



From left: Tourists enjoy yacht rides in Hainan province. LI XUESHI / FOR CHINA DAILY Local residents perform a bamboo dance to welcome visitors. LUO YUNFEI / FOR CHINA DAILY



By YUAN SHENGGAO

An intercontinental ocean shipping container line linking Yangpu Port in the tropical island province of Hainan with ports in African countries opened recently, expanding Yangpu's foreign trade routes and establishing the port as a hub connecting major domestic ports with those in countries in the Association of Southeast Asian Nations, the South Pacific and the Indian Ocean regions, government officials and experts said.

The launch of the new container route was part of Hainan's accelerating efforts to boost high-quality development and make the Hainan Free Trade Port a model for China's reform and opening-up in the new era, provincial government officials added.

They said Hainan, a city connecting China with Southeast Asia, has been hastening construction of Hainan FTP with bold innovative steps for which a master plan was revealed by the central government in June 2020. It aims to turn Hainan island into a free trade port with Chinese characteristics and worldwide influence by the middle of the century.

Wider opening-up is delivering visible results, generating attractive economic benefits and has added appeal to Hainan as an emerging place for investment.

A Haikou-based aviation maintenance company, for instance, recently became the first big beneficiary of the "zero tariff" policy for raw and auxiliary materials granted by the master plan, enjoying about 10 million yuan (\$1.38 million) in a tax exemption for importing a spare engine for a Boeing 787, at a value of 90 million yuan.

Hainan Ausca International Oils and Grains in the Yangpu Economic Development Zone, currently a testing ground for Hainan FTP policies, has been exempted from 190

# Hainan beckons to world, with steps for high-level opening-up

Wider cooperation delivering results, generating attractive benefits and wider appeal of the island as an investment destination

million yuan in tax thanks to the "zero tariff" policy on value-added processing of imported materials. It started business operations in June 2021, according to company managers.

To date, national authorities have issued three "zero-tariff" commodity lists for companies based in Hainan.

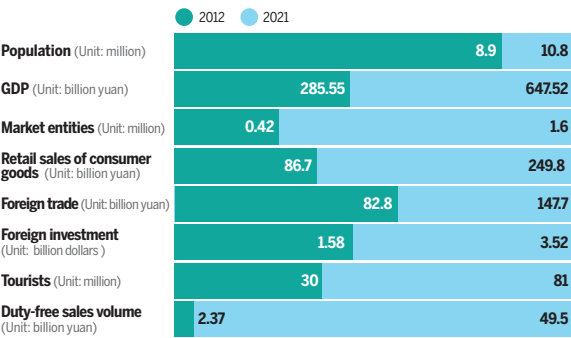
They include ships, yachts, automobiles, aircraft, production materials and equipment, and entertainment facilities.

As of August, a total of 11.68 billion yuan worth of "zero-tariff" goods had moved in through Haikou Customs and 2.14 billion yuan of tax was exempted for enterprises, the Haikou Customs reported.

Local officials said that Hainan will soon conduct a comprehensive assessment of the implementation of the current "zero-tariff" commodity lists and consult the central authorities on optimizing and expanding their scope, to enhance cross-border trade facilitation and support high-quality development of foreign trade in the Hainan FTP.

The central authorities have introduced more than 180 policy documents since 2018 to liberalize and facilitate investment and trade in goods and services, and to secure wider market access to sectors including finance, culture and medical care, to make Hainan FTP a showcase of China's economic

## Hainan figures in past 10 years (2012-21)



Sources: Hainan Provincial Bureau of Statistics, Haikou Customs

reform and opening-up, according to government officials. They said the implementation of the policies and the Hainan Free Trade Port Law, which went into effect in June 2021, have helped establish a free trade port system that is characterized by an internationally competitive zero tariff policy, a low tax rate and a simple tax system", promoting the free and convenient flow of trade, investment, cross-border capital and personnel, as well as the safe and orderly flow of data.

