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National Independent Innovation Demonstration Zone

National Innovation Zone

The Executive Meeting of the State Council held on 20 March 2016 decided to set up three new national independent innovation demonstration zones, i.e. Henan ZLX (Zhengzhou-Luoyang-Xinxiang), Shandong Peninsula and Liaoning SD (Shenyang-Dalian), on top of the existing 11 national innovation zones, raising the total number of demonstration zones to 14.

National independent innovation demonstration zones are approved by the State Council to carry out pilot programs, gather experience and make demonstration on the advancement of independent innovation and high-tech industries. The building of national innovation zones plays an important leading, catalytic and facilitating role in strengthening the institutions and systems of

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scientific and technological innovation, accelerating the development of strategic emerging industries, promoting innovation-driven development and speeding up the shift of growth model.

Since the designation of Zhongguancun in Beijing as the first national independent innovation demonstration zone in March 2009, many Chinese localities, including Wuhan Donghu, Shanghai Zhangjiang, Shenzhen and Southern Jiangsu have all joined the campaign to build world-class high-tech parks.

According to Minister of Science and Technology Wan Gang, the 11 national innovation zones and 146 national high-tech parks have provided a core carrier for regional innovation and entrepreneurship. The fact that they have all maintained double-digit growth in 2015 indicates the rise in the efficiency of R&D investment.

Starting from 2014, the State Council has been planning to promote the pilot policies applied in Zhongguancun in wider areas and speed up the building of national innovation zones. As a result, national innovation zones are being set up across the country.

It is reported that the three national innovation zones added to the list this time each have its unique features. Building on the high-tech parks in Zhengzhou, Luoyang and Xinxiang, the ZLX innovation zone will focus on building industrial clusters in areas such as high-end equipment manufacturing, electronic information, new materials, new energy and bio-medicine. Shandong Peninsula is home to the major metropolitan area in northern China. The six cities on the peninsula, including Jinan, Qingdao and Zibo, have contributed to 54% of the province's GDP with about 40% of its land and population, and gathered over 75% of its research and education resources. National high-tech parks such as Jinan are flexible in operation, and capable of taking the whole province up to a higher level. The building of the Liaoning SD national innovation zone, which is

underpinned by the national high-tech parks in Shenyang and Dalian, as well as the surrounding high-tech economic belt is important to the transformation and upgrading of the old industrial bases in Northeast China.

It was also decided at the State Council Executive Meeting to adopt a new model of building innovation zones, including promoting pilot innovation and reform in Shanghai in three years' time, building a comprehensive national science center, conducting try-outs in such areas as adopting inclusive tax regime to encourage entrepreneurship and innovation, exploring innovative models of financial services like investment-loan linkage, building equity exchange market and new types of R&D organizations of industrial technologies and streamlining the management of foreign investment and venture capital, in order to continuously release the dividends of reform.

The Executive Meeting has called for "concentrated efforts" in four aspects: making big strides in institutional and systemic innovation, especially in ensuring the implementation of policies concerning equity incentives and revenue distribution, and letting the key players of innovation make their own decisions on the use of R&D funds and conversion of R&D outcomes, so as to stimulate the initiatives of science and technology workers; rendering more discretionary power to higher learning institutions and R&D institutes affiliated to the Ministry, and encouraging collaborative innovation with the localities; facilitating business start-up and employment through innovation, building a platform for mass entrepreneurship and innovation, improving innovation services, minimizing government intervention in business entrepreneurship and innovation, and exploring the building of a government management system consistent with the law of innovation.

(Source: Science and Technology Daily,
31 March 2016)

Plan of Shanghai Scientific and Technological Innovation Center Released

On 12 April 2016, the State Council issued the Plan for Comprehensively Promoting Pilot Innovation and Reform and Accelerating the Building of Scientific and Technological Innovation Center with Global Influence in Shanghai (hereinafter referred to as the “Plan”).

The Plan focuses on making coordinated arrangement and seeking simultaneous progress in promoting pilot innovation and reform and building a scientific and technological innovation center with global influence. Guided by the principles of problem-driven, business initiative, people-oriented, openness and cooperation and with a focus on key reform priorities, the Plan aims to promote pilot innovation and reform in a systemic way, strengthen the integration of scientific and technological innovation with economic and social development, and lead the shift in growth model.

With the focus on both current and long-term benefits, the Plan has put forward the goals of reform and development for different phases: put in place the basic structure of the scientific and technological innovation center with global influence by 2020; and foster the key functions of the innovation center by 2030. In the meantime, to achieve the overall goal of building scientific and technological innovation center with global influence, the Plan has laid out four areas of priorities, including building the Shanghai Zhangjiang comprehensive national science center, setting up the platform for the R&D and conversion of key generic technologies, implementing major strategic programs and basic projects that lead industrial development and advancing the building of the Zhangjiang National Independent Innovation Demonstration Zone.

