



DEZAN SHIRA & ASSOCIATES
Your Partner for Growth in Asia



Invest in Deyang

THE CENTER OF RENEWABLE ENERGIES

New Investment
Opportunities for
SMEs in West China



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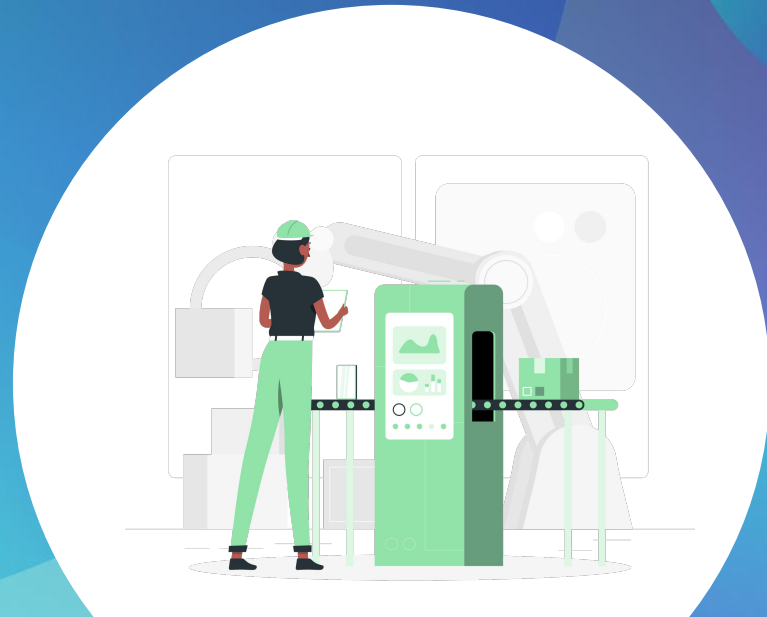
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February 24, 2022, Thursday

Welcome to Deyang

2022 FDI Info Event

Munich



TODAY'S SPEAKER

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AGENDA

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01

Deyang City Profile



1.1

Deyang City

The Pearl of West
Sichuan



5,911 km²

Area



4 M

Population



5.665 EUR

per capita GDP



3rd

Strongest economic
center in Sichuan

1.2 Deyang & Chengdu

A strong Connection



91.7 M
People in
300km radius



Strategic
Node on the
BRI



3, 2, 3
Airports, Rail ports
and River ports



4M
Qingbaijiang
Railway Port p.a.



3,000
Europe bound
trains p.a.



1 HR
Car drive to
Chengdu

02

In Depth Analysis



2.1 Deyang in Depth Analysis

The Capital of Heavy Equipment's

5,911 km2 Area

4 m Population

22.66 bn EUR GDP

+8.4% GDP growth p.a.

5,665 GDP per capita

Main Industries

Heavy Machine Manufacturing

Industry 4.0 Transformation

Renewable Energy Manufacturing

Automotive

Agra products and Mining

Prominent Universities

Dual Vocation

Civil Aviation Flight University

Sino-German KUKA Roboter-Institut FOSBOS

Deyang and Chengdu are home to



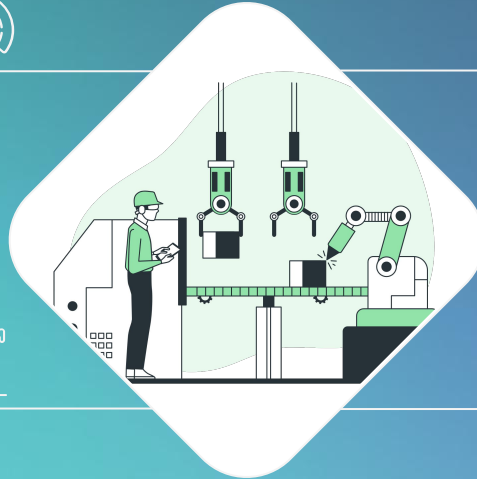
2.2 Deyang's Key Industries

Heavy Equipment Manufacturer

- Energy (Electric Power Engineering) and Mobility (Automotive, Ships & Trains, Aerospace) Manufacturing and tooling
- Industrial Automation
- Applied Materials

Renewable Energy

- Leader in Nuclear, Hydro, and Thermal power generator manufacturing
- Design, Manufacturing, Operations
- Recycling and Material R&D



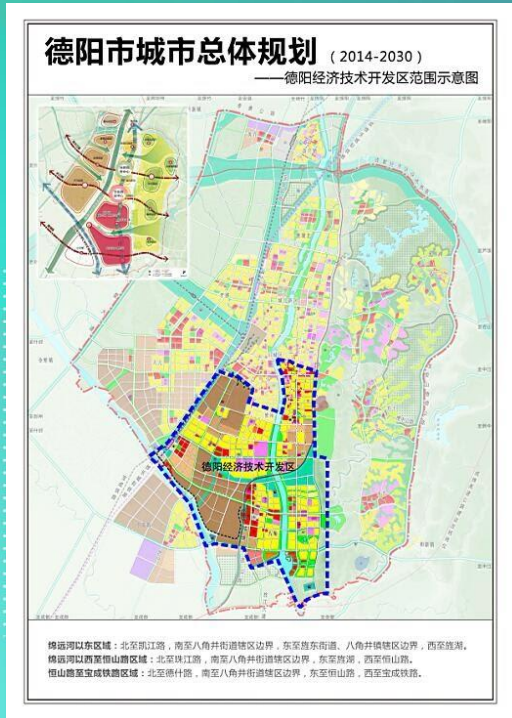
Industrial Service Industry

- Industrial Design Service, Equipment Leasing
- Heavy Equipment Logistic
- Business and Strategy Consulting
- Industry 4.0

Software Development

- Finance, Manufacturing, Logistic
- Gaming, Social Media
- E-Commerce

2.3 Deyang National Economic & Technology Development Zone (NETDZ)



The NETDZ was setup in 1992 and is the only international demonstrative city designed by the United Nation for clean technologies and new-energy equipment manufacturing.

