



XIAMEN MUNICIPAL BUREAU OF COMMERCE

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Preface

Located on the southeast coast of China and the west bank of Taiwan Strait, Xiamen is one of the four special economic zones that were first open to outside world in China. Since the reform and opening-up, Xiamen has given full play to its roles as an “experimental field” for the reform and a “window” open to foreigners. It has made great achievements in various aspects of social and economic development and has developed to be a prosperous international seaport and scenic tourist city which displays in a livable and business-friendly manner.

In recent years, Xiamen has seized the major strategic opportunities of the central government’s supporting Fujian to accelerate the development and implementation of comprehensive supplementary reforms and to build pilot free trade zones, actively integrated itself into “the Belt and Road” initiative, consistently developed its economy in a healthy manner, optimized and upgraded its industries and significantly improved the level of investment and trade facilitation. In July 2017, Gulangyu Islet of Xiamen was successfully inscribed on the UNESCO World Cultural Heritage List as historic international settlement.

In September 2017, the ninth BRICS Summit was held in Xiamen. At the opening ceremony of the BRICS Business Forum, President Xi Jinping highly

praised Xiamen as a high-quality innovation and entrepreneurship city and a beautiful ecological garden city.

Xiamen is comprehensively implementing the new development principles of innovative, coordinated, green, open and shared development, accelerating the creation of driving force mechanism of growth with innovation as the main engine, and accelerating the formation of industry system dominated by high-end manufacturing industry and modern service industry, and its per capita GDP and human development index are expected to reach the level of a moderately developed country in five years. Xiamen’s development will also provide more opportunities for more and more investors at home and abroad.

Xiamen Municipal Bureau of Commerce entrusts Deloitte Touche Tohmatsu Certified Public Accountants LLP to provide the investors with Guide to Investment in Xiamen from the objective third-party perspective, in combination with the professional research and analysis methods, which is aimed to provide main information about the investment environment of Xiamen for the investors who are interested in investing in China, especially in Xiamen. We hope it is of benefit to the investors when making investment decisions. Thanks for your attention to this city together with us.

Xiamen Municipal Bureau of Commerce



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Map of Xiamen

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Overview of Xiamen

Introduction

Xiamen is a city with unique style and charm. She is a pilot area of China's reform and opening-up, a hot land of innovation and entrepreneurship, a platform where investment and trade come together and a civilized, harmonious and happy homeland. The leading and radiating exemplary role of Xiamen in both national strategies and coordinated development among regions will be increasingly strengthened, and the city will be more competitive in the long term.



► Location Advantage

An Important Estuary in Mainland China

It faces Taiwan Strait on the east, connects the Yangtze River Delta region and the Pearl River Delta Region on the south and north, and extends to Jiangxi, Hunan, Hubei and hinterlands along Beijing-Kowloon Railway on the west.

Strategic Fulcrum City on the 21st-Century Maritime Silk Road

According to the "Belt and Road" Initiative, Fujian is positioned as a "core area on the 21st Century Maritime Silk Road". Xiamen is strengthening the cooperation in such key fields as interconnectivity, economic and trade cooperation, maritime cooperation and cultural and people-to-people exchanges, and tries to build a strategic fulcrum city on the 21st Century Maritime Silk Road.

An Important Node and Hub of International Shipping

Xiamen Port is located on two international shipping lines from the Far East to the Mediterranean and Europe, and to North America via Taiwan Strait, which cover 129 ports in 48 countries and regions in the world.

A Long History

According to the 1864 Trade Report made by Hughes - Commissioner of Customs, "Xiamen is a communication point between the Chinese market and the South Market". (Note: South Market covers today's Southeast Asian countries, such as Thailand, Singapore, Malaysia and Indonesia.)



► Transportation Network

Located in Southeast China, Xiamen has a well-developed transport network connecting it to the other parts of China and the world.

Xiamen, as one of the 12 top "international integrated transportation hubs" specified by the State Council in China, has high-quality, efficient and perfect transportation supporting facilities. With developed international airport, international port, expressways and railways, it has such comprehensive service functions as international person-nel exchanges, logistics distribution and transferring service, and it is a transit hub with efficient connection to the world.

Convenient Air Transportation

Xiamen Airport, one of the six major ports in Mainland China, has formed a global airline network covering the main cities in Mainland China and Hong Kong, Macao and Taiwan and leading to the countries and regions in Europe, North America and Oceania as well as other countries and regions in Asia. It implements the "72-hour Visa-free Transit Policy" for foreigners of some countries. So far, Xiamen Airport has opened and operated 170 air routes. At Xiamen Airport, there are 16 airline

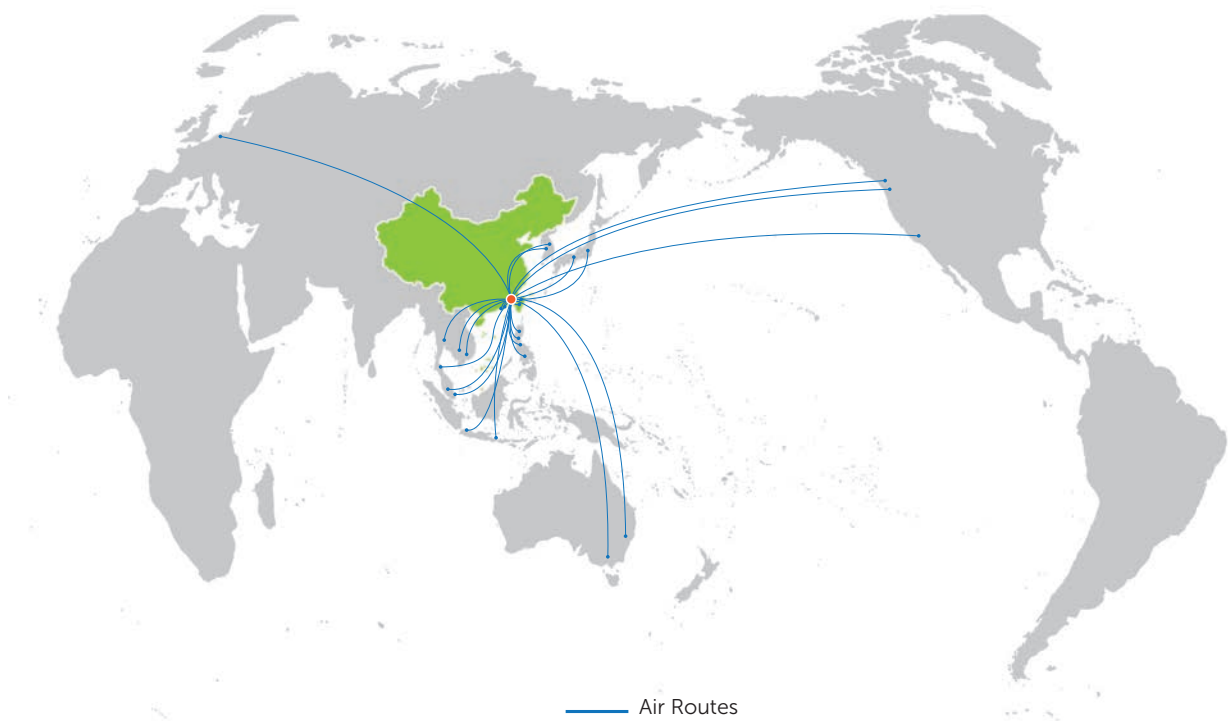
companies from foreign countries (regions) in operation, reaching 26 international cities and regions (including Hong Kong, Macao, Taipei, Kaohsiung and Taichung). Xiang'an International Airport, which is under planning and construction, is expected to have an annual passenger throughput of 70 million person-times by 2045, and it will be built to be an important international trunk airport and a regional hub airport on the southeast coast of China.

