

China's Binhai New Area

By Michael R. Newman

The world seems transfixed on China as the emerging giant of the world economy. Wherever I travel, everyone speaks about the emergence of China and the importance its economy will play in the global market in years to come.

This will be the first of a series of short articles reflecting my experience in working with Chinese clients and discussing business opportunities in China that I perceive to be of interest to the members of Consulegis. In this article, the focus will be on business inbound to China and more particularly to the business opportunities in the Binhai New Area between Beijing and Tianjin.

Daar & Newman is presently working with a person affiliated with the office of the Mayor of Tianjin, which is the largest container seaport in the People's Republic of China ("PRC"). Those who attended the Business Generation Specialists Group meeting in Baden-Baden received a handout describing the demographics of the Binhai New Area ("BNA") and viewed a DVD of what has already been accomplished in the BNA.

The BNA demographics presentation is made part of this article and should be of interest to all who have clients who may wish to establish a business within the BNA. The BNA is the third "New Area" to be established within the PRC, the first two being Shenzhen and Pudong.

The BNA offers multiple incentives to companies wishing to establish a business presence in China, including the training of company personnel from the vast labor force of over 600,000 workers having both general labor and technical talents. Within the BNA there are over 30 research institutes and more than 80 schools providing minimum high school level education. There are also multiple tax incentives for companies wishing to establish business within the BNA. For financial institutions, 50% of income tax will be refunded in the first three years. Once a new business shows a profit, 100% of the local tax will be refunded over the next three years. For office buildings purchased for business purposes, the real estate tax will be waived for the first three years.

If you have any questions about the BNA or wish to be placed in contact with representatives of the BNA, please contact Michael Newman at Daar & Newman in Los Angeles.

In the next article, the emergence of China as an exporter of its own brand name products (can you name even one?) and the new entrepreneurs seeking worldwide mergers and acquisitions will be addressed.