



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

FIRST WORKSHOP OF UNIDO-CHINA JOINT STUDY ON INDUSTRIAL PARKS



WORKSHOP REPORT

April 2018

INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT

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EXECUTIVE SUMMARY

Nowadays, it is widely understood that different types of industrial parks have made major contributions to restructuring and developing economies, generating jobs and raising incomes. Some industrial parks are developed in line with sustainability principles while others lack sustainability aspects. To strengthen UNIDO's normative function on industrial parks, UNIDO commits to providing integrated approaches to successful industrial park development with its multidisciplinary and multinational expertise. These integrated approaches also support UNIDO's mandate of promoting Inclusive and Sustainable Industrial Development (ISID) in its Member States. A UNIDO cross-divisional taskforce for industrial parks has been established to review UNIDO's experience in the development and upgrading of industrial parks as an initial step.

The project titled "Establishing UNIDO Guiding Framework for Industrial Parks" started after the 17th session of the UNIDO General Conference, during which UNIDO's Director General and China's Vice Minister of Commerce had bilateral discussions to confirm China's support and assistance for the successful implementation of the project. The Guiding Framework will enable UNIDO to systematically assist private and public industrial park developers in the development and operation of industrial parks, in particular under the framework of the Programme for Country Partnership, which is UNIDO's innovative model to accelerate ISID. The project is implemented in partnership with Chinese Academy of International Trade and Economic Cooperation (CAITEC) and brings together all stakeholders to address the issue.

The project began with an in-depth analysis of existing knowledge and country studies to draw lessons and best practices and establish interventions in the context of developing the UNIDO Guiding Framework for the development, operation and management of industrial parks.

One important activity was the Workshop of UNIDO-China Joint Study on Industrial Parks, held in Beijing, China, on 17 April 2018. The workshop was attended by representatives from the Chinese government, business sector, financial and development institutions. The workshop provided an opportunity to share knowledge, best practices and draw lessons from China's experience in the development and management of industrial parks. The following aspects were discussed during the workshop:

- The history, status quo and prospects of industrial parks in China
- Successful experiences and lessons learned in the development, management and operation of industrial parks in China
- China's industrial parks overseas and potential global collaboration on industrial park development
- UNIDO's knowledge of and contribution to industrial park development, particularly the International Framework for Eco-Industrial Parks

The main achievements of the workshop include:

- A consensus that summarizing experiences and best practices of industrial park development in China needs to be considered in the context of China's reform and opening-up process.
- The acknowledged significant contribution of industrial parks to China's economic development, not only in terms of gross domestic product (GDP) growth, but also various other aspects such as institutional innovations and urbanization.
- A strengthened understanding of the importance of codifying experiences, best practices and challenges of industrial park development in China.

A second workshop is planned in the second half of 2018 to present the achievements of the project at the first stage (including the country case studies). Subsequently, the Guiding Framework is expected to be launched in late 2018.

OPENING SESSION



Tianruo WANG, Director, Department of International Trade and Economic Affairs, Ministry of Commerce

Collaboration between China and UNIDO has a longstanding history with significant achievements. This collaboration will be further strengthened in the new era of China's development after the 19th General Congress of the Communist Party of China. Industrial park development in China not only accelerated China's reform and opening-up, but also enriched the theory and practice of special economic zones. The joint study will help summarize the experiences and best practices of industrial park development in China, which can contribute to inclusive and sustainable industrial development in other developing countries and the 2030 Agenda for Sustainable Development with 'China Intelligence' and 'China Solutions'.



Dejene TEZERA, Director, Department of Agribusiness, United Nations Industrial Development Organisation

UNIDO has considerable experience in providing policy advice and technical assistance to its Member States in the design, management and development of industrial parks. Based on this experience, UNIDO established a cross-divisional taskforce to develop a general framework to guide future development of industrial parks. This workshop will enable the exchange of ideas and enrich the knowledge base to help us develop the industrial park Guiding Framework.



