

# Sino-Singapore Guangzhou Knowledge City

*By editorial staff writer*

The Sino-Singapore Guangzhou Knowledge City (SSGKC) project was front-paged news headlines in Chinese and Singapore newspapers in recent weeks. It is the latest iconic project of Sino-Singapore cooperation after the Suzhou Industrial Park and Tianjin Eco City.

Due to its geographical location and historical links, it may become the most important Sino-Singapore project.

The unique vision of SSGKC is to be a vibrant and sustainable city. It will attract well sought after talents and knowledge-based industries. It will serve as a model and catalyst for Guangdong's economic transformation.

Its strategic initiatives of Smart City, Eco City and Learning City, complemented by Software Collaboration projects will provide a haven for work, live and play. It will strive a healthy work-life balance for both employers and employees and their families.

Sino-Singapore Guangzhou Knowledge City (SSGKC) will embody smart, eco and learning into its hub. These three major elements will make it a hub for innovative knowledge-based industries and an ideal habitat for living. The prominent advantages of SSGKC are as follows:

## **1. Geographical advantages**

SSGKC is located at the core of Pearl River Delta and has a total site area of 123 sq km. One half of it will be preserved for greenery and forestry. The remaining 60 sq km of land is being developed in phases over the next 15 to 20 years.

Underground mass transit, regional high -speed rail and expressways are also being constructed to serve the site in tandem with its development phasing.

When fully completed, SSGKC will have a population in excess of 500,000 people, and serving more than 2 million people in the immediate vicinity.

## **2. Strong Local Government**

Guangzhou Development District Administrative Committee, the local host government for SSGKC, are pro-business and have track records in developing economic successes.

Guangzhou is ranked top amongst national development districts all over China, the economy under its jurisdiction generated an impressive GDP of RMB 160 billion (19% year-on-year growth), exports of USD 13.6 billion (33% year-on-year growth) and a tax

revenue of RMB 38.8 billion (25% year-on-year growth) in 2010.

### **3. Global Operating Environment**

There are surrounding economic parks operated by the Guangzhou Development District. More than 2,700 foreign-invested enterprises have been established by investors from more than 60 countries, including 108 Fortune 500 companies, in these parks.

Domestic and foreign companies, big and small, can invest in the SSGKC. They can expect a pro-business operating environment to help them to make their forays into the huge Chinese market.

### **4. Huge Talent Base**

SSGKC can tap the talent pool and manpower generated by the city of Guangzhou. There are 63 universities located within Guangzhou city with more than 600,000 students at any given time. The city also houses 7 state and provincial-level science and technology university parks, 197 research institutions and 124 national, provincial and municipal engineering technology research centers.

The talent pool is also supplemented by international talents. There are generous talent incentive schemes in place to attract leading professionals from overseas. This creates an inclusive, open and diversified business environment for companies looking to set up their operations in SSGKC.

### **5. An Entry Point to the Southern China Market**

SSGKC is strategically located in the heart of the economically vibrant Pearl River Delta which is endowed with an extensive network of high-speed rail, expressways and subways, providing fast and convenient access to the rest of Pearl River Delta and Guangdong Province.

These conditions make it ideal for companies to locate operational headquarters within the SSGKC to oversee their business interests for southern China.

SSGKC adopts a trinity of "led by enterprise, promoted by government and operated by market". This will make it different from other economic parks' model of development and construction.

SSGKC is a third generation industrial park, which is knowledge-based-economy oriented. The use of science, technology and knowledge will be permeated into the project other than industries and ecology.

There are significant differences between SSGKC and other two Sino-Singapore projects. SSGKC is aimed at forming the knowledge-based-economy constituted by six pillar industries and headquarters economy. The present focus will be to develop the Next Generation Information & Communication Technology (ICT), Culture & Creative Industries, Science & Education services, Clean Technology, Next Generation Materials, and Biotechnology & Pharmaceuticals.

In addition to these, SSGKC will also be developing the Headquarters Economy capabilities for transnational enterprises, local enterprises and Chinese enterprises.

