

# Qingdao International Economic Cooperation Zone



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· Qingdao, a portal city of China, in the middle of the Beijing-Tianjin-Hebei and the Yangtze River Delta economic circles

San Francisco

Los Angeles

New York

Washington

Panama

New Orleans

- · 1-hour-flight covering about 500 million people in cities including Beijing, Shanghai and Seoul
- · 3-hour-flight covering about 1 billion people in cities including Hong Kong, Macau and Tokyo
- $\cdot$  trading ties with 180 countries through over 700 ports

# **Around Us**



Map of Qingdao

# Qingdao

- · Land area: 11,282 km<sup>2</sup>
- · Population: 9.097 million
- · Foreign population: 100,000
- $\cdot$  2015 GDP: 930 billion yuan,  $\uparrow$  8.1%, ranking 12th in China
- $\cdot$  2015 general financial revenue: 271.37 billion yuan,  $\downarrow 4.3\%$
- $\cdot$  2015 public budget: 100.6 billion yuan,  $\uparrow$  12.4%
- · 2015 fixed asset investment: 655.57 billion yuan, ↑14.2%
- 2015 total retail sales of consumer goods: 371.37 billion yuan,
   10.5%
- $\cdot$  2015 per capita disposal income for urban and rural residents:
- 40,370 yuan, 18.1%; 16,730 yuan, 18.4%
- · 2015 registered unemployment rate: 3%
- · 2015 total trade volume: USD 67.16 billion
- $\cdot$  2015 actually absorbed foreign capital: USD 6.691 billion,  $\uparrow$  10.02%
- Number of invested countries/regions: 160
- $\cdot$  Number of projects invested by Fortune Global 500: 183



West Coast New Area in Qingdao

# West Coast New Area

- $\cdot$  the 9th National New Area in China
- · Land area: 2,127 km<sup>2</sup>, ranking 3<sup>rd</sup> of its kind in China
- · Population: 1.8 million
- $\cdot$  2015 regional GDP: 260 billion yuan,  $\uparrow$  12%, ranking  $3^{rd}$  of its kind in China
- · 2015 public budget: 19.8 billion yuan, 12.8%
- 2015 actually absorbed foreign capital: USD 1.74 billion,
   ↑ 3.66%
- · 2015 total trade volume: USD 21.6 billion, ↑ 0.3%
- Number of colleges and universities: 9, with 127,000 enrolled students in 2015
- Number of vocational institutions: 22, with 76,700 enrolled students in 2015
- Annual graduates from colleges, universities and vocational institutions: 58,000
- Pillar industry: automobile, machine manufacturing, home appliance and electronics, shipping logistics, ship building and marine engineering, petrochemical
- 2015 emerging industries: new generation information technology, general aviation, life and health, energy conservation and environment protection, new material, marine biology, technology and service, culture creativity, blue economy, tourism

# About Us



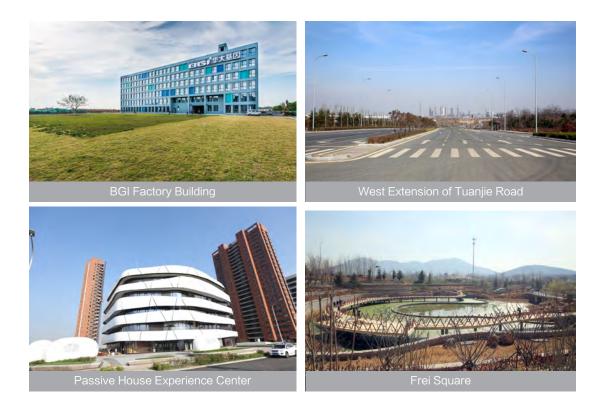


Qingdao International Economic Cooperation Zone locates at Qingdao West Coast New Area, covering a land area of 204 km<sup>2</sup>, will develop into a modern area that leads industrial trend, demonstrates international cooperation and harmonizes industrial production with urban living.

Qingdao International Economic Cooperation Zone includes Sino-German Ecopark, Sino-Korean Innovation Park and Sino-US New Energy Industrial Park at the moment.

### Status Quo

Till the first half of 2016, Qingdao International Economic Cooperation Zone determines to promote 102 industrial projects with total investment of 50 billion yuan. 13 projects have put into operation, 32 are either under construction or to be constructed, 30 more projects are under negotiation.