Duration of Some Direct Flights from Xiamen to International/Regional Cities

Destination	Flight Time (hours)	Frequency of Flights
Macao	1.2	2 per day
Hong Kong	1.25	6 per day
Taipei	1.5	3-4 per day
Manila	2.5	3-4 per day
Osaka	3	4 per week
Seoul	3	2-3 per day
Tokyo	3.5	1-2 per day
Ho Chi Minh City	3.5	1 per day
Bangkok	3.5	2-3 per day

Destination	Flight Time (hours)	Frequency of Flights
Kuala Lumpur	4	2-3 per day
Singapore	4	3 per day
Djakarta	5.5	1 per day
Sydney	10	4 per week
Melbourne	10	5 per week
Vancouver	12	3 per week
Amsterdam	13	4 per week
Los Angeles	13	6 per week
Seattle	16	3 per week
Phnom Penh	2.5	4 per week

Direct Flights from Xiamen to International Cities and Regions





Developed Sea Transportation Hub

Xiamen Port, one of main coastal ports in China, is an important trunk line port of container transportation, an international shipping center in Southeast China and a main port of shipping to Taiwan. In 2017, it ranked 7th among all the container terminals in China. and 14th in the world. There are 135 container lines and 903 monthly shipping routes, leading to all places around the world. As of the end of 2017, Xiamen Port has had 165 productive berths (including Zhangzhou), including 76 berths of over 10,000 DWT. Xiamen Port is a comprehensive hub of direct contacts between Mainland China and Taiwan. In 2017, Xiamen-Jinmen Line carried 1,614,200 passenger-times, accumulatively more than 16,124,400 passenger-times.

Efficient Road Transportation Hub

With the expressways and city expressways, Xiamen realizes the one-day transportation circle with Jiangxi, South-west Zhejiang, Northeast Guangdong and South Hunan. In terms of railways, Yingtan-Xiamen Railway, Fuzhou-Xiamen Railway, Xiamen-Shenzhen Railway and Longyan-Xiamen Railways have been built and open to traffic, so one can reach Shanghai in 5 hours, Shenzhen in 3 hours and Fuzhou in 1.5 hours. At present, Fuzhou-Xiamen High-speed Railway and Xiamen-Zhangzhou-Quanzhou Inter-city Railway are under planning and construction.

Xiamen, as a hub port of land transportation, with the Qianchang Railway Large Freight Yard and Dongfu Railway Marshalling Station as the core, forms a regional road and railway freight hub in the Southeast coastal areas of China, and its comprehensive traffic and transportation system enhances the collecting and distributing capability of the comprehensive logistics channels.



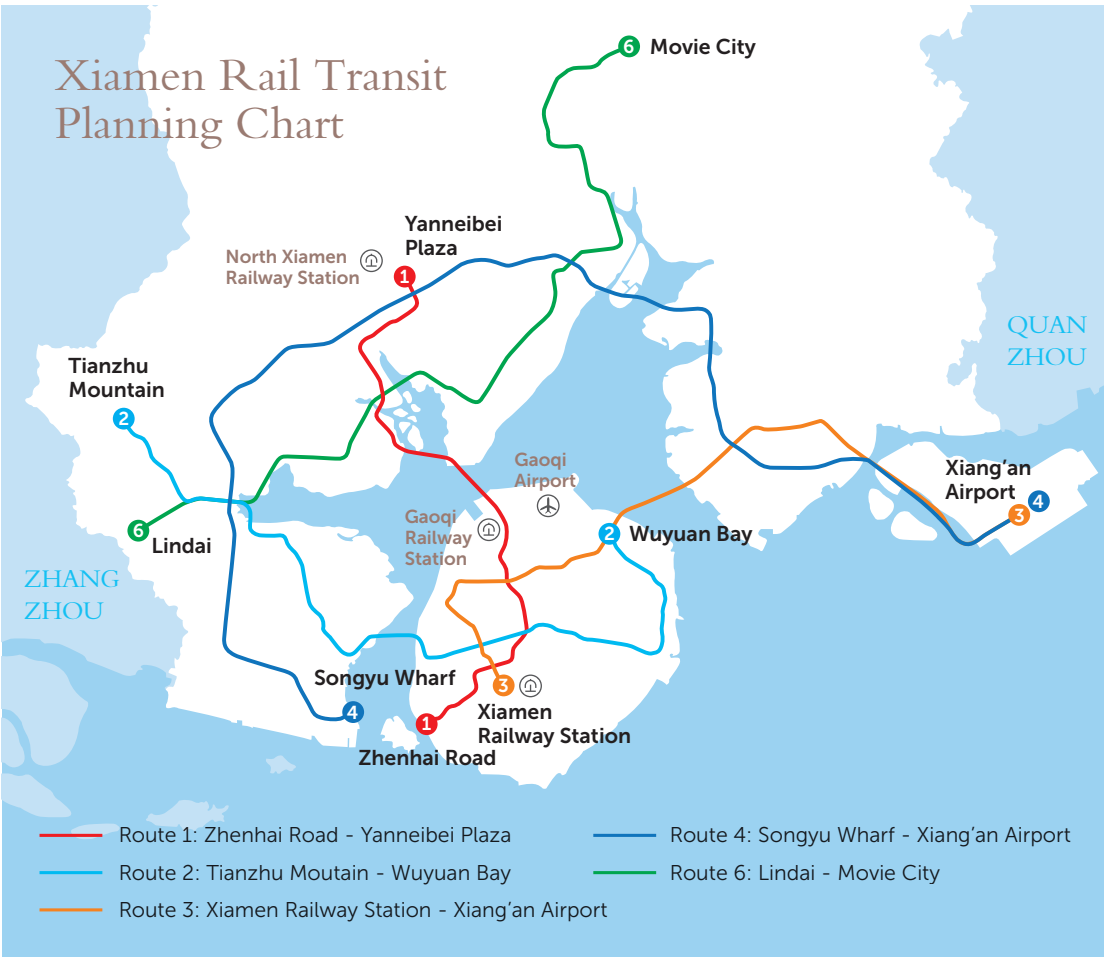
China-Europe (Xiamen) Train

Xiamen is the only port node city of China-Europe Train in Fujian Province. The international freight trains to Poland, Kazakhstan, Holland, Germany, Hungary, Russia and Belarus have been operated since August 2015, and through the sea-railway combined transportation, Xiamen has new logistics channels for the flow of goods between Taiwan and ASEAN countries as well as European countries.

Starting Point	Overall Length	Duration
Xiamen - Poznan, Hamburg	11886km	16 days
Xiamen - Alma-Ata	5310km	5 days
Xiamen - Moscow	9960km	13 days
Xiamen - Duisburg	11951km	16 days

Rail Transit Planning

According to Planning of Xiamen City for Construction of Rail Transit approved by the State, Xiamen will complete the construction of Rail Transit Lines 1, 2, 3, 4 and 6 with an overall length of about 224km by year 2022, forming the rail transit network of “radiating from the center,developing around the bay” and realizing the leaping development. By the end of 2017, Rail Transit Line 1 has been opened to traffic.