Wei ZHANG, Vice President, Chinese Academy of International Trade and Economic Cooperation

It is an honour for CAITEC to undertake the China case study as part of the UNIDO Guiding Framework. Industrial park development reveals China's successful experience to the gradual reform with initiatives. The rapid development of industrial parks also corresponds to China's industrialization and urbanization. Such experience can also benefit other developing countries. Nowadays, industrial parks in China not only accelerate economic development, but also play important roles in social development. CAITEC is glad to discuss this experience with experts in this workshop, which will contribute to find a global model for industrial park development.

PRESENTATION OF PROJECT

UNIDO Guiding Framework for Industrial Parks



Jie ZHAO

*Industrial
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UNIDO

The concept of the Guiding Framework stems from the redefinition of UNIDO's mission to promote and accelerate inclusive and sustainable industrial development (ISID) at the 15th session of the Organization's General Conference. Launched in 2014, the Programmes for Country Partnership (PCPs) include industrial park development as an important element.

There are differences in each country's development levels, social institutions and policy strategies. Such varieties call for a relatively general standard as guidance for industrial park development. In the 1970s, UNIDO developed its own guiding standard for industrial parks, and it is essential to update it accordingly. The year 2018 is the 40th anniversary of China's reform and opening-up. During an interview with the Director General LI Yong this year, it was mentioned that in the early 1980s, with arrangements provided by UNIDO, a delegation from China visited a number of countries to gain global experience in industrial park development. Nowadays, China has a lot of best practices and successful experiences in industrial park development, and can share them with others under the support of UNIDO.

The Guiding Framework will provide a general set of steps and principles to be considered for setting-up and developing industrial parks, and will consider a range of standards to be adopted. As discussed in the internal workshop with CAITEC, specific standards and indicators may vary according to different context.

Various dimensions are considered in the Guiding Framework for Industrial Parks, including the planning stage, the setting-up and management. The methodology for developing this Guiding Framework includes UNIDO internal research based on cross-divisional interdisciplinary knowledge, and also country specific case studies, in which the China case study is one of the most important for providing lessons learned from experiences and best practices.

This Guiding Framework is of course not based only on UNIDO's expertise. Contributions from partners, such as the Export-Import Bank of China, the Asian Development Bank and the African Development Bank, will be incorporated into the Guiding Framework, making it a comprehensive reference and guide for industrial park planning and implementation. The Guiding Framework is expected to launch at the end of 2018.

Hui CHENG

Development of an Internationally Accepted Industrial Park Development Guiding Framework- The Experience of China



Hui CHENG

Director

*Institute of Trade and
Investment Security*

CAITEC

Industrial park development in China concurs with the country's opening-up and reform process. In 1979, the first industrial park in China was established in Shenzhen. In 1988, the first national level Economic and Technological Development Zone (ETDZ) was established in Dalian. In 1990, the first Customs Special Supervision Area (CSSA) was established in Shanghai. In the past 40 years, industrial parks have served as an engine of economic development in China and have contributed enormously to social and economic development. This has also generated a lot of experience and best practices, which can be shared with the rest of the world. The strong support from the government, the proper selection of locations and the suitable connection between industrial parks and urbanization were particularly important for the rapid development of industrial parks in China.

As a high-level think tank in China, CAITEC's long-term research on industrial park development in China has generated significant achievements in dimensions such as feasible studies, development planning, and monitoring and evaluation.

Over the next few months of this joint study, CAITEC will conduct four major tasks. Firstly, CAITEC will collect first-hand information via field visits to model industrial parks in China as well as seminars with relevant industrial park administrative committees. Secondly, CAITEC will organize national and international workshops jointly with UNIDO, and exchange ideas with relevant experts. This workshop is one of them. Thirdly, CAITEC will learn from the experience of other countries in industrial park development. Fourthly, CAITEC will provide a research output which summarizes the major achievements with best practices and recommendations.

KNOWLEDGE SHARING BY GOVERNMENT REPRESENTATIVES OF CHINA

National Economic and Technological Development Zone Development



Tianxia HU

*First Secretary of
Commerce*

*Department of
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Administration*

MOFCOM

China has over 500 national level ETDZs, High Technology Development Zones (HTDZ) and CSSAs, as well as over 3,000 provincial level ETDZs, HTDZs and CSSAs. The 219 national level ETDZs occupy over 2.5% of Chinese territory, and contribute to more than 10% of China's GDP.

