
Incentives and Favorable Policies Available in Suzhou Industrial Park

March 16, 2021 Posted by [China Briefing](#) Written by [Zoey Zhang](#) Reading Time: 6 minutes

In the second article in our two-part series on the Suzhou Industrial Park (SIP), we examine the SIP's major investment incentives and favorable policies offered to enterprises and talents.

In part one, we profiled the SIP and explained why it has become such a popular foreign investment destination in China (see the article [here](#)).

To attract high-quality enterprises and talents, Suzhou Industrial Park (SIP) has introduced a slew of unique incentives and favorable policies.

Enterprises engaging in the manufacturing industry and in the 'three emerging industries' – biomedicine, nanotechnology, and artificial intelligence (AI) – as well as headquarter enterprises can secure attractive rewards, rent subsidies, and other subsidies.

Top or urgently needed talents working in the headquarter enterprises may enjoy cash rewards and house purchasing subsidies. For those starting up a business in the Park, the SIP grants business development funds, loan support, and various subsidies covering rent, housing, and R&D.

This article will explain the above policies. It also highlights some noteworthy information about the SIP's special measures to facilitate foreign talents' entry and exit as well as work and life in Suzhou.

Support for manufacturing industry

The Suzhou Industrial Park focuses on developing six major industries, officially called the '2+3+1 industrial layout'. They are:

- Two pillar industries – new generation information technology (NGIT) and high-end equipment manufacturing.
- Three emerging industries – biomedicine, nanotechnology application, and AI.

- One modern service industry.

On March 9, 2021, the SIP management committee released *Several Measures on Improving the High-Quality Development of Manufacturing Industry* ([Su Yuan Guan\[2021\] No.3](#)).

To develop high-end manufacturing industrial clusters, foster core high-tech industry supply chains, and encourage service-oriented manufacturing – the SIP offers attractive cash incentives and credit support to qualifying enterprises.

The incentives listed in the following table have come into force on the date of promulgation and will be valid for five years.

Support for Manufacturing Industry in Suzhou Industrial Park		
Category	Details	Incentives
Fostering large and strong company	Outstanding enterprises or enterprises in the key position of a supply chain, which achieved annual revenue of more than RMB 100 million and the revenue remained year-on-year revenue growth	Up to RMB 10 million, depending on the enterprise's contribution to the local economy
Encouraging investment in equipment upgrade	Recognized expansion and reconstruction projects by outstanding enterprises with investment in equipment of more than RMB 20 million; or Technological transformation projects by manufacturing enterprises with investment in equipment of more than RMB 2 million	Up to RMB 10 million, depending on the actual investment in equipment
Encouraging high-end manufacturing	Outstanding enterprises that take the lead in making first breakthroughs in the major technical equipment or core component manufacturing	Up to RMB 10 million, depending on the sales revenue of the product
Encouraging service-oriented manufacturing	Key enterprise in the 'plateau industries' with service revenue over RMB 5 million	Up to RMB 2 million, depending on the service revenue
Encouraging manufacturing innovation center	Valuated as a state-level manufacturing innovation center, industrial innovation center, or technology innovation center	Up to RMB 30 million
	Valuated as a province-level manufacturing innovation center, industrial innovation center, or technology innovation center	Up to RMB 5 million
	Recognized public service platform for manufacturing industry built by the enterprise that is in the key position of a supply chain	Up to RMB 10 million
	The above public service platform that passed the annual assessment by SIP	Up to RMB 2 million per year

Note: This table is a brief summary of SIP's support measures for manufacturing industry. For details of the full favorable policy and qualification requirements, please refer to the original government policy document or consult our professionals.

Graphic©Asia Briefing Ltd.

Support for biomedicine, AI, and nanotechnology industries

To support the development of the three emerging high-tech industries in the SIP, the Park offers large amounts of subsidies and incentives to enterprises in related sectors in the enterprise's R&D and operation stages.

RELATED SERVICES

-  [LEARN HOW TO GET A CROSS COUNTRY COMPETITIVENESS BENCHMARKING REPORT FOR YOUR NEXT MARKET ENTRY](#)
-

For the biomedicine industry, the Park aims to bolster the production of chemical medicine, biologic products (including biological medicine, blood products, and vaccines), Chinese traditional medicine and natural products, high-end medical equipment and devices (in Category II or III), new biotechnology, and emerging therapies, etc.

In the AI industry, the SIP wants to achieve the industrialization of AI technology and foster a world-class AI industrial cluster. Thus, various rewards and subsidies are available for leading enterprises settled in the Park, especially those that have realized innovation and application of AI technology, such as smart chips, smart software, and smart hardware.

