

SHENZHEN SPECIAL

Tech success
'born out of
innovation'

One thing many major Chinese tech companies have in common is that they have all made a presence in Shenzhen in South China's Guangdong province, a city "born out of innovation", local officials said.

Since it became a special economic zone 40 years ago, Shenzhen has led the development of new ideas in China and lays claim to many firsts in the country's history. They include the issuance of the first stock certificate and the establishment of the first law firm since the founding of the People's Republic of China in 1949.

Innovation is regarded as the main engine for development in Shenzhen, where famed technology enterprises such as drone maker DJI were born and raised. Eight Shenzhen-based companies have made the Fortune 500 list, according to the Shenzhen government.

Data from the World Intellectual Property Organization show that two of the world's top 10 corporate filers of international patent applications using the Patent Cooperation Treaty system in 2019 were from Shenzhen, ranking first and eighth respectively.

Younger companies with great growth potential such as medical device developer Mindray and 3D camera manufacturer Orbbec have increased their expansion overseas.

For instance, Mindray has established a presence in Europe and the United States, local media reported.

At the ceremony of the 21st national Awards for Outstanding Chinese Patented Inventions and Industrial Designs in July, three Shenzhen-based companies took home gold medals for their invention and utility model patents.

The city is also strengthening its protection of intellectual property, to provide an important guarantee for innovation-driven development.

In addition to introducing new regulations for IP protection, Shenzhen has established the Shenzhen Intellectual Property Court and the China (South) Intellectual Property Center, according to the local government. Many local technology companies are happy with Shenzhen's work on the IP front, saying that IP cases are quickly resolved, which reassures businesses as they concentrate on research and innovation, news website The Paper reported.

Behind the impressive numbers and innovative achievements are a vast pool of science and technology professionals. From having just a handful science and technology professionals 40 years ago, today Shenzhen is home to 1.84 million of them, according to a report by Nanfang Daily on May 30.

"Over the past 40 years, the number of science and technology professionals in Shenzhen has increased by more than 900,000 times," an official with the Shenzhen Association for Science and Technology told Nanfang Daily.

Underpinning the rapid growth is "the continuous improvement of industrial structure, an increasing number of innovation entities and the talent policies the city has introduced in recent years," Guo Wanda, executive vice-president of the China Development Institute, told Nanfang Daily.

As of the end of 2019, Shenzhen was home to more than 17,000 national high-tech enterprises, second only to Beijing in China, according to the Shenzhen government work report released in January.

Shenzhen will continue its efforts to establish a culture that respects knowledge and talent, and provide further support to the city's tech professionals, said the local government in a letter marking the annual National Science and Technology Workers' Day on May 30, Nanfang Daily reported.

— HU YUYAN



Shenzhen in Guangdong province has grown from being a lesser-known fishing town into a bustling metropolis. CHEN XU / FOR CHINA DAILY

Looking forward after four
decades of massive growth

A symbol of the country's reform and opening-up, Shenzhen in Guangdong province is a wonderland that has created impressive economic growth over the past four decades.

The southern city, originally a fishing town with a population of just 30,000, became one of China's first four special economic zones in August 1980. It has played a leading role among the four SEZs through a series of incentive policies to attract foreign investment. That investment has spearheaded China's transition from a planned economy to a market-oriented one.

These policies were applied to different sectors, including the managerial autonomy of the companies, taxation, land use, foreign exchange control, marketing style and immigration management.

As a result, outside investment, especially from neighboring Hong Kong, gave a strong impetus to the city's economic development.

According to official figures, GDP of Shenzhen was less than 200 million yuan (\$28.7 million at today's exchange rate) in 1979. Last year, it reached nearly 2.7 trillion yuan, ranking third

among cities in the Chinese mainland.

Shenzhen had a population of 13.4 million who had lived in the city for at least six consecutive months by the end of 2019, an increase of 412,200 people from the year before. The average age of the population was 32 years old.

Apart from attracting large multinational companies, the city has nurtured a group of local companies that have gained fame in the global community, including Huawei, Tencent, ZTE and BYD. Another group of companies are growing globally in their sectors, such as drone maker DJI, medical apparatus and instruments supplier Mindray and semiconductor display producer TCL China Star Optoelectronics Technology.

The Huaqiangbei commercial area surrounds the road of Huaqiang North in Futian district, the city's central business district. It has been the site where the dreams of many innovative minds around the world have come true, for they could find every electronic component they need for their new products and inventions.

