INVEST IN LISHUI

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Visiting Card

First Ecological City in China
China's Top Tourist City
Hometown of Photography in China
International Leisure and Health Maintenance City
National Forest City
Wooden Toy City in China  
Source of Chinese Fungus Mushroom  
Hometown of Chinese Stone Engraving  
Hometown of Chinese Sword and Celaden  
Hometown of Overseas Chinese  
Hometown of Nice Group

Overview
Situated in the southwest of Zhejiang province, Lishui covers an area of 17,300 sq. km, with a population of 2.60 million. The municipality encompasses Liandu district, Longquan city and seven counties: Qingtian, Jinyun, Suichang, Qingyuan, Yunhe, Songyang and Jingning. Jingning is the national only She ethnic minority Autonomous County.

Geographical Map

Infrastructure Facilities

Railway  Railway crosses Lishui city with a strong goods and passengers transportation capacity. The railway network connects Wenzhou and Jinhua, and access to the Ningbo-Xiamen High-speed Railway and Zhejiang-Jiangxi High-speed Railway. Jinhua-Lishui-Wenzhou High-speed Railway is in the course of construction. It takes only 0.5 hour to Wenzhou, 1.5 hours to Hangzhou, around 2 hours to Shanghai or Fuzhou.

Highway  The highway starting from Lishui covers the whole municipality, accessing the national lines like Shanghai-Kunming Highway. It takes only 1 hour drive to Wenzhou, 2.5 hours to Hangzhou, 3 hours to Ningbo, and 4 hours to Shanghai. It is 120km apart from Wenzhou, 280km from Hangzhou and 420km from Shanghai or Fuzhou.

Aviation  Lishui city is 100 km apart from Yiwu Airport, 120 km from Wenzhou Airport, 280 km from Xiaoshan International Airport and 480 km from Shanghai Pudong International Airport. And there are all highways from Lishui to these airports. The construction of Lishui Airport has been approved on the 12th five-year-plan.

Waterway  Lishui is closely adjacent to of Ningbo Harbor, Shanghai Harbor and Wenzhou Harbor.

Water Supply  The city waterworks supplies water for industry zones.

Sewage Disposal  The sewage is pretreated to relevant standard and drained off to sewage disposal factory.

Power Supply  Uniform power supply by the East China Electric Power Network.
Telecommunication  It has been equipped with perfect and latest telecom facilities to better serve enterprises and citizens, which has reached the top level in China.

Natural Resources
Lishui is a water abundant area in China, the per-capita share of freshwater resource is 4.7 times of the national average. 98.99% river sections meet the national III standard of surface water quality, 40% of which is I standard.
There are more than 3800 species of plants, 505 species of vertebrate. Among 57 species of explored minerals, there are 25 species of metal minerals. Gold, mo, lead, zinc, zeolite, pyrophyllite and Kaolin are the main promising minerals.

Economy Development
In 2012, Lishui’s GDP reached 88.52 billion yuan, up by 10.5 percent over the previous year, ranks the first among municipalities of Zhejiang Province in growth rate for 2 consecutive years. Lishui Ecological Industry Cluster Zone and the 10 provincial economic development zones embrace 60% of the total industrial volume.
A multi-level and all-round opening up pattern of development has been in place. The mainly products of mechanical products, light industry products, chemical products and agricultural by-products are exported to more than 150 countries and districts. The constantly expansion of foreign investment and investment fields has propelled the industrial level and economic development. Foreign capitals in secondary industry covers electric power production and supply, general equipment manufacturing, shoes, clothes, leather and feather products manufacturing, pharmaceutical glass packaging manufacturing. Foreign capitals in tertiary industry covers trade, tourism, logistic and hotel. Foreign capitals in agriculture is under way. Foreign Investment Enterprises enjoy the series of preferential policies and convenience form the municipal committee and government.