The central authorities have also issued a series of policy measures to support quick and high-level development of new offshore international trading in the Hainan

FTP. Hainan is actively formulating measures to promote the construction of a comprehensive digital service platform, to attract more market players to settle in Hainan and expand new offshore international trading business models.

Officials from the Hainan provincial department of commerce said they will promote the "zero tariff" policy on value-added processing of imported materials to the whole island, introduce more processing and manufacturing projects and encourage the growth of industrial clusters that involve biomedicine and medical equipment, food processing, new energy

and new materials, and high-end equipment manufacturing.

To facilitate a more open, convenient and efficient business environment for traders and investors, Hainan has also made significant headway in the integration of institutional innovations.

To date, a total of 128 institutional integration innovation cases have been completed, in fields such as commercial registration, foreign investment management and trade supervision, of which 120 have been promoted across the province, officials said.

They noted that Hainan FTP has become a strong magnet for both domestic and foreign investment as the province accelerates its opening-up against the backdrop of the global economic slowdown caused by the COVID-19 pandemic.

A total of 1,936 foreign-invested enterprises were established in 2021 in Hainan, an increase of 92.64 percent over 2020.

Foreign trade has been growing for 22 consecutive months, ranking the area fifth nationally in growth rate to reach 125.75 billion yuan from January to August, up 45 percent year-on-year, according to data from the provincial market supervision bureau.

In the first half of the year, a large number of globally famous enterprises such as LVMH, Dun and Bradstreet, Viatrix, Iqvia Holdings,

Tapestry, Raffles Singapore and Sotheby's have invested in Hainan.

Market entities jumped from around 420,000 in 2012, to 1.98 million by the end of June, indicating that both enterprises inside and outside the country are enthusiastic about investing in Hainan FTP.

Lured by the new offshore duty-free policies updated by the central authorities in 2020, about 1,400 overseas brands have made their debuts and some have opened boutiques in Hainan, which is building itself into an international tourism consumption destination, the authorities said.

Meanwhile, exchanges in international energy, shipping, commodities and carbon trading have been established in the free trade port, which will be the largest in the world when construction is completed.

For a province that used to rely heavily on the real estate sector, Hainan has made full use of free trade port policies to accelerate the construction of a modern industrial system, with tourism, modern services, high-tech industry and highly efficient tropical agriculture as the pillars of the economy.

In 2021, the four leading industries contributed nearly 80 percent of local economic growth. They have become the most important drivers for high-quality economic development in Hainan, said officials.

The province is making full preparations to launch independent customs operations by 2025 as part of broader measures to promote trade and investment liberalization and facilitation, and to better integrate itself into the country's new development paradigm of domestic and international economic circulation, or "dual circulation", they said.

Independent customs operations mean a wider and deeper opening-up of the Hainan FTP to the world, officials said.

## Province makes rapid progress toward greener future

By YUAN SHENGGAO

China's southernmost Hainan province has maintained its focus on sound ecological development as it establishes a national ecological civilization demonstration zone and a free trade port that is set to become globally influential by the middle of the century, according to officials from the provincial government.

Dotted by 1,944 kilometers of coastline, 68 natural bays, the tropical island province has been endowed by nature with a unique diversified ecosystem and rich natural resources, including lush mountains, rainforests and wetlands, vibrant seaweed beds, colorful coral reefs and other mysterious marine creatures. It boasts more than 4,000 vascular plants, more than 2,500 kinds of medicinal plants and over 20 species of rare plants protected at national level.

Local authorities said that Hainan has put ecological conservation and green lifestyles high on its agenda in recent years and boosted a series of ecological landmark projects.

The highlights include the construction of the Hainan Tropical Rainforest National Park — China's largest contiguous tropical rainforest; promotion of prefabricated buildings; domestic waste classification and an islandwide ban of plastics and promotion of new energy vehicles. The unwavering efforts from the

government and the public on biodiversity conservation and environmental protection have been rewarded, with admirable improvements and amazing new discoveries reported in the research of rare wild plants and endangered animal and plant germplasm resources.