Following the goal of overcoming the institutional and systemic impediments to innovation and proceeding from the actual conditions of Shanghai, the Plan has made comprehensive arrangements in six areas, i.e. building a government management system consistent with the law of innovation, constructing a market-oriented mechanism

for the conversion and transfer of R&D outcomes, adopting a revenue distribution system that stimulates market creativity, strengthening the innovation input system with a focus on the business community, building a proactive and flexible system for the development of innovation professionals, and pushing for new progress in opening-up and cooperation with cross-border integration.

Based on Shanghai’s conditions and realities, the Plan has identified ten major areas for breakthroughs in reform where pilot programs will soon be launched, including studying an inclusive tax regime that encourages innovation and entrepreneurship, exploring innovative models of financial services such as investment-loan linkage, promoting reform in the equity exchange market, implementing and tentatively expanding the policies for the certification of high-tech companies, improving the equity incentive system, developing new types of R&D organizations of industrial technologies, providing facilitation services for the permanent residence of overseas professionals on a pilot basis, streamlining foreign investment management, reforming the management system for drug registration and production, and establishing a management system for the operation of national science center consistent with the law of science. In addition, the Plan has also proposed 20 specific measures of pilot reform.

The National Development and Reform Commission and the Ministry of Science and Technology will work with relevant departments and localities to build a working mechanism for synchronized progress, ensure that various responsibilities are duly fulfilled, promote the implementation of various reform measures and policies in accordance with the goals and tasks in the Plan, and strive to produce reform experience that can be replicated on a national basis in two to three years’ time.

(Source: Science & Technology Daily,
16 April 2016)

Vice Science Minister Talks about National Innovation Zones

At the routine policy briefing held by the State Council Information Office on the morning of April 1st, 2016, Vice Minister of Science and Technology Yin Hejun introduced the national innovation demonstration zones.

Yin pointed out that upon the approval of the State Council, the 16 pilot policies that were first launched in Zhongguancun are now implemented nationwide. The provinces and municipalities which host these zones have also made their own innovation policies, to fully mobilize R&D professionals and innovative actors. At present, national innovation zones are making steady progress. With a growing role in driving regional economic development and industrial transformation, the innovation zones have become an important pillar of the Chinese economy.

According to statistics, despite the new normal, national innovation zones have maintained double-digit growth. Key economic indicators of national innovation zones like Wuhan Donghu, Hunan CZX (Changsha-Zhuzhou-Xiangtan) and Sichuan Chengdu have all recorded a growth speed of around 30% for several years in a row. In the first three quarters of 2015, the tax revenue of Shenzhen National Innovation Demonstration Zone increased by 25% year-on-year. At the same time, the national innovation zones are also making significant contribution to the growth of regional economy. In the first three quarters of 2015, there were seven national innovation zones contributing to over 20% of GDP growth in their regions.

With the advance of mass entrepreneurship and innovation, the driving forces behind the national innovation zones are also rapidly shifting. In the first three quarters of 2015, more than 6,000 high-tech companies were created in Wuhan Donghu, up by 42% year-on-year. In Shanghai Zhangjiang, nearly 10,000 high-tech companies emerged, 25% more than the previous year. Beijing Zhongguancun accounted for over 20%

of outstanding overseas professionals working in China and over 40% of the venture capital projects in terms of project numbers and funding volume.

Talking about the future development of national innovation zones, Yin Hejun said that the Ministry of Science and Technology is to follow the strategic plan made by the CPC Central Committee and the State Council to further implement the strategy of innovation-driven development, further across-the-board reform and innovation, advance supply-side structural reform, promote pilot schemes of innovation policies, improve regional planning, cultivate a sound environment for innovation and entrepreneurship, unleash the creativity of the society, and provide strong support for medium-high economic growth.

In the next stage, the Ministry of Science and Technology will speed up the building of national innovation zones in the following three aspects. First, push for the building of more national innovation zones and further improve their regional distribution. Second, step up efforts to implement pilot policies at the national level. In view of the new problems and circumstances in the development of national innovation zones that impede innovation and for the purpose of stimulating R&D professionals and innovation vitality within the system, greater efforts will be made to promote pilot policies. Third, it is important to support the national innovation zones in systemic, institutional and policy innovation. The national innovation zones vary in their needs and actual conditions. Therefore, while trying out “generally applicable” policies, they should also be encouraged to adopt more pilot policies in line with local conditions.