# About us

## Sino-German Ecopark

#### Origin

On July 16<sup>th</sup>, 2010, under the witness of the Chinese Premier and the German Chancellor, MOU on the Joint Support in the Establishment of Sino-German Cooperation Zone was signed between the Ministry of Commerce of China and the Federal Ministry for Economic Affairs and Energy of Germany. In July, 2013, construction of Sino-German Cooperation Zone commenced in full swing.



Federal Ministry for Economic Affairs and Energy

#### Goal

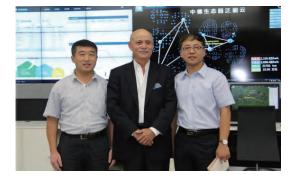
As the only ecological industrial park project co-initiated by the two governments, Sino-German Cooperation Zone pursues "idyllic environment, green development, beautiful life", upholds the development philosophy of "ecological and intelligent living, open and harmonious lifestyle" and endeav-

ors to build a community of interests through the approach of "Germany +, +Germany".





- · Phase I area: 11.6 km<sup>2</sup>
- · Conceptual planning: German GMP Architect
- Transportation system planning: German SBA Company
- Urban and landscape design: German
   Obermeyer Corporate Group
- Ecological Indicator System: accredited by TÜV NORD inspection association



"The low-carbon, environmental friendly and sustainable ideology upheld by Sino-German Cooperation Zone, indicates the direction for future urban development." —Jeremy Rifkin, president of the Foundation on Economic Trends and author of Third Industrial Revolution

# About us

# Sino-Korean Innovation Park



- Area: 12.6 km<sup>2</sup>
- start-up area 3.76 km<sup>2</sup>, officially commenced in August, 2014
- a first-class city that features Sino-Korean economic and trade cooperation in China in 5 years
- a city that features bilateral innovation cooperation and bears international significance over East Asia in 10 years

#### Functions



Sino-Korean innovation collaboration based on trade facilitation



Development of health industry and blue economy



Liberalization and facilitation of personnel exchange



Bilateral cultural and educational exchanges



Sino-Korean ecological demonstration project U-City featuring green and smart living



### Sino-US New Energy Industrial Park



#### Origin

Qingdao was approved to be the National Demonstration City for Promoting and Applying New Energy Automobile by the State Council in 2013; Qingdao International Economic Cooperation Zone was approved "New Energy Demonstration Industrial Park" by the National Energy Administration in 2014. It will follow the spirit of Planning for the Development of the Energy–Saving and New Energy Automobile Industry (2012–2020), build a major new energy automobile base and demonstrate new energy industry. Area: 4.9 km<sup>2</sup>

promoting independent micro electric public transportation system in the entire Cooperation Zone charging facilities reservation on parking lot  $\geq 20\%$ 



TGood Charging Post Project

# About us

### **Industrial Orientation**

#### **General Aviation**

- October, 2015, under the witness of the Chinese
   Premier and German Chancellor, agreement of
   cooperation intention signed with Airbus Helicopter
- $\cdot$  to build the 1st assembling line of airbus helicopter in China
- to complete the industrial chain that includes assembling, engine, key components, training, maintenance, leasing and operation



#### Genomics

- $\cdot$  collaborating with BGI, for the largest marine gene bank in the world
- · developing the life science industry featured by precision medicine and genomics





# Industry 4.0

- $\cdot$  an integration of Industry 4.0 and Made in China 2025
- February, 2015, the 1st Industry 4.0 Alliance in China officially established
- cooperating with Siemens for an intelligent
  manufacturing innovation center
- Haier intelligent home appliance factory and Leigh-Mardon low-carbon printing projects with total investment of 8 billion yuan established

#### Passive House

- · July, 2014, the passive house demonstration project signed under the witness of the Chinese Premier and German Chancellor
- $\cdot$  working with Professor Feist, founder of passive house, on Passive House Institute (China)
- $\cdot$  localizing design, prefabricated manufacturing and construction
- $\cdot$  gradually localizing key material and equipment manufacturing to complete the industrial chain

