

# 青島投資指南

GUIDE TO INVESTMENT  
IN QINGDAO

· 1990 ·

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責任編輯：蕭作賢

## 青島投資指南

青島市對外開放辦公室編

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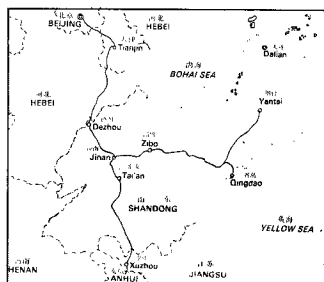
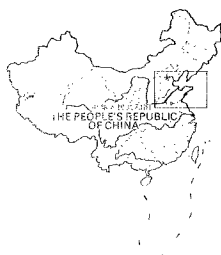
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## PREFACE

Known for its light and textile industries, foreign trade port, marine scientific research, scenic spots and tourism, Qingdao is one of the coastal cities open to the outside world and an economic center. As one of the cities independently registered in the state plan, it enjoys the provincial level of power of economic management.

Since the implementation of the policy of restructuring and invigorating the national economy in 1979, Qingdao has made full use of its advantages to promote economic and technical cooperation with foreign countries, and has achieved remarkable success in absorbing and utilizing foreign investment and introducing advanced technology to expedite the technical development of enterprises. By the end of 1989, the total number of contracts for foreign investment officially approved has reached 319 with a combined value of U. S. \$ 732 million. At present, among the 111 Chinese-foreign joint ventures, Chinese-foreign cooperative enterprises and wholly foreign-owned enterprises, 60 have gone into operation and yielded beneficial economic results. From 1984 to 1989, 699 contracts for importing technology and equipments were

signed, involving a total of U. S. \$ 382 million. Most of the equipments have been put into use and some technologies have been absorbed or improved.

In order to build Qingdao into a modern prosperous socialist city with beautiful environment and high level of culture, science and technology, the municipal government, while actively bringing in foreign investment and advanced technology to upgrade existing enterprises, has also speeded up the construction of urban infrastructural and service facilities, and opened up an economic and technical development zone as well as a new tourist zone. In accordance with provisions of the relative regulations, the municipal government has formulated local legislation concerning foreign investment and business activities, and set up administrative and service center for foreign investment so as to raise efficiency and further improve environment for foreign investment. As a result, a growing number of foreign firms and businessmen are coming to Qingdao for negotiations on economic and technical cooperation. Now 38 foreign firms and banking institutions have set up permanent offices in Qingdao.

Unswervingly opening to the outside world and actively enlarging economic and technical cooperation and exchange with foreign countries is Qingdao Municipal Government's basic policy in its export-oriented economic development. We warmly welcome friends from all over the world to Qingdao on business or sightseeing tours. We also sincerely hope to increase economic and technical cooperation with any

country and any region in the world on the basis of mutual equality and benefit and for the purpose of common development and prosperity.

## I. AN OVERVIEW

### 1. Geographical Location

Qingdao is located in the southeast end of Shandong Peninsula at  $120^{\circ}9'14''$  east longitude and  $36^{\circ}4'11''$  north latitude, with the Yellow Sea (Huanghai) to the south and east and the mainland to the north and west. Qingdao is the most important foreign trade port located between the two major ports of Dalian and Shanghai. It is also the largest economic centre between the metropolises of Tianjin and Shanghai. It thus serves as a strategically important economic hub to link up the eastern part of the country with the western and the northern part with the south in the general framework of the country's domestic economy. As a foreign-trade port, the city also serves as a link between China and other parts of the world.

### 2. Districts and Population

Qingdao Municipality has under its jurisdiction 3 cities (Jiaozhou, Jimo, and Pingdu), 2 counties (Laixi and Jiaonan) and 7 districts (Shinan, Shibei, Taidong, Sifang, Cangkou, Huangdao and Laoshan). Covering an area of 10,654 square kilometers Qingdao has a population of 6.75 million. The city proper spreads over an area of 1102 square kilometers with 2,036



million residents.

### 3. Climate

Geographically Qingdao's climate belongs to continental monsoon type, but because of the influence of the sea surrounding Qingdao, the climate of Qingdao is characteristic of marine type with warm winters, cool summers and pleasant humid air. The annual rainfall averages 775.6mm. and annual temperature averages 12.2°C.

### 4. Natural Resources

Covering a big area, Qingdao is richly endowed with natural resources. The present cultivated land spreads over 7,520,000 *mu*, forest land 1,860,000 *mu*, coastal alluvial land 560,000 *mu* and area of shallow sea 860,000 *mu*. The local products include grain, peanuts, cotton, fruit, vegetable, various kinds of fowls, domestic animals, and aquatic products. There are about 30 kinds of mineral resources, including gold, graphite, marble and granite, etc.