In terms of the nanotechnology industry, the SIP welcomes enterprises engaged in nanomaterials, micro and nano fabrication, nano energy technology, nano biomedicine, and other related fields.

Support for Three Emerging Industries in Suzhou Industrial Park

Biomedicine

Category	Details	Incentives
Encouraging the registration and manufacturing of new drugs	Chemicals in Category I, biological products for therapeutic use in Category I to III, biological products for preventive use in Category I, traditional Chinese medicine and natural products in Category I to VI	<ul style="list-style-type: none"> Completed the preclinical safety evaluation study: up to RMB 1,000,000, depending on the actual expenditure; and Completed the preclinical study of the drug, applied for clinical trials, and the application was accepted: RMB 1,000,000 <p>Or</p> <ul style="list-style-type: none"> Completed the preclinical study of the drug and obtained clinical trial approval: RMB 1,000,000; and Completed Phase I&II clinical trials: up to RMB 500,000, depending on the actual expenditure.
		<ul style="list-style-type: none"> Completed Phase III clinical trials, applied for new drug certificates or new drug manufacturing, and the application was accepted: RMB 800,000
Encouraging the registration and manufacturing of generic drugs	Chemicals in Category II or III, biological products for therapeutic use in Category IV to XIV, biological products for preventative use in Category II to XIV	<ul style="list-style-type: none"> Drugs have been registered and marketed: <ul style="list-style-type: none"> Year 1: 3% of the product's sales revenue Year 2: 2% of the product's sales revenue Year 3: 1% of the product's sales revenue No more than RMB 3,000,000 within three years
		<ul style="list-style-type: none"> Became one of the first three enterprises in China that have passed the Consistency Evaluation of Generic Drugs: a one-time reward of RMB 500,000
Encouraging the registration and manufacturing of high-end medical device	Medical devices in Category III	<ul style="list-style-type: none"> Implantable medical devices which completed clinical trials: up to RMB 600,000
		<ul style="list-style-type: none"> Other medical devices which completed clinical trials: up to RMB 500,000
		<ul style="list-style-type: none"> Medical devices have been registered and marketed: <ul style="list-style-type: none"> Year 1: 3% of the product's sales revenue Year 2: 2% of the product's sales revenue Year 3: 1% of the product's sales revenue No more than RMB 3,000,000 within three years
		<ul style="list-style-type: none"> Obtained the registration certificate of (Implantable or Interventional) medical devices in Category III: RMB 500,000
Encouraging enterprises to apply for international or domestic certificates	New drugs	<ul style="list-style-type: none"> Obtained the production license for medical devices in Category III: RMB 600,000
		<ul style="list-style-type: none"> Obtained the special approval qualification of national innovative medical devices: RMB 500,000
		<ul style="list-style-type: none"> Medical devices have been registered and marketed: <ul style="list-style-type: none"> Year 1: 3% of the product's sales revenue Year 2: 2% of the product's sales revenue Year 3: 1% of the product's sales revenue No more than RMB 1,500,000 within three years
		<ul style="list-style-type: none"> Medical devices have been registered and marketed: <ul style="list-style-type: none"> Year 1: 3% of the product's sales revenue Year 2: 2% of the product's sales revenue Year 3: 1% of the product's sales revenue No more than RMB 1,500,000 within three years
Encouraging enterprises to apply for international or domestic certificates	New drugs	<ul style="list-style-type: none"> New drugs have been registered in FDA, EMA, or EDQM and marketed: Up to RMB 1,000,000
	Medical devices in Category II or III	<ul style="list-style-type: none"> Medical devices got international market access certifications from FDA and CE: Up to RMB 500,000

Artificial Intelligence		
Category	Details	Incentives
Support for leading enterprises	Settlement rewards	<ul style="list-style-type: none"> • 10% of the paid-up capital to be refunded over the course of three years; and • No more than RMB 50,000,000 per enterprise
	Rent subsidies	<ul style="list-style-type: none"> • Free rent for the first three years and 50% off for the following three years; and • No more than RMB 5,000,000 per year.
	Rewards for enterprises with local economic contribution	<ul style="list-style-type: none"> • Up to RMB 5,000,000 per year for no more than three years, according to the enterprise's contribution to local economy
	Rewards for senior staff	<ul style="list-style-type: none"> • Up to RMB 1,000,000
Support for AI technology application	AI service providers carrying out intelligent manufacturing integration services	<ul style="list-style-type: none"> • Up to RMB 10,000,000 per year
	Valuated as demonstration project in related fields	<ul style="list-style-type: none"> • Up to RMB 1,000,000
Support for AI technology innovation	Encouraging enterprises to participate in formulating technical standards	<ul style="list-style-type: none"> • International standards: RMB 1,000,000 • National standards: RMB 500,000 • Industrial standards: RMB 200,000
	Valuated as demonstration pilot project in AI application	<ul style="list-style-type: none"> • Up to RMB 5,000,000 per year
	Event subsidies	<ul style="list-style-type: none"> • Up to RMB 2,000,000 per event
	Platform subsidies	<ul style="list-style-type: none"> • Subsidies for self-built public service platforms: up to RMB 10,000,000 per year • Subsidies for using the services of the SIP's public service platforms: RMB 10,000,000 per year
	Subsidies for M&A projects	<ul style="list-style-type: none"> • Up to RMB 1,000,000 of agency fees