2020 – 2035 Targets

Deyang NETDZ will be one of the world-class NETDZ parks and become an important hub for renewable energy production and national innovation network for Industry 4.0 manufacturing.

2035 – Mid-21st Century

Deyang NETDZ will be one of the world-leading NETDZ parks and one of the main sources of innovation in power generation and sustainable manufacturing all over the world.

2.3 Deyang National Economic & Technology Development Zone (NETDZ)



78.5 km²

Area



2.06 bn USD

Invested in Deyang NETDZ including 17 projects each worth over (15.70m USD)



8.1bn USD

GDP (+15.9% Growth)



155

Foreign-Invested SME located in Deyang

2.3 Deyang National Economic & Technology Development Zone (NETDZ)



- The economic aggregate ranks 3rd in the county level administrative regions of Sichuan Province
- The comprehensive development ranks 40th among the 219 national economic development zones in the country.
- The largest renewable energy and heavy industry base in the country

03

Strong Economic Circle



3. Deyang-Chengdu Strong Economic Circle

and the Go West Initiative



According to the provincial-level 14th Five Years Development Plan of Sichuan, the cities Chengdu, Deyang, Meishan and Ziyang will be merged into one municipality spanning over 91.7 million citizens.

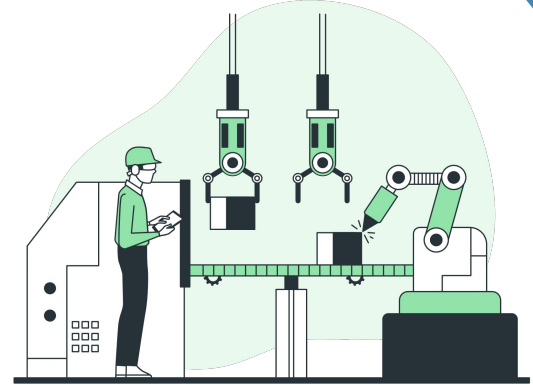
Further on the larger scale Chengdu and Chongqing are planned to be merged too, covering over 300 million people.

The super economic circle in Western China

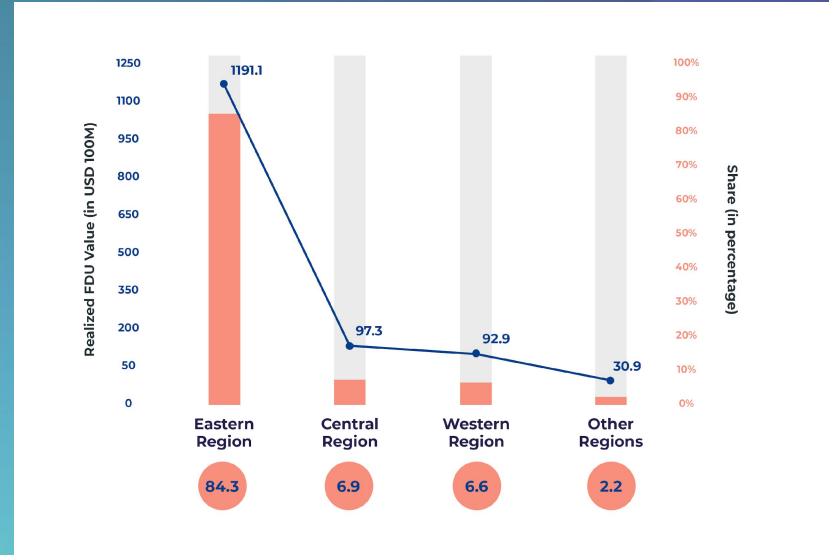
- Driving force in the promotion of coordinated regional development.
- Founded on January 3, 2020, as part of the national strategy.
- Will act as growth pole for high-quality development in western China and create an inland strategic high ground for opening-up.
- Priority: new infrastructure and new urbanization initiatives and major projects
- Giving full play to Chengdu-Chongqing's unique location advantages of connecting China's Southwest and Northwest, connecting domestic and foreign countries, and promoting the interaction between the Yangtze River Economic Belt and the Silk Road Economic Belt.

04

Go West Initiative

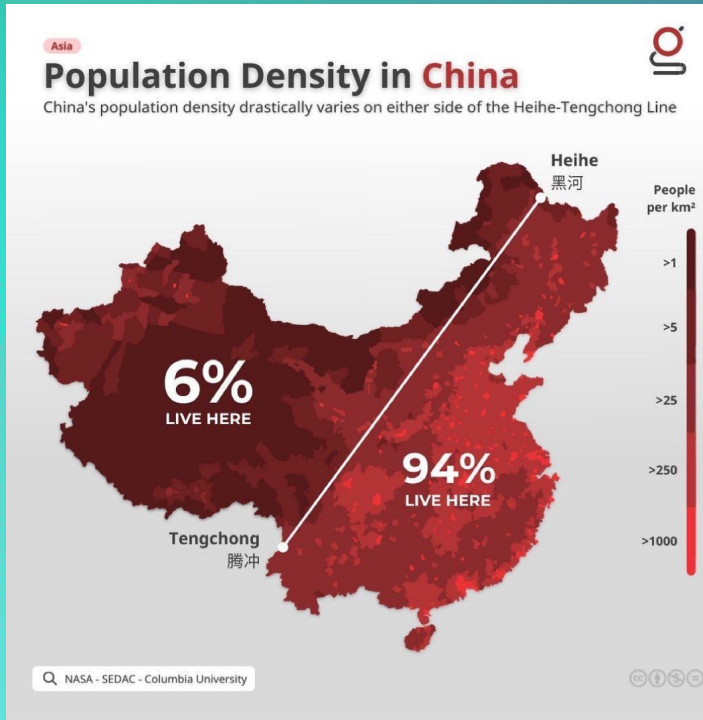


4.1 FDI Inflow to East, Central, and West Parts of China in 2019



Source: Others involve banking, securities and insurance industries FDI statistics. Source: 2020 Statistical Bulletin of FDI in China, Ministry of Commerce of PRC, Asia Briefing Ltd.

