



**From left:** Haikou, capital of Hainan province, is a popular holiday destination. Haikou's Jiangdong New Area bustles with new investment projects. During the Mid-Autumn Festival holiday in September, a staff member of a human resource center in Haikou learns about the needs of foreign nationals. PHOTOS PROVIDED BY WANG CHENGLONG / FOR CHINA DAILY

# Hainan FTP to play key role in ‘dual circulation’

## New regulations to optimize island's business operations

By YUAN SHENGGAO

New measures are being taken to better implement the Hainan Free Trade Port Law and foster a more sound business environment in an effort to develop a globally influential free trade port in South China's Hainan province, according to the provincial authorities.

The latest measure, a set of regulations on optimizing the business environment of the Hainan FTP, came into effect on Nov 1.

The regulations are the first supporting ordinance of the FTP law that will help to create a legal, international, convenient, fair, transparent and predictable business environment through further optimizing policy, the market, governance and social resources, said officials at a news conference held in Haikou, capital city of Hainan, on Monday.

The Hainan government is striving to strengthen the strategic functions of the free trade port entrusted by the State, serving as a “reaction furnace” in attracting and allocating global resources, and becoming an important intersection of the “dual circulation” economic model, under which the domestic market is the mainstay while the domestic and foreign markets reinforce each other, said a senior official with the provincial government.

To reach the goal, the Hainan government has prioritized promoting the integration of institutional innovation, as well as more convenient trade and investment and an open economic system — with significant

headways having already been made since the release of the Master Plan for the Construction of Hainan Free Trade Port in June 2020.

More than 130 policy documents have been rolled out since, including a positive “zero tariff” list for free trade port vehicles and yachts, a negative “zero tariff” list for self-use production equipment and a catalog of encouraged industries that have established an initial institutional framework for the Hainan FTP, which covers 35,400 square kilometers in area, according to the local government. As a result, the business environment in Hainan continues to be optimized.

The Hainan FTP law will help to anchor market expectations and foster a world-class, market-oriented business climate governed by a sound legal framework, and it will further enhance the confidence of enterprises, especially those from overseas seeking long-term development in Hainan, officials said.

The introduction of the Hainan FTP law marks China's latest steps in institutional opening-up and the law's promulgation sends a clear signal that China will unswervingly expand opening-up and promote economic globalization, experts said.

To create a first-class business environment, the Hainan government has implemented more than 120 innovative actions to improve government services, saving users great amounts of time and energy.

Actions such as the “one-seal for approval”, “online approval” and “unified online government service” as well as the “one-stop service window”, among others, have brought about the smoother flow of global investment, trade and talent to Hainan, according to the provincial government.



The 2021 Hainan Free Trade Port recruitment event opens at the Hainan International Convention and Exhibition Center in Haikou, Hainan province on Oct 24. SONG GUOQIANG / FOR CHINA DAILY

One of the recent institutional opening-up moves that received attention was the Negative List of Hainan Cross-Border Trade in Services, which came into effect on Aug 26.

As the country's first negative list for cross-border trade in services, it is a major breakthrough in the country's opening-up in this area, according to officials at the Ministry of Commerce.

The Hainan FTP negative list specifies 70 special administrative measures in 11 sectors, including shipping, retail, logistics, finance and education, for overseas service providers. It ensures that domestic and foreign service providers enjoy equal access to sectors beyond the list, with greater openness, transparency and predictability.

In addition to removing restrictions on foreign individuals partici-

pating in the qualification examinations for engineers in many fields in the Hainan FTP, the negative list allows representative offices of overseas law firms in Hainan to engage in Hainan-related commercial nonlitigation legal affairs.

The frequent release of opening-up policies and measures to relax market access and liberalize and facilitate trade and investment, has continuously gathered market players and talents in Hainan.

Data from the Hainan Provincial Market Supervision Bureau shows that more than 350,000 new market entities have registered in the tropical province since the release of the overall plan.

Haikou Customs reported that more convenient and freer foreign trade and investment drove Hainan's foreign trade up by 60.4 percent year-

-on-year to 101.35 billion yuan (\$15.82 billion) during the first three quarters of this year, exceeding its total exports and imports for 2020, and surpassing 100 billion yuan for the first time in the province's history.

The Association of Southeast Asian Nations has maintained its status as Hainan's biggest trading partner.

“The Hainan FTP and ASEAN countries are highly complementary in natural resources, capital, technology, market, industry and human resources, which is conducive to the free flow of these resources in the region, and expands the space for economic and trade cooperation,” said Zhang Fei, vice-president of the Haikou-based China Institute for Reform and Development.