Characteristic Agriculture
Edible Fungus: As the cradle of shiitake artificial cultivation of the world, edible fungus is the traditional specialty of Lishui. The annual production capacity of dry shiitake is about 35,000 tons. Lishui is the largest region of production and sale of edible fungus. Among over 20 species of artificial cultivation, hasty curd, rare edible fungus, and exploring wild fungus are the main products in future.
Fruits Nuts: The mountain three-dimensional condition of Lishui fits for fruits’ growth. The cultivation area of fruit is over 50,000 mu, which
produced fruits nearly 40,000 tons annually. There are over 20 species of fruits. Ponkan, pear, Chinese bayberry and chestnut are superior products.

**Leading Industry of Industrial Economy**

Daily chemicals, hardware, building material, tool, machine tool, motorcycle, synthetic leather, down clothes, bamboo and wood products. The manufacturing industry is the leading industry of economic development, more than 300 enterprises with an annual sales income over RMB 100 million.

**Tourism Resources**

Lishui enjoys the reputation as the Green Valley of Zhejiang, Oxygen Bar in East China, the forest coverage rate is 81%. With beautiful environment, pretty natural landscape and numerous humane scenes, the ancient and the modern cultures add beauty to each other and contend in bizarre and beauty, constituting the glorious Lishui Culture. There are 20 national AAAA grade tourist attractions be planned, and among these 15 tourist attractions have been completed. She nationality mainly lives in Lishui, people can get the real flavor of local traditional life and civilization like colorful clothes, food, marriage and religion.

**Key Investment Fields**

- **Equipment Manufacturing Industry**

  Develop five sub-divisional industries of auto-parts, machine tool & die, valve, building hardware and micro motor, strive for the equipment manufacturing industry group with hundreds of billions output value.

- **Stainless Steel Industry**

  Focus on the stainless steel pipe, sheet, wire and die steel, strive for stainless steel industry with hundreds of billions output value.

- **New Materials Industry**

  Based on the current industries, focus on the development of four industries of special alloy, new light source, special paper and fine chemical.

- **Biological and Medicine Industry**
The rich herb resources contain like Magnolol, Tuckahoe, more than 70,000 mu Chinese medicine base was built. A group of key enterprises developing series products of Chinese Traditional Medication decoction pieces, bulk pharmaceuticals, She nationality’s medicine, biological abstraction, medicine intermediate.

• Processing Industry of Farming and Forestry Products

Based on the current advantage of farming and forestry products’ resource, focus on processing industry of farming, forestry products and bamboo, wood, strive for feature industry of farming and forestry with tens of billions output value.

• Culture Creativity Industry

Take the advantage of characteristic traditional industry of arts and crafts, focus on the industry of Caledon, sword, stone-engraving and wooden toy.

• Ecological Tourism, Leisure Industry

Take full advantage of ecology in Lishui, build tourist complex, series of national AAAA grade tourist zones, provincial resorts, ecological leisure and health maintenance base, develop tourist brand of ELEGANT AND BEAUTIFUL LISHUI, A BLESSED PLACE FOR HEALTH PROMOTION.

• Modern Service Industry

Promote the integrating of the advanced manufacturing and productive service, focus on the producer service mainly dominated by modern logistics, technical service, financial service, information service and intermediary service, service of households mainly dominated by modern trade hotels, culture and entertainment.
Industry Distribution in Lishui

图例
不锈钢产业  生物医药产业  日用化工产业  文化创意产业

Below 5 billion      5-10 billion      above 10 billion

Equipment Manufacturing Industry
New Materials Industry
Synthetic Leather and Down Products Industry
Processing Industry of Farming and Forestry Products
Stainless Steel Industry
Biological and Medicine Industry
Daily Chemical Industry
Investment Cost

(Following data of investment costs is afforded for reference only, with a little difference according to the nature of program and operation scale.)