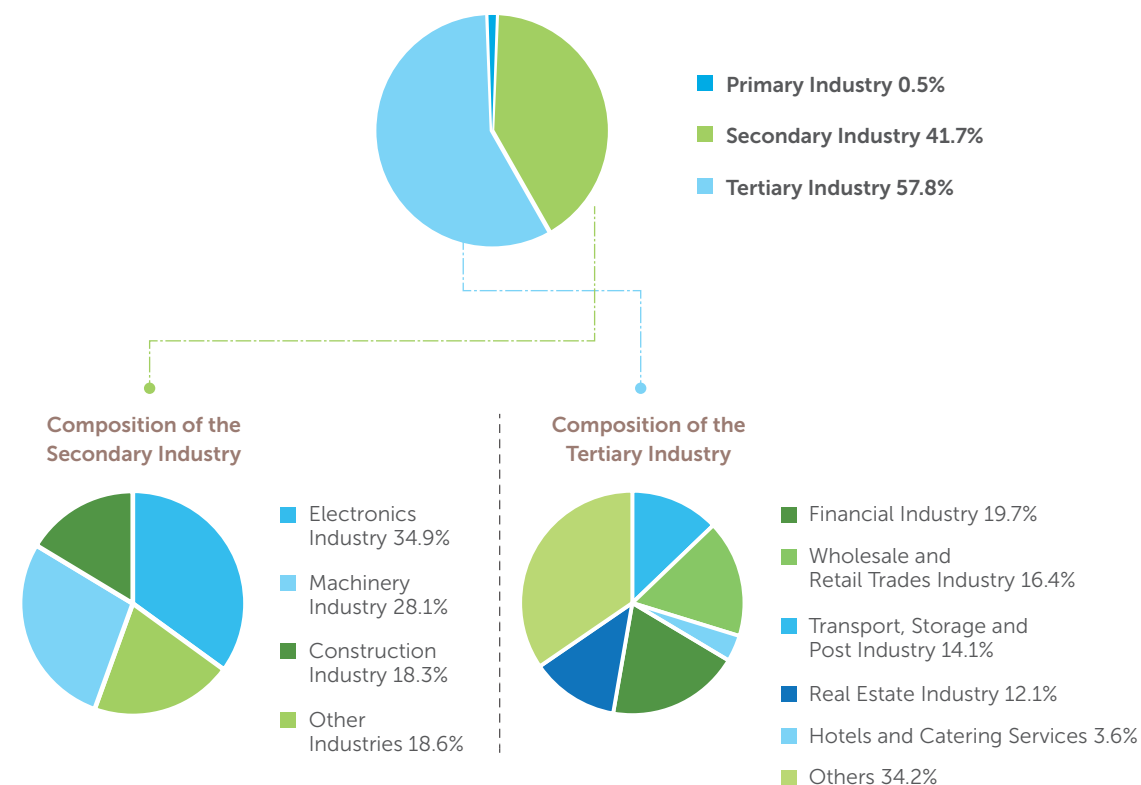
► Economic Strength

Growing Comprehensive Economic Strength

GDP of Xiamen has grown by 16.1% per year on average since 1981. In 2017, the GDP reached 435,118 million Yuan and the per capita GDP reached USD 16,300.



Economic Structure in 2017



► Foreign Investment

A Hot Destination of Investment, the Ideal Choice of Foreign Investment

As of the end of 2017

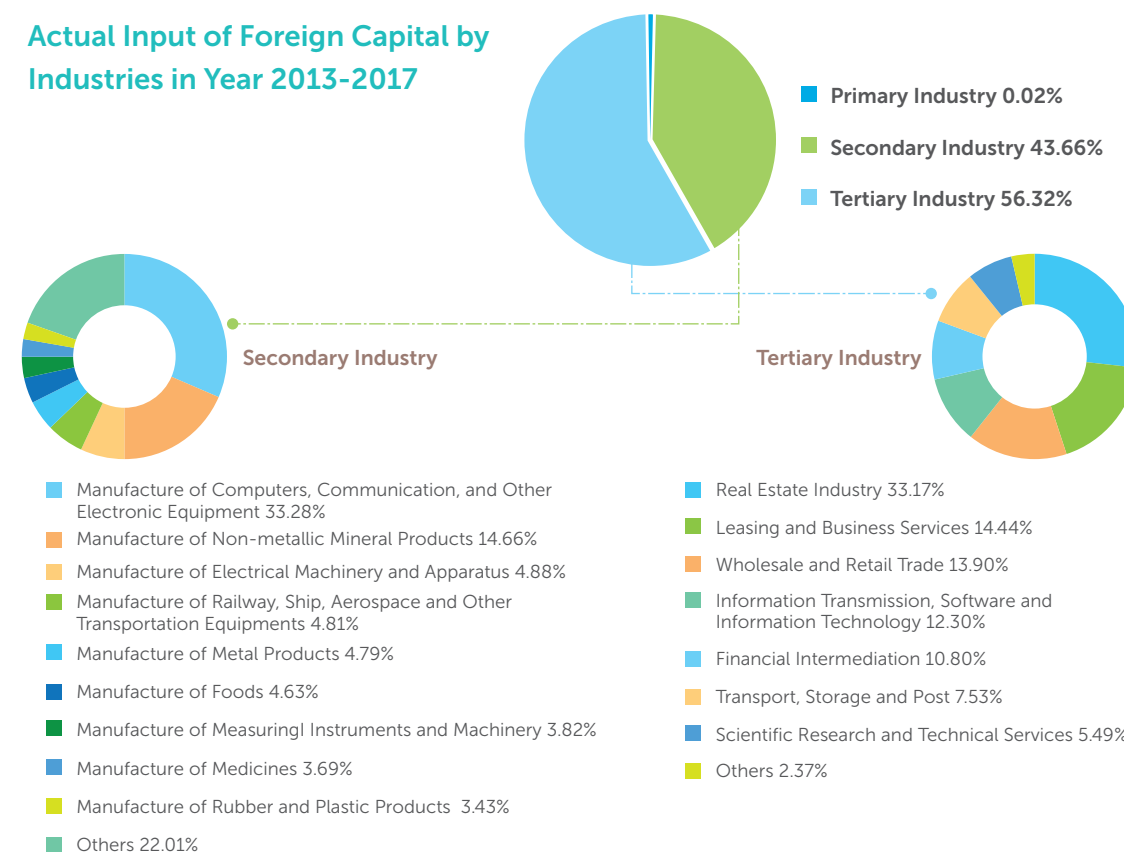
Xiamen has accumulatively introduced **13,603** foreign investment projects.
The contractual foreign investment of USD **58.94** billion,
The actually utilized foreign investment of USD **36.17** billion.

60 **Fortune Global 500** companies have invested **109** projects in Xiamen, with the actually utilized foreign investment of USD **2.74** billion.

In 2017, the contractual foreign investment was **32.81** billion Yuan, accounting for **32.5%** of the total amount of Fujian Province.

In 2017, the actually utilized foreign investment was **16.01** billion Yuan, accounting for **27.9%** of the total amount of Fujian Province.

Actual Input of Foreign Capital by Industries in Year 2013-2017



Top 10 Sources of Investment

Hong Kong / British Virgin Islands / Taiwan / Singapore
USA / Japan / Samoa / Cayman Islands / Malaysia / Switzerland

MNCs in Xiamen

Europe ABB / Nestle / Linde / Swire / AB InBev / Philips / ECCO / Resound / TOMRA / ...

America Dell / Amazon / GE / Boeing / Honeywell / Toro / UTC / ...

Asia Toyota / Panasonic / Hitachi / NEC / TDK / FDK / NEG / IOI / ST Aerospace / UMC
AUO / Hutchison Whampoa / ...

2 Industrial Environment

Introduction

Xiamen is accelerating the construction of a modern industrial system with advanced manufacturing industry as the dominance, strategic emerging industries as the guidance and the integrated development of the primary industry, secondary industry, and tertiary industry, promoting the industries to a medium and high level and consistently enhancing the industrial scale and level. It will become a strong **advanced manufacturing base** on the west bank of Taiwan Strait and the most competitive **modern service industry clustering area**.



► Development Status

In recent years, Xiamen has put industrial transformation and upgrading in the first place of urban transformation and development, actively adapted to the new normal of economic development, making use of the "Made in China 2025 strategy" and "Internet +" and other opportunities to accelerate the construction and formation of modern industrial system dominated by the high-end manufacturing industry and modern service industry.



► Development Priorities

Based on the urban resources and functional localization, Xiamen focuses on developing three leading industries as electronic information, tourism & culture and modern logistics, focusing on building more than ten 100-billion-Yuan industrial chains (clusters), including panel display, computer and communication equipment, integrated circuit, machinery equipment, biological medicine and healthcare, new materials, tourism, conference and exhibition, modern logistics, software and information services, financial services, cultural creativity, modern urban agriculture and marine economy, strengthens the urban resource allocation capability, clustering and radiating function so as to provide a powerful economic support for the whole city.