4.2 Go West Policy



4.3 Major Encouraged Industries in Western Regions

Sichuan	Technologies for the utilization of vanadium and titanium, modern manufacturing, cloud computing, big data, new carbon material, high-tech equipment manufacturing, automobile manufacturing etc.
Chongqing	Automobile and motorcycle manufacturing, R&D and manufacturing of laptops and smartphones, new chemical materials, biomedical technology, precision instrument manufacturing, environmental protection equipment manufacturing etc.
Guizhou	Tea planting and production, titanium smelting, automobile manufacturing, cross-border trade, international logistics, e-commerce, high-grade textile, knitting and garment processing production etc.
Yunnan	Production of natural rubber, natural flavour, coffee, tea, camellia, and tung oil, healthy food, biomedical technologies, biology liquid fuel, tourism, etc
Tibet	Tourism, characteristic cultural products, salt lake resources, health industries, etc.
Shaanxi	Medical equipment, automobile manufacturing, integrated circuit, manufacturing of laptops and smartphones, vocational schools, etc.
Gansu	Big data, new materials, biopharmaceuticals and Chinese and Tibetan medicine, advanced equipment manufacturing, energy conservation and environmental protection industries. etc.
Qinghai	Salt lake chemical industry, non-ferrous metallurgy, light industry textile, drinking water, Chinese Tibetan medicine processing, ethnic articles tourism, etc.
Ningxia	New materials, intelligent manufacturing, biopharmaceuticals energy conservation and environmental protection industry.
Xinjiang	Tourism, energy chemical materials, petroleum petrochemical and coal processing, new energy, new materials, advanced equipment manufacturing, biomedicine, health industry etc.
Inner Mongolia	Coal processing, non-ferrous metal production and processing equipment manufacturing, lithium battery, permanent magnet material industries etc.
Guangxi	Sugar production, aluminium, information technology industries, etc.

05

Our Services



5.1 Laowai Here FDI Services



Our Consultation Service

- Support for company setup
- Support for approval procedures and obtaining work permits and residence permits
- Support to apply for relevant government subsidy fund
- Support in searching suitable properties
- Support for company recruitment
- Mediation between cooperation partners, business agents, etc.
- Business networks in Deyang
- Events for companies in Deyang
- Support in the search for school or nursery
- Provide guidance and support for local policies for foreign investments

5.2 RSVP Delegation travel to Deyang



Register for a 7 day delegation trip to Deyang NETDZ 2022

Small Delegation to visit the Deyang NETDZ.
We are covering flights, accommodation and provide Visa Support.

Due to current Corona Pandemic, we do not know yet if quarantine time will be required at the time of the trip.

Agenda

- Meet with Deyang NETDZ officials
- Business Networking with local SME
- Visit Deyang and Chengdu City

06

FAQ

Contact US

2022 FDI Info Event

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德阳国家经济技术开发区

Deyang National Economic Technological Development Zone



LAOWAI HERE



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

A 2021 China look-back and understanding West China's potential

Riccardo Benussi

Head of European Business Development – Munich
Dezan Shira & Associates Europe GmbH