Existing Buildings Costs

<table>
<thead>
<tr>
<th>Type</th>
<th>Cost Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>sales of standard workshop</td>
<td>1500-3000 yuan/M²</td>
</tr>
<tr>
<td>lease of standard workshop</td>
<td>7—12 yuan/M²</td>
</tr>
</tbody>
</table>

Construction Costs of Workshop

<table>
<thead>
<tr>
<th>Type</th>
<th>Cost Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>steel framework</td>
<td>600—800 yuan/M²</td>
</tr>
<tr>
<td>frame structure</td>
<td>1000—1300 yuan/M²</td>
</tr>
</tbody>
</table>

Labor Costs (yuan/month)

<table>
<thead>
<tr>
<th>Type</th>
<th>Cost Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>common worker</td>
<td>2000-2500</td>
</tr>
<tr>
<td>skilled worker</td>
<td>3000-5000</td>
</tr>
<tr>
<td>manager</td>
<td>5000-10000</td>
</tr>
<tr>
<td>minimum salary</td>
<td>1080-1200</td>
</tr>
</tbody>
</table>

Water Rates

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>industry</td>
<td>2.65 yuan/m³</td>
</tr>
<tr>
<td>resident</td>
<td>1.90 yuan/m³</td>
</tr>
<tr>
<td>commercial building, special industry</td>
<td>3.35 yuan/m³</td>
</tr>
</tbody>
</table>

Electricity Rates

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>non-industry</td>
<td>0.908 yuan/kwh (110KVA)</td>
</tr>
<tr>
<td>large-scale industry</td>
<td>0.705 yuan/kwh (110KVA)</td>
</tr>
<tr>
<td>common industry, commerce</td>
<td>0.946 yuan/kwh (110KVA)</td>
</tr>
<tr>
<td>resident</td>
<td>0.538 yuan/kwh</td>
</tr>
</tbody>
</table>

Costs of Social Insurance

<table>
<thead>
<tr>
<th>Classification</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>endowment</td>
<td>22% of the wage (14% paid by employer, 8% paid by employee)</td>
</tr>
<tr>
<td>employment injury insurance</td>
<td>0.6%, 1.2%, 2% of the wage (according to different industries)</td>
</tr>
<tr>
<td>unemployment insurance</td>
<td>3% of the wage (1% paid by employee)</td>
</tr>
<tr>
<td>birth insurance</td>
<td>0.6% of the wage</td>
</tr>
<tr>
<td>medical care insurance</td>
<td>5% of the wage</td>
</tr>
</tbody>
</table>
Costs of Road Container Transport

<table>
<thead>
<tr>
<th>Destination</th>
<th>20'container</th>
<th>40'HC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wenzhou</td>
<td>1850 yuan</td>
<td>2250 yuan</td>
</tr>
<tr>
<td>Ningbo</td>
<td>2000 yuan</td>
<td>3100 yuan</td>
</tr>
<tr>
<td>Shanghai</td>
<td>4680 yuan</td>
<td>5580 yuan</td>
</tr>
</tbody>
</table>

** Preferential Policies**

The income tax for the foreign investment enterprises has been unified at 25%. As regards a small margin-profit enterprise satisfying the prescribed conditions, the enterprise income tax shall be levied at a reduced tax rate of 20%. Any enterprise recognized as high tech enterprise by the state shall allow a fifty percent reduction on income tax rate.

The foreign investment enterprises in Jingning County and Jingning National Park Lishui Economic Development Zone enjoy the income tax preferential policy of ethnic minority autonomous region.

Give priority of land supply to foreign investment projects. The large and good projects with high technological content, large input and output and strong driving force can be awarded at the amount of not more than 30% of the price of land they get. For specially important investment attraction project, “one policy for one project” can be taken to give more preferable policy support.

Support the foreign investment enterprises for technical reconstruction and innovation. Give corresponding loan with discounted interest or subsidy for projects conforming to the policy and regulations.

Encourage raising foreign capital through private businesses. In the year of actual investment, Chinese side who introduce the foreign investment shall be awarded according to the amount of actual foreign capital one time after the confirmation of the commercial and financial departments.

**One-stop Whole Agent Service**

All the formalities will be handled by the Project Approval Service Center of Lishui Municipal Government. International Investment Promotion Center and Association of Enterprises with Foreign Investment provide free service.

**Map of Investment Registration Procedure**

A application for registration

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B application and approval of environmental reports

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C approval of projects’ application and feasibility study reports
D approval of contracts, regulations and authorized certificates

E collection of business licenses and code cards
registration of foreign exchange administration
registration of bank
registration of tax
registration of customs

F opening corporations

Investment Service Institutes

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