► Development Advantages



Consistently Optimize the Industrial Structure

- In 2017, the ratio of Primary, Second and Tertiary industry of Xiamen was 0.5:41.7:57.8.
- The strategic emerging industries such as integrated circuit, biological medicine and new materials grow rapidly; the new business models such as e-commerce, sharing economy and platform economy develop rapidly.
- Based on the present situation of the industries, the proportion of tertiary industry represented by the high-end service industries such as tourism, conference and exhibition, cultural creativity, finance service, software information and modern logistics has increased consistently.



Consistently Enhance the Industrial Cluster

- Established as one of the four largest international shipping centers in China.
- Form six national industrial bases and industrial clusters, including photoelectronics, software, biology and new medicine.
- As of 2017, Xiamen has had five industrial chains (clusters) – panel display, tourism, conference and exhibition, financial service, software information, and modern logistics, and the output value (income) exceeds 100 billion Yuan.

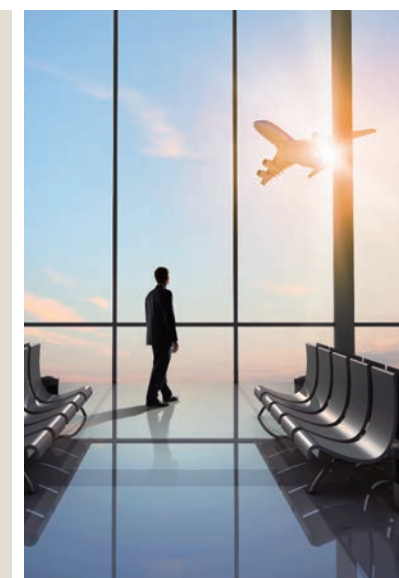


Consistently Enhance the Industrial Innovation

- Approved to be a national independent innovation demonstration area. The research and development input in the whole society accounts for 3.11% of GDP; the contribution rate in scientific and technological progress reaches 65%; the holding quantity of effective invention patents per 10,000 people is 2.4 times of the national average level.

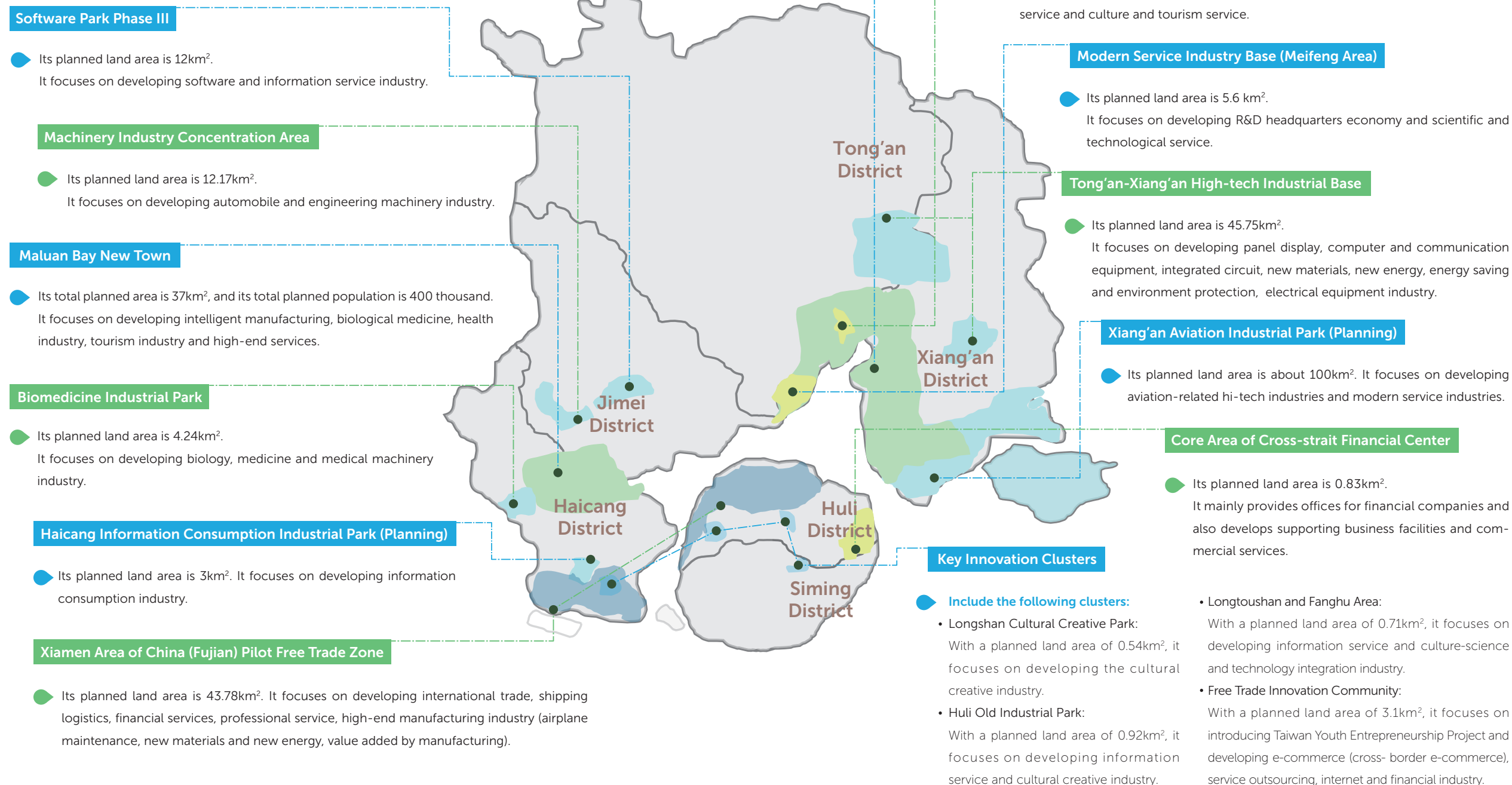
National Pilot & Demonstration

- National Comprehensive Pilot City of Modern Service Industry
- National Information Consumption Demonstration City
- National Next-generation Internet Demonstration City
- China Famous Software City
- National E-commerce Demonstration City
- National Reform Pilot City of Domestic Trade Circulation System
- National Logistics Demonstration Park
- One of the First China Tourism and Leisure Demonstration Cities
- China Famous Conference and Exhibition City
- One of the First Marine Economic Innovation and Development Demonstration Cities



► Industrial Layout

Key Areas and New Towns for Concentrated Development of Industries in Xiamen



Xiamen Area of China (Fujian) Pilot Free Trade Zone

Xiamen Area of China (Fujian) Pilot Free Trade Zone, covering a total area of 43.78km², was formally put into operation on April 21, 2015. It covers the core area of cross-strait trade center and Haicang Port area of Xiamen International Shipping Center. It mainly develops seven industries including aviation maintenance, financial leasing, shipping logistics, international trade, high-end manufacturing, financial service and innovation and entrepreneurship.



- **The Core Area of Cross-strait Trade Center**, covering an area of 19.37km², focuses on developing the high-tech research and development, information consumption, aviation-related industry and financial services and other emerging industries and high-end service industries.



- **Haicang Port Area of Xiamen International Shipping Center**, covering an area of 24.41km², focuses on developing shipping logistics, service outsourcing, commodity trading and other modern port-centered industries.



- Xiamen Area of China (Fujian) Pilot Free Trade Zone has 298 innovation measures, including 49 measures pioneered by it in China. It has taken the lead in implementing "one license, one code" business registration reform, establishing and completing the commercial equity credit system and strengthening the during-event and post-event supervision; it first built the international trade "single window", the first to innovate on "three-mutual" port supervision mechanism, the first to promote the customs clearance mobile comprehensive service platform, and the first to set up the cross-strait youth entrepreneurship base and so on.



