The regulatory models and processes of the customs, inspection & quarantine and foreign exchange control are continuously being optimized. A business environment featured with investment liberalization and facilitation, trade facilitation, financial service modernization and settlement facilitation is undergoing continuous improvement.

II. Industrial Development Objectives and Directions

Priority will be given to implementing the location distribution and major tasks set forth in the General Plan, with an effort to build a high-level and high-standard free trade zone featured with investment and trade facilitation, high-end industrial clustering, regulatory efficiency and convenience, complete financial services, standard business environment and remarkable leading role with 3-years reform experiments.

(I) Development objectives

The overall objective is to basically complete the building of "one hub, three centers, and one base". "One Hub" means an inland hub for international logistics centering on multi-modal transportations. "Three Centers" means an international trading center based on goods trading, an important domestic functional financial center featured with financial settlement facilitation, and an operational center for modern services aiming for interconnection. "One Base" means a major national base for the modern manufacturing industry supported by scientific innovation.

1. Growth of investment and trade

The aggregation of foreign investment has yielded significant results, with the average annual amount of introduced foreign investment being more than US\$8billion,

accounting for more than 85% of the city's total amount of utilized foreign investment, and with the multinational corporations in residence exceeding 300. Efforts will be made to basically build a trading center, promote the stable development of general trade and processing trade, make tremendous progress in headquarters trade and transit trade, maximize the strength of services trade, and energetically develop new trade formats. The average annual growth of import and export will be maintained at 10%, and the average annual growth of services trade will be greater than 20%.

2. The development of logistics gains momentum. The functions of the ports combining river, highway and air transportations will be further improved, and the construction of the comprehensive reform experiment zone for Chongqing's inspection and quarantine will be fully advanced.

Efforts will be made to build a gathering area for comprehensive logistics headquarters, and make overall arrangements for regional logistics distribution centers in countries and regions along the China-Europe Railway (Chongqing) Line. The express liner services with "five specified rules" from Chongqing to Shanghai will be optimized and improved. Railway-ocean shipping combination transportation and cross-border highway transportation will be carried out on the strength of the "Chongqing-Guizhou-Guangxi-Singapore" southward transportation corridor combining railway and ocean shipping as well as the Chongqing-ASEAN highway freight lorries with "five specified rules in order to make a great success of southward international trade.

The shared data standardization for international trade "single-window" will be promoted, and the regulatory and customs clearance processes will be optimized.

With great efforts made, by 2020, international container throughput will reach 700,000 TEU, international and regional airlines will exceed 100, the annual throughput of air goods and mails will reach 1 million tons, and the international logistics trade will record RMB95 billion.

3. Improvement of financial services

Efforts will be made for the additional establishment of 10 legal-person financial institutions in the banking industry, municipal-level branches and functional headquarters, 20 securities, futures, legal-person funds and municipal-level branches, and 10 legal-person insurers, functional headquarters and municipal-level branches, including 10 new foreign-funded financial institutions and financial institutions with foreign participation.

By 2020, the number of various kinds of financial institutions will reach 1,300, basically forming a complete financial institution system.

The total amount of various financial settlements will reach RMB5 trillion (including offshore settlement, cross-border RMB settlement, multinational headquarters' settlement, cross-border e-commerce settlement, financial factor market settlement), and significant progress will be made in the construction of major domestic functional financial centers.

4. Service Upgrading

Efforts will be made to expand the opening up of the service industry, optimize the development environment for the service industry, extend the manufacturing-oriented service industry to the areas of professionalism and the higher end of the value chain, and transform the life-oriented service industry to the level of refinement and high quality.

A standard system for the manufacturing-oriented service industry with international integration will be established, and the internationalization level will be raised. A new model will be proactively explored with respect to the cooperation for the service business cooperation between Chongqing and the countries/region along the "One Belt and One Road" and the regions along the Yangtze River Economic Belt.

The market access will be expanded for social capital, and a negative list system for market access will be implemented for the service industry.

Efforts will be made to vigorously develop the emerging financial service industry, offshore service outsourcing, massive health services industry, international logistics and urban & rural distribution, the Internet, cloud computing, big data and other industries.

By 2020, the added value of the modern service industry will account for more than 60% of the service industry, and a group of emerging service business gathering area and industrial clusters with unique features, diverse formats and complete functions will take shape.

5. Aggregation of high-end industries

Introduce and cultivate integrated circuits, new display, robot and smart devices, new materials, energy-saving & environmental protection, biomedicine, new energy vehicles and smart cars, high-end transportation equipment and other emerging industry clusters. The sales revenue for the emerging industries will achieve a breakthrough of RMB500 billion by 2020 with great efforts made.