Earlier this year, in the international journals of Mycokeys, Diversity and Phytotaxa, Chinese bioscientists unveiled their discoveries of eight new massive fungi species in the Hainan Tropical Rainforest National Park, one of China's five formally designated national parks, announced at the Leaders' Summit of the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity, or COP 15, held in Kunming, capital of Yunnan province in 2021.

"The new fungi species play an important role in the recycling ecosystem of the rainforests and three of them have been used in antioxidant, bacteriostatic and anti-tumor pharmacological activities. Further study of them may lead to innovative drugs with wide prospects," said Ma Haixia, who made the discovery with her team from the Research Institute on Tropical Biotechnology under the Chinese Academy of Tropical Agricultural Sciences.

In the past three years, local scientists have observed at least 28 new species in the tropical rainfor-



Hainan's natural beauty is clear to see. CHEN YUANCAI / FOR CHINA DAILY

ests. They included six new species of animals, nine new species of plants and 13 new species of fungi, according to a research report released earlier this month by the national rainforest park administration.

Located in the mountainous area of central Hainan island, the national park covers about 4,269 sq km, or one-seventh of the province's land area, and is known as one of the world's key germplasm resource banks that is home to 3,653 species of wild vascular plants and 540 species of vertebrates.

In the park, the only habitat of the critically endangered Hainan gibbon, or *nomascus hainanus*, to give its scientific name, has maintained growth in population. It is the only one of the

20 gibbon species that enjoys such a growing trend in the world, according to experts from the International Union for Conservation of Nature.

Jane Smart, global director of the IUCN's biodiversity conservation group, said that the steady recovery of the gibbon population in Hainan is evidence of China's achievements in ecological and environmental protection in recent years. Hainan's conservation efforts have renewed confidence in the protection of endangered primates around the world.

Chinese scientists placed an annual gross ecosystem price tag of about 205 billion yuan (\$31.7 billion) on products and services at the Hainan Tropical Rainforest National Park last

year, the country's first-ever GEP accounting for a national park. It aims to help people better understand the tremendous wealth offered by a sound environment and to promote coordinated efforts to boost environmental protection and socioeconomic growth. GEP summarizes the value of nature's contributions to sustainable socioeconomic development and effectively makes up for the inability of GDP accounting to measure natural resource consumption, ecological resources and environmental damage, said experts.

"The GEP accounting of the park provides a quantifiable yardstick for the country's development of an ecological civilization, showing that Hainan is promoting the new and green development concept through concrete efforts," said Li Yide, a researcher from the Chinese Academy of Forestry Sciences.

"*Halophila ovalis*, a new sea grass variety, has been found in the Dongzhai mangrove national reserve which is home to 69.4 percent of China's mangrove species.

"The area of mangrove seaweeds is increasing year by year thanks to restoration efforts in recent years," said Feng Erhui, an engineer with the reserve administration.

Experts on environmental study noted that the high frequency of new ecological and biological discoveries reveals the rich biodiversity of the tropical rainforest in Hainan, as well

as the progress in ecological protection across the island province.

Government figures show that the province's annual concentration of PM2.5 — hazardous fine particles with a diameter of less than 2.5 microns — has been kept as low as 13 micrograms per cubic meter for the past two years, and forest coverage has stabilized at more than 62.1 percent.

"Compared with our old village, the new living environment is much better — it is spacious and comfortable. Children can go to the school nearby and the elderly can enjoy convenient medical services," said Wang Jiancheng, head of a village that has been newly relocated from a core reserve in the rainforest park. Resettled villagers will receive assistance such as public welfare jobs, lands for operating shops and subsidies for running factories, according to Hainan's regulations on compensation for ecological protection, which came into force in early 2021. Hainan will firmly implement the philosophy that "lucid waters and lush mountains are invaluable assets", accelerate the exploration of value realization mechanisms for ecological products, such as forest carbon sinks, marine carbon sinks, and ecological compensation, to play a leading role in the country's green development path, the provincial authorities said.