Our Firm In Numbers

1992- 2022

Dezan Shira's establishment

300+

Our team of legal, tax, accounting and audit professionals

40%

Almost half of our clients are EU-based

11

Asian countries covered

28

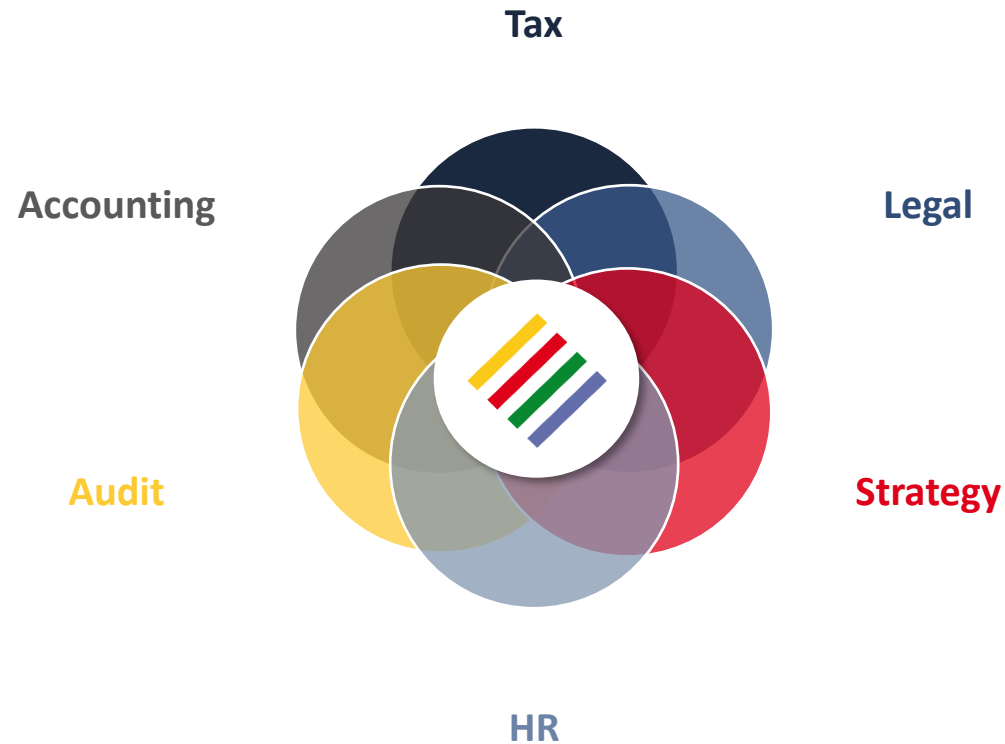
Offices only 5 of which are not in Asia



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Our Full-Service Approach





DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia



Global Offices

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China in 2021:
A Recap



Entering the 14th Five-Year Plan (2021-2025)



China's first *Civil Code* came into force on Jan. 1, 2021



The Chinese Communist Party (CCP) celebrated its centenary anniversary in July 2021



The Sixth Plenum in November 2021 paved way for the appointment of China's next leadership



Tightening **data** regulations

June 10, 2021

Data Security Law

Key points: how data is used, collected, developed, and protected in China

June 10, 2021

Cybersecurity Review Measures

Key points: Chinese companies that hold the personal information of one million or more users would need to seek a government cybersecurity review before listing abroad.

August 20, 2021

Personal Information Protection Law

Key points: Tightening scrutiny of personal information collection and use and sets strict rules on how companies should handle such kind of data.

August 30, 2021

Regulations on the Security and Protection of Critical Information Infrastructure

Key points: Which companies are most likely to be defined as CII operators and what are their compliance obligations.

September 30, 2021

Management Measures for Data Security in the Field of Industrial and Information Technology Sectors (Draft)

Key points: How firms should handle sensitive industrial and telecoms data and classify data into “core”, “important”, and “ordinary categories”.

October 29, 2021

Measures for Data Export Security Assessment

Key points: Governmental body is responsible for overseeing security assessments and what procedures for companies to get clearance to transfer data overseas.

November 14, 2021

Network Data Security Management Regulation (Exposure Draft)

Key points: unifying data security rules introduced by the CSL, the DSL, and PIPL and rolled out review requirements for companies pursuing IPOs in Hong Kong.



Beginning the journey to net zero emissions

Hit carbon emission peak **before 2030**
Become carbon neutral **before 2060**



World's largest **carbon trading market** launched in Shanghai



COP26
Action Plan for Reaching Peak Carbon Emission by 2030



Promoting Green Finance
Central Bank launched carbon-reduction support tool



Estimated cost for reaching China's carbon goals: **RMB 140 trillion (US\$22.4 trillion)** in next 30 years
Above 5 times the size of the current German economy!



UN Speech – September 2020



By 2030 = 20% non-fossil



Common prosperity



Tracking supply chain disruptions

Dual Circulation Strategy

Pushing domestic innovation:

semiconductors,
quantum computing, 5G,
biotech, AI, etc

Increasing world's dependence on Chinese markets and Chinese products:

Joining CPTPP, DEPA

Introduction of
Anti-Foreign Sanction Law and the unreliable entity list



Exploring the West ...again



GO WEST Policy

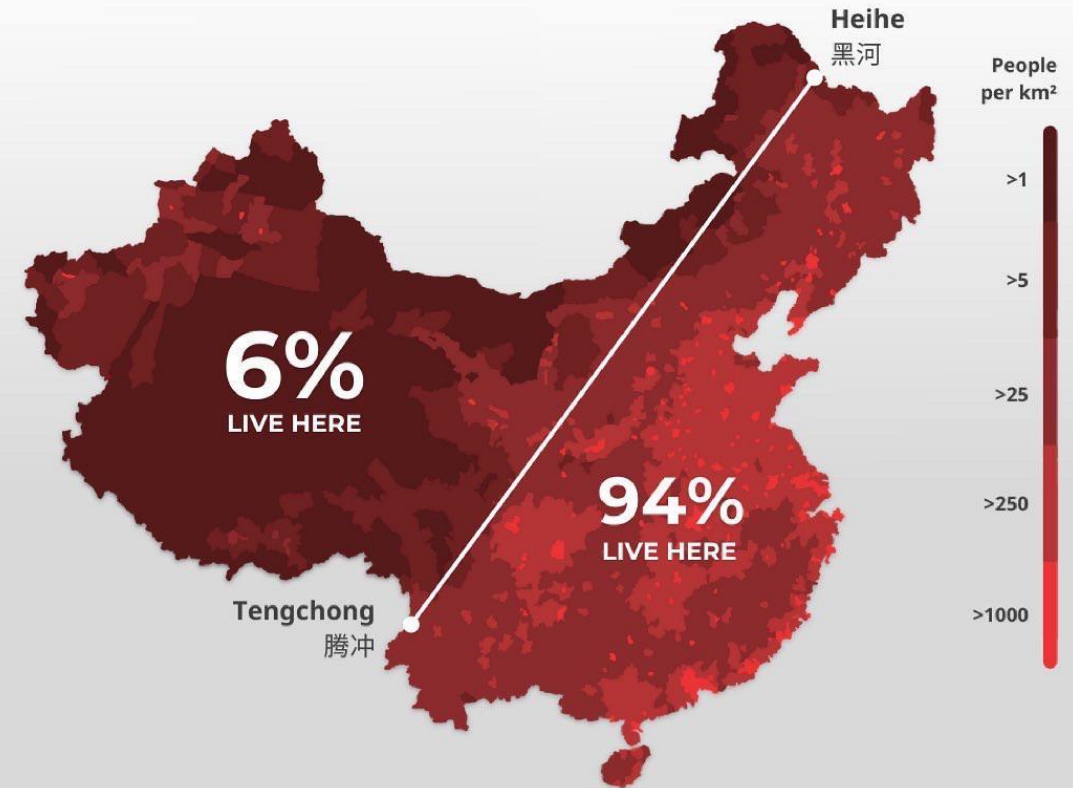


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Asia

Population Density in China

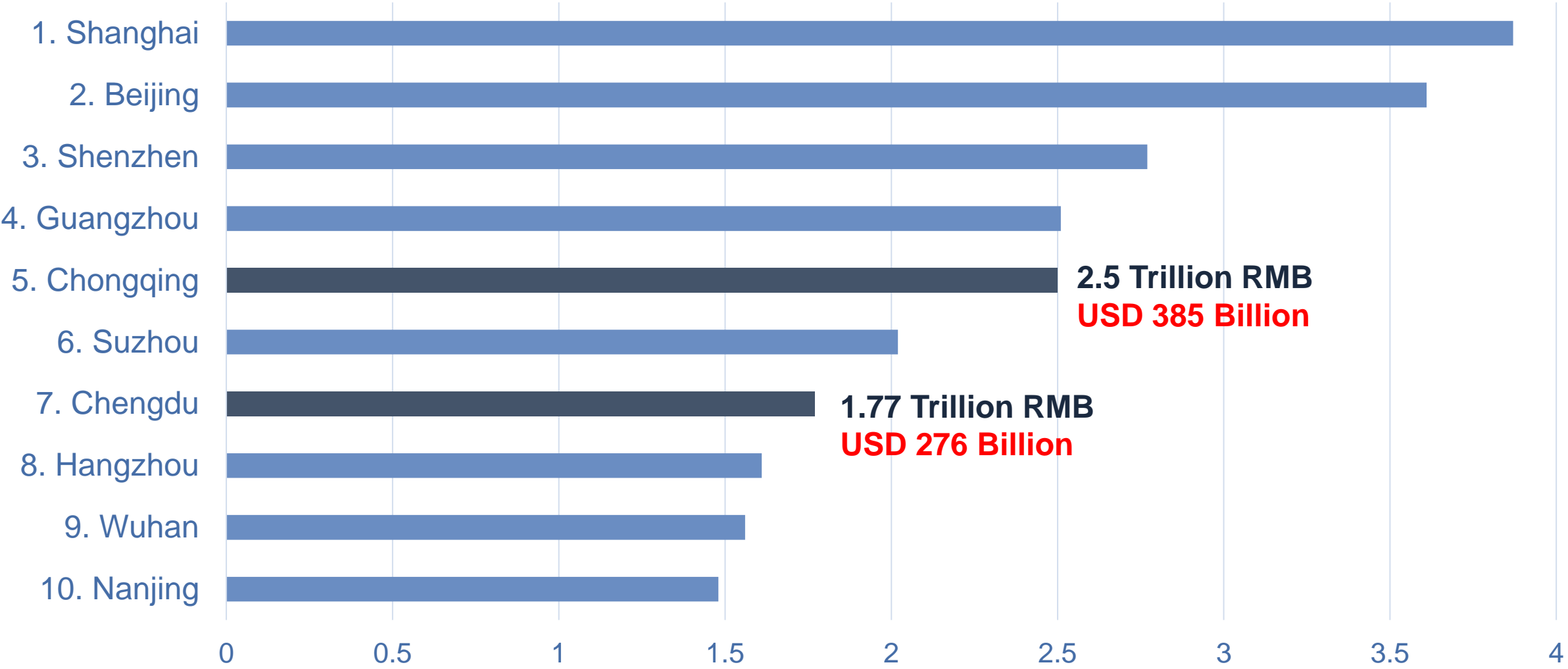
China's population density drastically varies on either side of the Heihe-Tengchong Line



Q NASA - SEDAC - Columbia University



GDP Ranking of Chinese cities (2020, in trillion RMB)



Numbers from Tencent

Chongqing





20.94 million
Total Population



\$276.3bn
GDP



14,335 km²
Area



\$ 13,195
GDP per capita

Chengdu



33.92 million
Total Population



\$385.5bn
GDP



82,400 km²
Area



\$12,176
GDP per capita

Chongqing





	Area	82,402 km ²
	Population	33.9 million
	GDP	RMB 2.5 trillion (US\$385.5 billion)
	GDP growth rate	3.7%
	Disposable income per capita	RMB 30,824 (US\$4746) Urban residents: RMB 40,006 (US\$6,159) Rural residents: RMB 16,361 (US\$2,519)
	Total volume of import-export	US\$94.2 billion
	Actual use of FDI	US\$2.1 billion

Key transportation infrastructure

- Airports:
Chongqing Jiangbei International Airport, Wanzhou Wuqiao Airport, Qianjiang Wulingshan Airport, Chongqing Wushan Airport, Chongqing Xiannvshan Airport
- Railway stations:
Shapingba Railway Station, Chongqingbei Railway Station, Chongqingxi Railway Station, Wanzhoubei Railway Station, Rongchangbei Railway Station

Prominent universities

Chongqing University, Southwest University

Graphic©Asia Briefing Ltd.

Chongqing's Strategic Geographical Position



The Yuxinou (Chongqing-Xinjiang-Europe) railway, which is the first China-Europe freight train route, was put into operation in March 2011, marking an important milestone in advancing China's Belt and Road initiative.