A professional service system focusing on R&D services, industrial design, brand marketing and business consulting will be full established. More than 80 R&D institutions will be introduced from or jointly built with foreign (overseas) partners, as

well as more than 10 R&D institutions well-known in China.

It is also aimed to build 2 national-level and 15 municipal-level industrial design centers, to introduce a group of internationally-famous accounting, auditing, legal, rating and other intermediary service institutions, and to create a business consulting service industry cluster.

(II) Development directions

1. Focus on industrial development. Close attention will be paid to combining concentrated industrial development and business format innovation, and equal priority will be given to additional business introduction and existing business upgrading.

The effect of industrial concentration will be leveraged, and emphasis will be placed on extension of the work division in the industrial chain and business format innovation, with the leading role of innovation to be played.

Institutional innovation will be relied on to concentrate additional emerging industries and promote the transformation and upgrading of existing traditional industries.

2. Concentration of market players.

Emphasis will be placed on the combination of the headquarters economy and platform economy, with equal attention to be given to foreign-funded and domestic enterprises. Efforts will be made to attract the concentration of various headquarters-type functional institutions from home and abroad in order to leverage the leading and driving effect of the headquarters economy.

Bulk commodity trading, bonded show trading, cross-border e-commerce and other various functional platforms will be built in order to leverage the resource integration effect of the platform economy.

Opening up to the outside world will be expanded to attract high-quality foreign funds.

The vitality of domestic enterprise development will be stimulated by creating new platforms for domestic enterprises to go out and expand global business.

3. Expand industrial functions

The upgrading of goods trade and expansion of service trade will be combined, and the upgrading of export trade will be driven through industrial upgrading in order to strengthen import functions and transit trade functions and improve its

competitiveness in service trade.

Equal emphasis will be placed on the innovation of onshore business and the development of offshore business, with offshore service functions integrated into the global value chain to be created and focus to be put on the interaction between onshore and offshore businesses in order to serve the transformation and upgrading of the real economy.

4. Development of driving effect

The extension of the industrial chain and function concentration & coverage will be combined. Proactive efforts will be made to integrate into the "One Belt and One Road" initiative and the development of the Yangtze Economic Belt, take a leading and driving role in opening up, and achieve industrial concentration, transformation and upgrading as well as the interactive development of domestic and overseas businesses.

III. Positioning of Industrial Development and Development Priorities

Based on the development foundation and location conditions, Chongqing Pilot Free Trade Zone will give priority to developing the seven major industrial clusters, i.e., advanced manufacturing, modern logistics, international commerce & trade, financial services, professional services, information services and cultural tourism, as well as the concentration of the headquarters industry and emerging industries.

(I) Advanced manufacturing industry clustering

Clustered and intelligent development will be taken as the basic approach for expanding the existing industries, cultivating new industries and creating emerging industrial centers represented by high-end manufacturing industry, with priority given to the development of robots and smart devices, high-end transportation equipment, integrated circuits, new-type display, biomedicine, new energy vehicles, smart cars and other industries.

1. Robots and smart devices. With respect to industrial robots, service robots and other whole-set products and system integration, priority will be given to introducing the production technology for decelerators servo motors, controllers and other key components, build a robot inspection & assessment system, develop high-precision gear-cutting machines, fast precision punching machines, high-speed placement equipment and other whole-set tool machine products, with the emphasis to be placed on overcoming the technical bottlenecks in the R&D and production of motor spindles, tooling, numerical-controlled systems and other functional components and key application software. Support will be given to building the smart manufacturing systems that run through the whole production process and the product life cycle, and

promoting the construction of smart plants, workshops and production units.

2. High-end transportation equipment. It is aimed to promote the industrialization of light helicopters and general-purpose aircraft, and create aircraft engines, flight control system, aviation materials and other advantageous key components and materials manufacturing industry. It is also aimed to leverage the advantages in R&D, design and manufacturing of straddle-type single track vehicles, build brands, expand market shares, develop municipal (suburban) rail cars, heavy railway wagons and urban tram products, in order to meet needs in various fields. In addition, it is aimed to develop the manufacturing capabilities for lightweight bodyworks, electric drive systems, communication information systems, high-performance bogies, gear boxes and other key components to improve the ability to provide auxiliary items.