Nanotechnology		
Category	Details	Incentives
Support for nanotechnology enterprises	Recognized products	<ul style="list-style-type: none"> • RMB 20,000 for each product; and • Up to RMB 200,000 per year for each enterprise
	Recognized enterprises	<ul style="list-style-type: none"> • Sales revenue > RMB 10,000,000: RMB 200,000 • Sales revenue > RMB 50,000,000: RMB 1,000,000 • Sales revenue > RMB 100,000,000: RMB 2,000,000
Support for the development of gallium nitride industrial clusters	Using gallium nitride materials produced by enterprises in SIP	<ul style="list-style-type: none"> • 40% of costs of raw materials; and • Up to RMB 1,000,000 per year for each enterprise
	Using the public platform of SIP	<ul style="list-style-type: none"> • 40% of platform fee; and • Up to RMB 1,000,000 per year for each enterprise
Support for recognized MEMS products	Subsidies for the introduction of new MEMS products	<ul style="list-style-type: none"> • 40% of the introduction fee, no more than RMB 200,000 for each product; and • Up to 1,000,000 per year for each platform
	Subsidies for the tape-out of MEMS products	<ul style="list-style-type: none"> • 40% of the fee, no more than RMB 1,000,000 per year per enterprise
Encouraging the application of nanotechnology	Recognized demonstration project regarding nanotechnology application and industrialization	<ul style="list-style-type: none"> • No more than 30% of the total investment of the project; and • Up to RMB 1,000,000
Encouraging formulating nanotechnology standards	International standards	RMB 1,000,000
	National standards	RMB 500,000
	Industrial standards	RMB 200,000

Note: This table is a brief summary of SIP's support measures for biomedicine, AI, and nanotechnology industries. For details of the full favorable policy and qualification requirements, please refer to the original government policy document or consult our professionals.

Graphic©Asia Briefing Ltd.

Incentives for HQ enterprises based in Suzhou Industrial Park

The Suzhou Industrial Park has been constantly encouraging setting up headquarter enterprises here to boost the Park's 'headquarter economy.'

On June 2, 2020, the SIP issued *Several Opinions on Promoting High-Quality Development of the Headquarters Economy in SIP* ([Su Yuan Guan \[2020\] No.45](#)), aiming to attract headquarter enterprises to set up in the park.

Two types of headquarters (HQs) – “integrated HQs” and “functional HQs” – that are established after January 1, 2020 and meet the stipulated requirements are entitled to a whole range of settlement rewards over the course of five years (100 percent of the company's local economic contribution over the first two years and 50 percent over the later three years).

HQs that are already in operation in the SIP can also obtain business rewards (80 percent of the increase in the company's local economic contribution over the previous year).

For both types of newly established HQs, rent subsidies not exceeding 50 percent of the actual expenditure in renting office space (excluding facilities) can be granted within three years from the year following the HQ's establishment. The rent subsidies are also available for existing HQs, which purchased new office space or expanded their office space.

The subsidized area should be no more than 2,000 square meters for integrated HQs and 1,000 square meters for functional HQs. Also, the subsidy amount is no more than RMB 5 million (US\$774,440) for integrated HQs and RMB 3 million (US\$464,660) for functional HQs.

For HQs that are recognized as "innovative HQs" by the SIP, "case-by-case financial support" can be provided.

Incentives for Headquarter Enterprises in SIP			
	Integrated HQs	Functional HQs	Innovative HQs
Settlement rewards for new HQs	<ul style="list-style-type: none"> Year 1-2: 100% of the local economic contribution Year 3-5: 50% of the local economic contribution 		
Rewards for existing HQs	<ul style="list-style-type: none"> 80% of the increase in the local economic contribution over the previous year (Incremental portion) Not exceeding 50% of the actual expenditure within three years 		Special support on a case-by-case basis
Rent subsidies	<ul style="list-style-type: none"> Subsidized area is no more than 2,000 m² Subsidies are no more than RMB 5 million 	<ul style="list-style-type: none"> Subsidized area is no more than 1,000 m²; and Subsidies are no more than RMB 3 million 	

Graphic©Asia Briefing Ltd.