For more information about the free trade zone, please refer to the website of Administration Committee of Xiamen Area of China (Fujian) Pilot Free Trade Zone: <http://www.xmftz.gov.cn/>

3

Investment Elements

Introduction

A competitive operating cost can more easily lead to a competitive enterprise. Xiamen has not only high-quality human resources, but also competitive comprehensive operating cost. The developed and complete infrastructure and high-quality business supporting facilities can guarantee the stable development and efficient operation of enterprises.

Human Resources

Higher Education

Xiamen has 16 regular institutes of higher education, which enrolled 39,100 new students in the beginning of 2017 academic year, and had 140,300 students at school.

Fujian Province has 88 regular institutes of higher education, including Xiamen University, Fuzhou University and Jimei University. In 2017, they enrolled 17,600 full-time postgraduates in the whole year, had 47,600 full-time postgraduates at school and 12 thousand postgraduates graduating from the schools. They enrolled 213,800 undergraduates, had 751,000 students at school and 204,400 undergraduates graduating from the schools.



Scientific Research Institution

Xiamen attracts many excellent scientific research talents, and actively promotes the scientific research capability in various sectors.

Type of Organizations	Quantity
High-tech Enterprises	1425
Innovative (pilot) Enterprises	847
Incubators for Science and Technology Enterprises	15
National, Provincial or Municipal Key Labs	121
Engineering Technology Research Centers	131
Enterprise Technology Centers	146
Enterprise Post-doctoral Workstations	25

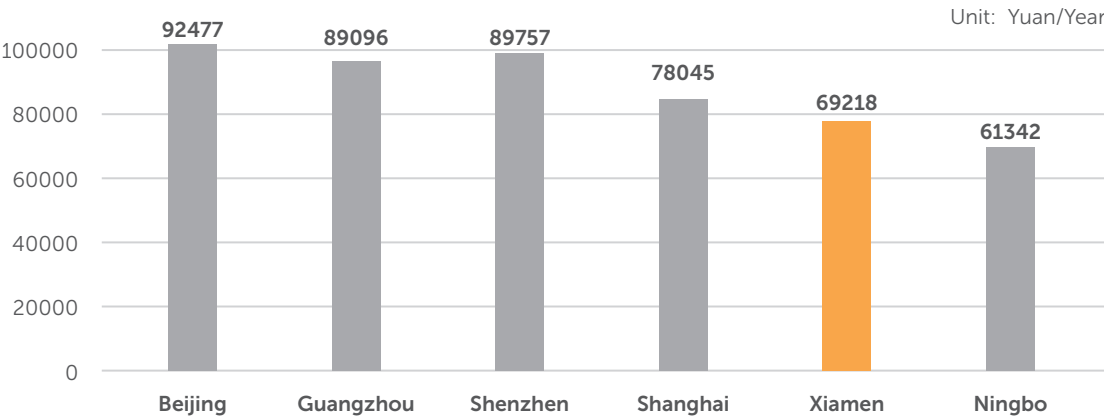
Vocational Education

Xiamen has 17 municipal secondary vocational schools of various kinds with 36,500 students at school, and they provide multiple levels of labor forces for different industries.

Wage Cost

The average monthly wage of the on-post staffs and workers in Xiamen was about 6,288 Yuan, and in July, 2017, the lowest wage standard is 1700 Yuan/month.

Wage in Beijing, Shanghai, Guangzhou and Some Coastal Cities



Source: 2017 statistical data of the Bureaus of Statistics

Social Welfare Cost

In China, the companies should pay social insurances and housing accumulation funds for the employees according to a certain proportion. Social security mainly include endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

The proportions of social security and housing accumulation funds undertaken by the companies in Xiamen are shown in the following table:

Endowment Insurance	12%
Medical Insurance	3% or 6%
Unemployment Insurance	0.5%
Maternity Insurance	0.7%
Work-Related Injury Insurance	around 0.34%
Housing Accumulation Funds	5%-12%

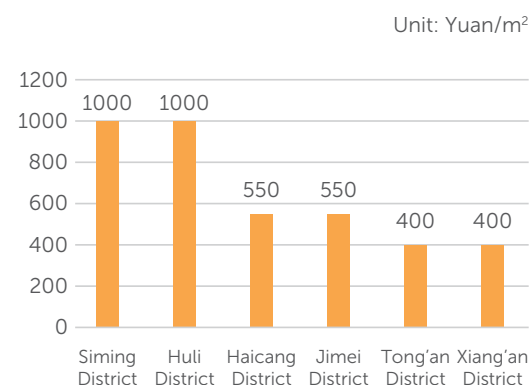
Source: 2017 data of Xiamen Municipal Human Resources and Social Security Bureau



► Land Cost

In recent years, Xiamen has issued several incentive policies to encourage the industries on the island to move to the mainland, and built several industrial parks .

Benchmark Industrial Land Price



Rent of Industrial Plants

District	Rent of Industrial Plant (Yuan/m ² /month)
Huli District	30-40
Jimei District	10-20
Haicang District	12-28
Tong'an District	10-12
Xiang'an District	10-20
Free Trade Zone	10-30
Torch High-tech Zone	12-40



Rent of Class-A Office Buildings

In 2017, the stock of Class-A office buildings in Xiamen is abundant, and the overall rent keeps steady.

District	Location	Average Rent (Yuan/m ² /month)
Huli District	Cross-strait Trade Center	80-90
Siming District	Hubinbei/ Hubinnan	145
Siming District	Lujiang Avenue	138
Siming District/ Huli District	Cross-strait Financial Center	90
Haicang District	Taidi Haixi Center	75

Note: "Average Rent" refers to the list rent of office buildings calculated based on the building area (Yuan/m²/month), and actual rent will fluctuate according to the market supply and demand situation. The above figures are for reference only.

► Energy Cost



Power Supply

Xiamen Power Grid provides a strong power supply guarantee for Xiamen through four channels and eight loops.



Gas Supply

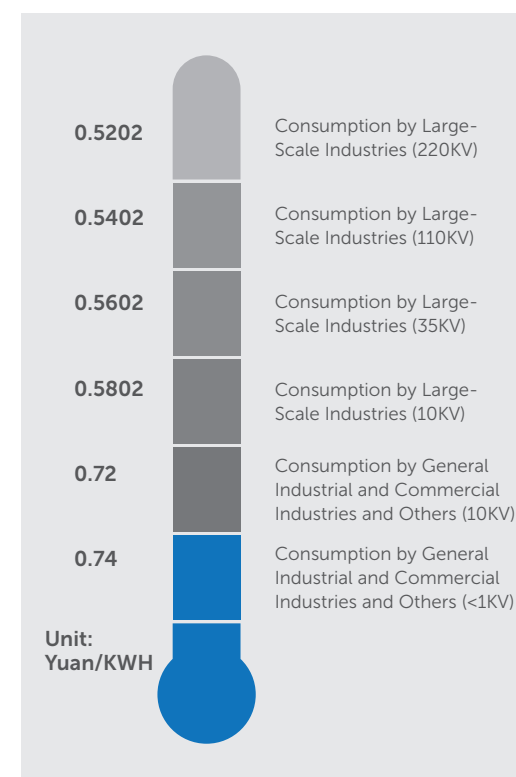
Xiamen has a 2,994.49 km-long gas pipeline, and 543 thousand households using pipeline gas. There are famous international industrial gas supply enterprises to satisfy the needs.



Water Supply

Xiamen now has 12 water works, which can produce 1,739,000 tons water every day.