3. Integrated circuits. The overall plan for a full industrial chain for integrated circuits will be implemented, covering the process of "chip design-chip manufacturing - packaging & testing - equipment and materials". Support will be given to enterprises in the R&D of the general-purpose chips used for mobile intelligent terminals, Internet of Things, and smart wearable equipment, as well as the application chips required for smart cards, smart grids, intelligent transportation and satellite navigation. Enterprises will be encouraged to improve their R&D and production capabilities for Gallium Nitride and other third-generation semi-conductor materials independently or through external cooperation.

4. New displays. Efforts will be made to accelerate the promotion of active matrix organic light emitting diode (AMOLED) panels, glass substrates, polarizers and other projects, and to introduce high-generation panel manufacturers and supporting enterprises for color filters, liquid crystals, magnetron sputtering, coating and other key raw materials and equipment, in order to build a new display industry system with complete product dimensions, comprehensive technical coverage and full supporting systems.

5. Biomedicine. Efforts will be made to develop high-value-added pharmaceutical varieties against cancers, cardio-cerebral vascular and autoimmune diseases, mental diseases and other diseases, to develop and manufacture high-end medical devices including surgical power devices, ultrasonic diagnostic equipment, blood purification equipment and proton heavy ion radiation therapy equipment, to develop cell preparations, genetic testing services and other new treatment and service formats, and to promote the construction of national bio-industry bases.

6. New energy vehicles and smart cars. The emphasis will be placed on making breakthroughs in core technologies in batteries, motors and electrical controls required for pure electric vehicles and plug-in hybrid vehicles, and the "Internet Plus" technology will be fully utilized to promote the evolution of traditional vehicles to assisted driving, semi-automated driving, highly automated driving, automated

driving and other intelligent products, and to build a leading domestic industrial base for new energy and smart cars.

7. Intelligent terminal. The emphasis will be placed on the introduction and cultivation of glass covers, fingerprint identification, machine body materials, cameras and other important parts and components, continuing to improve the availability of local supply. Efforts will be intensified to cultivate the capabilities for product appearance design, user interface design and others, establish a sound support system for prototype testing, safety capability analysis, communication quality testing and user experience, and enable existing enterprises to improve product quality. Great efforts will be made to introduce another 3-5 first-line international brand companies. Based on the national program, proactive efforts will be made to participate in the R&D, testing and pilot commercial use of 5th-generation mobile communications (5G) to seize the decisive opportunities for development.

(II) Modern logistics industry clustering.

The role of Chongqing as an important strategic fulcrum in the development of the western region as well as the connection between the "One Belt and One Road" and the Yangtze River Economic Belt will be brought into play, achieving interactive development with the construction of the inland international logistics distribution center. An international logistics transportation system covering the multimodal system of railway, highway, river and air transportations will be built to improve its international transit logistics capabilities. The development of logistics scale, intensification, specialization, informatization and intelligence will be promoted. Priority will be given to the development of comprehensive port logistics, full-process logistics, specialized logistics, green warehousing and other services, making the logistics industry develop in the direction of advanced technology, convenience & efficiency and cost-effective scalability.

1. International transit logistics.

Priority will be given to the development of less-than-carload, bulk, integrated, batch, simple processing and other cargo collection delivery modes, to carry out import distribution, export LCL, multi-country LCL, delayed transshipment, bulk commodity processing and storage, futures delivery and other businesses, to engage in international transit consolidation services, and to construct an inland international transit collection center.

2. Multimodal logistics.

Efforts will be made to enhance the integrated logistics functions of Chongqing Pilot Free Trade Zone's Warehousing and Logistics Park for storage, distribution, transit and transactions, promote the construction of the logistics networks combining inland

shipping and aviation, railway and road transports, and carry out storage, loading/unloading, handling, packaging, processing, distribution and other multimodal logistics businesses, in order to build logistics distribution centers, logistics public information platforms and airline express delivery centers, and to create a logistics industry chain for Lingang Port.

3. Full-process logistics.

A group of full-process logistics companies will be cultivated for automobile, pharmaceutical, chemical, equipment, electronic information, rail transportation and other industries. Full-scale and comprehensive services and management in the areas of transportation, warehousing, distribution, customs declaration and information will be provided based on the goods flow size, direction and time between suppliers, manufacturers, sellers and consumers, enabling manufacturing enterprises to achieve "zero inventory", "just-in-time" and "customized" production. Financial innovation for logistics enterprises will be promoted in order to carry out collection & payment, movable asset pledge, warehouse receipts pledge and other logistics financial services by relying on the full-process goods supervision approaches.