The Chinese experience of industrial park development is characterized by the selection of suitable locations. The first batch of industrial parks in China was established in coastal areas. Shenzhen is one of the best examples, whose success lies on its proximity to Hong Kong. The success of the Dalian ETDZ is also strongly connected to its linkages with Japan.

The agglomeration of industries in China is still an ongoing process. Shenzhen is again an example of good practice, for instance, its electronic and communication industries have completed agglomeration and entered the process of establishing an industrial chain. However, there is still limited successful industrial agglomeration in other ETDZs. This deserves further attention and could become a focus point in the coming future. It also reveals the imbalance of regional development in China. Therefore, it is advised to explore some relatively less developed industrial parks.

In terms of management and institutional issues, China has significant differences with many other countries. In China, the government has a strong presence in the economy, and the ETDZs are managed by administrative committees nominated by the government. Compared to international experience, China's industrial park development is not predominantly market-driven. Nevertheless, market factors are playing increasingly important roles in China's industrial park development in view of a deeper opening-up and reform process.

High-tech Development Zone Development



Li ZHOU

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Ministry of Science and Technology

The Torch High Technology Industry Development Center is the administrative office of national level HTDZs. The Centre appreciates the UNIDO-CHINA joint study of industrial parks, and hopes to contribute to this joint study.

As evidenced by China's history of opening-up and reform, HTDZs develop rapidly and contribute significantly to economic development. The first HTDZ was established in Beijing in 1988. 51 new national level HTDZs were accredited in 1991 and 1992, only less than 4 years after the establishment of the first HTDZ. In total, there are currently 168 HTDZs in China, with 114 of them located in the east and central part of China, which reveals a regional imbalance.

According to the most recent data (2016, 146 national level HTDZs included), the GDP generated by HTDZs was RMB 8,770 billion (USD 1,300 billion), which contributed to 11.8% of the annual GDP. If this considered as an independent entity, it ranks 12 or 13 globally, higher than the Russian Federation and Spain. If taking other indicators into consideration, such as research and development (R&D) investment, HTDZs in China have contributed even more to the economy.

HTDZs also contribute significantly to social development in China, especially the connection between industry and urbanization. The rapid urbanization process in China has largely depended on the expansion and development of HTDZs. For example, HTDZs were usually at the outskirts of urban areas at initial stages. But with developments of the past 30 years, HTDZs often become new regions of urban areas, or even become the 'business cards' of the urban areas where they are located.

The successful development of HTDZs cannot be achieved without effective management and strong support from the government. In particular, the local preferential policies provided by provincial governments, such as tax premiums and favourable land prices, are extremely important for the development of HTDZs at initial stages, although these no longer exist nowadays.

HTDZs have strong emphasis on human resource agglomeration and development. Strong connections with academic institutes and enterprise incubators develop good 'Industry-Academic-Research' linkages, which generate valuable human resource agglomeration and development systems for HTDZs. In particular, since 2018, strong competition for attracting high-level talents is further contributing to the development of HTDZs. Nevertheless, such efforts and emphasis on human resource agglomeration and development are still not comparable to global-leading HTDZs, such as Silicon Valley (United States), which have a more open and international atmosphere for talents from all over the world.

Customs Special Surveillance Area Development



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Customs*

136 CSSAs have been established since the first CSSA was developed in Shanghai in 1990. They are scattered across 29 provinces and direct-governed cities of China, with a total land coverage of over 400 square kilometers. The institutional foundation for CSSAs in China is the appendix of the International Convention on the Simplification and Harmonization of Customs Procedures (the so-called 'Kyoto Convention'), which China joined in 1988.

CSSAs have contributed to China's economy, particularly its foreign trade significantly. In 2017, the 136 CSSAs generated a total export and import value of USD 685.99 billion, which accounts for nearly 1/5 of the national total. Considering CSSAs only have total land coverage of around 400 square kilometers, this is really an outstanding figure. USD 124 billion was contributed alone by the Shanghai CSSA. Another example is the Xinzheng CSSA in Henan Province. Before the Xinzheng CSSA was established, the total value of export and import in Henan Province was merely USD 30 billion. But in 2017, the Xinzheng CSSA itself contributed an export and import value of nearly USD 50 billion. It is noted that Xinzheng CSSA only covers a land area of 5 square kilometers.