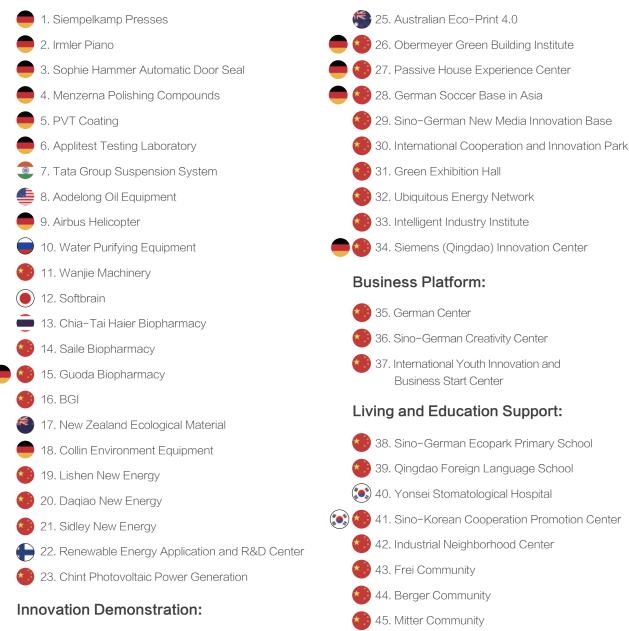


# About us



Overview of Established Projects (till April, 2016)

# Industrial Production and R&D:



🚱 24. Haier Home Appliance Industry 4.0 Innovation

Industrial Base



# **Our Advantages**

# Transportation

#### Port of Qingdao (10-min drive away)

- $\cdot$  Ranking 8th in the world, natural ice-free harbor
- Trade ties with 180 countries and regions through more than 700 ports
- 2015 port handling capacity 500 million tons, up by 4.3%; foreign trade volume 330 million tons, up by 3.7%; 2015 container throughput 17.43 million TEUs, up by 5.1%
- 55 shipping companies, about 15,000 freight forwarders, more than 200 customs clearance companies





#### Automobile Ro-Ro Terminal (7km away)

- $\cdot$  two 70,000 ton roll-on/roll-off ship berths
- · automobile yard 80,000 m<sup>2</sup>
- · testing yard 11,000 m<sup>2</sup>
- · customs inspection yard 5,600 m<sup>2</sup>

# **Our Advantages**

#### Aviation

- · 30km from Qingdao Liuting International Airport
- 120 domestic services, 19 international services, 5 regional services to Hong Kong, Macau, and Taiwan, direct flight to Germany, Japan, South Korea, Singapore…
- 29km from Jiaodong International Airport (completed by 2018)



Jiaodong International Airport in 2018

#### Highway

 two national highways cross at and have an exit to Cooperation Zone



#### Railway

- Connected with national railway network, an important hub in the Silk Road Economic Belt
- Linked with 4 cross-border freight trains, convenient logistics channel to Northeast China and to Europe and West Asia, with station at Hamburg
- 4.5 hours' train away from Beijing,
  6.5 hours' train from Shanghai; the time is expected to be shortened to 3 hours and 4 hours respectively by 2018
- 5km from Huangdao Freight Station, directly connected to the Port

#### Tunnel

· 30 minutes' drive from downtown Qingdao via undersea tunnel

#### Sea Bridge

30 minutes' drive from downtown
 Qingdao via cross-sea bridge



Qingdao High-Speed Rai



Undersea Tunnel



Jiaozhou Bay Sea Bridge



# **Our Advantages**

## Education

#### Sino-German Ecopark Primary School

- Inside Cooperation Zone, coverage 3.5 hectare, with enrollment capacity of 1,620 students
- the first European style zero-energy-consumption primary school widely adopting green construction techniques nationwide
- the first ecological primary school in China, now been accredited by experts and put into use

#### Qingdao Foreign Language School

- inside Cooperation Zone, the former
   Richard Wilhelm Academy founded in 1901
- to launch 60 classes, recruit 3,000 students, teach English, Japanese, French, German, Korean, Spanish and Arabic
- · about 20 permanent foreign teachers
- cooperation projects with the US, Japan, Germany, Canada, France, etc.





#### Dual System Engineering University (under planning)

- cooperation with University of Applied Sciences Jena, University of Applied Sciences Koblenz, University of Applied Sciences Bielefeld, Paderborn University
- 10 majors including mechanical engineering, electrical engineering and automation, electronic information engineering, energy and power engineering
- $\cdot$  the first Sino-German cooperative dual system university in China
- coverage 600,000 m<sup>2</sup>, planning annual enrollment 1,200 students, enrollment capacity expected to reach 20,000 in 5 years