4. Specialized logistics and green warehousing.

The information and intelligence level in the logistics industry will be improved by relying on big data, cloud computing, Internet of Things and other advanced information technologies. Traditional warehousing, transportation, international freight forwarding and express delivery companies will be guided in adopting modern logistics management concepts and technical equipment to enhance the specialized and lean service capabilities of logistics companies. The scientific and intensive utilization of warehousing will be enhanced in order to maximize the use of warehousing resources and reduce storage costs.

(III) International business industry clustering

Efforts will be made to gather new trade formats and new models by relying on open platform resources, accelerate the development of trade in goods, proactively expand service trade, promote the interaction between import, export, re-export and headquarters trade, and strengthen trade operation control functions and transaction settlement functions.

1. Trade in goods.

Efforts will be made to build a technological innovation system with enterprises playing a leading role, oriented towards the market and combining industry, university, research and trade, through institutional innovation and trade facilitation, accelerate the construction of a comprehensive pilot reform zone for inspection and

quarantine in Chongqing, establish the standards for "Chongqing-made" products and a quality intelligent supervision system for export goods, and encourage enterprises located in the zone to adopt internationally advanced quality standards to increase the added value of their products and achieve the transformation and upgrading of the trade in goods.

2. Service trade.

Bonded display trading business will be expanded through key business districts, motivating the development of the surrounding industrial chains. The public services platform for cross-border e-commerce will be improved for good performance of electronic payment, electronic authentication, content service, Internet finance and other supporting services. Efforts will be made to build a globally oriented industrial chain by relying on big data, and to promote the development of such industries as information technology outsourcing, business process outsourcing, knowledge process outsourcing and offshore service outsourcing (biomedicine, software information, management consulting, business services and construction services).

3. Bulk commodity trading.

New varieties of goods for trading will be developed by relying on China-Europe Railway (Chongqing), and bulk commodity trading platforms will be built for agricultural products, import and export auto parts & components, energy and raw materials.

4. Headquarters trade and re-export trade.

Trade integrators will be introduced to set up regional headquarters, settlement functions will be improved, and support will be given to the building of an integrated service platform for headquarters trading companies and re-export trade enterprises, in order to foster and establish a group of building bases for headquarters trade and re-export trade that are operated in a standardized and market-based manner.

(IV) Financial services industry clustering

Efforts will be made to promote the development of the real economy and facilitation of investment and trade, and carry forward financial reforms and innovation. Efforts will also be made to promote the agglomeration of financial markets and financial institutions centered on cross-border transactions, promote innovation in financial services and financial products, and focus on enhancing financial service functions.

1. Cross-border financial services.

Priority will be given to the development of cross-border RMB settlement,

multinationals' centralized operations in foreign and domestic currency funds, cross-border e-commerce settlement, offshore settlement and other businesses. To the extent of controllable risks, financial institutions will be encouraged to continuously optimize, improve and innovate cross-border settlement financial services. Securities brokers, insurers and futures operating agencies will be motivated to carry out cross-border securities, insurance, reinsurance and offshore futures businesses in accordance with the relevant regulations.

2. International factor markets

Chongqing Pilot Free Trade Zone will be encouraged to carry out two-way RMB financing with overseas partners, and actively explore cross-border investment in financial markets. Efforts will be made to explore and promote the establishment of various factor markets and functional platforms for international investors by relying on the financial opening and innovation measures in accordance with national regulations. Support will be given to insurance asset registration and trading platforms, oil and gas trading centers, Chongqing Financial Asset Exchange and other trading platforms to explore and launch services and products for international investors and offshore investors.

3. Specialized finance.

Emphasis will be placed on the development of shipping finance based on over-the-counter transactions including ship financing, shipping insurance (shipping & cargo insurance) and shipping derivatives, and the development of trade finance based on trade credit, credit guarantee, risk management and financial management services, as well as the development of Internet finance based on payment & settlement, financing, wealth management and insurance services.

4. Financial institution system.

Financial institutions of different levels, functions and types will be introduced to establish their presence in the zone. Private capital and foreign capital will be guided and supported to promote or participate in the establishment of financial institutions. Securities institutions will be encouraged to establish branches or specialized subsidiaries in accordance with the laws. Support will be given to establishment of domestic or foreign-funded reinsurance, foreign-funded health insurance, international multimodal logistics specialty insurance and other new insurance organizations as well as insurance brokers, insurance agents and other professional insurance service agencies. Financial leasing companies and finance leasing companies will be supported to set up specialized subsidiaries and build financial leasing cross-border asset trading platforms. Multinational capital management centers will be agglomerated, assets and wealth management companies will be developed, and asset management capabilities will be expanded.

