



From left: Attendees try wine at the China International Fair for Investment and Trade in Xiamen, Fujian province in September. HU MEIDONG / CHINA DAILY A technician dismantles an aircraft engine inside a company workshop in the Xiamen Area of China (Fujian) Pilot Free Trade Zone. JIANG KEHONG / XINHUA A crane driver operates machinery by remote control in Xiamen. JIANG KEHONG / XINHUA

Pilot free trade zone boosts trade for Xiamen

By SONG MENGXING
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Dynamic commercial hub welcomed more than 40,000 companies within four and a half years

The Xiamen Area of China (Fujian) Pilot Free Trade Zone has built an excellent business environment with world-class standards and is welcoming companies to share in development opportunities, local authorities said.

The area is important for the coastal city in East China's Fujian province to achieve high-quality development, they said.

Xiamen has established a service system that fits within international investment and trade rules, they added.

Since its establishment four and a half years ago, the area has launched 391 innovative measures.

At a promotional event for the area held on Sept 9, more than 300 business people from countries and regions such as the United States, Italy and the Netherlands discussed cooperation opportunities.

It resulted in the signing of more than 50 projects focused on major industries and investment fields in the area. They involve air service, logistics, cross-border e-commerce, films and television and financial services.

Dai Bin, an official from the area's administration, said 16 sectors, including imported alcohol, integrated circuit and the import of automobiles, are gradually playing a



From left: The Xiamen Area of China (Fujian) Pilot Free Trade Zone creates 13.6 percent of Xiamen's total GDP. Residents are served in the area's service hall PROVIDED TO CHINA DAILY

more important role. They allow the area to boast seven pillar industries, including international trade, aeronautical maintenance, financing and leasing, advanced manufacturing and cultural tourism.

Local media reported that the area had become a pilot of national reform, innovation and open and transparent investment.

In the past four and a half years, 43,000 companies settled in the area with a registered capital of 620 billion yuan (\$87.59 billion). Its land area

accounts for 2.5 percent of the city's total. Meanwhile, its GDP accounted for 13.6 percent of the city and its imports and exports accounted for about 30 percent.

This year's China International Fair for Investment and Trade, held from Sept 8 to 11, saw the area sign nearly 60 projects worth almost 20 billion yuan. Among them was an e-commerce import and export operation center of Chinese e-commerce giant JD.

Staff member of the center said it

will expand cross-border bonded business, advanced logistics, supply chain finance and service trade cooperation.

The JD project will benefit from preferential policies related to the Belt and Road Initiative and the Xiamen area of the Fujian free trade zone.

Hong Kong-listed E-Commodities Holdings and Xiamen-headquartered XMYG Corp signed to invest 2 billion yuan to found a joint venture and cooperate on the trade of

coking and coal used to generate electricity.

Attracting professionals is a priority of the area's administration. It released several measures to stimulate innovation and entrepreneurship, encouraging companies to recruit professionals in 12 key industries in 2018.

The city also welcomes people from nearby Taiwan to work, start up companies and seek internships in the area.

The Xiamen Area of China (Fujian)

an) Pilot Free Trade Zone welcomed its first representative office of a law firm from Taiwan recently. Authorities from the area's administration said boosting cross-Straits communication and cooperation is the area's biggest feature and currently the most important mission.

The law firm is optimistic about the area's judicial service prospects and business environment. They added that the new representative office will help companies from Xiamen and Taiwan have more convenient and diverse legal services.

To better serve companies, the Haicang port area of the Xiamen free-trade area started a pilot reform on declaration. On Oct 9, a customs worker finished an "essentials declaration" of 14,112 bottles of wine imported from Chile online. Data including the ship's name, voyage number and inspection and quarantine was immediately sent to Haicang Customs. The process from online declaration to clearance lasted 72 seconds.

Related authorities said previous clearance procedures required companies to declare 105 items at a time. After the reform — which was proposed at an executive meeting of the State Council in June — goods can be taken away after the customs permits "essentials declaration" that needs a minimum of nine items. "Complete declaration" should be done within 14 days.



City expands investment in international financial industry

By YUAN SHENGGAO

The launch of China's first locally driven cross-border investment fund in Xiamen, Fujian province, earlier this year further signposted the East China province's efforts in opening up its economy to the outside world.