(Source: Science and Technology Daily,
April 1st, 2016)

Science Ministry Evaluates Pilot Policies of Demonstration Zones

The research project on the “evaluation of pilot policies on national innovation demonstration zones” conducted by the Chinese Academy of Science and Technology for Development upon the authorization of the Department of Policies, Regulation and Supervision of the Ministry of Science and Technology was formally completed and passed acceptance check. The research team conducted in-depth and systemic evaluation of the pilot policies introduced in Zhongguancun, Donghu, Zhangjiang, HWB (Hefei-Wuhu-Bengbu) and other national innovation zones and experimental zones. The research shows that the implementation of these pilot policies has stimulated innovation and entrepreneurship in the demonstration zones, and played a positive role in strengthening the innovation system and promoting the integration of science, technology and economy.

The report shows that with the further development of demonstration zones and the rapid development of

high-tech and new industries, various demonstration zones have all taken steps to improve and adjust their industrial structures. Zhongguancun has carried out the “641” project to drive innovation with the development of strategic emerging industries. Donghu demonstration zone has improved the industrial layout and adopted special policies to integrate existing systems and policies of scientific and technological services. Shanghai Zhangjiang has launched a pilot program to build economic innovation base featuring “new industries, new businesses, new technologies and new models”, and cultivate industrial clusters with the theme of smart economy, platform economy, health economy and green economy.

(Source: Science and Technology Daily,
May 12th, 2016)

State Council Decides to Develop Two More National Innovation Zones

The Executive Meeting on June 8th 2016 of the State Council chaired by Premier Li Keqiang made the decision to set up two new national innovation demonstration zones, i.e. FXQ (Fuzhou-Xiamen-Quanzhou) and HWB (Hefei-Wuhu-Bengbu), to lead institutional and R&D innovation.

The meeting stressed that to speed up the building of national innovation demonstration zones is of great importance to implementing the decisions of the National Conference on Scientific and Technological Innovation, pursuing the strategy of innovation-driven development, promoting mass entrepreneurship and innovation, developing new economy and fostering new drivers. Since their establishment, national innovation zones such as Zhongguancun, Wuhan Donghu and Shanghai Zhangjiang have served as the testing ground for reform and innovation and played an important role in leading,

inspiring and catalyzing regional development. Following the principle of “giving permission to all eligible applications”, the meeting decided to build national innovation demonstration zones respectively in FXQ and HWB national high-tech parks. In keeping with the major development strategies and regional plans of the state, the demonstration zones will take measures to streamline administration, delegate power, enhance regulation and improve services, and strive to build a pilot zone for the reform of science and technology system and innovation policies, a major platform for connecting high-end professionals with the mass entrepreneurship and innovation campaign, and a cluster of new industries and new businesses, thereby accumulating more experience in promoting development at a higher level.

(Source: *****)

Report on S&T Progress in Chinese Regions 2015 Released

In the Report on Scientific and Technological Progress in Chinese Regions 2015 published by the Chinese Academy of Science and Technology for Development, Shanghai surpassed Beijing as the No.1 in overall scientific and technological progress, and the central regions have made faster progress in such indexes as the industrialization of high and new technologies and the environment for scientific and technological progress.

The main reason for Shanghai to overtake Beijing is that Beijing's ranking in the environment improvement index has dropped from 13th of last year to 14th, while Shanghai jumped from 11th to 7th. In addition, Beijing has dropped from 1st to 5th in the proportion of newly added fixed asset in scientific research and technological service industries, while Shanghai has moved up from 5th to 3rd.

Compared to last year, the overall scientific and technological progress index has raised by 2.94 percentage points nationwide, with improved performance in most of the regions.

In terms of the environment for scientific and technological progress, Tianjin, Shanghai, Beijing, Jiangsu, Shandong, Zhejiang, Guangdong and Shaanxi rank the top eight. Compared with last year, Gansu's position has moved from 23rd to 17th, which is mainly attributed to the rapid improvement in the human resources and physical conditions for scientific research. On the other hand, Ningxia has dropped from 7th to 24th because of the lower ranking in the physical conditions for scientific research.

In terms of the input in scientific and technological activities, Beijing, Shanghai, Tianjin and Guangdong are the top four in scientific and technological output. Municipalities like Tianjin, Beijing and Shanghai have above-average scores in the industrialization of high and new technologies. As for the index of the role of science and technology in driving economic development, Guangdong, Shanghai, Beijing, Zhejiang, Jiangsu, Tianjin, Fujian and Chongqing are the eight top performers, with Chongqing making the fastest progress.

Most notably, a structure of scientific and technological progress and innovation with distinctive regional features has taken shape in China. As the two important bases for technological innovation and high-tech industries in China, Jiangsu and Guangdong have both scored notably higher than other regions in such aspects as the environment for scientific progress, the input and output of scientific and technological activities, industrialization of high and new technologies and the role of science and technology in driving economic development, thus becoming the most important technological innovation centers and high-tech industrial clusters respectively in the east and the south. Hubei in the central region, Chongqing and Sichuan in the southwestern region and Shaanxi in the northwestern region have also emerged as regional R&D centers of central and western China.

(Source: Science and Technology Daily,
July 21st, 2016)