CSSAs have strong oversea connections and cooperation. Under the 'Belt and Road' Initiative, since 2013, the China General Administration of Customs has promoted a lot of collaboration with countries alongside the road, such as Belarus, Uganda, and Ethiopia. Over 50 countries have exchanged ideas and experience with the China General Administration of Customs, especially on the different aspects of CSSAs. It is believed that strengthened collaboration in CSSA development and management corresponds to globalization. A particular example is the recent Europe-China Smart and Secure Trade Lanes Pilot Program, under which trains between China and Europe only need to complete customs procedures once even they pass through different countries. Agreements have been signed with over 20 countries alongside the route. In the future, the China General Administration of Customs will be glad to enhance its collaboration with others countries under the framework of the Kyoto Convention, and contribute to a better investment environment and increased trade.

KNOWLEDGE SHARING BY FINANCIAL INSTITUTIONS OF CHINA

Policy Bank in Supporting Industrial Park Development



Yu WANG

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China*

The Export-Import Bank of China has supported more than 20 industrial parks overseas and over 70 industrial parks domestically, with loans over RMB 6 billion and 11 billion respectively. The overseas industrial parks supported by the Export-Import Bank of China are mainly located in Africa and Asia. Two cases are being discussed at this the workshop, both located in Africa.

The first case is the China Economic Trade Cooperation Area in Zambia, which is the first project invested and operated by Chinese enterprises in Africa. So far, the planned socioeconomic objectives have been achieved. For example, by the end of February 2018, the accumulated sales reached over USD 13 billion, with 51 enterprises currently operating in the park. It has a wide coverage of industries, including heavy industry, mining, agriculture and construction. In total, around 7,600 jobs have been created for Zambian employees. In this project, the Export-Import Bank of China provided USD 83 million as an overseas loan, which is one of the major financial products of the Bank. This type of loan targets Chinese registered and owned enterprises with intentions to invest in other countries, and is widely appreciated by Chinese enterprises.

The second case is the electro-industrial park in Uganda. For this project, the type of financial support provided was overseas commission loan. It targets both Chinese and foreign clients with a strong aim to enhance collaboration with foreign governments and financial institutions. For example, in this case, the client is the Ministry of Finance of Uganda, which is considered to be a reliable client with essential ability to pay back the loans and interest. Insurance has also been purchased from Sinosure as risk management.

Investment in Industrial Parks of Africa



Zhong YANG

Vice General Manager

*Department of
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*China-Africa
Development Fund*

The China-Africa Development Fund was established in 2007, whose parent company is the China Development Bank. The mission of the Fund is to support direct investment in Africa, with the initial scale of USD 5 billion. At the end of 2015, President Xi Jinping declared an expansion of this scale to USD 10 billion. The Fund aims to support Chinese enterprises' direct investment in Africa, and also to enhance the sustainable capability of Africa in marketized modes. More specifically, investment from the Fund has several core functions: provide financial support, supply information and share risks.

So far, the Fund has invested in 91 projects across 36 African countries. Its investment has a wide coverage of industries, including infrastructure, agriculture, production, mining and so on. Industrial parks are also an important investment target of the Fund, for which it has established three divisions, respectively focusing on infrastructure, energy and resources, and all other areas.

Over the past 10 years, China's investment in industrial parks in Africa has increased significantly. This includes official investment under the guidance of MOFCOM as well as private investment from the business sector. The China-Africa Development Fund invested in three industrial parks in Africa: Egypt, Nigeria and South Africa. These parks demonstrate considerable progress and strong collaborations between the Fund, governments and enterprises.

Africa has favorable foundations for industrial park development, including an abundance of natural resources, solid experience in industrial park management over the past decades, as well as the accelerated progress of African integration. A particular advantage of investing in Africa and its industrial parks is that there is ample labour supply.

However, it is essential to note that investing in African countries also has significant challenges and risks, especially for industrial parks, which are usually long-term projects. Based on the Fund's experience, these risks and challenges include political risks, lack of supporting systems, land use conflicts as well as operational issues in industrial parks. The Fund is also taking relevant counter-measures, including proper integration of resources and knowledge sharing.