Electricity Price in 2018

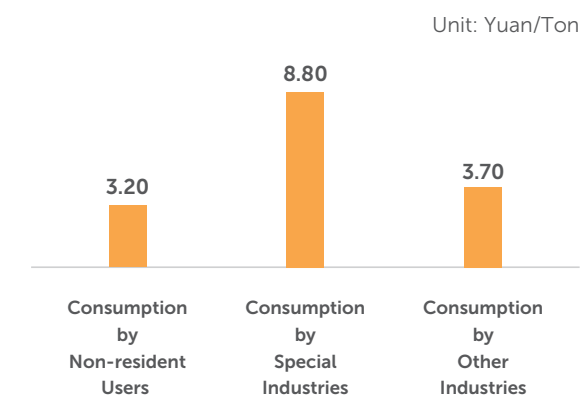


Price of Natural Gas in 2018

Unit:Yuan/m³

Civil Use	Industrial and Commercial Enterprises	Nursing and Welfare Organizations, and Transformed Rental Housing	Schools and Other Non-resident Users Who Implement the Price of Living Gas for Residents
3.29-4.94	3.38	3.29	3.38

Urban Water Price in 2018 (Including Sewage Treatment Charge)



► Business Facilities



Business Office Building

Xiamen has sufficient high-end business official buildings for the investors to choose, including those in the traditional business areas such as Lujiang Avenue, North Hubin Road-South Hubin Avenue and those in the emerging business areas such as Guanyinshan Operating Center and Xinglin Bay Operating Center.



Starred Hotels

Xiamen has 64 starred hotels, including 18 five-star hotels. Such internationally famous hotels as Westin, Marriot, Hilton, Kempinski, Conrad, Hyatt Regency, Shangri-La, Le Meridien, Crown Plaza, Sheraton, and Powerlong Pullman have entered Xiamen.



Conference and Exhibition Facilities

Xiamen has many conference and exhibition places with advanced and complete equipment, such as Xiamen International Conference Center and Xiamen International Conference and Exhibition Center. They are suitable to hold large-scale, high-level and international business activities. Xiamen International Conference and Exhibition Center covers an area of 470,000m². Now, it has an indoor exhibition area of 150,000m² and can allow more than 7000 internationally standard booths. Since the first phase was completed and put into use in September, 2000, it has successfully held more than 100 international and national exhibitions, such as China International Fair For Investment and Trade (CIFIT), Strait Forum, Xiamen Industry Exhibition, China Xiamen International Stone Fair, China Xiamen International Buddhist Items & Crafts Fair, so it wins the extensive attention and praise of investors and commercial enterprises at home and abroad.



China International Fair For Investment and Trade: with the approval of the State Council, the only international investment promotion activity in China which is aimed to promote the two-way investment is held in Xiamen every September, and it is also the globally largest investment exhibition with the certification of Union of International Fairs (UFI).

The Ninth BRICS Summit: In 2017, China took over the rotating BRICS presidency and held the Ninth BRICS Summit in Xiamen in September, 2017.

4

Investment Incentives

Introduction

Xiamen actively creates a legal, international and convenient business environment, streamlines administration and delegates power to the lower levels, and optimizes the work procedures. The multiple policies of the State, province and city, and Xiamen's efficient and transparent government service system lay a solid foundation for the sustainable development of various industries and set up an ideal platform for the enterprises investing in Xiamen to expand the market.

According to local conditions, Xiamen has issued and implemented several investment incentives, encouraging foreign direct investment, promoting the development of private enterprises, encouraging the development of the headquarters economy, promoting the development of industrial economy, and rewarding the innovative talents of science and technology, giving play to the superimposed effect of policies so as to really benefit the investment enterprises.

► Development of Foreign Direct Investment

In order to promote the steady growth and the quality of foreign direct investment, Xiamen Municipality has issued the Notification on Measures to Promote Foreign Direct Investment in Xiamen [Xia Fu (2018) No. 111], encouraging the foreign enterprises to invest in priority industries and providing rewards to qualified enterprises, so as to encourage foreign enterprises to invest in Xiamen.

Encourage new foreign-invested enterprises to have actual paid-in foreign capital:

- A one-off reward equivalent to 2% of the total yearly actual paid-in foreign capital is offered with the capping of 20 million Yuan for a single enterprise.
- When the yearly actual paid-in foreign capital reaches over USD 10 million or above, starting from the first year when VAT is paid, the enterprise will receive a reward equivalent to 100% of its contribution to the locally retained part of corporate income tax and VAT for the first 2 years, and 50% in the following 3 years.

Encourage existing foreign-invested enterprises to have actual paid-in foreign capital:

- A reward equivalent to 2% of its yearly actual paid-in foreign capital will be offered. The maximum reward is 20 million Yuan for an enterprise.

Encourage high quality foreign M & A:

- A reward equivalent to 2% of the actual paid-in foreign capital will be offered. The maximum reward is 20 million Yuan for an enterprise.

Incentives for talents:

- Employees paying an income tax of 80,000 Yuan and above can be refunded out of the locally retained portion of personal income tax.
 - (a) 50% refund for paid income tax at 80,000 Yuan;
 - (b) 75% refund for the portion between 80,000 Yuan and 250,000 Yuan;
 - (c) 100% refund for the portion exceeding 250,000 Yuan.
- Non-Xiamen residents with personal income tax more than 50,000 Yuan are eligible to purchase commercial housing as Xiamen residents.
- Non-Xiamen residents can obtain local household registry if they continue the contract after serving the enterprise for 3 years and have paid social pension insurance.



► Development of Private Economy

Notification issued by CPC Xiamen Municipal Committee and Xiamen Municipal Government on Opinions to Promote the Healthy Development of Private Economy [Xia Wei Fa (2014) No. 9] has increased the support for private enterprises including expanding the investment scope for private capital, reducing the tax burden and promoting the independent innovation of private enterprises.

Encourage the Investment

- Encourage the private capital to participate in the reform and recombination of State-owned enterprises through the platform;
- Give a reward of 5 million Yuan to the national Grade 3 Class A private hospital established with private capital in Xiamen; Give a funding of 3 million to 5 million Yuan to the clinical departments, which are appraised and elected as key national clinical departments.

Help to Raise Fund

- Give a reward of at most 5 million Yuan to the qualified finance security institutions which actively explore and innovate financing guarantee business for SMEs with obvious promotion effect;
- Give a reward of at most 3 million Yuan to the financial leasing companies that purchase the locally-produced equipment of Xiamen to carry out business.

Encourage the Innovation

- Give a subsidy of at most 30 million Yuan to the qualified scientific and technological incubators established by the private enterprises;
- The qualified technological reform projects conducted by the backbone private enterprises with the bank capital can apply for an interest subsidy support of at most 8 million Yuan.

Preference for Land Use

- Support the private enterprises to construct small and medium-sized enterprise entrepreneurship demonstration bases, and give a preference of 2 years' rent-free or rent-reduction to the new private enterprises entering the demonstration bases.

Reduce Tax Burden

- For the private small and micro enterprises with real difficulties, exempt the house property tax and urban land use tax according to the regulations.
- For newly-established small and micro enterprises, the locally retained proportion of tax revenue generated in first 3 years will be fully rewarded to enterprises.

► Development of Headquarters Economy

By consistently strengthening its comprehensive strength, cultivating and developing its local headquarter enterprises, Xiamen focuses on attracting the headquarter enterprises at home and abroad, and building regional comprehensive service centers which gather various organizations, funds, talents and information.

Office Space Subsidy

- A subsidy for the rent of self-used office space for 3 consecutive years. The subsidy ratio will be 30% of the annual rental fee in the first year, 20% in the second year and 10% in the third year. The maximum subsidy shall not exceed 3 million Yuan accumulatively.
- A subsidy equivalent to 5% of self-use office space purchase price will be refunded, which will be paid in 5 years with 20% per year. The accumulate subsidy shall be no more than 5 million Yuan.