# **Our Advantages**

## Human Resource

#### Dual System Vocational Training

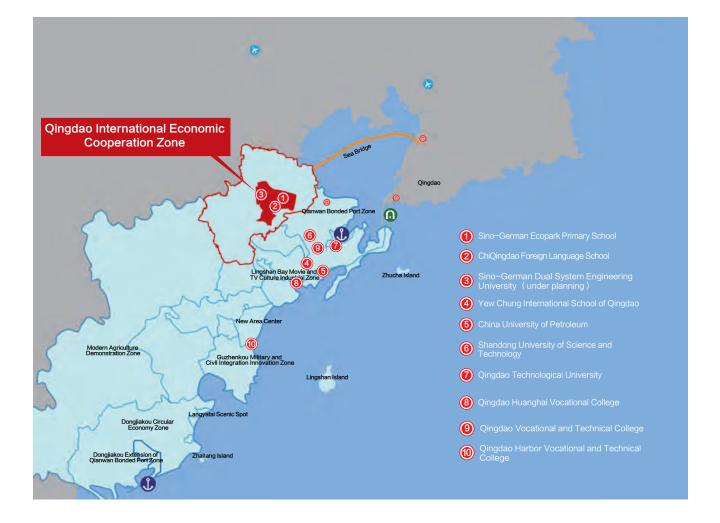
- collaborating with Sidel Foundation, training courses including mechanical design and manufacturing
- cooperation with AHK office in Shanghai, total investment 330 million yuan, to build a Sino-German Vocational Training Center with an international cooperation project center, a training workshop and so on
- · offering tailored training service



#### Qingdao is home to:

- 23 colleges and universities: 2015 newly enrolled graduate students 110,000, in school graduate students 310,000, graduated 9,000; newly enrolled undergraduate and college students 920,000, in school 322,000, graduated 80,000
- 92 vocational schools:, 2015 newly enrolled students
  410,000, in school 119,000, graduated 44,000





## Healthcare

#### Qingdao Yonsei University Stomatological Hospital

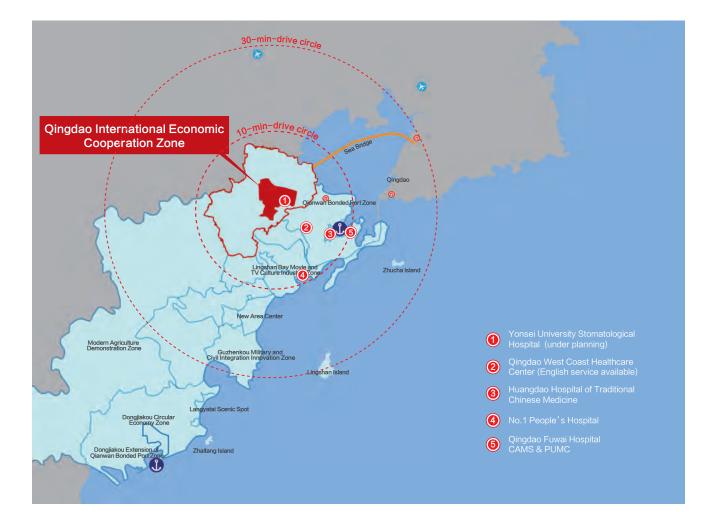
Inside cooperation zone, an cooperation project with Yonsei University Stomatological Hospital, with 200 comprehensive dental chairs along with education and treatment and other auxiliary facilities in design, aims to be a high level stomatological hospital in China.

#### Qingdao West Coast Hospital

10-min drive away, coverage 138,000m<sup>2</sup>, installed with 1,500 inpatient beds, the largest tertiary A-level general hospital in Shandong Province, English service available.





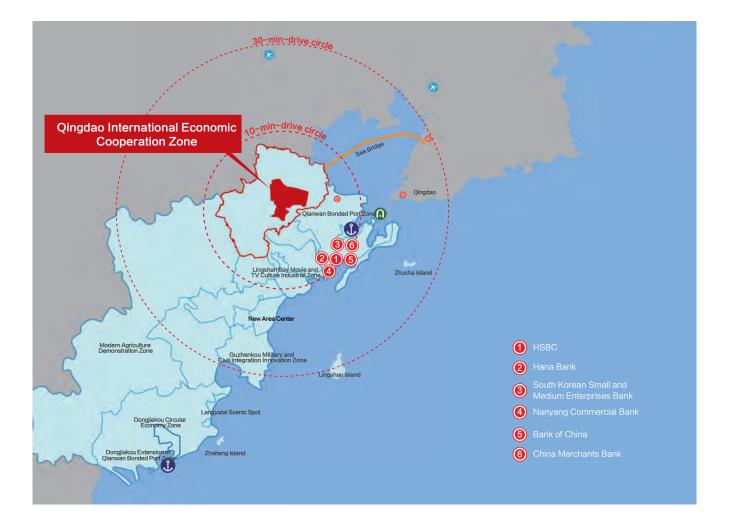


## Finance

Till the end of 2015, Qingdao is home to 221 financing institutions, including 22 corporate ones and 34 foreign capital ones; 10 emerging financing institutions such as finance corporation, consumer finance company and asset management company; and over 500 other companies in this field.