In addition to the above, top talents working for the eligible headquarter enterprises can be granted housing subsidies on a case-by-case basis, of up to RMB 5 million (US\$774,440).

High-end talents and urgently needed talents who have made outstanding contribution in the headquarter enterprises can be paid at five percent to 20 percent of personal salary, of up to RMB 400,000 (US\$62,000). Those who have made special contributions can be awarded up to RMB 1 million (US\$155,00).

Measures to achieve better work and life services for foreign talents

To further promote the opening-up and boost the recruitment of foreign talents, the [Suzhou Free Trade Area](#), which is mainly located in the SIP, released *Several Measures to Achieve Better Work and Life Services for Foreign Talents (Trial)* on February 20, 2021. The document covers 19 measures to facilitate foreign talent's entry, exit, and work in Suzhou, to improve the evaluation and incentive mechanism for foreign talents, and to optimize social service systems (social security, medical services, schooling for children, etc.) for foreign talents.

You may find the full official document in English [here](#). In the following content, we highlight some noteworthy information.

Mutual recognition of high-end talent in the Yangtze River Delta (YRD)

Qualifying foreign high-end talents working in the YRD coming to work in the Suzhou Area from other areas of the YRD can be granted a work permit and work-category residence permit for up to five years. Foreign high-end talents (Class A) who work in the YRD do not need to apply for or change their residence permit but can directly work for a part-time job or engage in entrepreneurship in the Suzhou Area.

Optimizing processing of work and residence permits for foreign talents

Recognized high-end foreign talent can use the personal commitment system when applying for a work permit. This exempts certificates of no criminal record, work experience documents, and other application materials. A green channel involving simplified document verification process will be available for foreign professionals.

Rewarding high-end and urgently needed talents

Foreign high-end talent (Class A) who fulfill the relevant conditions with an annual salary of RMB 400,000 or above and have paid individual income tax in Suzhou Area can receive an award of no less than 5 percent but no more than 20 percent of their annual salary, and not higher than RMB 400,000 per person per annum. Those who made special contributions will be eligible for a maximum of RMB 1 million per annum.

Support for top talents starting a business in SIP

For top talents that fall within one of the stipulated levels, such as academicians from developed countries, winners of the state's top science and technology award, and Nobel laureates, who start a business project with high-level innovation or broad market prospects or in three emerging industries like biomedicine, AI, and nanotechnology – the SIP can grant a start-up fund, credit support, rent and housing subsidies, and other subsidies.

Entrepreneurial Support for High-End Talents in Suzhou Industrial Park				
Category	Key leading project	Leading project	Growth project	Project in incubation
Startup funds	RMB 3-5 million	RMB 2 million	-	RMB 1 million
Rewards for realizing project industrialization	-	-	Up to RMB 10 million within three years	-
Equity investment	Up to RMB 10 million	Up to RMB 10 million	Up to RMB 10 million	Up to RMB 10 million
Loan support for technological project	Three-year loan of up to RMB 5 million	Three-year loan of up to RMB 2 million	Three-year loan of up to RMB 5 million	Three-year loan of up to RMB 2 million
Interest subsidies for project loans	50% of the loan interest rate, up to RMB 3 million within three years	50% of the loan interest rate, up to RMB 1.5 million within three years	50% of the loan interest rate, up to RMB 3 million within three years	50% of the loan interest rate, up to RMB 1.5 million within three years
Rent subsidies for R&D projects	No area limitation, three years' rent exemption	No more than 500 m ² , three years' rent exemption	No more than 1000 m ² , three years' rent exemption	No more than 500 m ² , three years' rent exemption
Housing rent subsidies	No more than 100 m ² , two apartments are rent-free for three years	No more than 100 m ² , two apartments are rent-free for three years	No more than 100 m ² , two apartments are rent-free for three years	No more than 100 m ² , two apartments are rent-free for three years
Housing purchase subsidies	Up to RMB 2 million for self-use housing in the SIP	Up to RMB 1.5 million for self-use housing in the SIP	Up to RMB 1 million for self-use housing in the SIP	Up to RMB 1 million for self-use housing in the SIP
Subsidies for SIP platform use	Up to RMB 500,000 within two years	Up to RMB 500,000 within two years	Up to RMB 500,000 within two years	Up to RMB 500,000 within two years

Graphic©Asia Briefing Ltd.

Link to the online article : <https://www.china-briefing.com/news/incentives-and-favorable-policies-available-in-suzhou-industrial-park/>