During a visit to Hainan last week, Alan Beebe, president of AmCham China, said that the achievements in

Hainan FTP have attracted the attention of global investors.

Many enterprises from the United States are optimistic about the development prospects of Hainan FTP, and there are unlimited business opportunities in the island province, said Beebe, who headed a delegation of major US companies from the industries of medicine, agriculture, consumer goods, tech and science, energy, sports, manufacturing, education, culture and finance.

He noted that companies from the US were impressed by the efficiencies in cooperation and in attracting foreign investment, and hope to further cooperate with the Hainan government in such fields as biomedicine, advanced manufacturing, energy conservation and emissions reduction.

Ben Keswick, executive chairman of Jardine Matheson, said during a visit to Hainan last week that the Hong Kong-based group is full of confidence and expectations for the future development of Hainan FTP.

Kelly Marie Wailes, principal of Harrow International School Haikou, said Hainan FTP is gaining greater international influence.

“With the FTP policies, more and more foreign talent and foreign investors can come to the island to capitalize on and develop international companies. The FTP offers fewer restrictions, stronger services, more space per square kilometer than other free trade ports, and is located in a strategic position as the key gateway to the Pacific and Indian Oceans,” said Wailes.

Since 2018, with a total investment of around 700 billion yuan, Hainan FTP has launched more than 1,600 projects to improve local infrastructure and upgrade the industrial layout.

## NEV clusters to highlight crucial drive for green development

By YUAN SHENGGAO

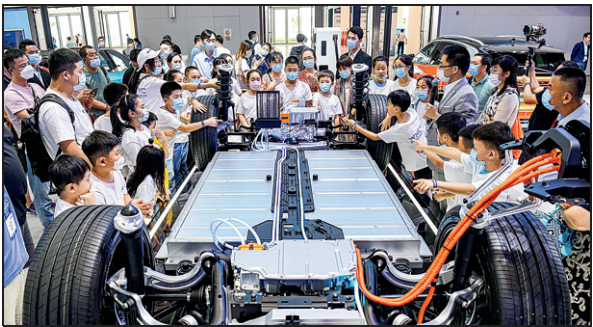
The Hainan government is making concerted efforts to promote the development of new energy vehicles, a landmark industry in the building of a national ecological civilization pilot zone, a strategy envisaged by the central government for the southern island province in 2018, according to the local authorities.

Addressing the third World New Energy Vehicle Conference held on Sept 16 in Haikou, capital of South China's Hainan province, a senior provincial government leader said Hainan will use the opportunity of holding the international NEV event to speed up the construction of a global demonstration area for NEV promotion, cultivating an advanced manufacturing cluster for NEVs and a smart green travel ecosystem, and turning the tropical island into a clean energy island.

As of August, the number of new NEVs had exceeded 91,000 in Hainan, accounting for 5.6 percent of the vehicles in the province, 1.7 times higher than the national average. Hainan has basically made it a reality that all new official-use vehicles, buses and taxis are fueled by clean energy, the provincial leader said.

In March 2019, the Hainan government issued a plan for clean-energy vehicle development, proposing that all public service vehicles be fueled by green energy in 2020.

Clean-energy vehicles will be promoted on a large scale in nonpublic transportation services starting from 2025. By 2030, fuel vehicles will be



An electric car's chassis is displayed at the World New Energy Vehicle Conference in Hainan in September, attracting young visitors. WANG CHENGLONG / FOR CHINA DAILY

banned across the whole island.

The plan said that by 2025, Hainan will complete the installation of 260,000 electric charging piles for NEVs.

The move makes Hainan the first province in China to set a date for the total elimination of gasoline powered vehicles.

To promote growth of the NEV industry, the Hainan provincial government will enact eight projects across the island:

- A demonstration area for NEV promotion will be built. Hainan will make good use of its geographical, climate and policy advantages to ensure that various new NEVs and related businesses are fully supported in all fields and all venues.
- A global high-end conference platform for NEVs will be created. The annual world NEV conference, launched in Hainan in 2019, will further grow into an important platform to gather global resources and wisdom in the new energy vehicle industry.
- A fully open tourism highway for the testing of intelligently networked vehicles will be built. Hainan will link 40 tourist destinations via a 999-kilometer island tourism highway loop that is currently under construction, to provide a convenient experience with driverless vehicles for tourists.
- A national intelligently net-

worked vehicle testing center will be built for vehicle inspection and technological certification.

- A national vehicle networking pilot area will be built in Boao, the permanent venue of the Boao Forum for Asia on the eastern coast of Hainan. It will highlight smart transportation and smart energy to help transform and upgrade transportation in Hainan.