The trains transported goods worth more than **90 billion yuan (around 14 billion U.S. dollars)** in total in 2020, up 65 percent year on year.

Since its launch, the Yuxinou route has seen **over 7,000 freight train trips**, ranking top in the country.

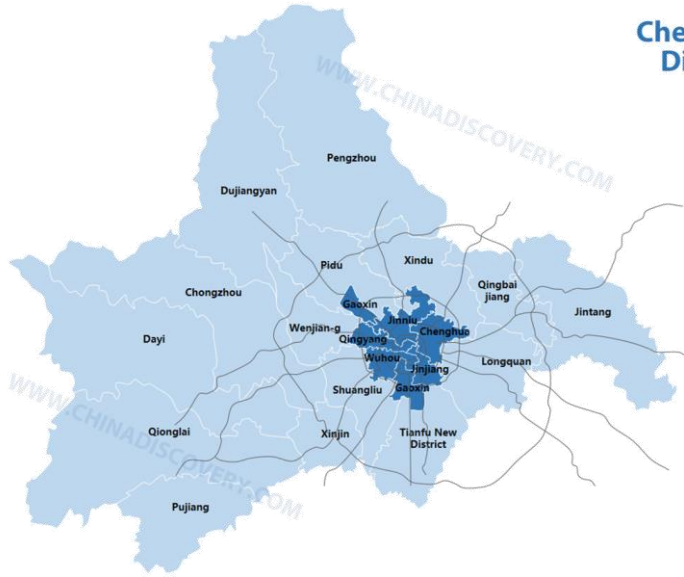
Graphic©Asia Briefing Ltd.

An aerial night view of Chengdu, China, featuring the Oriental Pearl Tower as the central landmark. The city is illuminated with various lights, and a river flows through the foreground. A blue horizontal bar is located in the top left corner.

Chengdu



Chengdu District Map



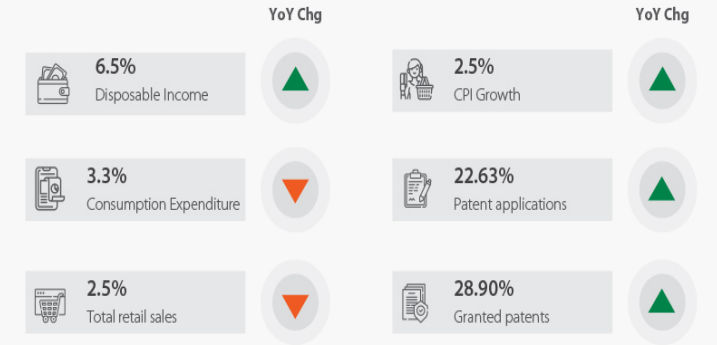
Profile of Chengdu



Area	14,335 km ²	Consumption Expenditure	28736 RMB
Population	20.94 million	Total retail sales	811.85 billion RMB
GDP	US\$276.3 billion	Main industries	Food, medicine, machinery and information technology
GDP per capita	\$13,195	Prominent university	Chengdu University
GDP Ranking (Chinese cities)	7		
Disposable income	42,075 RMB		

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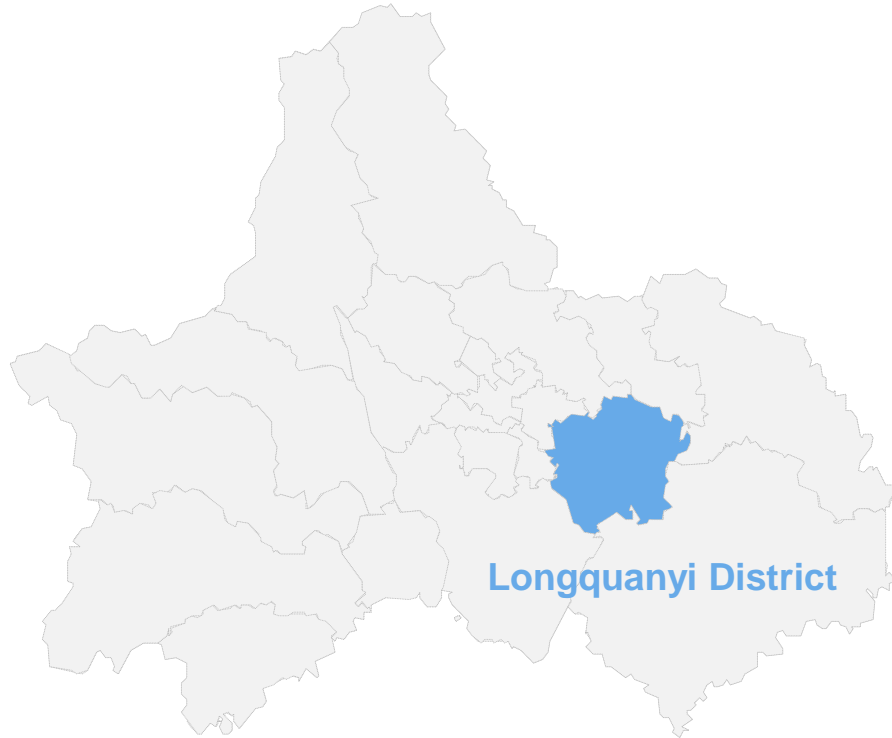
Chengdu's Economic Indicators in 2020



Graphic©Asia Briefing Ltd.