(V) Specialized services industry clustering

Emphasis will be placed on improving the level of professional service development, helping promote the development of Chongqing's service trade, and enhancing the driving effect of agglomeration.

1. Intermediary services.

Efforts will be made to develop accounting audit, asset assessment, lawyer services, credit investigation, tourism, talent agency, engineering design, construction, testing and other service businesses. Sino-foreign cooperation in the legal profession will be strengthened, and a joint venture model between Chinese and foreign law firms will be explored. Foreign capital credit investigation companies will be motivated to accelerate the establishment of their presence in the city. Foreign talents intermediary agencies will be introduced to strengthen talent information network, reference, recruitment, evaluation and other services. Foreign enterprises will be encouraged to participate in engineering design and construction in various forms including sole proprietorship or joint venture. Product inspection & quarantine and testing services by third parties will be developed, and the opening of product certification services will be promoted.

2. Social services.

International high-end medical brands will be introduced, and foreign companies will be encouraged to invest in specialist clinics that are in urgent need in China (e.g., rehabilitation, oncology and hemodialysis). Pilot projects will be carried out for the establishment of foreign-funded specialized health insurance companies. The advantages of the bonded areas will be utilized to develop the display transactions of import & export pharmaceuticals, medical devices, high-end testing equipment and other health service products. Foreign high-quality education & training brands will be introduced, cooperative education & training and vocational skills training institutions will be developed, and Chinese-foreign joint operation of schools will be encouraged. In addition, internationally renowned education institutions will be introduced to establish international schools for the children of foreign nationals. The innovation and entrepreneurship service system will be improved, and entrepreneurship counseling, information consultation, technical support, financing guarantees, results trading, inspection & certification and other public services will be vigorously developed.

4. R&D design.

Well-known independent R&D and design institutions will be introduced from home and abroad, and support will be given to various innovative entities and R&D

institutions. The opening and sharing of large-scale scientific equipment and R&D public service platforms will be promoted, and the efficiency of the use of scientific research resources will be improved. Regional joint R&D and supporting collaboration platforms will be established to improve equipment design, manufacturing and integration capabilities. Universities and research institutes in various regions will be encouraged to create innovation and entrepreneurship platforms and develop new business startup incubators.

(VI) Information service industry clustering

The in-depth integrative development of information technology and emerging service industries will be promoted. With the Liangjiang International Cloud Computing Industrial Park and the software service base playing a key role, efforts will be made to develop the Internet, cloud computing and the big data industry, vigorously develop new models and new business formats based on the Internet, and expand the industrial chain for value-added big data services, in order to form a cloud computing industry chain serving the whole world.

1. The Internet industry.

Priority will be given to the development of mobile payment, location service, smart application, virtual reality and other new-type Internet operation services. Support will be given to the introduction of Internet technology service platforms serving digital marketing, Internet finance, e-commerce, game animation, artificial intelligence and other areas. Efforts will be made for the innovation and development of new-type Internet service models for medical care, health, education, pension, social security and other public service areas.

2. The cloud computing industry.

Priority will be given to cloud platforms, cloud software, cloud services, cloud terminals and other cloud computing industry chains. Support will be given to the introduction of Internet content management, national data disaster recovery backup centers, and other Internet storage projects. Support will also be given to the development of information consulting, information system integration and system operation and maintenance industries serving cloud computing in order to enhance cloud computing system integration capabilities. Third-party agencies will be introduced and cultivated to carry out evaluation and assessment of cloud computing service quality, credibility and network security.

3. The big data industry.

The construction of the Chongqing National Big Data Comprehensive Experimental Zone will be further promoted, and the integration and application of the city's social

public information resources will be driven forward. Support will be given to making technological breakthroughs in mass data collection, storage, cleansing, analysis & mining, visualization and other areas. Industrial enterprises will be encouraged to integrate their data resources, carry out personalized customization, crowdsourcing design, traceability of the entire industry chain and other businesses, and promote the standardization of data opening & sharing, circulation, security, quality and other areas.

(VII) Cultural tourism industry clustering

The development of foreign cultural trade will be accelerated and cultural industries will be cultivated, with the goal of establishing an internationally renowned tourist destination, enriching and expanding tourism business formats, and promoting the cross-border interactive development of the tourism industry.

1. The cultural industry.

The development of foreign cultural trade will be accelerated and support will be given to the performance of exhibitions, auctions, transactions and other businesses for bonded cultural art works that are global oriented as well as the performance of cultural product warehousing, equipment leasing, product display, intermediary services & outsourcing, derivatives and other services. Energetic efforts will be made to develop culture & arts, broadcasting, film & television, press & publications, digital publishing, animation games and other cultural industries that carry the core values of Chinese culture, and actively promote the export of cultural services.