Established in 1988, the commercial area along the road with a width of 66 yards

and a length of 984 yards has been a global production center for electronic products and the biggest distribution center of electronic components.

It has generated a large group of both millionaires and billionaires and served as a hotbed for the development of the city's high technology industry, which has kept its strong innovative capabilities in the new era of growth.

One year ago, Shenzhen was designated by the central government as a pilot demonstrative zone to deepen reform and opening-up.

Its position in the Guangdong-Hong Kong-Macao Greater Bay Area was also highlighted when the plan was unfolded in February 2019.

According to detailed guidelines launched by the local government earlier this year, the city will target eight sectors and make itself stand out.

The sectors include an international technological innovation center, the interconnectivity of the financial markets of Shenzhen and Hong Kong, the interconnection of the infrastructure, a modern industrial system with global competitiveness, better culture and tourism

industries, a higher level of civilization, a better environment for work, living and trips and improved performance while taking part in the country's Belt and Road Initiative.

Fan Gang, an economist and president of the China Development Institute, a national think tank, said Shenzhen will take on a bigger historical mission to be a pilot demonstrative zone.

While its experience accumulated over the past 40 years has been practiced in other cities, it is time for the city to set off again on new experiments and endeavors, Fan said.

He suggested the city improve the private economy, better protect the rights of private businesses and make clearer the relations between State-owned enterprises and private companies.

While the local government has been advised to map out incentive measures and regulations to encourage innovation and create an excellent marketing system and capital market for startups, Fan said the city's entire community should be more tolerant of failure in its efforts to innovate.

— CHEN HONG

Friendly environment attracts global entrepreneurs

In its meteoric rise from a small fishing town on the banks of the Pearl River to being one of China's most innovative modern metropolises, Shenzhen in southern Guangdong province has built a reputation as a city perfect for investment and has become one of the most attractive destinations to global entrepreneurs.

In the first five months of 2020, Shenzhen attracted contractual foreign investment worth \$6 billion and its paid-in foreign capital totaled \$2.5 billion. A total of 1,611 new foreign-funded companies were set up in the city during the same period, according to the Commerce Bureau of Shenzhen.

Over the past decade, Shenzhen has attracted major foreign investment projects, including projects funded by South Korea's Samsung Electronics, U.S. chip giant Intel, smartphone maker Apple and Swiss robotics company ABB, bringing great business opportunities to the city.

As of the end of May, the city had approved 94,168 foreign investment projects in total, involving a combined contractual foreign investment of \$294.44 billion and paid-in foreign investment of \$116 billion.

A total of 290 Fortune Glob-



A dazzling night view of Shenzhen. The city has been one of the pioneers and front-runners of reform and opening-up in China since it was designated a special economic zone 40 years ago. PROVIDED TO CHINA DAILY

al 500 companies have also established a presence in the city.

An official with the Commerce Bureau of Shenzhen said foreign businesspeople are optimistic about the city's investment prospects especially those in high-tech, high value-added industries.

Having been closely linked with innovation since its establishment, Shenzhen is now home to more than 17,000 national high-tech companies.

Eight companies on the latest Fortune Global 500 list are from the city, including telecom company Huawei, internet company Tencent and

high-tech Amer International Group.

These Shenzhen-based companies all attach great importance to research and development in innovative technologies and have made marked achievements.

DJI, the world's largest commercial drone maker by market share, was founded in 2006 in Shenzhen. The company has attracted customers from more than 100 countries.

Through continuous innovation, DJI provides intelligent flight control products and solutions with advanced performance for the unmanned aerial vehicle industry.

The drone maker won a spot on a list of the world's top 10 artificial intelligence enterprises in 2019, released by the Chinese Academy of Sciences in January.

BYD, another Shenzhen-headquartered company, has grown from a small workshop to an international group with 220,000 employees.

Its businesses cover electronics, vehicles, new energy and rail transit sectors with more than 100 billion yuan (\$14.35 billion) in annual turnover.

More than 30,000 R&D professionals work at the company. Its R&D spending amounted to 8.5 billion yuan in 2018.

Wei Xing, director of brand communication at BYD, said thanks to Shenzhen's fair and friendly market environment, businesses are able to develop rapidly and thrive.

The city continues to improve its business environment by releasing favorable policies and providing administrative services online for local companies.

"With government support and a complete industrial chain in Shenzhen, we are confident of developing rapidly," said Zhang Ju, CFO of Chinese AI pioneer Ubtech Robotics.

— CAO YINGYING