Reward for Economic Contribution

- **Headquarter Enterprises:** (1) Since the year of identification, the reward will be given according to the annual locally retained part of the Corporate Income Tax and VAT for five years. A reward of 70% of the locally retained part of the above two taxes will be given if the above taxes amount is within 50 million Yuan (inclusive), and 80% if the above taxes amount exceeds 50 million Yuan.
(2) For the enterprises whose annual locally retained part of the above two taxes reaches 50 million Yuan for the first time, a one-off reward of 5 million Yuan will be given. While for the enterprises whose annual locally retained part of the above two taxes reach 100 million Yuan for the first time, a one-off reward of 10 million Yuan will be given. The maximum rewarding amount that the same enterprise can enjoy shall not exceed 10 million Yuan accumulatively.
- **The growth Enterprises:** Since the year of identification, the reward will be given according to the annual locally retained part of the Corporate Income Tax and VAT for five years. A reward of 60% of the locally retained part of the above two taxes will be given if the above taxes amount is within 10 million Yuan (inclusive), and 70% if the above taxes amount exceeds 10 million Yuan.

Talent Motivation Policy

- Employees with annual Personal Income Tax (PIT) of more than 80,000 Yuan (inclusive) can enjoy subsidies based on certain percentage of the locally retained part of the PIT.
- Employees can enjoy incentive policy for obtaining local household registry, and can apply for municipal public rental houses invested and built by local government.
- Qualified Non-Xiamen residents are eligible to purchase commercial housing as Xiamen residents.



For policy updating, please refer to the website of Xiamen Development and Reform Commission: <http://www.xmdpc.gov.cn/>

► Development of Industrial Economy

Xiamen has carried out a series of industrial incentives, making efforts to cultivate and build regional Industrial clustering areas while promoting the industries to upgrade to a middle and high-end level with a long term goal of realizing the comprehensive improvement of overall qualities and competitiveness of industries, and consistently promoting the competitive industries to improve the status in global industrial value chain.

Some industrial preferential policies are listed as follows:

Industry	Policy	Document No.
Biological Medicine	Notice of Xiamen Municipal Government General Office about <i>Several Measures to Promote the Development of Biomedical and Health Industry</i>	Xia Fu Ban (2018) No. 45
Integrated Circuit	Notice of Xiamen Municipal Government about Printing and Distributing the <i>Implementation Opinions on Accelerating the Development of Integrated Circuit Industry</i>	Xia Fu (2016) No. 220
E-commerce	Notice of Xiamen Municipal Bureau of Commerce and Xiamen Municipal Bureau of Finance about Printing and Distributing the <i>Measures of Xiamen for Management of E-commerce Support Fund</i>	Xia Shang Wu (2016) No. 136
Tourism	Notice of Xiamen Municipal Government General Office about Printing and Distributing <i>Several Implementation Opinions on Promoting Tourism Investment and Consumption</i>	Xia Fu Ban (2016) No. 107
Modern Logistics	Notice of Xiamen Municipal Government about Printing and Distributing <i>Several Opinions on Supporting the Development of Modern Logistics Industry</i>	Xia Fu (2015) No. 314
Financial Service	Notice of Xiamen Municipal Government about Printing and Distributing <i>Opinions on Promoting the Rapid Development of Financial Industry</i>	Xia Fu (2015) No. 27
Software and Information	Xiamen Municipal Government's <i>Several Opinions on Further Accelerating the Development of Software and Information Service Industry</i>	Xia Fu (2014) No. 119
Service Outsourcing	Notice of Xiamen Municipal Government General Office about Printing and Distributing <i>Several Opinions of Xiamen City on Further Promoting the Rapid Development of Service Outsourcing</i>	Xia Fu Ban (2014) No. 33
Others	Notice of Xiamen Municipal Government General Office about Printing and Distributing <i>Measures for Encouraging the Establishment of Scientific and Technological R&D Institutions in Xiamen</i>	Xia Fu Ban (2010) No. 301

For more industrial policies and policy updating, please refer to the website of Xiamen Municipal Government: <http://www.xm.gov.cn/>

► Innovative Talents of Science and Technology

In order to attract more excellent talents to start businesses and work in Xiamen and provide powerful talent and intelligence support for a new round of leaping development of Xiamen, Xiamen has implemented a series of talents encouragement policies.

Financial Incentive

- According to the contribution of the enterprises and the grade of the talents, a reward equivalent to 25%~100% of the locally retained part of personal income tax paid by the talents in three years will be given.
- A project subsidy of 10 million to 100 million Yuan will be given to the top talents or the entrepreneurial team with the internationally advanced technological industrialization projects.
- A living allowance will be given to the newly settled-in talents in Xiamen, with the subsidy amount of 30,000 Yuan for each one with Master degree (not more than 35 years old), and 50,000 Yuan for each one with Doctor degree (not over 40 years old).

Achievements Transformation

- Establish an income distribution system conforming to the transfer and transformation of scientific and technological achievements. At least 60% and at most 95% of the earnings from transformation of scientific and technological achievements can be used to reward the staffs and teams with important contributions to completing and transforming the scientific and technological achievements.

Comprehensive Support

- Improve the housing policy for talents; provide more convenient and higher-quality entry-exit service and residence convenience for high-level talents in Xiamen; strengthen the supports for the talents, such as medical support, and education of their children.

Talents from Taiwan

- Specially invite specialists from Taiwan and give subsidy. Provide such treatments as housing allowance, social welfare and housing accumulation funds for the qualified talents from Taiwan. A subsidy of at most 1,500,000 Yuan will be given to the qualified talents from Taiwan.

Hainabaichuan Talents Program

- Provide relocation allowance, living allowance and provide preference for the moving-in of household registration of the talents' spouse and children;
- Preferentially handle the entry-exit formalities; the foreign talents can apply for 1-5-year multiple entry visa;
- The qualified talents whose children are at the kindergarten or at the stage of compulsory education can select a school among the high-quality schools provided by the Municipal Bureau of Education once without school-selecting fee; if the children of talents from Hong Kong, Macao or Taiwan select the international schools, the Municipal Bureau of Education will help coordinating their admission to the school and help to handle the relevant formalities.

For more talent policies and policy updating, please refer to the website of Organizational Department of the CPC Xiamen Municipal Committee: <http://www.xmzzb.gov.cn/> and the website of Xiamen Human Resources and Social Security Bureau: <http://www.xmhrss.gov.cn/>

5 Human Settlement

Introduction

Xiamen is a famous international tourism city in China and enjoys the reputation of "garden on the sea". With beautiful natural landscape, tolerant and elegant cultural environment, healthy and diversified leisure and recreational industries. In 2017, Gulangyu Islet of Xiamen was successfully inscribed on the UNESCO World Cultural Heritage List as historic international settlement. Magic Xiamen displays in a livable and business-friendly manner.

Xiamen has won the following honors:

- National Civilized City of 5 Consecutive years
- UN Habitat Award
- International Garden City
- China Livable City
- National Garden City
- National Forest City
- National Tourism and Leisure Demonstration City
- The Most Internationally Competitive Tourism City in China

► Ecological Residential Environment

A City with Unique Charm in the World

Geography The land area of Xiamen is 1,699km², and it has a 234km-long coastline, with beautiful coastal scenery.

Population Xiamen's resident population is 4.01 million.

Climate Xiamen's annual average temperature is 20.7℃, and the climate is mild.

Greening Xiamen has 130 parks and the green coverage rate reaches 42.95%.

Air In 2017, there were 362 days with excellent air quality, accounting for 99.2% of the whole year.

A Comfortable and Livable City

Environment Its harmonious ecological environment provides a good living environment for people investing and working here.

Service It has developed life service industry and prosperous consumer market, and the shopping is very convenient.

Travel It has perfect transportation infrastructure and a rapid and efficient public traffic system.

A Refined and Elegant Artistic City

- Its cultural and artistic supporting facilities make the urban life in Xiamen richer and more colorful.
- Xiamen has such large theaters as Banlam Grand Theater and Poly Theater. Throughout the year, they introduce excellent domestic and foreign plays and hold artistic performances such as high-level concerts, creating a refined and elegant artistic atmosphere of the city.
- Xiamen Philharmonic Orchestra regularly cooperates with the globally high-level symphony orchestras to hold "Weekend Symphony" Concert so as to enhance the music accomplishment of the citizens and spread elegant music.