2. The tourism industry.

Efforts will be made to accelerate the cultivation of urban tourism, industry, commerce & trade, culture, leisure & entertainment and other tourism businesses and promote the cross-border integrative development of tourism & culture, industry, commerce, aviation, medical care, education and other industries, with the objective of creating a group of tourism business concentration places, adjusting the city's tourism industry structure and promoting the transformation and upgrading of its tourism industry. The city will promote cooperation in regional tourism, actively participate in tourism cooperation along the "One Belt and One Road" and the Yangtze River Economic Belt, and strengthen tourism cooperation with the countries and regions along the China-Europe Railway (Chongqing) Line and other foreign friendship cities. It will explore the potentials for establishing Sino-foreign joint venture travel agencies and wholly foreign-owned travel agencies, and encourage Sino-foreign joint venture travel agencies to carry out pilot outbound travel services.

IV. Functional positioning and industrial layout for various areas

(I) The Liangjiang Area (including the Liangjiang Pilot Free Trade Zone's direct management areas, and the 4 functional areas, i.e., Jiangbei, Yubei & Beibei Area, Yuzhong Area, Nan'an Area and Jiulongpo Area)

1. Functional positioning

The city will focus its efforts on creating the cluster regions for high-end industries and high-end factors, with emphasis placed on the development of high-end equipment, electronic core elements, cloud computing, biomedical and other emerging industries as well as headquarters trade, service trade, e-commerce, bonded display transactions, warehousing distribution, professional services, financial leasing, R&D and design, and other modern service industries, promote the openness and innovation of the financial industry, accelerate the implementation of innovation-driven development strategies, and enhance the aggregating and influencing capabilities for logistics, technologies, capital, talent and other factor resources.

2. Industrial layout

(1) The Liangjiang Pilot Free Trade Zone's direct management areas and Jiangbei, Yubei and Beibei areas, divided into five groups.

The Yuelai-Xiantao-Shuitu Emerging Industry Cluster: It will focus on the development of information service industries including the Internet, cloud computing, and big data; financial service industries including inclusive finance, consumer finance, cross-border finance and funds; professional services industries including supply chain management, R&D and design, intermediary services, international exhibitions, cultural transactions and medical education; and advanced manufacturing industries including intelligent manufacturing equipment and artificial intelligence.

(2) The Airport Cluster: It will focus on the development of modern logistics industries including international transit and professional logistics; international commerce & trade industries including processing trade, transit trade, specialized markets, and bonded display trade; advanced manufacturing industries including high-end transportation equipment and electronic core components; professional services industries including testing & certification, medical care, education and intermediary services; and aviation & financial services featured with aircraft leasing, aviation materials leasing, commercial factoring and cross-border settlement.

The Jinshan-Shuigang Cluster: It will focus on the development of bonded display transactions, headquarters trade, transit trade, specialized markets, cross-border e-commerce, bonded cultural trade and other industries.

The Zhaomushan Service Trade and Scientific & Technological Innovation Cluster: It

will focus on the development of headquarters trade, cross-border e-commerce, commodity trading centers and other international commerce & trade industries, intermediary services, as well as R&D innovation and other professional service industries, and the construction of building-based headquarters economy concentration area and regional finance, science & technology and business centers.

The Jiangbeizui Finance Cluster: It will focus on the development of the financial services industry and the layout of financial headquarters and factor markets, and strive to build it into a core area of a functional financial center in China.

(2) The Yuzhong Area.

It will focus on the development of the headquarters economy as well as modern financial services, high-end commerce & trade, professional services, cultural tourism, health & medical care and other service industries, and strive to build itself into Chongqing's headquarters concentration area, financial institution concentration area and modern service industry center.

(3) The Nan'an Area.

It will focus on the development of the headquarters economy, river-side business, financial services, information services and cultural tourism industry.

(4) The Jiulongpo Area.

It will focus on the development of technological innovation services, high-tech services, cultural and artistic creativity, high-end business and advanced manufacturing industry.

(II) The Xiyong Area (including the 2 functional areas, i.e., the Xiyong Comprehensive Bonded Area and the Western Logistics Park)

1. Functional positioning.

Leveraging the advantages of land-based international logistics hubs and business concentration areas, and relying on China-Europe Railway (Chongqing), "Chongqing-Guizhou-Guangxi-Singapore) southward transportation corridor combining railways and ocean shipping, ring railways and high-speed rail hubs, it will explore the new development model of "industry chain + logistics chain" for inland processing trade, and focus on creating a demonstration zone for the transformation and upgrading of processing trade and a land-based international transportation hub.