Qingdao's vast hinterland is rich in mineral resources such as gold, diamond, natural sulphur, crude oil, graphite, coal and iron ore etc. The hinterland is also one of the country's producers of cereals, cotton, oil-bearing crops, fruit, silk, poultry, domestic animals, fish and salt. This provides Qingdao with favourable condition for the development of export-oriented economy.

### 5. Industry

Qingdao has quite developed industries. Now it has 3,041 industrial enterprises that fall into 36 cate-

gories. In 1989, the city's total production amounted to RMB ¥ 31,900 million. With a history of more than 80 years, Qingdao's light and textile industries enjoy a solid foundation, advanced technology and high reputation. Foodstuff and beverage industries have traditional advantages. Qingdao Beer, Dry White Grape Wine and Laoshan Mineral Water etc. have won good reputation both at home and abroad. With a good productive capacity, in 1989 the rubber industry ranked the second in the output value in the country. Chemical industry occupies a very important position in the country. Electronics, machinery and building material industries are well developed. Over 1,300 products have won medals for top quality given by the state, government ministries, Shandong Provincial or Qingdao Municipal Government. The top quality products rate amounts to 31.1 per cent.

#### 6. Agriculture

The development of the city's rural economy is rather rapid. In 1989, the total agricultural output value was RMB ¥ 4640 million; the total grain output was 2,654,000 tons, peanuts 392,000 tons, fruit 289,000 tons, meat 131,000 tons, and aquatic products 198,000 tons. With the development of the rural economy, more than 46,400 township enterprises emerged. These enterprises have turned out 250 kinds of export products such as, foodstuffs, beverage, handicrafts, garments, chemicals, and building materials.

#### 7. Commerce

As the biggest commercial centre in Shandong Province, Qingdao is a major entrepot of east, north and northeast China. In 1989, the city's total retail sales reached RMB ¥ 7,030 million. Now Qingdao has 100,000 shops, 454 free markets in the rural area and 16 markets in the city proper. Besides, the Comprehensive Industrial Goods Trade Centre and the Agricultural and Sideline Products Trade Centre have been set up in the city area, and they carry on both wholesale and retail business.

#### 8. Foreign Trade

Qingdao is China's important foreign trade base and one of China's five biggest foreign trade ports. According to authorities of Qingdao's Customs, in 1989, Qingdao's total imports and exports amounted to U. S. \$ 6,304 million. Now Qingdao has 10 foreign trade companies, two industrial and trade companies and 17 enterprises to handle import and export business directly with foreign companies. In 1989, Qingdao's directly exported U. S. \$ 293 million worth of goods and bought RMB ¥ 1,910 million worth of goods for export. There are 560 items of goods in 15 categories which were sold to more than 140 countries and regions.

#### 9. Financial Enterprises

Financial enterprises in Qingdao are fairly developed. A financial system has taken shape, embracing 6 special banks such as, China Bank Huanghai Branch etc. and the insurance company, with Chinese People's Bank Qingdao Branch in the lead and various finan-

cial institutions in coordination. In 1989, the seven banks and the insurance company have more than 900 branches and 10,000 employees. China Bank Huanghai Branch is the special bank for foreign exchange business. The other banks have also inaugurated such business in succession and established international financial network in more than 150 countries and regions. Besides, there are 3 branches of foreign financial organizations and one Chinese-foreign joint leasing company.

#### 10. Transportation and Communication

Transportation in Qingdao is fairly convenient. The sea port, highways, and airlines form a three-dimensional network of transportation. As the fourth biggest sea port of China, Qingdao Port, which is deep and wide, free of ice all the year round, handled 31.15 million tons of goods in 1989. When the first phase of the construction of Qianwan Harbour is completed, it can handle 17 million tons of cargo annually. Huangdao Oil Port, after its expansion, will have a capacity of handling 30 million tons of oil per year. Qingdao Ocean Shipping Company has a fleet of fifty-two (52) freighters, with cargo capacity of more than 10,000 tons each and total cargo capacity of 2.35 million tons, sailing to more than 300 ports in some 60 countries and regions. Liuting Airport has 14 airlines which lead to Shanghai, Peking, Dalian, Guangzhou, Xi'an etc. and has started scheduled flights to Hongkong. As the terminal of the Jiaozhou-Ji'nan Railway, Qingdao operates through passenger

trains to Beijing, Shenyang, Tonghua, Shanghai, Wuhan, Lanzhou, Xi'ning, Xuzhou, Ji'nan. Yantai etc. Highways radiate in all directions from Qingdao.

Communication in Qingdao has been greatly improved, with a newly-installed automated telephone switchboard put into operation and a direct domestic and international long distance call service inaugurated. Now a satellite communication receiver is under construction.