KNOWLEDGE SHARING BY BUSINESS SECTOR OF CHINA

The Safety Production in Industrial Parks



Weimin ZHANG

President

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Environmental
Monitoring Co. Ltd*

Environmental monitoring, source-tracing, simulation and warning are four essential parts for the safe production of industrial parks. The company has 13 technical and information modules to support these four essential parts.

The innovative project in Dafeng, Jiangsu Province, covers a technical gap of this important dimension. For example, monitoring data obtained in the distance 10m to 50m above ground would be the optimal data which best supports source-tracing of pollutants. Based on this innovative monitoring system, environmental warning signs can be sent to stakeholders such as safety supervision bureaus, environmental protection bureaus and fire brigades.

Simulation is able to evaluate the possible environmental outcomes and therefore contributes to a suitable risk management system. Currently, technological progress enables the simulation of environmental outcomes on an hourly basis. More details on the company and the innovative technology used will be provided during the on-site visits to Suzhou Industrial Park following the workshop.

Sustainable Development of Green/Eco- Industrial Parks



Caixing Li

President

*China Energy
Conservation (Suzhou)
Environmental
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Industrial Park Co., Ltd*

China Energy Conservation Environmental Protection Group (CECEP) is the only central government-owned firm in China which works on the environmental protection of industrial parks. So far, CECEP has contributed to the development of 27 industrial parks mainly in the Pearl River Delta and Yangtze River Delta. In comparison with other industrial parks, the industrial parks developed by CECEP are relatively small in size.

CECEP's industrial parks have a strong green industrial background rather than focusing only on eco real estate. For example, in the 27 industrial parks, over 70% of the enterprises are energy saving and eco-friendly companies. The 'green-oriented' mode covers stages of development, park marketing and operational management.

CECEP is also exploring the opportunity to contribute to the real circular economy system, and bring advanced technology and products to upgrade industrial parks. The concentrated management of eco-industry enterprises with the agglomeration of green industry has provided valuable experience to CECEP's business over the past 15 years. A field visit to CECEP Suzhou would be useful for further understanding and discussion.

Preliminary Exploration of Park Construction and Development



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Public-Private Partnerships (PPPs) are viable solutions to some of the challenges of industrial park development, particularly the regional imbalance of industrial development during the rapid urbanization process in China. The current PPP solution adopted and approved by the State Council can be summarized as ‘Government leads, enterprises operates, win-win collaboration’, which in practice means that Fortune Land and industrial park administrative committees establish joint ventures with the participation of other social organizations. Joint ventures significantly contribute to fundraising and talent development for less developed regions and industrial parks in these areas.

PPPs also enable the strengthening of industrial park development capability. For example, joint ventures with the government and other social organizations enable better integration of resources. One feature is that expertise from international leading consulting firms, such as Boston Consulting Group and Accenture, has been incorporated into industrial park development strategies. This was very innovative especially in the early 2000s.

Experience of Sino-Singapore Tianjin Eco-city Development and Administration



Zhengyang PENG

Director

*Sino-Singapore Tianjin
Eco Administrative
Committee Legal
Bureau*

The Sino-Singapore Tianjin Eco-city was established in 2008; therefore 2018 is its 10 year anniversary. Currently, the residential population amounts to around 100,000, over an area of 10 square kilometers.

Our successful experience relates to institutional design and urban green development. The institutional design includes four aspects: the strong support from high-level officials in China and Singapore, a highly efficient management system granted by Tianjin municipality, clear legal support and a marketized development mode. For example, Tianjin municipality allows a wage level within the Eco-city which is significantly higher than in the rest of Tianjin.

Urban green development refers not only to efforts in green planning, environment protection and recycle energy systems, but also sustainable social infrastructure. Public social services have developed rapidly during the urbanization process. For example, eight high-standard primary and middle schools have been established in the Eco-city, which significantly increased the attraction of the Eco-city.

Challenges coexist with successes. The implementation of preferential policies is not perfect. Also in future, the planning of development needs better alignment with public service capabilities. The evaluation of green development also requires updates according to practice and experience.

