



How can Dutch expertise help build China's new Billion dollar Special Economic Zone

A report on the development of Xiong'An New Area

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China's Special Economic Zones

The Chinese Central Government has established several special zones since Deng Xiaoping in order to experiment with free-market oriented policies and to promote private and foreign investments. The latest New Special Area is the Xiong'an Area in Hebei, in succession of the Shenzhen Special Economic Zone in 1980 and the Shanghai Pudong New Area in 1992. The area received a funding from China Development Bank of 984 billion Yuan in order to further integrate the area. The New Area, about 100 km southwest of downtown Beijing, will span three counties that sit at the center of the triangular area formed by Beijing, Tianjin and Hebei's provincial capital Shijiazhuang. The Baiyangdian wetland is China's largest fresh water lake, located in the middle of this new area. The government aims to preserve and protect the wetlands, therefore sustainable economic growth is a main goal.

This report is produced by Dutch Sino Business Promotions. DSBP is a consultancy company with headquarters in Rotterdam, offering consultancy, business support and matchmaking services to Dutch organisations doing business in China and vice versa.

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DSBP also acts as the service desk of Province Zuid-Holland which has a sister relationship with Hebei Province in China. Xiong'an is located in Hebei.

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Why Xiong'an

One of the main reasons for establishing this New Area is to broaden institutional reform, to promote, and focus on more environmentally friendly green cities in line with China's 13th Five Year Plan. Moreover the aim is to further develop infrastructure and transportation, and to divide Beijing's political and economic heart in two. Non-governmental functions (and organizations) will be relocated into this new area such as state owned companies, top universities, research institutes and hospitals, and markets. In this way the strain on Beijing will be reduced and this new economic area still has much growth potential.

Another promoter is to balance the economic development between North and South China by making this area a third economic engine. GDP per capita illustrates that within the three counties of Xiong'an there are a lot of opportunities for improvement, as they lag behind the other two special zones.



Dutch Expertise

The establishment of this new area- with a focus on sustainability- could be a great opportunity for the Netherlands and Dutch expertise in the area of urban planning, water management and – mid-term – high-tech agriculture, since 85% of the Baiyangdian Lake is located in this area. Most land in Xiong'an is farmland, therefore for the coming period knowledge related to specific topics such as urban planning and sponge city will be needed. In the longer term, Xiong'an will need to develop their agri-horticulture sector as well, in order to provide safe and healthy food to its citizen and the citizen of the Jing-Jin-Ji super city (Beijing-Tianjin-Hebei). DSBP has supported several companies and projects in these fields, such as the development of an eco-city design, creating an urban flood management system and establishing large-scale greenhouse projects.

DSBP Analysis

The Chinese government pays extra attention to water usage, focusing on sustainable development, and searching for new ways to create smart cities. Expertise in the field of water management is especially required, if we take into account that water systems in this area are overused for agricultural goals (around 60-70%). In order to stimulate and establish economic growth, water is needed. However, China's northern area is a



semi-arid area with low precipitation, yet known for its agricultural use as well.

How can the Baiyangdian Lake be preserved, while ensuring that the water can be used for the whole New Area and not just for agriculture means?

What kind of businesses could be attracted to this area to help channel the water?

The location of this new area should also be kept in mind. Its proximity to Beijing could on one hand mean special attention of and a showcase for Beijing, however the area could also be under heavy scrutiny by the central government. All in all, this new special zone creates opportunities for Dutch expertise in order to establish sustainable economic growth.