- A world-class NEV experience center will be built, integrating exhibition, marketing, research, competition, conference and tourism businesses. Its aim is to attract the world's top NEV brands and build an upscale vehicle service industry gathering area that highlights NEV upmarket tourism consumption and experience, creative design and car racing.

- An advanced NEV manufacturing cluster will be built. It will promote the in-depth integration of tourism in Hainan and serve as a catalyst to build factories for high-end made-to-order NEVs.

- A free and convenient green travel ecosystem will be created. Hainan will continuously improve policy guidance and support, making good use of the zero tariff policies for the import of vehicles and yachts at Hainan Free Trade Port to attract global NEV brands, and form a green transportation service industry chain.

## Consumer expo expands to create thriving market for global brands

By YUAN SHENGGAO

With half a year ahead, the Hainan provincial authorities are gearing up to prepare the 2022 China International Consumer Products Expo, and are striving to build the international event into a leading platform for global consumer boutique display and trading, according to its organizers.

Also known as Hainan Expo, the event was first held this year from May 5 to 10 and was a great success. Exhibitors from 70 countries and regions, including more than 1,500 companies and more than 2,600 boutique brands from home and abroad, attended the expo that attracted around 240,000 visitors and corporate buyers.

The event was the first international expo in the tropical province since China released a master plan in June 2020 to build Hainan Island into a globally influential, high-level free trade port by the middle of the century.

The second Hainan Expo will continue to focus on “new high-tech, high-quality and featured” consumer goods.

Again to be held at the Haikou International Convention and Exhibition Center, in the capital city of South China's Hainan province, the 2022 Hainan Expo has been scheduled for April 12 to 16, 2022, one day longer in duration, said officials with the Hainan International Economic Development Bureau, one of the organizers.

The event, co-hosted by the Ministry of Commerce and the Hainan provincial government, is seen as an important initiative to better meet people's needs and a significant platform to foster a new development paradigm.

China, considered the world's

most promising consumer market, will remain committed to its basic national policy of opening-up and will hold events such as the Hainan Expo as platforms for international exchanges and cooperation, according to officials with the MOC.

In a congratulatory letter to the opening ceremony on May 6, a central government leader said the expo offered a global platform for the consumption of boutique goods.

He said hosting the exhibition would help China share its market opportunities with the world, assist in the recovery and growth of the global economy and enhance China's supply of high-quality consumer goods to the rest of the world.

The total exhibition area of the 2022 Hainan Expo will expand from 80,000 square meters to 100,000 sq m, with 70,000 sq m for international exhibitors and 30,000 sq m for domestic exhibitors.

As China's first international expo focusing on premium consumer products, the first Hainan Expo triggered strong interest among global brands and service providers looking for cooperation or to open premises in the island province and explore the Chinese market through the open policy advantages offered by the Hainan Free Trade Port, which is pioneering the country's further opening-up drive.

More than 80 percent of the exhibitors at the first expo have decided to come back next year, according to the organizers.

Brands that appeared at the first expo included LVHM Group, Richemont Group, Jaguar Land Rover, Burberry, Shiseido, Omron, Tapestry Group, Johnson & Johnson,

Dell, Tesla, Swatch, Swarovski, Coach and Hans Yachts, just to name a few.

“More international brands have discovered the vitality of Hainan's consumer market and further realized China's huge market potential through the first Hainan Expo. New brands are settling in Hainan one after another,” said Xie Zhiyong, chairman and general manager of HTDF, a leading company engaged in tourism and duty-free commodity business in Hainan.

During a visit to Hainan in late September, representatives from the Guangzhou and Shanghai offices of the Japan External Trade Organization, or JETRO, said they are optimistic about the development potential of the Hainan FTP, and will encourage more Japanese companies to tap the advantages and investment opportunities of Hainan FTP preferential policies.

The head of JETRO said that the first expo was well received by Japanese exhibitors. Japan will double its exhibition area, and offer food and wine brands at the 2022 expo. Hainan increased the annual offshore duty-free shopping quota per person from 30,000 yuan to 100,000 yuan (\$4,690 to \$15,610) from July 1, 2020. More than 3.4 million shoppers visited duty-free centers in Hainan in 2020, spending 31.58 billion yuan on duty-free goods, according to Haikou Customs.

The Hainan government plans to build a global center for boutique consumer goods in Haikou, an “everlasting expo” to serve the needs for display and trade by global boutique producers. The Hainan FTP is a huge attraction for global goods to enter China, said officials with the Hainan provincial government.