The Xiamen Maritime Silk Road Fund, established by the city government, has helped investment in the overseas holdings of Lixiang Auto, a Beijing-based electric vehicle start-up with an aim of going global.

This latest effort follows a long line of development and reform in the history of Xiamen's financial industry.

The city was named a pilot city for reforming the financial system back in 1986. Since then it has pioneered financial reform, becoming one of the first cities to promote specialized banks, improve credit management and settlement methods, as well as foreign exchanges and debt management.

In 2010, the State Council approved Xiamen to become a cross-Straits regional financial service center because of its closeness to Taiwan. This enabled the city to attract financial institutes covering cross-Straits business, as well as banks, securities and insurers from Taiwan.

Getting its own free trade zone in

2015, Xiamen was able to make progress in interest rate liberalization, renminbi internationalization and capital account convertibility.

Entering the new era, the city has set the goal of attracting more investment, serving the real economy, controlling financial risk and deepening financial reforms with strengthened financial regulation and optimized services.

Attracting global business

Xiamen has opened up its financial market to the globe amid the country's reform and opening-up.

Branches of overseas banks, such as HSBC and Standard Chartered Bank, have settled in the city. The first Sino-foreign joint-venture bank of New China — Xiamen International Bank, was founded in Xiamen in 1985, a milestone for opening-up in the Chinese banking industry. By the end of 2018, the number of overseas banks in Xiamen had reached 15.

The newcomers have helped introduce advanced financial management and operation methods from overseas as well as enhanced financial exchanges between the city and the world, according to Xiamen Daily.

With the expansion of its international finance business, Xiamen's finance industry is able to provide



Xiamen University announces the launch of a cross-Straits financial development research center in December 2018. LIN SHANGCHUAN / XINHUA

financing and other support for local companies wanting to go global.

Cross-border trade in RMB settlement, which arrived in 2010, has covered cargo trade, service trade, inward and outward direct investment and cross-border two-way financing. It has helped lower currency conversion cost, streamline business processes and back international projects.

Cross-border RMB settlement grew from 24.64 billion yuan (\$3.48) in 2011 to more than 106.24 billion yuan in 2018 with an average

annual growth rate of 23.3 percent, data from the local government showed.

Green, technological goals

In recent years, the local government has focused on the development of green finance, financial technology, wealth finance and the gold industry, to better serve the real economy.

The Xiamen government is assisting green projects and green companies with fiscal subsidies, tax cuts and government guarantees. It is also encouraging financial institu-

tions to back this segment. By 2018, the credit balance for environmental protection reached 17.31 billion yuan. The city plans to provide funds up to 12.07 million yuan in total to 12 banks for their contributions to green finance this year. It is also allocating pollution settlement subsidies up to 450,000 yuan to 66 companies in total.

In wealth finance, Xiamen has welcomed private investment management institutions to set up private equity funds in the city, including Sequoia Capital. By the end of August, it had 365 private fund management institutions, ranking among top 10 in China.

In terms of fintech, the city has numerous internet and new economy companies, such as Qudian, a leading provider of online small consumer credit in China. China Construction Bank has established a fintech branch in Xiamen to launch key technological products. The city also launched the country's first local financial off-site supervision system.

To develop the gold industry, the city has cooperated with Shanghai Gold Exchange to be able to have transaction warehouses and gold refineries. In August, the Straits gold and jewelry industrial park opened, which is expected to make Xiamen a first-level gold industry center in China.

Milestones and key events

Xiamen International Bank, the first Sino-foreign joint-venture bank of New China, was founded in 1985.

The first clearing house and foreign exchange market of Fujian province were set up in Xiamen during 1986-89.

The cross-Straits regional financial service center was founded in Xiamen in 2010.

The first Straits finance forum was held in Xiamen in 2012 when the country's first cross-Straits renminbi settlement agencies' group was established.

Output value of the financial services industry of Xiamen surpassed 100 billion yuan (\$14.13 billion) in 2015.

Xiamen cooperated with Shanghai Gold Exchange to build a gold business center in 2016 to target regions involved in the Belt and Road Initiative.

JMX Consumer Finance, the first joint venture in consumer finance between the Chinese mainland and Taiwan, was founded in 2018.