2. Industrial layout.

The Xiyong Comprehensive Bonded Area will focus on the development of advanced manufacturing industries including electronic core components and intelligent equipment, as well as modern service industries including bonded goods display transactions, cross-border e-commerce and cross-border settlement.

The Western Logistics Park will, by leveraging the advantages of the inland international railway logistics hub, focus on the development of modern logistics and logistics finance industries, make energetic efforts to develop supply chain finance and other specialized finance sectors, and enlarge and strengthen headquarters trade and transit trade.

(III) The Guoyuan Port Area (including 2 functional areas, i.e., Guoyuang Port and Longsheng)

1. Functional positioning

It will, by highlighting its status of the central hub of the Yangtze River's upper reaches, leveraging its advantages in the river port area distribution, integrating with the Yangtze River Economic belt, give priority to the layout of shipping & logistics, international trade, financial leasing, consolidation & distribution and other modern services industries as well as large-scale equipment and other advanced manufacturing industries in Lingang, and focus on the development of multimodal transport and high-end manufacturing, and building a modern and dynamic port of navigable inland waterways in China.

2. Industrial layout

The Guoyuan Port Logistics Cluster: It will focus on the development of modern logistics based on port logistics and multimodal transport logistics, extending the shipping service industry chain including ship management, shipping agency, shipping brokerage and shipping finance, and will make great efforts to develop service trade based on finance leasing, service outsourcing and cross-border e-commerce by relying on the port functions.

The Longsheng High-end Industry Cluster: It will focus on the development of high-end transportation equipment, new energy and smart cars and other advanced manufacturing industries, as well as R&D and design, inspection & testing, information services, personnel training and other productive service industries.

V. Supportive Measures

(I) Improve the working mechanism

The two-level management systems at municipal and district levels will be improved

to clarify the division of responsibilities and decision-making authority of the management agencies. In promoting the industrial development, the overall guiding role of the Chongqing Pilot Free Trade Zone's work leading group office will be highlighted and the leading role of various areas' administrative offices will be brought into full play. The synergies between the special working groups of Chongqing Pilot Free Trade Zone's Leading Group and the various areas' administrative offices will be strengthened in order to promptly resolve major issues encountered in project layout and industrial development. Work mechanisms for coordination, supervision, inspection, assessment & evaluation, and incentive & restraint to effectively perform the relevant district governments' responsibilities.

(II) Break down the work targets

All the areas will, based on the industrial development goals and task requirements set forth in this Plan, formulate an industrial development implementation plan, determine annual investment attraction tasks, investment requirements and industrial development goals, and allocate the specific industrial development tasks to the annual work plans and various industrial function areas for implementation. Importance will be attached to the driving force of the project for industrial development, investment attraction in the industrial chain will be highlighted, and the "going out" and "bringing in" activities will be combined. Active efforts will be made to study and communicate with enterprises directly under the central government, foreign-funded and Hong Kong, Macao or Taiwan-funded enterprises, and private enterprises, enabling the projects under negotiation and the contracted projects to commence construction, the project under construction to commence production, and the project in operation to achieve results, at the earliest date.

(III) Improve management services

The municipal-level economic and social management authority will be delegated and undertaken properly, and the pre-admission rules on national treatment and negative list management for foreign investment will be implemented. The establishment and improvement of the standards and procedures for the initiation & construction of industrial projects as well as corporate operation & management will be accelerated, with the work process to be streamlined. A good faith incentive mechanism will be established and implemented. The full implementation of the online administrative examination & approval system and the administrative approval service model featured with "one-stop services, one-form application, and one-window acceptance" will be sped up. The reforms for "integrating multiple certificates into one & one code for one license" will be comprehensively deepened. The power list and management & operational processes of various areas' management organs will be disclosed in accordance with the law. Public information service platforms and public management service platforms in all areas will be created to achieve information sharing and application interfacing, and to improve the level of inter-departmental

collaborative management. The management systems for intellectual property rights and law enforcement systems as well as dispute mediation, arbitration, legal assistance and other service mechanisms will be improved. A social service system will be developed, gradually transferring the functions of asset assessment, appraisal, consultation, certification, inspection & testing, and other functions undertaken by government departments to professional service agencies. A fair, efficient and orderly market-based exit mechanism will be established to protect the investment environment and cultivate an international and legal business environment.