Till the end of 2015, Qingdao has 44 bonding companies, total amount of guarantee reached 10.89 billion yuan, including 1 company with registered capital of 1 billion yuan, 4 companies with registered capital of 300 million to 1 billion yuan, 30 companies with 100 to 300 million yuan, and 9 with less than 1 million yuan.





# **Our Advantages**

### Accommodation

Inside the Cooperation Zone, there are many residential communities, all in line with two-star green building standard and equipped with commercial outlets. Total construction area is now 300,000 m<sup>2</sup>, 1,722 apartments.

The Public Housing project is 3 km away, well equipped with service buildings, canteens and commercial outlets. Phase I of the project has 992 apartments, all put into use; Phase II has 1,392 apartments, ready by the end of 2016.





### Leisure

#### Asian Base for German Soccer

Inside the Cooperation Zone, including a rehabilitation therapy center, an ancillary service building, and 3 high-standard soccer pitches (11-a-side pitch, 7-a-side pitch and 5-a-side pitch); total coverage about 20,000 m<sup>2</sup>.

#### Metro

Invested and built by METRO Group-a Fortune Global 500 retail and wholesale supermarket group, about 7 minutes' drive away.

#### Frei Square

Inside the Cooperation Zone, total construction area over 120,000 m<sup>2</sup>, including office buildings for SMEs, hotels, commercial facilities, distributed energy station and underground parking lot; about 5 minutes' drive away.





# **Our Uniqueness**

### **Business Center**

- $\cdot$  the largest DGNB gold metal independent building in Asia
- · total investment 400 million yuan; total construction area 75,800 m<sup>2</sup>
- high-end business center; services including training, market consultation, product exhibition, office room available
- · Intercity—a four-star hotel operated by Steigenberger
- put into use in January, 2016
- · hosted City Exhibition of Manheim, City Exhibition of Oldenburg



### **IPR Protection Center**

The Intellectual Property Right Protection Committee is composed of 11 experts from China and abroad, offering legal interest protection and the following services:

- · IPR consultation
- · IPR legal services
- · IPR management
- · IPR investment and financing
- · IPR trade





# **Our Uniqueness**

### A Professional Team

A 36-strong service team with overseas work or study background, fluent in foreign languages and rich in professional knowledge, rendering free consultation and assistance in:

- · business investigation and market research
- $\cdot$  taxation and law consultation
- · fiscal and investment consultation
- industrial cooperation matching
- · investment and financing channel expansion
- $\cdot$  project examination , approval and registration
- · project construction procedures
- · project operation and follow-up service
- $\cdot$  Work Permit and Temporary Residence Permit for foreign employees

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# Appendix: Operation Environment & Cost

# **1. Natural Conditions**

Climate	Qingdao, located in the north temperate monsoon region, is featured by significant oceanic climate with moist air, abundant rainfall, suitable temperature and four seasons.				
Geography	Coastal	Coastal hills			
Geology	Gneissic granite, granodiorite, Laoshan style granite. The groundwater is not corrosive to the building foundation, no special treatment is required.				
	I	Surface cultivated land;			
Stratum	II	Clay, even distribution, endurance 176 KPa;			
	ш	Sub-clay, uneven distribution, endurance 196 KPa;			
	IV	Grit, endurance 274 KPa			

## 2. Infrastructure Cost

Item	Capacity	Cost					
Water	160,000 tons treated water/day	non-domestic water: 3.75 yuan/ton domestic water: 1.8 yuan/ton *a differential water price system is applied					
Sewage	200,000 tons/day	non-domestic wastewater disposal fee: 1.25 yuan/ton domestic wastewater disposal fee: 0.7 yuan/ton *Collected together with water charge					
Electricity	<ul> <li>two 110KV substations available; three more 110V substations and one 220 KV substation to be built;</li> <li>connected with national power grids, 24-hour double circuit power supply available</li> </ul>	top1.18416Peak1.052lovel0.7216lovel0.7216lovel0.3912low0.3912top1.15866lovel hourspeak1.0295peak1.0295lovel0.7066lovel0.7066lovel0.3837lovel1.113316lovel1.13316lovel0.6916lovel0.3762peak0.9845lovel0.9845lovel0.6766lovel0.6766lovel0.6766lovel0.6766lovel0.6766lovel0.3687					