In order to attract investors and talents, SSGKC has built a policy system to support industrial upgrading. For example, global 500 companies' wholly-owned incorporated subsidiaries in GDD, with at least \$30 million in registered capital will be rewarded with 2 million yuan grants. Enterprises that have purchased land in GDD and paid taxes of more than 30 million yuan within five years' operation in GDD, or enterprises that have not purchased land but paid taxes of more than 10 million yuan, will be rewarded around 3 percent of their annual sales for no more than three years.<sup>1</sup>

Domestic or foreign public listed companies in GDD can get a 3-million-yuan fund; those listed on growth enterprise board can get a 2-million-yuan fund and the top 30 unlisted companies in the “over-the-counter” market can get a 1-million-yuan fund.

Newly established or newcomer equity investment companies can get a reward equal to 1 percent of their paid-in registered capital. The maximum is 20 million yuan; equity investment partnerships can get a reward equal to 5 percent of the registered capital of sci-tech SMEs. The reward that each equity investment partnership can get each year cannot exceed 4 million yuan.<sup>2</sup>

Companies, which satisfy the requirements can apply for the rewards by submitting relevant documentary evidence and accordingly all reward will be transferred to the bank accounts designated by the companies after examination.

Moreover, the intellectual property of enterprises and individuals in GDD will be given legal protection. Owners of intellectual property rights can obtain financial assistance when they institute actions to seek re-dress from offending parties for infringement. The

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<sup>1</sup> 《广州经济技术开发区、广州高新技术产业开发区、广州出口加工区、广州保税区、中新广州知识城、广州市萝岗区鼓励引进重点产业项目暂行办法》穗开管办〔2013〕26号  
(Temporary Measures of Encouraging Introduction of Key Industrial Projects in Guangzhou Economic & Technological Development District, Guangzhou New and High-Tech Industrial Development district, Guangzhou Free Trade Zone, Guangzhou Bonded Logistics Park, Sino-Singapore Guangzhou Knowledge City and Luogang District of Guangzhou)

<sup>2</sup> 广州开发区关于加快科技金融发展的实施意见》穗开管办〔2013〕8号  
(Opinions on the Implementation of Facilitating Sci-tech Financing Development in GDD)

maximum subsidy cannot exceed 30,000 yuan.<sup>3</sup>

After SSGKC is completely established, the scope of legal services regarding intellectual property, foreign investment, IPO, energy and environmental protection will be further enhanced.

During the process of developing SSGKC, both countries will benefit. China can learn the experience of managing and operating a new city from Singapore.

Singaporeans can utilize the great opportunity of China's economic transformation and the strategic location of SSGKC to export their advanced technology and management know-how.

The experts from two countries can learn from each other through their cooperation in the project. There can also be cultural exchanges between the two countries. Investors may have a better understanding towards the development of the project and the Sino-Singapore mode. This will pave the way for greater future investment and cooperation.

Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd was incorporated in Guangzhou on 13 September 2011. The 50-50 joint venture company was established by Singbridge and Guangzhou Development District Administrative Committee to be the master developer of the Sino-Singapore Guangzhou Knowledge City .

Guangzhou Development District was established in 1984 and is one of the first state-level economic and development zones. It is situated in the East of Guangzhou at the heart of the Pearl River Delta and is geared towards eastern development.

GDD is one of China's most competitive development zones and has been named the national model development zone. It has gathered approximately 6000 local and foreign enterprises, among them 111 Fortune 500 companies and approximately 1300 high-tech enterprises.

Singbridge is a wholly owned subsidiary of Temasek Holdings of Singapore. It operates and invests in integrated cities and sustainable urban solutions internationally, leveraging on Singapore's successful developmental experience and urban renewal.

Apart from the SSGKC, Singbridge is also an investor in the Sino-Singapore Tianjin Eco City project, and has entered a mixed development project in Chongqing. To develop SSGKC, the joint venture company works closely with the Sino-Singapore Guangzhou Knowledge City Administrative Committee (KCAC).

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<sup>3</sup> 广州开发区知识产权资助资金管理办法》穗开管办〔2013〕8号  
(Regulations of Intellectual Property Rights Fund in GDD)

Established by the Guangzhou Municipal Government in end December 2010, KCAC is given province-level economic management authority, and entrusted with responsibilities in the formulation and implementation of economic and social development plans for SSGKC, administration of land use rights and construction permits, undertaking infrastructure works and environment protection in the SSGKC.

**The management structure of Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd.**