KNOWLEDGE SHARING BY DEVELOPMENT INSTITUTIONS

UNIDO Technical Assistance on Industrial Parks



Petra SCHWAGER

*Senior Industrial
Development Officer*

*Department of
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UNIDO

UNIDO is a specialized agency and serves as an important platform for achieving Sustainable Development Goal 9, which also supports the inclusive and sustainable development of industrial parks. A new framework for eco-industrial parks was developed by UNIDO jointly with Deutsch Gesellschaft for Internationale Zusammenarbeit and the World Bank.

This framework aims to guide policymakers and practitioners in establishing economically, socially and environmentally sustainable eco-industrial parks. In addition, it is essential to have evaluation indicators, which would be useful for policy-makers and investors when making decisions. The framework also enables a proper allocation of resources and offers clarification on similar but different concepts, such as low carbon parks, sustainable industrial parks and green economy. This framework needs to be further tested and adopted, although it has already been adopted to evaluate some industrial parks, and found those two industrial parks, one in Austria and another in Korea, have satisfied relevant standards as outlined.

Latin America has its own practical experience in industrial park development. During the process of rapid industrialization, it is seldom noticed that enthusiasm and confidence in industrial parks has reduced, in comparison with in the 1980s and 1990s. With the efforts of UNIDO and Member States, nowadays more and more people in Latin America are developing an interest in industrial parks.

Large industrial park projects in Argentina have generated good experiences which enable comparative studies with those in China and other countries. Also, in Peru, due to relatively higher level of economic freedom, the demand analysis for industrial parks is more important than the development objectives. For example, it is essential to identify whether there is a real need for industrial parks in Peru, and whether government interventions are necessary. If needed, the government's role also needs to be defined. Therefore, it is important to really pay attention to current industrial parks and relevant upgrading, instead of merely establishing new industrial parks. It is also essential to have standards to evaluate industrial parks.

Industrial Park Development in Ethiopia



Eneyew Abera
GEBREMENFAS

*International
Consultant*

*Department of Agri-
business*

UNIDO

In the past decade, the Ethiopian economy has developed significantly, especially its agro-sector. However, in terms of industry, especially manufacturing, the development is still limited. These can be attributed to several factors, such as lack of financial support, limited foreign direct investment and challenges related to infrastructure, including tele-communications, electricity, water supply and transport.

Another important factor is that, in Ethiopia, the comprehensive industrial development strategy is fairly recent and its implementation has spaces for improvement. Based on South-east Asia's experience, such strategies are very important for industrial parks in developing countries. Bureaucratic issues also exist in this aspect.

The Government of Ethiopia has identified several priorities in industrial park development. The first priority is light manufacturing. The second priority is the promotion of exports, including exports of textiles, leather and agro-refining products. In 2007, Ethiopia developed the first real-term industrial park, named the Eastern Industrial Park, which is also one of China's oversea parks. The practice has generated experience to enrich governmental strategies.

Industrial parks in Ethiopia can be divided into regional level parks and federal level parks. The Hawassa industrial park is a model state level park with 52 enterprises currently. It mainly focuses on the production of clothes, while maintaining high environmental standards. Regional industrial parks, being different from federal level industrial parks, put more efforts on agriculture and agro-refining. They usually combine agriculture and industries, and enable a stronger connection of local farmers with global food supply chains. In terms of location selection, federal level industrial parks are usually located in metropolitan areas, while regional level industrial parks are often located in rural regions.

Industrial Park Development in Peru



*Franz Paul Baumann
SALAS*

National Coordinator

*Department of
Environment*

UNIDO

Industrial parks provide an effective solution to some of Peru's economic challenges, for example, debt crisis and industrial structure challenges. Currently, there are 19 industrial parks according to their recognized legal status.

The Government of Peru has a special ministry, called the Ministry of Production, which is responsible for industrial park development. It provides technical assistance to local governments, or supports the local governments to initiate suitable planning and strategies. The private sector is also highly encouraged to play a role in industrial park development. It should be noted that, in Peru, efforts of the government efforts are relatively separate from the work done by the private sector.