(IV) Conduct performance assessment

Annual assessment of the various areas' work performance will be conducted based on the requirements for the various areas' development positioning, with emphasis placed on introduction of leading projects, cultivation of advantageous industries, expansion of the economic scale, optimization of the industrial structure, economic and intensive use of land, protection of ecological environment, and innovation of policy mechanism. In the mid-term of the plan implementation, a comprehensive assessment of each area's development situation will be carried out, and proposals, suggestions, approaches and measures will be put forward for removing those bottlenecks. Third-party independent evaluation institutions will be appointed to carry out annual and semi-annual assessments, analyzing the development status of each area, sorting out innovation cases, identifying problems, making suggestions for development, and summarizing experiences that can be copied and replicated.

(V) Prevent investment risks

National security review measures for foreign investment that are compatible with the negative list management model will be implemented on a trial basis to guide the orderly development of foreign investment and safeguard national security. Safety inspections will be conducted of foreign investments that affect or may affect national security, involve sensitive investors, M&A targets, industries, technologies and regions. Macro-prudential management will be strengthened, financial institutions will be guided in stable and health operations, and financial institutions will be encouraged to strengthen liquidity, internal control and risk management. Equal emphasis will be placed on encouraging innovation and preventing risks, accelerating the improvement of regional, systematic financial risk monitoring, assessment and early warning systems, and strengthening the monitoring and investigation of various types of financial risks. A crisis management and risk handling framework will be built, and complete response plans will be formulated in order to achieve early detection, early reporting and early disposal of risks and to ensure that no systematic or regional financial risks will occur.

(VI) Optimize land allocation

The principle must be consistently followed whereby to match the development of the pilot free trade zone with urban construction and the coordination between industrial development and functional zones. The land use functions in various areas will be refined and improved, and an industrial layout under which the industrial leading functions are relatively concentrated, industrial chains are effectively extended, and spatial resources are effectively integrated. Planning and staffing revision work will be carried out from time to time and industrial development requirements will be met based on the evaluation conclusions issued by third-party independent assessment agencies. If any project in areas of public management, infrastructure and compliant with industrial policies requires additional use of land for construction, the increased land needs will be satisfied through multiple channels. Differential policies for industrial land supply will be implemented, and priority will be given to emerging industries, advanced manufacturing, standardized factories, incubators, accelerators and other industrial projects. Innovative land supply methods will be adopted, encouraging land use in the methods of flexible transfer, long-term lease, lease-before-use, and rent-concession combination. The construction land pre-audit procedures and land-use review & approval process in the area will be optimized. Economical and intensive use of land will be further promoted, and the consolidation of land and property inventory resources in the area will be sped up. To the extent of complying with the city's detailed control plan, the three-dimensional comprehensive development of construction land will be promoted, the revitalization and utilization of urban stock land will be carried out, and the renewed construction and revitalization of the resumed/suspended construction projects to enhance the transformation & upgrading of the idle plants and their functional replacements. A reasonable interest-oriented mechanism will be established to provide space for the adjustment of stock industries and launch of emerging industries.

(VII) Provide talent support

Leading talents will be introduced from home and abroad, and high-level R&D talents and badly needed professional talents will be extensively recruited based on the needs for industrial transformation & upgrading and the development of high-end manufacturing and modern services industries. Multinational companies will be encouraged to establish cross-border talent training headquarters in the areas, and qualified companies will be guided in establishing order-based personnel training mechanisms with higher educational institutions with technological advantages. Excellent technical talents from enterprises will be selected and sent to universities and research institutions at home and abroad for further education. Qualified enterprises will be encouraged to apply for the establishment of postdoctoral workstations to jointly train talents and upgrade the technical level of talents. The enthusiasm, initiative and creativity of high-level scientific and technological talents in the areas will be fully leveraged, so that the talents can be hired and retained. Efforts will be intensified to carry out internationalized trainings of talents to build an open, ambitious and multi-level training system for high-end scientific and

technological personnel. Management regulations for job categories, job qualifications, training and further education, and remunerations & benefits for high-level talents will be formulated so that scientific and technological talents can clearly define their development goals. Enterprises will be encouraged to grant rewards to high-level and badly needed personnel in the forms of equity transfer or capital contribution, and a policy on payment of income taxes from equity dividends by installments will be implemented to concentrate, encourage and attract various kinds of talents to exert their wisdom to the maximum extent possible.

Cc: The General Office of the Municipal Government, the General Office of the Standing Committee of the Municipal People's Congress, the General Office of the Municipal CPPCC, the Municipal Supervision Committee, the Municipal Higher Court, the Municipal Procuratorate, and Chongqing Garrison Area

Headquarters

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