#### 11. Science, Technology and Education

Qingdao has fairly good technological and educational background with more than 111 research institutions and 170,200 scientific and technical personnel. The marine research force is specially strong, consisting of 15 research institutions and Qingdao Ocean University, a key university for the cultivation of oceanographers. With many oceanographers well-known both at home and abroad, Qingdao is the country's center for ocean scientific research and international academic exchange. Now the city has 3,440 schools of all kinds with a total enrollment of 1.25 million students. Fourteen of them are colleges and universities with an enrollment of more than 30,000. In 1989, Qingdao has 688 scientific research fruits, among which 60 have reached international level, 428 are advanced and first created in the country, 2 have won international reward for invention.

#### 12. Water and Power Supply

Now the project to lead water from the Yellow River to Qingdao has been completed, and the city's

water supply is doubled, which basically solved the water problem in economic development and civil use.

The power stations in Qingdao originally had a generating capacity of 780,600 KW. Two 210,000 KW generating units are being added to the Huangdao Power Plant. The first generating unit went into operation in 1989, and the second generating unit will produce power by the end of the year.

### 13. Qingdao Economic and Technical Development Zone

Fifteen square kilo-meters of Qingdao Economic and Technical Development Zone, which is located in Huangdao District on the western shore of Jiaozhou Bay, is to be opened up. Now 5 companies have been established, that is, Industry Company, Construction Company, Trade Company, Exploration of New Technique Company and Tourist Development Company. It aims at setting up knowledge and technology intensive Chinese-foreign joint ventures and cooperative enterprises as well as wholly foreign-owned enterprises. Labor-intensive, export-oriented enterprises will also be built. The major items the zone will make are electric meters and instruments, light industrial goods, foodstuffs, textiles and garments and fine chemical products. Maritime exploration techniques will also be developed there. We welcome friends from various countries and regions in the world to the development zone to set up export-oriented operations or to open up different sections of the zone. The con-

struction of infrastructural facilities on the first two square kilometres of land in the zone has been completed since the work started in March, 1985. A total of 230, 000 square metres of industrial buildings, warehouses and residential houses have been built and put into use. One hundred and thirty-eight contracts have been signed for starting Chinese-foreign joint ventures and cooperative enterprises as well as joint enterprises between Chinese enterprises by the end of 1989, among which 31 are foreign investment enterprises. And 80 enterprises have been put into operation ( 20 of which are foreign investment enterprises). Now the setting up of an export-oriented processing area is being planned. The investment environment of the Economic Development Zone is getting perfected. More and more foreign businessmen come to invest in the large and medium-sized projects. With the development and construction of the west bank of Jiaozhou Bay, by the end of the century, the Economic Development Zone will develop into an export-oriented economic zone with a population of 100, 000, 300- 400 technologically advanced enterprises. As a result, the Economic Development Zone will become an impetus to the economic development of the city proper.

#### 14. Tourism

With its numerous historic sites and picturesque scenery, Qingdao is a well known summer resort and tourist attraction and also designated as one of the eight potential hosts for international conferences.

The beach of the city and Mountain Laoshan are the key scenic spots of the state. Qingdao Municipal Government has formulated the "Development Plan for Tourist Land", accelerated the construction of tourist facilities, renovated many scenic spots, built ten hill parks, started new tourist activities, such as tour on the sea, fishing, vacation and health tour, religious and folkways tours. In the Stone Old Man Tourist Development Area, one square kilometer of infrastructure, including the Stone Cliff Hotel and the Cross Missing Playground, has been completed in the main. The city has also planned to build an aquarium, a club on the sea, water sports fields etc. and to open new travelling lines both at home and abroad. As a result, tourist network with rational distribution, distinctive style, well equipped facilities and convenient transportation will be formed. In 1989, Qingdao received 5,770 foreign guests.



## II INVESTMENT ORIENTATION AND PRIORITIES

Qingdao's utilization of foreign investment, introduction of advanced technology, establishment of businesses for processing supplied raw material, assembling foreign-supplied parts, producing according to samples or compensatory trade are aimed at increasing economic efficiency and focused on the international market. We welcome wholly foreign ventured enterprises and we also welcome foreign friends to invest for the improving of existing enterprises, to introduce advanced technology and management of foreign countries. Existing factories will be upgraded technologically with the aim of manufacturing new, fine-quality and value-added goods in a bid to progressively establish an export-oriented industrial system to bring a big, all-round economic growth to the whole city. Priorities will be given to channelling foreign investment into the textile and garment industries, light and foodstuff industries, rubber and chemical industries and electronics, meters and instrument industries and engineering industry. Foreign funds will be also used for the technological upgrading of such weak links as the power and transport industries as well as for farming, breeding of fish, poultry