Natural Gas	900,000 m³/day (supplied by ENN) Design pressure of municipal medium–pressure pipeline is 0.4 Mpa. calorific value 8,600 kilocalorie/ m³	Industrial: 3.65yuan/m³ Residential: 2.4yuan/m³ *Natural gas infrastructure fee=maximum daily usage amount *700yuan/m³
Industrial Steam	30 tons/hour, adjustable	89.3 yuan/GJ
Heat	Provided by steam or hot water from Biomass Thermal Power Plant and Ubiquitous Energy Network	89.3 yuan/GJ
Waste	100,000 tons/year (operated by waste management companies)	Non-dangerous waste gas: 100-2000 yuan/ton Dangerous waste gas: 1600-4000 yuan/ton Solid/Liquid Waste: 100-4400 yuan/ton
Fire Brigade		1 fire brigade under planning
Network	Broadband, Wi-Fi	100M
Communication	China Mobile, China Unicom, China Telecom	
Gas Station	CNG: 20,000 m³/day LNG: 30,000 m³/day	2 gas stations under planning
Land	Approximately 250,000/ yuan/mu (taxes included)	infrastructure including water, electricity, natural gas, sewage, drainage, heating and roads equipped to the border of the selected site

Note: The above data is due April, 2016. Should any policy adjustment occurs, the new standard shall apply.

## 3. Construction Cost Reference for Factory Buildings

Structure	Storey Height (m)	Crane (yes/no)	Cost (YUAN/m²)	Comments		
	0.40	yes	1000-1500			
Steel	8-10	no	900-1400			
(single-storey)	10 10	yes	1100-1600	Costs of		
	10-12	no	1000-1500	single-storey and office		
	8-10	yes	1000-1500	building are		
Concrete		no	900-1400	calculated at construction		
(single-storey)	10-12	yes	1100-1600	and installa-		
		no	1000-1500	tion cost only, cost for		
Office building (frame three-storey)	3.6	-	2200-2500	land and upfront construction excluded.		
Note: The above data is due April, 2016. Should any policy adjustment occurs,						

the new standard shall apply.

## 4. Reference of Staff Salary

Position	Annual Salary (yuan)		Position	Annual Salary (yuan)		
	High	Low		High	Low	
Manager	588,420	33,647	Metal Roller	73,119	28,890	
Supervisor	411,477	28,661	Combined Machine Tool Operator	76,545	24,380	
Financial Manager	295,586	31,472	Latheman	120,902	24,697	
Production Manager	284,472	31,948	Miller	125,342	26,539	
Purchasing Manager	252,173	26,347	Borer	115,452	27,939	
Administrative Manager	262,284	26,046	Grinder	87,645	19,284	
HR Manager	293,243	27,213	Puncher	131,675	23,734	
R&D Manager	397,410	39,456	Coater	66,168	20,703	
Canteen Manager	157,898	27,115	Welder	102,505	27,245	
Workshop Manager	226,431	32,168	Bench Worker	118,919	25,979	
Office Manager	228,893	26,879	Driller	137,647	27,631	

Note: The above data is due April, 2016. Should any policy adjustment occurs, the new standard shall apply.

### 5. Rent Reference

Distance	Descri	ption	Rent (yuan/month)		
2km	2 bedro	ooms	600-800		
28111	3 bedro	ooms	800-1000		
5km	2 bedro	ooms	1000-1500		
ЭКШ	3 bedro	ooms	1700-1800		
	Old community	2 bedrooms	1700		
13km	Old community	3 bedrooms	2000-2500		
	New community	2 bedrooms	2500-3000		
	New community	3 bedrooms	3500		
14km	2 bedro	ooms	1500-2000		
14KIII	3 bedro	ooms	2500-2700		
15km	2 bedro	ooms	1500-1600		
IJKII	3 bedro	ooms	2300-2500		

Note: The above data is due April, 2016. Should any policy adjustment occurs, the new standard shall apply.

# 6. HSR Time Table (from Qingdao to other Major Chinese Cities)

City	Beijing	Shanghai	Guangzhou	Tianjin	Hangzhou	Hefei	Changsha	Wuhan
Time (h)	4.5	6.5	12.7	4.4	7	5.5	10	8.5
Ticket Price (economy class, yuan)	314	518	950	266	506	382	655	489

Note: The above data is due April, 2016. Should any policy adjustment occurs, the new standard shall apply.



#### Administrative Committee of Qingdao International Economic Cooperation Zone

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