Chengdu Overview

Chengdu Economic & Technological Development Zone



Area
557 km²



2020 GDP
135.52 Bn RMB



2020 Industrial output value
174.5 Bn RMB

- The economic aggregate ranks **1st** in the county-level administrative regions of Sichuan Province for 8 consecutive years
- The comprehensive development level ranks **18th** among the 218 national economic development zones in the country, and **27th** among the top 100 national comprehensive strength districts.
- The **6th** largest automobile industry base in the country



Chengdu High-tech Industrial Development Zone ("CDHT")

- Set up in 1988 and in 1991 it was approved as one of the first national high-tech zones.



2020 GDP

240 Bn yuan (37.5 Bn USD)



8.3%



Foreign trade import and export volume in 2020

507.8 Bn yuan (79.5 Bn USD)



Newly signed projects in 2020

156

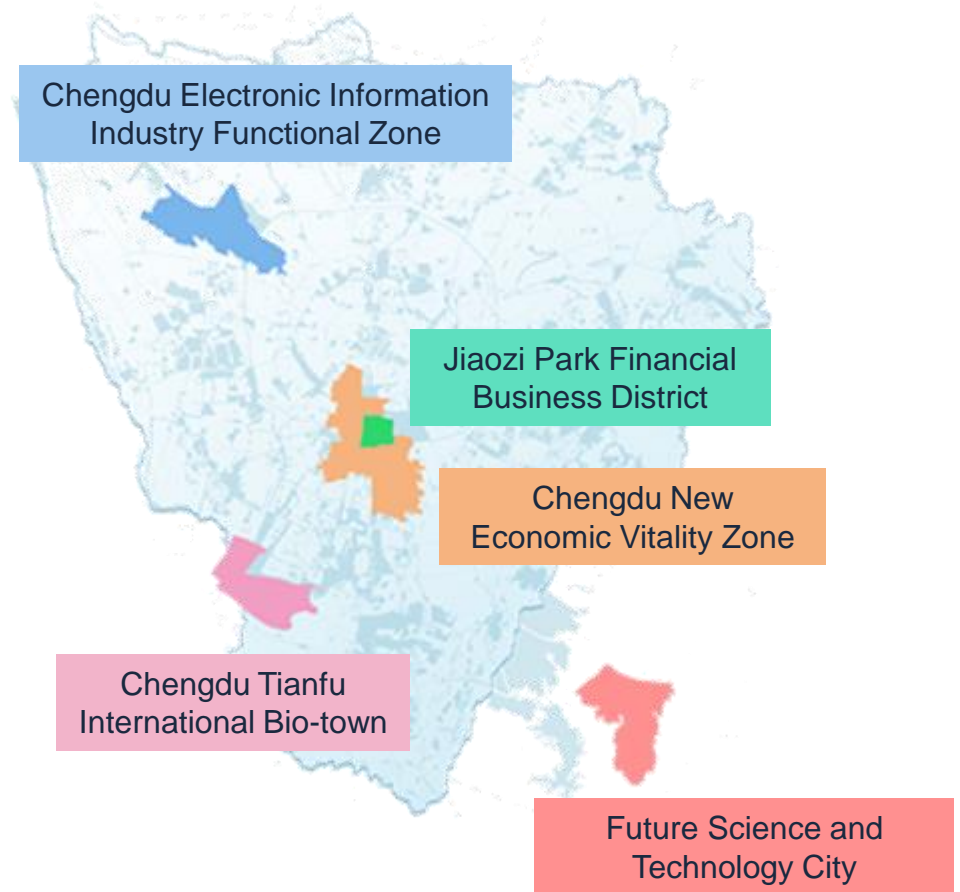
2020 to 2035 Target

CDHT will be one of the world-class high-tech parks and become an important hub of the national innovation network.



2035 to the mid-21st Century Target

CDHT will become one of the world's leading high-tech parks and one of the main sources of innovation in science and technology and industries all over the world.





Go West Initiative & The Chongqing-Chengdu Economic Circle





CHENGDU-CHONGQING ECONOMIC CIRCLE

A China's New Growth Pole

- Driving force in the promotion of coordinated regional development.
- Founded on January 3, 2020, as part of the national strategy
- Will act as a growth pole for high-quality development in western China and create an inland strategic high ground for opening-up
- Priority: new infrastructure and new urbanization initiatives and major projects
- Giving full play to Chengdu-Chongqing's unique location advantages of connecting China's Southwest and Northwest, connecting domestic and foreign countries, and promoting the interaction between the Yangtze River Economic Belt and the Silk Road Economic Belt.

All-round Cooperation in Various Fields

- Co-opening-up Demonstration Zone of China (Sichuan) Pilot Free Trade Zone & China (Chongqing) Pilot Free Trade Zone
- Jointly establishing a cross-regional complaint handling mechanism for private enterprises
- Cooperation in transportation infrastructure: Shuangchang Avenue
- Continuous improvements on inter-provincial expressways, airports and waterway
- Co-construction of Industrial Cooperation Demonstration Parks: by 2025 to reach 20





FDI Inflow to East, Central, and West Parts of China in 2019

Region	Number of FIEs	Share (%)	Realized FDI Value (US\$100 million)	Share (%)
EAST	36613	89.5	1191.1	84.3
CENTRAL	2138	5.2	97.3	6.9
WEST	2137	5.2	92.9	6.6
OTHERS	22	0.1	30.9	2.2

Note: Others involve banking, securities, and insurance industries FDI statistics.

Source: 2020 Statistical Bulletin of FDI in China, Ministry of Commerce of PRC

Graphic © Asia Briefing Ltd.