UNIDO provides technical support to Peru, including to newly established industrial parks. For Eco-Industrial Parks in Peru, UNIDO assists to review overall national planning related to parks as well as upgrade current industrial parks. The UNIDO Guiding Framework for Industrial Park Development, on which we are working together, will bring significant contributions to industrial parks in different regions of Peru. Therefore, the Ministry of Production understands the importance of the Guiding Framework and is confident that it will support future decision-making and promote industrial park development in the whole country as well.

Pilot Free Trade Zone Development in China



Weijie CUI

Director

*Institute of Industry
Development and
Strategy*

CAITEC

Free Trade Zones (FTZs) in China are part of the opening-up and reform process and have achieved significant positive outcomes and accumulated a number of valuable experience for further reforms.

The first FTZ was established in Shanghai in 2013, with land coverage of over 28 square kilometers. Another three FTZs were established in Guangdong, Tianjin and Fujian in 2015. These three FTZs can be considered as the second batch, with an important function to generalize more re-producible experience for institutional innovations. Another seven FTZs were accredited in 2017 as the third batch, to enable better regional balance of FTZ allocation and provide more experience according to differences in regions.

FTZs have contributed significantly to institutional reforms in China, especially in the foreign trade aspect. For example, one-stop services and reformed registration systems have reduced the average foreign-owned business registration time from one month to around three days. Administrative committees have also developed good experiences and knowledge to enhance efficient management, especially in information sharing and collaborative law-enforcement actions. An overview of FTZs shows that customs clearance efficiency has increased by at least 40%.

Under national development strategies, FTZs also incorporate different regional level development modes, which bring suitable flexibility according to local circumstances. For example, the FTZ in Chongqing benefits from its good location alongside the Yangtze River and serves as the strategical hub for the Great West Development. The FTZ in Shanxi benefits from its location at the start of the Silk Road and is making efforts to connect its development with the 'Belt and Road' Initiative.

In the future, as clearly outlined in the report of the 19th Congress of Chinese Communist Party, FTZs in China will be entitled to more freedom and flexibility. These include wider industrial coverage, more efficient administrative systems and stronger oversea connections. The standards of opening are also likely to be higher and more specific. They may incorporate more viable common international practices and conduct suitable risk assessments. In emerging areas, such as mobile payments which China is leading, some higher level regulations may be explored and promoted globally.

CONCLUSIONS

Main Results

- History, status quo and prospects of industrial parks in different countries were introduced. Participants learned about the different classifications of industrial parks and management systems in China.
- Participants developed a better understanding of the objectives and importance of the UNIDO-CHINA joint study on industrial parks.
- Participants gained an understanding of the history of industrial park development in China and also China's opening-up and reform process over the past 40 years. Participants developed an understanding that summarizing of experiences and best practices of industrial park development in China needs to be considered in the context of China's opening-up and reform.
- Participants stressed the need for using experiences and best practices of China to assist the development of industrial parks in other countries. Lessons learned during the development of industrial parks in China can generate useful guidance for other countries.
- The significant contribution of industrial parks to China's economic development was acknowledged throughout the workshop. These contributions include not only GDP growth, but also various other aspects such as social development, institutional innovations and urbanization.
- Participants expressed interest in China's overseas industrial parks, and the development, management and operations of these industrial parks. The challenges and risks of China's overseas industrial parks were also discussed.
- Participants developed a better understanding of industrial park development in other countries such as Ethiopia and Peru. Experiences from these countries can also benefit China's industrial park development, and further enrich knowledge to develop the Guiding Framework.
- UNIDO's know-how and experience were also introduced to participants from China. Participants appreciated UNIDO's assistance on industrial park development. The PCP and the International Framework for Eco-Industrial Parks also attracted interest from participants.

Follow-up Actions

- As part of the Guiding Framework, the UNIDO General Guidelines for Industrial Parks will be produced and updated based on the discussions and knowledge sharing of the workshop.
- CAITEC will continue working on the China country case study for the Guiding Framework as described in the workshop.
- A second workshop will be organized in the second half of 2018 with the participation of representatives from the government, financial and development institutions and the business sector, with the objective to further expand and exchange knowledge.

ANNEX

List of Participants

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