► Medical Treatment, Education, Finance



Educational Environment

Xiamen consistently expands its educational resources and sets up various educational institutions at all levels to meet the educational demands of different levels.

Educational Resources

In Xiamen, there are 1,293 schools of different levels (including schools for adult education, non-government schools), including 16 regular institutes of higher education, 115 regular secondary schools, 298 primary

ry schools, 709 kindergartens, 149 schools for adult education and 4 special education schools. There are several academic exchange centers, large libraries and science and technology museums.

International Schools

There are 3 international schools for children of foreigners, with kindergarten, primary school and secondary school. They adopt bilingual education that meets the international standards, and employ foreign teachers.



Medical System

By optimizing the medical environment and improving the public health service level, Xiamen provides convenient and professional medical services.

Health Organizations

As of the end of 2017, Xiamen has had 1701 medical and health organizations at different levels, including 51 hospitals, 39 community health service centers, and 7 disease prevention and control centers. At present, Xiamen has 8 Grade 3 Class A hospitals, which can provide medical services for foreigners. Xiamen Chang Gung Hospital is a Grade 3 comprehensive hospital established with the investment of Formosa Plastics Group.

Medical Level

The First Affiliated Hospital of Xiamen University has passed the certification of the globally top international hospital attestation standard (JCI), and becomes the first hospital in Fujian Province, the 10th in China and the 61st in the world that passes the certification of JCI Academic Medical Center. The hospital also has passed 7th level, the highest rating of HIMSS EMRAM.

Xiamen's Central Blood Station, Eye Center, Cardiovascular Research Center and 120 First Aid Network are among the top list in China.

The main health indicators of the residents are close to the average level of developed countries. As of the end of 2017, the average life expectancy of people in Xiamen is 80.45.



Financial Environment

Xiamen has many banking institutions and is one of the cities with the greatest concentration of domestic and foreign banks. It has a complete range of banking institutions, so the service function is very powerful.

Banking Institutions

There are 47 banking financial institutions and 690 service outlets, including 30 Chinese institutions, 17 foreign institutions (including 3 representative offices),

including The Bank of East Asia, HSBC Corporation, Standard Chartered Bank, Chiyu Banking Corporation, Hang Seng Bank, United Overseas Bank, Oversea-Chinese Banking Corporation, Bank of the Orient, Bangkok Bank, Credit Agricole Indosuez, Allied Commercial Bank, First Commercial Bank, China Trust Commercial Bank, Metrobank and representative offices of Citi Bank, East West Bank and Mizuho Bank.

► Tourism, Culture, Sports

The beautiful coastal scenery, unique local customs and practices of South Fujian and artistic charm of international fashion blend here, giving Xiamen unique tourism resources and rich cultural connotation.

Rich Public Cultural Places for Citizens

- 11 museums and memorial halls
- 10 libraries
- 7 public cultural centers

Frequent Cultural Exchanges

- Xiamen International Fashion Week
- Xiamen International Animation Festival
- Strait Travel Fair
- Cross-Strait Cultural Industries Fair
- Cross-Strait Book Fair
- Arles International Photo Festival



Jiageng Library



Chengyi Science and Technology Discovery Center



Unique Tourism Resources Bright and Colorful Cultural Heritage

- Kulangsu (Gulangyu Islet)
- Xiamen Botanical Garden
- Garden Expo Center
- Fangte Magic Kingdom
- Riyuegu Hot Springs Resort

Xiamen has rich cultural relics and intangible cultural heritage, including:

- 7 State protected historic sites, such as Hulishan Fortress;
- 1 world-class human oral and non-material cultural heritage: Nanyin Music
- 1 world cultural heritage: Kulangsu, a historic international settlement



The complete sports facilities and holding of important sports events in Xiamen not only inject youthful energy to city, but also bring new business opportunities to the sports industry.

Important Events Held in Xiamen

Xiamen International Marathon / Xiamen Ironman 70.3 World Championship / FIVB Beach Volleyball World Tour, Xiamen Open / Xiamen - Kinmen Crossing / Cross - Strait Dragon Boat Races

Xiamen International Marathon

Xiamen International Marathon, established in 2003, is held every January. After 16 years' development, it has become one of the most influential Marathon events in China which also enjoys an international popularity.

Sky Cycle

Xiamen has the first air bike lane in China and the longest one in the world, with a total length of 7.6km. The citizens can enjoy the fun of "green cycling".

Golf Course

Xiamen has such golf courses as Orient Golf and Kaikou Golf. Xiamen held the 2017 Asian Golf Championship.



Contact Information

Xiamen Municipal Bureau of Commerce

Main Functions:

An important department under Xiamen Municipality in charge of investment promotion,domestic & foreign trade, economic cooperation with foreign countries and regions, e-commerce, service outsourcing, subsidiary foodstuff supply guarantee, comprehensive coordination and management of port-related affairs, etc.

Address: Floor 15, Foreign Trade Building, No. 15, North Hubin Road, Xiamen **Tel:** 86-592-5302555
Fax: 86-592-2855889 **Website:** <http://www.swj.xm.gov.cn> **WeChat Official Account:** XM_SWJ

Xiamen Investment Promotion Agency

Main Functions:

A professional organization providing investment service, tracking the flow trend of overseas and domestic capital and the investment direction of multinationals and providing domestic and overseas investors with free "one-stop" and overall-process professional services, including counseling, visitation, negotiation and localization services.

Address: Floor 7, Foreign Trade Building, No. 15, North Hubin Road, Xiamen **Fax:** 86-592-2855944
Tel: 86-592-2855939 (foreign investment)
 86-592-2855936 (domestic investment)
 86-592-2855933 (investment from Fujian, Taiwan, Hong Kong and Macao)

Xiamen Municipal Administration Service Center

Main Functions:

One-stop handling of all the administrative examination and approval and supporting public service items of the depart-ments directly under municipal government and the subordinate units. (Except the vehicle and driving license process-ing hall, port joint inspection hall, entry-exit processing hall)

Address: No. 842, North Yunding Road, Xiamen **Service Hotline:** 86-592-968198
Website: <http://www.xmas.gov.cn>

Source: Unless the source is indicated, all the materials and data are from the official organizations or official websites.
Before making an investment decision, any reader of *Guide to Investment in Xiamen* can contact Xiamen Municipal Bureau of Commerce to inquire or check the latest policy information and data. The information provided in *Guide to Investment in Xiamen* is for reference only.

Map of Xiamen



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福建省制图院
审图号：闽S[2017]57号 时间：2017年2月



图例

- | | |
|---------------|-----------------|
| ● 设区市行政中心 | —— 二级街道 |
| ● 县行政中心 | —— 在建二级街道 |
| ● 街道办事处 | —— 三级街道 |
| ● 镇、乡 | —— 在建三级街道 |
| ● 社区居委会 | —— 四级街道 |
| ● 村委会 | —— 在建四级街道 |
| ● 其他居民地 | —— BRT(快速公交)及枢纽 |
| ● 开发区、工业区 | —— 在建轨道交通线及起讫点 |
| ● 农林场 | —— 隧道 |
| —— 设区市行政区划界 | —— 堤坝 |
| —— 县行政区划界 | —— 机场 |
| —— 镇、街道区界(参考) | —— 港区、码头 |
| —— 铁路及火车站 | —— 汽车站 |
| —— 在建铁路 | ● 枢纽互通出入口 |
| —— 高速公路 | ● 服务区 |
| —— 在建高速公路 | ● 医院 |
| —— 高速公路连接线 | ● 学校 |
| —— 国道及编号 | —— 山峰 |
| —— 在建国道 | —— 主要旅游资源 |
| —— 省道及编号 | —— 其他旅游资源 |
| —— 在建省道 | —— 公园 |
| —— 县道及编号 | —— 寺庙 |
| —— 其他道路 | —— 塔 |
| —— 一级街道 | —— 河流 |
| —— 在建一级街道 | —— 水 |
| | —— 福建自贸区厦门片区 |

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