A fertile environment for hi-tech growth

By Zhao Bian

With a small break running through the middle, this 1990s-era two-lane road was once home to some of the nation’s top universities. Such was the scene of Zhongguancun in the 1980s. Today the busy image is only a memory to long-time locals. Gone is the serenity that adorned the area a century ago. With the spread of population into the entire city of Beijing, the authorities’ efforts in recent years have been to bridge the gap in the former area of Zhongguancun’s HSP — approved by the State Science and Technology Committee to build the national high-tech zone in China — and still function as an industrial base in the nation — the area is now called Zhongguancun Science Park (HSP).

HSP: From bucolic neighborhood to hi-tech powerhouse

In May this year, the Zhongguancun Hi-tech Zone was approved by the State Council to build the national high-tech zone in China. As early as 1988, the HSP became known as “China’s Silicon Valley” after it was founded 28 years ago, and is now home to more than 100 hi-tech technology-based enterprises.

HSP has the most influence and one of the highest one and one science zone, generating 394.1 billion yuan and about 30 percent of Zhongguancun’s overall revenue.

As its capacity for innovation and technological advancement continued to improve, HSP became the leading science park in China.

It has also facilitated cooperation among universities, research institutes and industrial enterprises in the construction of adequate and rational industrial parks in China and strengthened its leading position by creating a more favorable environment for hi-tech businesses.

The experience and lessons hi-tech parks worldwide hold the importance of a favorable environment for the sound development of enterprises. Business and nature both need a favorable environment — with cooperation and connection much like that in an ecological chain.

An ecological chain

Biological ecosystems in HSP form a kind of ecology that requires nurturing new growth, competition for resources and synergy to survive.

At the top of the chain are the multinational and famous domestic enterprises such as Lenovo, Microsoft, Google, Foxconn, Seagate, AMD, Novo Nordisk, Sony and others, have established regional headquarters, R&D centers and marketing centers in HSP, which now has the largest number of multinationals of any hi-tech park in China.

A group of indigenous enterprises with international influence, such as Lenovo, have also developed in HSP. In 2004, Lenovo purchased the global PC service of IBM, becoming the third-largest PC manufacturer in the world, and in 2009, it joined the list of Fortune 500 companies.

HSP is home to a dozen of independent industrial institutes, research institutions, Park Shangdi Information Technology Industrial Park, Taiyuan Software Park, Haidian District Information Technology Park and Zhongke Silicon Valley Park.

In the various economic relations with upstream and downstream, with many small firms providing services to the large enterprises.

Other important parts of the ‘ecological chain’ in HSP are the relations among service providers, R&D entities and product enterprises.

In recent years, HSP has increased its support to the information service, financial service and R&D industries.

HSP has a large number of R&D institutes. There are over 500 research institutes, including 40 R&D centers established by 17 multinationals and 69 R&D facilities of Chinese enterprises. These facilities have offered strong support for the hi-tech development in the park beyond the entire city of Beijing.

The government’s role

In the ‘ecological chain’ of HSP, the local government also has an important role to play.

Key elements influencing the environment for hi-tech industries include financial service, institutions, research cooperation and government support.

HSP is not a place that is always competitive in the industrial zone. It evolved from the HSP and its nearby streets and research parks to attract international financial service and promote technology transfer.

Promoting the development of enterprises by perfecting financial service is also an important task of the local authorities. The authentic’s efforts including offering startup financial business as an assistant by establishing special funds, setting up special institutions to help enterprise get listed on stock markets, helping small and medium-sized enterprises grow and restructure, capital Hope.

In addition, the administrative committees in HSP also endeavor to attract international financial institutions to open operations in HSP.

Past and present: Construction along Zhongguancun Street that began 20 years ago resulted in a modern urban development specializing in hi-tech industries.

In 1988, the Shangdi Information Industrial Park, an important part of Haidian Science Park, was approved by the State Council to build the national high-tech zone.

In 1999, when the Beijing New Technology Development Zone was expanded to cover two industrial parks in several districts in Beijing, the name was changed to Zhongguancun Science Park.

The Haidian Experimental Zone was then renamed Haidian Science Park, the core of Beijing’s hi-tech development area, covering an area of 1.15 sq-km (115 hectares) and 3.18 sq km of adjacent area, today, HSP has five industrial parks, including the Zhongguancun Science Park, Zhongguancun Eastern Section, Shangdi Information Technology Park, Zhongguancun Hi-tech Zone and Shangdi Information Park.

In the past 20 years, the total business revenue in HSP reached 407.7 billion yuan, growth of 160 percent from 1999.

In the past 20 years, HSP has maintained an annual growth of more than 25 percent.

In 2007, the total business revenue in HSP reached 52.17 billion yuan, accounting for 1.4 percent of the total in the nation.

In recent years, the annual revenue has grown by 30 percent per year. The total number of employees is 430,000 employees, 3 percent held bachelor’s degrees, 99 percent had master’s degrees and 1.6 percent had PhD.

It is also a favorable site for young researchers, Chinese scholars to develop in the zone.

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In the years to come, the Zhongguancun Hi-tech Zone is expected to attract more national and international scientific parks, exhibition halls, trade fairs, sponsors and international research programs and helping enterprises to attract international professionals.