Province	Major encouraged industries
Chongqing	Automobile and motorcycle manufacturing, R&D and manufacturing of laptops and smart phones, new chemical materials, biomedical technology, precision instrument manufacturing, environmental protection equipment manufacturing, etc.
Sichuan	Technologies for the utilization of vanadium and titanium, modern manufacturing, cloud computing, big data, new carbon materials, high-tech equipment manufacturing, automobile manufacturing, etc.
Guizhou	Tea planting and production, titanium smelting, automobile manufacturing, cross-border trade, international logistics, e-commerce, high-grade textile, knitting, and garment processing production, etc.
Yunnan	Production of natural rubber, natural flavor, coffee, tea, camellia, and tung oil, healthy food, biomedical technologies, biology liquid fuel, tourism, etc.
Tibet	Tourism, characteristic cultural products, salt-lake resources, health industries, etc.
Shaanxi	Medical equipment, automobile manufacturing, integrated circuit, manufacturing of laptops and smart phones, vocational schools, etc.
Gansu	Big data, new materials, biopharmaceuticals and Chinese and Tibetan medicine, advanced equipment manufacturing, energy conservation and environmental protection industries, etc.
Qinghai	Salt Lake chemical industry, non-ferrous metallurgy, light industry textile, drinking water, Chinese Tibetan medicine processing, ethnic articles, tourism, etc.
Ningxia	New materials, intelligent manufacturing, biopharmaceuticals, energy conservation and environmental protection industries, etc.
Xinjiang	Tourism, energy chemical materials, petroleum petrochemical and coal processing, new energy, new materials, advanced equipment manufacturing, biomedicine, health industries, etc.
Inner Mongolia	Coal processing, non-ferrous metal production and processing, equipment manufacturing, lithium battery, permanent magnet material industries, etc.
Guangxi	Sugar production, aluminum, information technology industries, etc.

Major Encouraged Industries in Western Regions



So , what will happen in the future?



WHAT IS NEXT

Tighten control over areas linked to national security

Prioritize policies relating to an aging society

Strengthen the resilience and security of industrial and supply chains

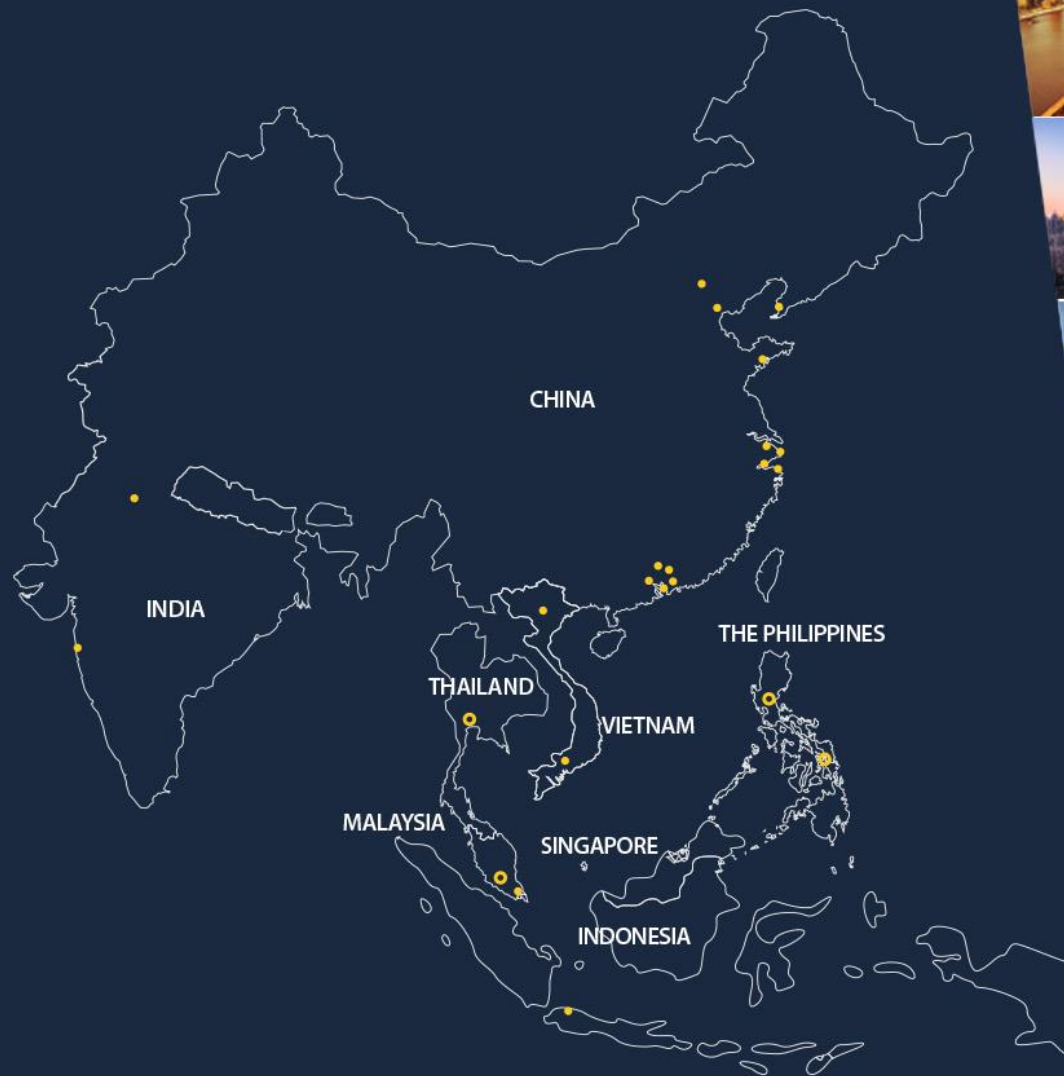
Ensure that private capital (including foreign capital) is in alignment with key development goals





DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia



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- Dezan Shira Asian Alliance Members



Q & A



ASIA BRIEFING

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